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EUROCONTROL

PRB Annual monitoring Report 2012

Volume 2

National overviews

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* No State 2012 Monitoring report received

1 Introduction

1.1.1 This report complements PRB's Volume I report and presents some more detailed information per State or FAB. This information is structured into 4 main parts:

- A Safety part;
- An en-route Capacity part;
- An airport Capacity part;
- A Cost-efficiency part.

1.1.2 The information contained in the first three parts is self-explanatory. However, the PRB considered that the Cost-efficiency part deserved a reader's guide to assist stakeholders in the reading and the understanding of PRB's analysis.

1.1.3 This reader's guide is presented in the following section.

2 Cost-efficiency monitoring at State level: Reader's Guide

2.1 Introduction

2.1.1 The objective of this Reader's Guide is to facilitate the reading and understanding of the analysis that is presented for the cost-efficiency KPI/PIs monitoring. It covers both en-route and terminal ANS cost-efficiency and comprises typically a four-page framework analysis which is consistently replicated for each State. The framework analysis has 12 specific "Items".

2.1.2 Each of the four-page cost-efficiency monitoring by State analysis begins with the presentation of contextual information (**Item 1**), in terms of the State's share in total EU-wide determined costs for 2012, the share of en-route and terminal ANS as covered by the SES in gate-to-gate ANS costs, and underlying information on the national currency and 2009 exchange rate to the Euro, as well as identification of the State's main en-route Air Traffic Service Provider (ATSP) and FAB's membership.

2.1.3 **Item 2** focuses on the examination of the en-route Determined Unit Rate (DUR) in 2012, comparing the actual performance (as per data submitted in the June 2013 State Reporting Tables submissions and the NSAs 2012 Monitoring Reports) and that stemming from the adopted National/FAB Performance Plans (NPPs). Item 2 presents the different steps underlying the computation of the real en-route cost per service unit which is presented in both national currency and euros. A comparison is made between the determined en-route unit costs as forecast in the NPP and the actuals over 2009-2012 (actuals covering up to 2012 only). It is important to note that in order to ensure consistency with the determined costs data provided in the adopted NPPs, actual costs are expressed in real terms (2009 prices).

2.1.4 **Item 3** reviews the RP1 traffic situation (en-route SUs) in the State/Charging Zone, comparing planned, actual and the latest May 2013 STATFOR forecasts to provide an indication of the likelihood of the traffic alert mechanism being activated.

2.1.5 **Item 4** at the top of the second page shows a comparison between the actual and planned en-route costs by nature and by service at State/Charging Zone level, and a summary of the costs exempt from cost sharing (by factor/item and by entity) as reported by the States. The PRB notes that all costs exempt from cost sharing listed here are as reported by the State. These costs shall be further documented and justified by the NSAs in a dedicated report and will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

2.1.6 **Item 5** and **Item 6** on the second page focus on the (main) en-route State's ATSP, the most significant contributor to the State's en-route costs and the only (or main) entity subject to the costs and traffic risk sharing mechanisms foreseen by the Charging Regulation. In this context, the analysis presented in both Item 5 and Item 6 introduce a new analysis. Indeed, 2012 marks the end of the full

cost recovery mechanism and SES ATSPs are subject to risk sharing arrangements which have direct implications on their profitability (profit margin and ex-post return on equity) and financial strength.

2.1.7 More specifically, **Item 5** shows the various steps to calculate the net ATSP gain or loss on en-route activity, taking into account the impact of the cost sharing and traffic risk sharing arrangements and additional gains/penalties resulting from financial incentives linked to capacity and/or environment where applicable. This permits the computation of a net gain/loss for the ATSP with respect to the en-route activity in the year 2012. Note that the calculation of this net gain/loss takes into account the costs exempt from cost sharing as reported for the ATSP (in Item 4). However, as the confirmation by the EC of their eligibility has not yet taken place, it cannot be assumed that the reported exemptions will be allowed in part or in full. For this reason, the results without taking account of the costs exempt from cost sharing is also presented in the text for the ATSP in Item 7 for those ATSPs having reported considerable exempted amounts likely to change the results significantly.

2.1.8 **Item 6** calculates the estimated profit margin of the ATSP for the en-route activity and compares planned with actual data for 2012. It is important to emphasise that the economic/financial analysis focuses on the ATSP results entitled to the activity in the year 2012. The cash flow position and liquidity balance at the end of the year is impacted by the charging mechanism whereby the eligible under-recoveries (for traffic, etc.) are to be recovered in year N+2 or later. It is also important to note that, due to the unavailability of key figures, the profitability analysis developed in Item 6 is based on assumptions (in particular for the share of equity and debt used to compute the weighted average cost of capital). The provision of more detailed information on the computation of the cost of capital in Annual Monitoring Reports and in the States NPPs for RP2 would certainly help to improve the monitoring analysis carried out by the PRB in the future.

2.1.9 **Item 7** on the third page provides a commentary and general conclusions on the State and ATSP en-route cost-efficiency performance for the year. This includes a qualitative and quantitative summary of the activity along with any drivers for a divergence from the NPP and comments where relevant.

2.1.10 The en-route DUR analysis concludes with **Item 8** at the bottom of the third page with an explanation of the incremental changes to the DUR (in national currency in nominal terms) to arrive at the Chargeable "National" Unit Rate (CUR) – which is the actual en-route unit rate charged to airspace users and takes into account, where applicable, factors such as exempted VFR flights, bonuses and penalties arising from incentives, and over- or under-recoveries from previous years. Note that both the DUR and the CUR presented in Item 8 are before the addition of the administrative unit rate for the billing and collection of route charges on a regional basis.

2.1.11 **Item 9** provides an overview of the terminal ANS costs and unit rates monitoring for 2012. An overview of the situation in the State is provided: the formula used to calculate the total terminal service units, the number of airports in the terminal charging zone and of them, the number of airports with over 50,000 commercial air transport movements. State terminal ANS data from the NPP is then presented, with the actuals, and a plain comparison made. **Item 10** provides concise commentary and conclusions with respect to the terminal ANS activity.

2.1.12 Finally, the analysis concludes with a short section (**Item 11**) on the monitoring of gate-to-gate ANS costs in 2012. Data from the NPP and actual data is presented along the same lines as for en-route costs (in Item 2) and terminal ANS costs (in Item 9). The share of en-route costs in gate-to-gate costs is also presented so as to detect if significant changes in the relative shares en-route/terminal have occurred, perhaps as the result of a change in cost allocation. A concise commentary and conclusions on gate-to-gate ANS costs complete the analysis under Item 12.

2.1.13 Note that the format of the analysis is slightly different for Spain (to enable the monitoring of the DUR for the two en-route charging zones, Spain Continental and Spain Canarias) and for France (to reflect the application of the determined costs method to terminal ANS services as of 2012).

2.2 Detailed reader's guide for the cost-efficiency monitoring analysis

1. Contextual economic information	
Contextual information: >> presenting the State's size in the context of the SES total (i.e. the State en-route ANS determined costs in 2012 as a % of the total en-route determined costs for the SES area). >> identifies the State main ATSP, State FAB membership, national currency, and exchange rate to the Euro in 2009 (when relevant).	Pie chart showing the share of en-route and terminal ANS costs covered by the SES and reported in the NPP in gate-to-gate ANS costs with respect to the year 2012
2. En-route DUR monitoring (2012)	
This table provides **summary data on the** comparison between the State's (charging zone's) **actual real en-route unit costs** compared to the **real en-route DUR** for 2012: >> NPP En-route DUR in 2012 in Real 2009 National Currency >> Actual **real en-route unit costs** in 2012 in Real 2009 National Currency, >> difference in value (Real 2009 National Currency) and in percentage terms between actual unit costs and NPP DUR and their costs, inflation and traffic components.	[where relevant] Note on the actual exchange rate of the National Currency in 2012, including: >> change in exchange rate to the Euro between 2011 and 2012. >> exchange rate of National Currency to the Euro in 2011 and 2012.
State/charging zone - Data from RP1 national performance plan (NPP). Table presenting RP1 NPP data covering the years 2009-2014 (2009 & 2010 data is actual), as included in the European Commission Notification letters to the States dated July 2012, including: >> Determined en-route costs as provided in adopted NPP, in nominal National Currency. >> Inflation in percentage increases per annum and indexed (to 100 in 2009). >> Determined en-route costs in Real 2009 National Currency. >> Total en-route Service Units as provided in adopted NPP. >> Determined en-route unit costs (en-route costs per Service Unit) presented in Real 2009 National Currency and Real 2009 Euros (€2009).	
State/charging zone – Actual data from June 2013 Reporting Tables, covering the years 2009-2012, including: >> Actual en-route costs, in nominal national currency, as reported by the States in their en-route Reporting Tables in June 2013. >> Inflation in percentage increases per annum and indexed (to 100 in 2009). The inflation rates are those reported by the States in their en-route Reporting Tables in June 2013, adjusted where necessary to reflect actual inflation from the NPP in 2010, and from Eurostat for 2011 and 2012 in line with the Charging Regulation, where necessary. >> Actual en-route costs in Real 2009 National Currency. >> Actual en-route Service Units, as reported by the States in their en-route Reporting Tables in June 2013. >> Actual en-route unit costs (en-route costs per Service Unit) presented in Real 2009 National Currency and Real 2009 Euros (€2009), using the 2009 Reuters average exchange rate shown in Item 1. The two right-hand columns of the table compare 2012 actual data to the forecast presented in the NPP, in value and percentage terms. **-> Identifies whether the actual real en-route unit cost is lower (improvement of the performance indicator) or higher (deterioration of the performance indicator) than the cost-efficiency target set in the NPP, and what were the drivers for the improvement or deterioration (difference in costs and difference in traffic).**	
Chart: comparing actual en-route unit costs and traffic to NPP (in €2009) This chart presents the data provided in the two tables above:	

>> DURs, as planned in the adopted NPP, in €2009 [bar chart].

>> Actual en-route unit costs in €2009 [bar chart].

>> Forecast and actual Total Service Units (TSU), indexed to 2009 = 100 [line chart].

>> Determined and actual en-route costs, indexed to 2009 = 100 [line chart].

-> Illustrates the planned and actual trends in TSUs, real en-route costs and real en-route unit costs.

3. En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)

Chart: en-route traffic monitoring

This chart presents actual and forecast traffic data covering the years 2009-2014 for the State/charging zone.

>> Actual TSUs covering 2009 – 2012.

>> Forecast TSUs as presented in the NPP, with error bars showing the ±2% dead band and the ±10% threshold under the traffic risk sharing mechanism.

>> Forecast TSUs for 2013 and 2014 as presented in the most recent STATFOR May 2013 forecast. The STATFOR base, high and low cases are presented.

The error bands on the chart show cases where the latest traffic forecast (STATFOR May 2013) for 2013 and 2014 may fall outside the determined traffic (as forecast in the NPP) with respect to the ±2% dead band, or the ±10% threshold.

-> Shows the trends in actual TSUs vs. NPP and the latest TSU forecast by STATFOR (May 2013) to assess the likelihood of the traffic alert mechanism to be activated during RP1.

4. En-route costs monitoring (2012 actuals compared to NPP)

Chart: costs by nature and by entity, differences between the actual 2012 costs and the national performance plan (in €2009).

This chart shows the total real en-route costs at national/Charging zone level (in €2009) broken down by nature (staff, other operating costs, depreciation, cost of capital, exceptional costs) and by entity (ATSP, other ANSPs, METSP, NSA/EUROCONTROL) and for each of these categories the actual 2012 costs are compared against the planned costs stemming from the adopted NPP. The ATSP is the "main" ATSP of the State concerned (as identified in Item 1. The other ANSPs are the other services providers in the State/Charging zone, if any (e.g. MUAC in Germany, Netherlands and Belgium/Luxembourg, ITAF in Italy, etc.).

The 2012 actual costs are those reported in the June 2013 Reporting Tables. Note that for some States, adaptations had to be made. These are described in a specific note box at the top of Item 7.

The results are presented in a bar chart that shows the difference between planned and actual in value terms. The percentage difference is also shown on the chart.

-> Identify the main elements driving the differences between 2012 actual costs and determined costs established in the NPP for 2012.

Table: Costs exempt from cost sharing

This section lists all costs reported by the State as being exempt from cost sharing (i.e. formerly labelled as uncontrollable costs).

Costs are listed by factor/item and by entity, with their estimated value in 2012, presented in €2009, using the actual inflation index for 2012 as shown in Item 2.

The total costs exempted from cost-sharing are summed at the bottom of the table. If the total is negative, the costs are to be recovered from airspace users in future years; if costs are positive, they are to be reimbursed.

Note that all costs exempt from cost sharing listed here are as reported by the State in the June 2013 Reporting Tables. These costs shall be further documented and justified by the NSAs in a dedicated report and will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

-> Present the costs exempt from cost sharing, as reported by the States.

5. Focus on ATSP – "net" ATSP gain/loss on en-route activity in 2012

Cost sharing table: This table presents in €2009:

>> Determined costs as presented in the NPP for 2012 for the main ATSP, converted into €2009 using the 2012 inflation index of the NPP (as shown in Item 2).

>> Actual 2012 costs for the main ATSP, as reported in the June 2013 Reporting Tables, converted into €2009 using the 2012 actual inflation index (as shown in Item 2). Note that for

Chart: combined effect of variations in costs and revenue for 2012

This chart shows the impact of the gain/loss to the ATSP

some States, adaptations had to be made. These are described in a specific note box at the top of Item 7. >> Difference in determined and actual, showing the gain (+) or loss (-) retained/borne by the ATSP in 2012. >> any amounts reported as costs exempt from cost sharing for the ATSP, as shown in Item 4, that are to be recovered from (+) reimbursed to (-) airspace users [provided they are deemed eligible by the EC]. >> the total Gain (+)/Loss (-) to be retained by the ATSP under cost sharing arrangements, taking into account the costs exempt from cost sharing. Note that, as the confirmation by the EC of their eligibility has not yet taken place, it cannot be assumed that the reported exemptions will be allowed in part or in full. For this reason, the results without taking account of the costs exempt from cost sharing is also presented in the text for the ATSP in Item 7 for those ATSPs having reported considerable exempted amounts likely to change the results significantly.	in 2012 with respect to each of the items in the tables to the left: >> Revenues (±) arising from cost sharing; >> Revenues (±) arising from traffic risk sharing; >> Revenues (±) arising from financial incentives; >> Net ATSP gain/loss. Figures are presented in €2009.
Traffic risk sharing table. This table presents the impact of the traffic risk sharing mechanism and the sharing of this impact between the ATSP and airspace users. >> difference in total service units (actual vs NPP) in percentage terms. >> Determined costs of the main ATSP in 2012 (in NPP) after deduction of costs for exempted VFR flights, as these are the basis for the calculation of the traffic risk sharing. These are expressed in €2009, using the 2012 actual inflation index (as shown in Item 2). >> the next four lines show the ATSP gain or loss under the traffic risk sharing mechanism. If actual traffic is ±2% when compared to the NPP, this is the 'dead band' and the resultant gain/loss in revenue is borne entirely by the ATSP. The gain or loss in revenue relating to actual traffic that is between 2% and 10% (higher or lower) than the NPP is shared between the ATSP and airspace users: with the ATSP bearing 30% and the airspace users 70%. If the difference between actual and planned traffic exceeds ±10%, the resultant gain/loss relating to traffic beyond ±10% is entirely borne by the airspace users and has therefore no impact on the ATSP gain/loss from traffic risk sharing.	
Incentives table: This table shows the gain/loss to the ATSP in 2012 with respect to the financial incentives, as provided in either State Reporting Tables commentary (Additional Information) or the annual NSA Monitoring Report. These are expressed in €2009, using the 2012 actual inflation index (as shown in Item 2).	
The **final net gain/loss to the ATSP** is the sum of: the gain/loss with respect to cost sharing, the gain/loss with respect to traffic risk sharing, and the gain/loss with respect to incentives, as noted in the tables above. This figure and its component parts can be seen in the chart on the right-hand-side of the page. **-> Shows the impact of the cost sharing and traffic risk sharing arrangements and additional gains/penalties resulting from financial incentives linked to capacity and/or environment where applicable with respect to the en-route activity in the year 2012. It is important to emphasise that this analysis focuses on the ATSP results entitled to the activity in the year 2012. It does not consider the cash flow position and liquidity balance at the end of the year which are impacted by the charging mechanism whereby the eligible under-recoveries (for traffic, etc.) are to be recovered in year N+2 or later.**	

6. En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin table. This table presents the component data and final conclusions on the main ATSP estimated profit margin. Planned data (as per the NPP) is presented for each year of RP1, all in €2009, using the 2012 inflation index of the NPP (as shown in Item 2). Actual data is presented for 2012 and is expressed in €2009, using the 2012 actual inflation index (as shown in Item 2).

>> a. total asset base, as per the NPP and the June 2013 Reporting Tables.

>> b. estimated proportion of financing through equity (in value and percentage terms).

>> c. estimated proportion of financing through debt (in value and percentage terms).

As a general rule, the proportion of financing through equity and debt were retrieved from the reported values for the cost of capital (d), the asset base (a) and the rates of RoE (g) and debt (e), using the following formula:

= (d-(a*e))/(a*g)-(a*e). For some ATSPs however, such a computation was not possible as it did not give "realistic" results. For these ATSPs, research was made through the available documentation (NPP, Additional Information to the en-route Reporting Tables, NSA 2012 Monitoring Report, ACE submissions, ATSP Annual Reports, etc.) and assumptions have been taken, which are detailed in a specific note presented in a box at the top of Item 7. These assumptions, as well as the results from the standard formula would need to be confirmed by the States concerned or amended where necessary.

>> d. cost of capital, as reported in the NPP and the June 2013 Reporting Tables. Note that for some ATSPs, adaptations had to be made as a result of the assumptions taken for the proportion of financing through equity and for the pre-tax RoE (see g below). These are described in a specific note box at the top of Item 7.

>> e. average interest on debt (percentage).

>> f. the interest on the debt is calculated as the *average interest on debt* multiplied by the *value of the debt financing.*

>> g. Ex-ante (pre-tax) RoE is the planned Return on Equity (percentage), as reported in the NPP and the June 2013 Reporting Tables. In some cases, through the analysis of the different documentation referred to above, it was found that the rate of RoE as reported by the ATSP in the NPP and/or the Reporting Tables was not the pre-tax rate used for calculating the cost of capital as foreseen by the Charging Regulation. In these cases, the cost of capital (d) and RoE were recomputed and the details of the adjustments/corrections made are described in the note on top of Item 7.

>> h. the estimated profit embedded in the cost of capital for en-route is calculated as the *ex-ante (pre-tax) RoE* (%) multiplied by the *value of the equity financing.*

>> i. the net ATSP gain/loss on en-route activity is as presented in the conclusion to the above Item 5 – i.e. the sum of the ATSP gain/loss with respect to cost sharing, traffic risk sharing, and incentives.

Table presenting a summary of the profit margin and ex-post return on equity – RoE for the ATSP in respect of the en-route activity:

This table presents, in €2009, the following:

>> the estimated profit/loss for the en-route activity, which is the sum of the *estimated profit embedded in the cost of capital for en-route* (h) and the *net ATSP gain(+)/loss(-) on en-route activity* based on actual performance (i).

>> the planned revenue/costs for the en-route activity corresponds to the determined costs for the ATSP as per the NPP (converted into €2009using the 2012 inflation index of the NPP as shown in Item 2. The actual revenue/costs for the en-route activity is the sum of the *actual costs for the ATSP* and the *Net ATSP gain(+)/loss(-) on en-route activity* (both as presented in Item 5).

>> the estimated profit margin as a percentage of en-route revenue/costs is the profit/loss as a proportion of the revenue/costs

>> the estimated ex-post (pre-tax) RoE is calculated as the profit as a percentage of the value of the equity in the asset base. This value should be compared to the ex-ante (pre-tax) RoE presented a few rows above in the same table.

-> Shows the direct implications of the risk sharing arrangements on the ATSP profitability (profit margin and ex-post return on equity - RoE) and financial strength, focusing on the ATSPs results for the en-route activity performed in 2012.

Chart: estimated profit/loss for en-route activity

This chart shows, for each year of RP1, the actual and estimated profit/loss for the en-route activity as calculated in Item 6 compared to the estimated profit embedded in the cost of capital for en-route (as per NPP). For each the estimated profit margin as a % of en-route revenue/costs is also shown.

7. General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by the State

These notes, if any, present specificities reported by the State and issues to be highlighted. They also detail specific adjustments made to the data provided by the State for the purpose of the monitoring analysis (in particular in relation to Items 5 and 6).

At State/Charging zone level:

Text commentary providing general conclusions on the 2012 en-route DUR at State/Charging zone level, including:

>> comparison between actual costs and actual traffic to the costs and traffic forecast in the NPP.

>> comment on the application of the traffic risk sharing mechanism in the State: whether the 2012 difference between actual and planned traffic difference falls within the ± 2% dead band or the ±10% threshold, and whether the forecast traffic outlook (based on the latest, May 2013 STATFOR forecast) exceeds either the dead band or the threshold.

>> comment on the differences between actual 2012 costs and those planned in the adopted NPP, including a list of the main contributions/drivers to the difference, their nature and their entity.

>> a note on the costs exempt from cost sharing reported by the State. Note that all costs exempt from cost sharing listed here are as reported by the State in the June 2013 Reporting Tables. These costs shall be further documented and justified by the NSAs in a dedicated report and will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At Air Traffic Service Provider (ATSP) level

The State's (main) ATSP is the most significant contributor to total State en-route costs, so ATSP costs are therefore discussed in a standalone section. This section provides text commentary and general conclusions on the 2012 en-route DUR at ATSP level, including, if available:

>> comparison between actual 2012 en-route costs and those forecast in the NPP, noting the key drivers for their differences.

>> comments on actual capital expenditure and asset base as compared to that forecast in the NPP, with reasons for any divergence from the plan if known.

>> a summary of the net result (profit/loss) for the ATSP with respect to the en-route activity in 2012 (cf. Items 5 and 6).

A conclusion for the en-route 2012 monitoring analysis (still to be developed or refined/harmonised for some States' reports) is presented in bold at the bottom of Item 7.

8. Remark: En-route DUR 2012 vs 2012 unit rate charged to users

Chart: 2012 Chargeable Unit Rate (CUR) vs 2012 DUR in national currency in nominal terms.

This column chart provides a breakdown of the various components added to the 2012 Determined Unit Rate (DUR) to result in the actual rate charged to users: the 2012 Chargeable Unit Rate (CUR). These components include adjustments such as bonuses or penalties, and over- and under-recoveries from previous years.

The blue column on the far left hand side of the chart presents the 2012 DUR. Each of the incremental columns following the 2012 DUR from left to right show the contribution (in nominal terms) of each adjustment to reach the 2012 CUR, presented in the yellow column on the right hand side of the chart.

-> Shows the difference between the 2012 DUR (in nominal terms) and the unit rate charged to the airspace users in 2012.

Notes to chart outlining the difference between the DUR and the actual en-route unit rate charged to users.

The difference takes account, where applicable, of

» a deduction of the costs for services to exempted VFR;

» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;

» over or under recoveries incurred by Member States up to the year 2011 included;

» carry-overs resulting from the inflation adjustment;

» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);

» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing);

» a deduction of other revenues.

Summary of information presented in chart above, comparing the unit rate charged to users in 2012 (CUR 2012) to the nominal Determined Unit Rate (DUR) for that year, with a summary of any drivers of the difference (e.g. over/under recovery carried over from the previous years)

9. Terminal costs and unit rates monitoring (2012)

Table providing overview of situation in the State, including:

>> the exponent (x) applied to the Terminal Service Unit formula applied (MTOW^x) for each year from 2010 – 2014.

>> the number of airports in the terminal charging zone(s).

>> the number of airports with over 50,000 movements.

Table showing State-provided data from the RP1 NPP:

>> Terminal ANS costs, in nominal national currency.

>> Inflation index applied to NPP data (100 in 2009), as shown also in Item 2 (same as for the en-route data).

>> Real Terminal ANS costs in both 2009 National Currency and €2009.

Actual data for State as reported in the June 2013 Reporting Tables. Actual data shown for years 2009-2012 when available, with the final right hand columns comparing the 2012 actuals to the NPP determined data for 2012 (both in percentage and value terms). The table shows:

>> Terminal ANS costs in nominal national currency.

>> Inflation index to apply to actual 2012 State data (100 in 2009), as shown also in Item 2 (same index as for the en-route data).

>> Real terminal ANS costs, in both 2009 National Currency and €2009.

>> Total Terminal Service Units – actual 2009-2012.

>> Actual real unit costs (in Real 2009 National Currency).

>> the Actual unit rate applied in 2012, as reported in the 2012 NSA Monitoring Report or in other documentation if not available though the NSA Monitoring Report.

10. General conclusions on the Terminal ANS costs and unit rates monitoring

Text commentary providing:

>> an overview of the Terminal ANS situation in the State and the airports included, as well as the exponent applied in the State's formula for TNS and whether the harmonised SES formula [(MTOW/50)^0.7] applies.

>> comments on the difference between actual 2012 terminal ANS costs and the forecast presented in the NPP, and the driver(s) of this difference if known.

-> Identifies whether the differences in actual terminal ANS costs is comparable to the differences observed in en-route costs, so as to identify transfers (if any) between the "regulated" en-route costs established with the determined costs method and the "non-regulated" terminal ANS costs which are still subject to full cost recovery until 2015 (except for France).

11. Monitoring of gate-to-gate costs (2012)

Gate-to-gate costs from the NPP are the sum of en-route and terminal navigation services costs in €2009, as presented in Items 2 and 9.

This table presents gate-to-gate data from the State's RP1 National Performance Plan, covering projected 2012, 2013 and 2014 performance, as well as 2009-2011 data if available. The table includes:

>> En-route costs (determined costs 2012-2014), presented in Real 2009 National Currency.

>> Terminal ANS costs, presented in Real 2009 National Currency.

>> Gate-to-gate ANS costs (i.e. sum of en-route and terminal costs), presented in both Real 2009 National Currency and €2009.

>> the share, or proportion, as a percentage, of en-route costs in total gate-to-gate costs.

This table presents **actual gate-to-gate data as submitted by the State in the June 2013 Reporting Tables**, covering the years 2009 – 2012 (when available). The right hand columns (grey header) present a comparison between the 2012 actuals and the 2012 forecast as presented in the NPP (both in value and percentage terms).

The table includes:

>> En-route costs (determined costs 2012-2014), presented in Real 2009 National Currency.

>> Terminal ANS costs, presented in Real 2009 National Currency.

>> Gate-to-gate ANS costs (i.e. sum of en-route and terminal costs), presented in both Real 2009 National Currency and €2009.

>> the share, or proportion, as a percentage, of en-route costs in total gate-to-gate costs.

12. General conclusions on the gate-to-gate ANS costs

Text commentary providing:

>> a comparison between the State's actual 2012 gate-to-gate ANS costs and those presented in the NPP, along with any drivers for the difference, if known.

>> any changes in the proportion of en-route costs in total gate-to-gate costs over the period.

-> Identifies whether the actual share of en-route and terminal ANS costs is in line with the share foreseen in the NPP, to identify any change in cost-allocation methodology and identify transfers (if any) between en-route and terminal ANS costs (as in 11 above).

Performance Review Body
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Austria

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AUSTRIA — Monitoring of SAFETY indicators for 2012

Effectiveness of Safety Management

Austria	2012	2013	2014
State level	42		
ANSP	81		

EASA observations

90% of the replies were found to correspond to the situation encountered at the time of the standardisation visit. The rest were found to be overrated.

Austrian Monitoring Report does not provide results for EoSM as specified in EASA AMC and they don't correspond to results published on the SES Monitoring Dashboard (results available after EASA verification). Austrian Monitoring Report states that EoSM target is set to Level 3 by 2014 (ANSP level).

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
		No reported	% severity assessed with RAT	No reported	% severity assessed with RAT	Not reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	38	0%		%		%
	ATM overall		100%		%		%
Reporting Runway Incursions (RIs)	ATM ground	28	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	64	100%		%		%

Austrian Monitoring Report 2012 notes that some occurrences were still under investigation at the time of the report and that therefore the RAT assessment rate could slightly increase.

The figures in the Austrian Monitoring Report differ from data reported through AST mechanism as follows:

- 35 reported SMIs vs. 38 in AST; 10 reported RIs vs. 28 in AST;
- 34 reported ATM events vs. 64 according to the AST.

Also the use of the RAT methodology is reported differently for SMIs and ATM events:

- 89% for SMIs, without any indication at which level, whereas the AST report gives 100% severity assessment with RAT for ATM overall;
- 24% for ATM events, whereas the AST report gives a 100%.
- For RIs the reporting is equal: both reports give a 0% of severity assessment with RAT, however again there is no indication in the report at which level.

Austria has set a target on application of RAT methodology for ANSP at 75% methodology application for the relevant occurrences, extending it for unintended runway incursions and ATM specific occurrences with ESARR 2 severity categories AA, A or B by the end of 2014.

Just culture

Number of questions answered with Yes or No.	State		ANSP (AustroControl)	
	YES	NO	YES	NO
Policy and its implementation	7	3	13	0
Legal/Judiciary	4	4	2	1
Occurrence reporting and Investigation	2	0	6	2
TOTAL	**13**	**7**	**21**	**3**

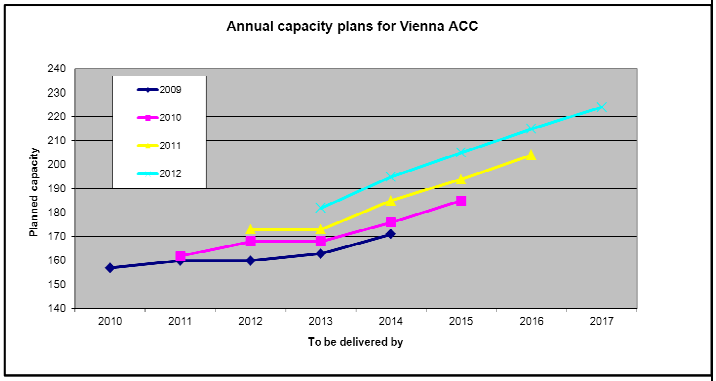
AUSTRIA — Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay

Year	2012	2013	2014
Reference value	0.30	0.24	0.23
National Target	0.85	0.98	0.23
Actual performance	0.13	--	--

Observations

Austria submitted a performance plan with a national target.



Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Austria did not contain any description of how FUA would be applied to increase capacity.

Assessment

- Austria has exceeded both the national target and the level of performance required to be consistent with the EU wide target for 2012. Since the ANS performance report confirms that the capacity situation has been improved in a sustainable manner, the PRB is confident that Austria can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 40%
- This result is calculated from data provided by Austria on the following Military Training Areas as listed in ENR 5.2 of the Austrian AIP: GLOCKNER; HOCHSCHWAB; HOCHSCHWAB-HOCH; ISCHL; OBDACH; PYHRN; SCHOBER; SCHOBER-NORD and SCHOBER-SUD.
- According to the Austrian ANS Performance Report, the lack of data on other military training areas was because they were not requested or activated for military training.
- Austria also provided information regarding the allocation and use of Danger areas: LOD21; LOD22; LOD24A, and LOD25A. However, since, according to the Austrian AMC, the allocation and activation of such areas has no impact on either available ATC capacity or on the ability of aircraft operators to file flight plans through Austrian airspace, they are not included in the national performance indicator statistic.

Recommendations

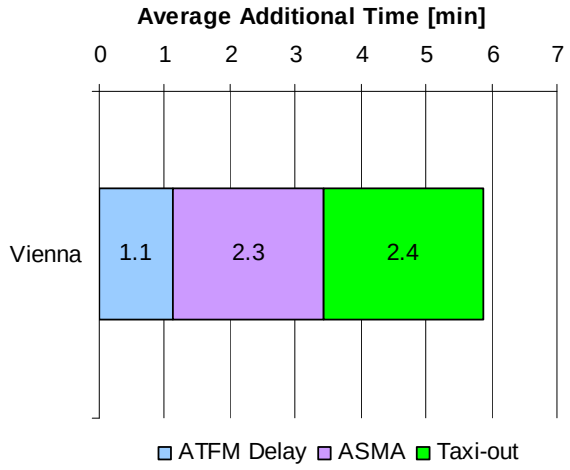
- None

AUSTRIA **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Vienna	LOWW	1.1	147 760	2.3	294 272	2.4	290 409	**732 441**
Weighted average		**1.1**		**2.3**		**2.4**		
Grand Total			**147 760**		**294 272**		**290 409**	**732 441**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Data quality under investigation

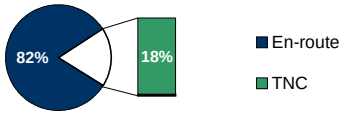
Specific Analysis

- Performance at Vienna airport noticeably improved in 2012 concerning ATFM arrival regulations and additional taxi-out times. The reduction in ATFM regulations can be linked to balancing activities of the key airline operators. This resulted in changes of the schedule that positively impacted the arrival flow. Benefits from the opening of the new terminal ("Skylink") in June 2012 can be seen in improvements in the additional taxi-out time.
- Promising results have been achieved in a pilot project applying the Collaborative Arrival Regulation Avoidance (CARA) process at Vienna airport in 2012. CARA is expected to reduce the number of regulations and delays for airspace/airport users.

1. - Contextual economic information

- Austria represents 2.8% of the SES en-route ANS determined costs in 2012.
- ATSP : Austro Control
- FAB : FAB CE
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

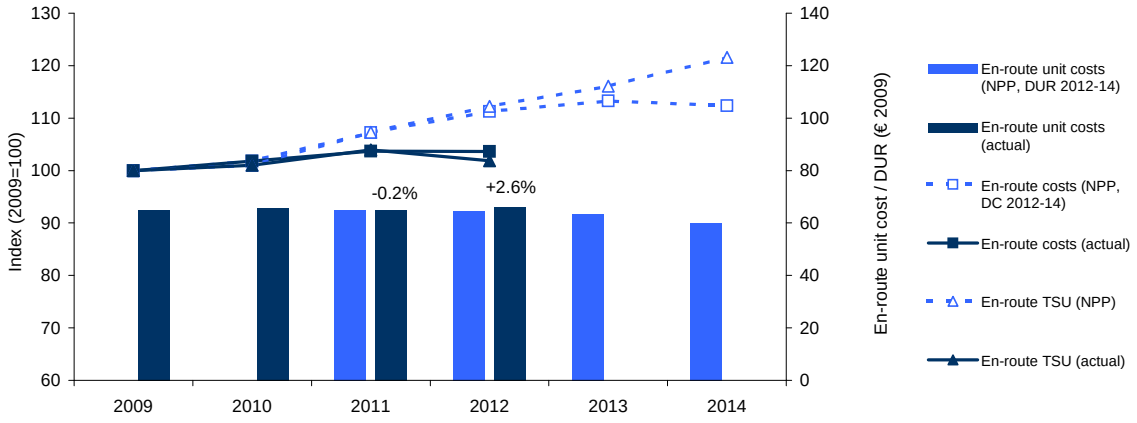


2. - En-route DUR monitoring (2012)

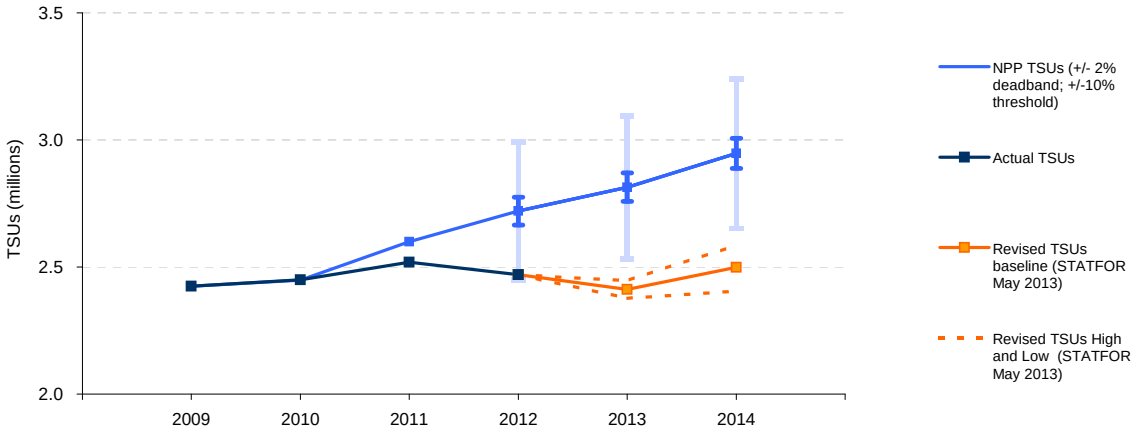
En-route Determined Unit Rate (DUR) 2012 Austria (in EUR2009)	64.48
Monitoring - Actual en-route unit cost 2012 Austria (in EUR2009)	66.17
Difference (in EUR2009)	1.69
Difference in percent	2.6%

Austria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	157 658 313	163 593 000	175 739 000	186 854 000	194 975 000	198 234 000
Inflation %		1.9%	2.0%	2.5%	2.5%	2.5%
Inflation index (100 in 2009)	100.0	101.9	103.9	106.5	109.2	111.9
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	157 658 313	160 542 689	169 080 606	175 389 738	178 548 762	177 105 559
Total en-route Service Units	2 423 824	2 448 711	2 600 000	2 720 000	2 814 000	2 947 000
Real en-route unit costs per Service Units - (in EUR2009)	**65.05**	**65.56**	**65.03**	**64.48**	**63.45**	**60.10**

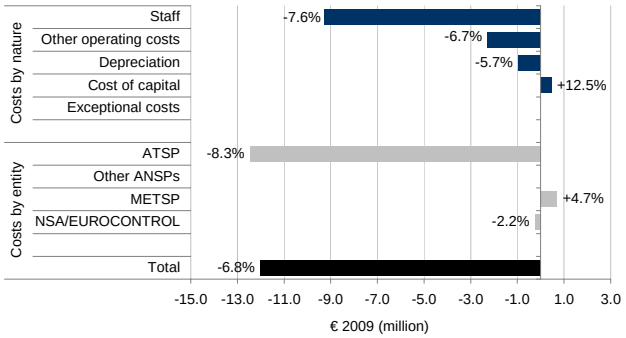
Austria - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	157 658 313	163 593 000	172 598 000	176 965 100	-9 888 900	-5.3%
Inflation %		1.9%	3.6%	2.6%	0.1 p.p.	
Inflation index (100 in 2009)	100.0	101.9	105.6	108.3	1.8 p.p.	
Real en-route costs - (in EUR2009)	157 658 313	160 542 689	163 494 000	163 382 797	-12 006 941	-6.8%
Total en-route Service Units	2 423 824	2 449 000	2 519 384	2 469 156	-250 844	-9.2%
Real en-route unit costs per Service Units - (in EUR2009)	**65.05**	**65.56**	**64.89**	**66.17**	**1.69**	**2.6%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-38
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-38
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-38

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

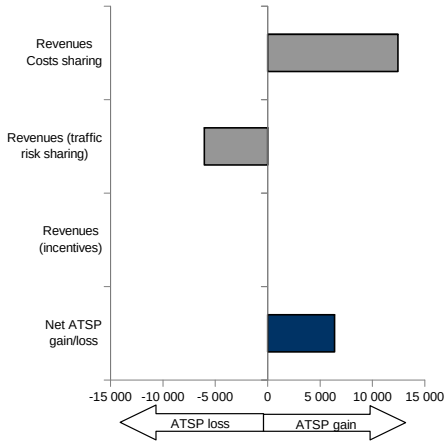
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	149 402
Actual costs for the ATSP	136 946
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	12 456
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**12 456**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-9.22%
Determined costs after deduction of costs for exempted VFR flights	145 290
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-2 906
ATSP loss (traffic between -2% and -10% below NPP)	-3 148
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-6 054**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

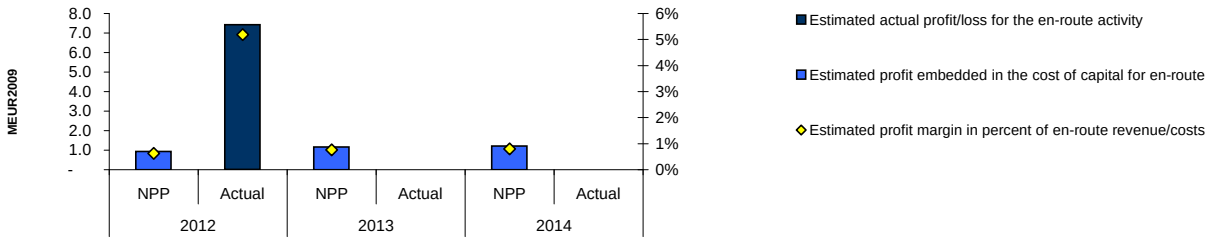
Net ATSP gain(+)/loss(-) on en-route activity	6 402

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	74 257	82 211	92 491		96 092	
Estimated proportion of financing through equity (in %)	15%	15%	15%		15%	
Estimated proportion of financing through equity (in value)	10 829	11 969	13 488		14 013	
Estimated proportion of financing through debt (in %)	85%	85%	85%		85%	
Estimated proportion of financing through debt (in value)	63 428	70 241	79 003		82 079	
Cost of capital	3 342	3 699	4 162		4 324	
Average interest on debt	3.8%	3.8%	3.8%		3.8%	
Interest on debt	2 410	2 669	3 002		3 119	
Ex-ante RoE	8.6%	8.6%	8.6%		8.6%	
Estimated profit embedded in the cost of capital for en-route	931	1 029	1 160		1 205	
Net ATSP gain(+)/loss(-) on en-route activity		6 402				
Estimated profit/loss for the en-route activity	**931**	**7 432**	**1 160**		**1 205**	
Revenue/costs for the en-route activity	**149 402**	**143 349**	**152 893**		**151 739**	
Estimated profit margin in percent of en-route revenue/costs	**0.6%**	**5.2%**	**0.8%**		**0.8%**	
Estimated ex-post RoE	**8.6%**		**8.6%**		**8.6%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

The actual 2012 traffic measured in total Service Units (TSUs) is significantly lower (-9.2%) than the traffic planned in Austria's National Performance Plan for RP1 (NPP). On the other hand, the actual real en-route costs at State level for the year are -6.8% below the determined costs published in the NPP, in real terms (€2009). As a result, Austria's actual real en-route unit cost is +2.6% higher than the Determined Unit Rate (DUR) for 2012, corresponding to some +1.69 €2009.

The difference in actual traffic compared to the NPP plans for 2012 exceeds the +/- 2% dead band foreseen in the traffic risk sharing mechanism, but not the -10% threshold. Therefore, the related loss is shared between the airspace users and the ATSP (which records a loss of some -6.5 M€2009, as shown in item 5 above). The traffic outlook for the rest of the RP1, according to the latest forecasts released by STATFOR in May 2013, shows a much more pessimistic scenario than that presented in the NPP. The en-route traffic is planned to further decrease in 2013 and only slightly increase in 2014, against a steady increase planned in the NPP for the same period. As a result, the difference in traffic with respect to NPP is forecast to exceed the -10% threshold for rest of RP1 in all scenarios. It should be noted in this respect that the PRB highlighted in the NPP assessment that the choice made by Austria to apply such a high TSU forecast was unjustified and implied significant risk for the ATSP.

The actual 2012 en-route costs are -6.8% lower in real terms than planned in the NPP, or some -12 M€2009. This difference is attributable to the ATSP (a difference in costs of some -12.5 M€2009) as described in the section below.

"Costs exempt from cost-sharing" are reported for a total of -0.04 M€2009 to be reimbursed to the users for the en-route activity, corresponding to the difference between the planned and actual values for EUROCONTROL costs (cf. Table in item 4). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Difference in Austro Control costs

The actual 2012 Austro Control costs are -8.3% lower in real terms (or some -12.5 M€2009) than planned in the NPP for the same year. This mainly results from significantly lower staff costs (by. -8.9% or -9.8 M€2009) but also from lower other operating costs (-9.5% or -2.0 M€2009) and lower depreciation costs (by -6.8% or -1.1 M€2009). The cost of capital is higher (i.e. +10.7%) than planned in the NPP.

The change in staff costs is due to the fact that the increase in staff costs by some +5.5% in nominal terms between 2011 and 2012 planned in the NPP did not materialise. As indicated in the additional information to the Reporting Tables, the cut in staff costs could be achieved through an efficient roster and overtime management. It is not specified whether any change occurred in the interest on provisions for pension which are recorded as staff costs in the case of Austro Control.

It is also understood that the planned increase in staff costs in 2012 made in the NPP was based on the assumption of a traffic increase, which actually did not materialise (see above). Finally, this cost reduction does not seem to have had any negative impact on capacity in 2012 as Austria achieved its capacity target for the year.

The other operating costs are substantially lower (i.e. -9.5% or -2.0M€2009 in real terms) than planned in the NPP. However, it is not clear from the NSA monitoring report nor from the additional information to the Reporting Tables what is the driver for this decrease.

In terms of investments, the actual 2012 capex for Austro Control was some +4.8 M€2009 higher than planned in the NPP (or +14.4%). It is understood that this increase is mainly related to "*unplanned shifts in invoicing from 2011 to 2012*", although some investments planned for 2012 have also been shifted to 2013. The NSA 2012 Monitoring Report confirms that Austro Control did not cancel any investments planned for RP1 and "*did not re-prioritize any of the investments necessary to reach ATM master plan targets*".

Austro Control depreciation costs are lower than planned (i.e. -6.8% or -1.1 M€2009, in real terms). It is understood from the additional information to the Reporting Tables that this decrease is partly due to the postponement of entry into operation of some assets to the second half of the year and to the fact that the useful economic life for various larger investments was revaluated in 2012.

The increase in Austro Control's cost of capital compared to plans is entirely explained by a higher asset base used to compute the en-route cost of capital (i.e. some +10.7%, or +8.0 M€2009). It is understood this increase is explained by the revision of the asset life of some assets as mentioned above.

Austro Control net gain/loss and estimated profit margin on en-route activity in 2012

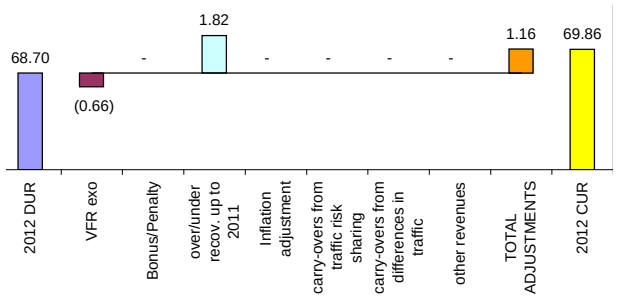
As a result of the cost sharing mechanism, Austro Control can fully retain the amounts generated by the cost savings (i.e. some 12.5 M€2009), thus realising an implicit income. On the other hand, due to the traffic risk sharing mechanism, the change in actual TSUs compared to the plans (i.e. -9.2%) generates a loss of some -2.9 M€2009 for the ATSP for the traffic decrease within the -2% band and -3.1 M€2009 loss for the traffic change between -2% and -10% (i.e. a total loss of 6.1 M€2009). Overall, the en-route activity for the year 2012 generated a net gain of +6.4 M€2009 for Austro Control.

On the profitability side, the ex-ante estimated profit embedded in the cost of capital for the en-route activity planned in the NPP amounted to 0.9 M€2009. Due to the fact that Austro Control's en-route activity is largely debt financed (85%), the return on equity as presented in the NPP constitutes a small profit margin of 0.6% of the en-route costs/revenues for the activities in 2012.

Ex-post, the estimated profit for the year computed by adding the cost of capital (+1.0 M€2009) and the net gain from the en-route activity in 2012 (+6.4 M€2009), gives a total of +7.4 M€2009 for 2012, corresponding to a profit margin of 5.2% of the en-route revenue in respect of the activities in 2012. Note that due to the apparent low proportion of equity financing of Austro Control, any small change in the profit margin in absolute terms introduces a high volatility in the computation of the ex-post RoE in percentage. Therefore, it is not shown in item 6.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Austria 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



The DUR expressed in nominal terms differs from the actual en route unit rate charged to users (CUR), which for RP1 also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing);
» a deduction of other revenues.

The CUR charged to users in 2012 was 69.86€. This is higher than the nominal DUR (68.70€), mainly due to the under-recovery carried over to 2012 from the legacy prior to RP1.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	6	6	6	6	6	6
of which, number of airports over 50 000 movements		1	1	1	1	1

Austria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	34 240 000	37 020 000	38 702 000	41 107 000	43 427 000	44 360 000
Inflation index (100 in 2009)	100.0	101.9	103.9	106.5	109.2	111.9
Real terminal ANS costs - (in EUR2009)	**34 240 000**	**36 329 735**	**37 235 660**	**38 584 916**	**39 768 366**	**39 631 963**

Austria - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	34 240 000	37 020 000	36 486 000	36 689 000	-4 418 000	-10.2%
Inflation index (100 in 2009)	100.0	101.9	105.6	108.3	1.8 p.p.	
Real terminal ANS costs - (in EUR2009)	**34 240 000**	**36 329 735**	**34 561 479**	**33 873 071**	**-4 711 845**	**-12.2%**
Total terminal service units	172 644	183 493	187 122	182 127		
Actual real unit costs - (in EUR2009)	198.3	198.0	184.7	186.0		
Unit rate applied - (in EUR)				**209.00**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Austria counts one terminal charging zone comprising six airports of which one above 50 000 movements per year (i.e. Vienna airport, LOWW). The harmonised SES formula (MTOW/50)^0.7 already applies in the Austrian Terminal Charging Zone.

The actual terminal ANS 2012 costs are -12.2% lower in real terms (or some -4.7 M€2009) than planned in the Austrian NPP. This difference is mainly driven by lower staff costs than planned, as is the case for en-route (see item 7 above).

The reduction of terminal ANS related costs is larger than that observed for en-route, in relative terms.

11. - Monitoring of gate-to-gate costs (2012)

Austria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009	157 658 313	160 542 689	169 080 606	175 389 738	178 548 762	177 105 559
Real terminal ANS costs - (in EUR2009)	34 240 000	36 329 735	37 235 660	38 584 916	39 768 366	39 631 963
Real gate-to-gate ANS costs - (in EUR2009)	**191 898 313**	**196 872 424**	**206 316 265**	**213 974 654**	**218 317 127**	**216 737 522**
Share of en-route costs in gate-to-gate ANS costs	**82.2%**	**81.5%**	**82.0%**	**82.0%**	**81.8%**	**81.7%**

Austria - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	157 658 313	160 542 689	163 494 000	163 382 797	-12 006 941	-6.8%
Real terminal ANS costs - (in EUR2009)	34 240 000	36 329 735	34 561 479	33 873 071	-4 711 845	-12.2%
Real gate-to-gate ANS costs - (in EUR2009)	**191 898 313**	**196 872 424**	**198 055 479**	**197 255 868**	**-16 718 786**	**-7.8%**
Share of en-route costs in gate-to-gate ANS costs	**82.2%**	**81.5%**	**82.5%**	**82.8%**	**0.9%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual 2012 gate-to-gate costs are -7.8% lower than planned as a result of lower en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable overall the RP1 and did not change significantly with respect to the plans made in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Belgium-Luxembourg

Edition 1.0
Edition date: 15/08/2013

BELGIUM **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Belgium	2012	2013	2014
State level	62		
ANSP	73		

EASA observations

95% of the replies were found to correspond to the situation encountered at the time of the standardisation visit. 5% of the replies were slightly overrated.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
		No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	52	58%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	17	38%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	78	100%		%		%

No figures were given in the individual State report. Reference was made to the FABEC report without detailed numbers of reporting, or mentioning the use of the severity assessment with RAT.

Just Culture

Number of questions answered with Yes or No.	**State**		**ANSP (BelgoControl)**	
	YES	**NO**	**YES**	**NO**
Policy and its implementation	3	7	10	3
Legal/Judiciary	3	5	1	2
Occurrence reporting and Investigation	2	0	4	4
TOTAL	**8**	**12**	**15**	**9**

LUXEMBOURG **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Luxembourg	2012	2013	2014
State level	29		
ANSP	43		

EASA observations

Low scores (initiating of planning). Insufficient arguments to confirm scores over than A/B.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	1	0%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	1	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	3	67%		%		%

No figures were given in the individual State report. Reference was made to the FABEC report without detailed numbers of reporting, or mentioning the use of the severity assessment with RAT.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (ANA)	
	YES	NO	YES	NO
Policy and its implementation	2	8	11	2
Legal/Judiciary	1	7	2	1
Occurrence reporting and Investigation	1	1	4	4
TOTAL	**4**	**16**	**17**	**7**

BELGIUM **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay			
Year	**2012**	**2013**	**2014**
Reference value	0.25	0.27	0.21
National Target			
Actual performance	0.03	--	--

Observations

Belgium / Luxembourg submitted a joint performance plan for cost effectiveness however the capacity performance was submitted as part of the FABEC performance plan.

Capacity

Details of how Belgium would apply the FUA concept to increase capacity include:

- Agreement among the BEL CAA, MUAC, BELGOCONTROL and the BEL Mil on several actions to improve capacity and the impact on the environment of civil aviation, while maintaining the high level of flexibility required to assure the Mil operations and training.
- The introduction of an airspace management tool (LARA) to support transparency, and facilitate real-time CDM between all involved partners, enabling informed, performance-based decision making.
- BEL AMC will issue UUPs, releasing airspace to allow more capacity during busy hours.
- When LARA is operational at all relevant partners, improved level 3 arrangements will be extended throughout the airspace.
- Civil ANSPs will be able to book airspace to alleviate peak traffic. Mil users will endeavour to avoid these reservations, Mil operations and training requirements permitting.

Extract from notification letter from EC July 2012:

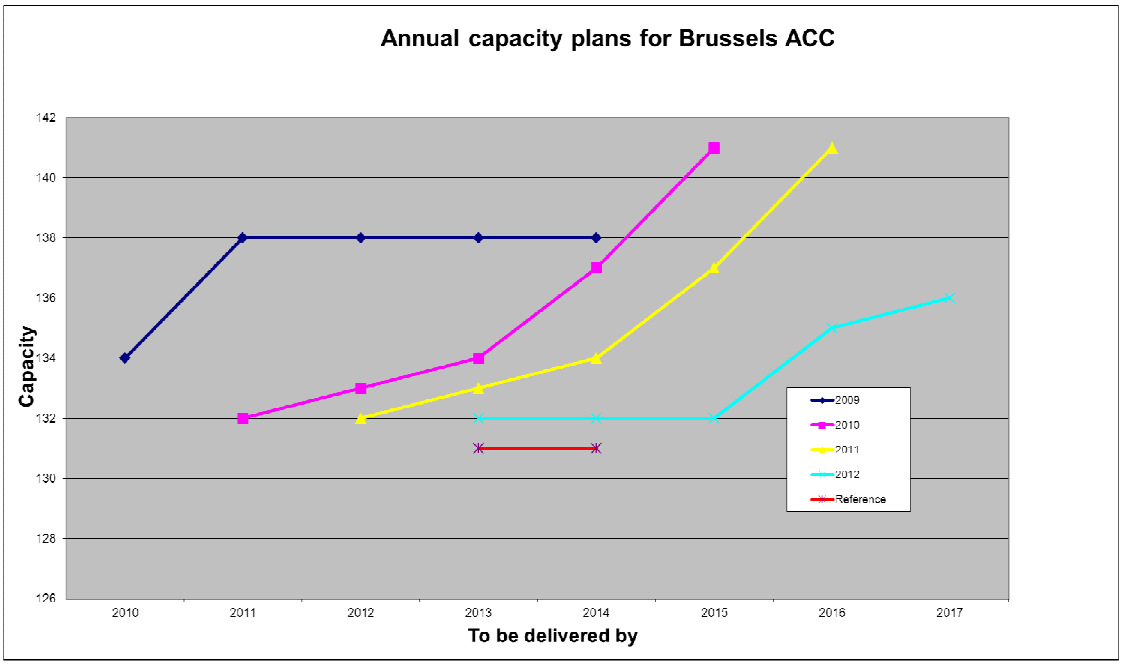
FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;

b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest.

Annual capacity plans for Brussels ACC from 2009 to 2012.

(Data is taken from LSSIP 2010-2014, LSSIP 2011-2015, NOP 2012-2016, NOP 2013-2017)



BELGIUM **Monitoring of CAPACITY indicators for 2012**

Although the capacity plans for Brussels ACC have been downgraded year on year since 2009, sufficient capacity is expected in 2013 & 2014 to contribute to the EU wide capacity target.

Despite the EC recommendation, there was a decrease in planned capacity for the 2013-2017 capacity plans over the ones from the previous year.

Assessment

- Although there was no national capacity target for Belgium / Luxembourg in 2012, the achieved capacity performance was consistent with achieving the EU wide capacity target of 0.7 minutes per flight for 2012 and is consistent with the performance required to meet the EU wide capacity target for 2014.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 54%
- This result is calculated from data provided by Belgium on the following temporary segregated areas: TSA 25A; TSA 25B; TSA 26A; TSA 26B; TSA N2; TSA N3; TSA S1; TSA S2; TSA S3; TSA S4; TSA S5; TSA S6; TSA WB.
- No information was provided on the following areas: TSA 24; TSA N1; TSA SB.
- The NSA for Luxembourg confirmed that there is no impact on available ATC capacity or available route options as a result of airspace allocation or activation by the Luxembourg authorities.

Recommendations

- No recommendations for Belgium / Luxembourg

LUXEMBOURG — Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay			
Year	**2012**	**2013**	**2014**
Reference value	0.25	0.27	0.21
National Target			
Actual performance	0.03	--	--

Observations

Belgium / Luxembourg submitted a joint performance plan for cost effectiveness however the capacity performance was submitted as part of the FABEC performance plan.

Capacity

The FABEC performance plan contained, in Annex D, details of how Belgium would apply the FUA concept to increase capacity. This includes:

- Agreement among the BEL CAA, MUAC, BELGOCONTROL and the BEL Mil on several actions to improve capacity and the impact on the environment of civil aviation, while maintaining the high level of flexibility required to assure the Mil operations and training.
- The introduction of an airspace management tool (LARA) to support transparency, and facilitate real-time CDM between all involved partners, enabling informed, performance-based decision making.
- BEL AMC will issue UUPs, releasing airspace to allow more planning capacity during busy hours.
- When LARA is operational at all relevant partners, improved level 3 arrangements will be extended throughout the airspace.
- Civil ANSPs will be able to book airspace to alleviate peak traffic. Mil users will endeavour to avoid these reservations, Mil operations and training requirements permitting.

Assessment

- Although there was no national capacity target for Belgium / Luxembourg in 2012, the achieved capacity performance was consistent with achieving the EU wide capacity target of 0.7 minutes per flight for 2012 and is consistent with the performance required to meet the EU wide capacity target for 2014.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 54%
- This result is calculated from data provided by Belgium on the following temporary segregated areas: TSA 25A; TSA 25B; TSA 26A; TSA 26B; TSA N2; TSA N3; TSA S1; TSA S2; TSA S3; TSA S4; TSA S5; TSA S6; TSA WB.
- No information was provided on the following areas: TSA 24; TSA N1; TSA SB;
- The NSA for Luxembourg confirmed that there is no impact on available ATC capacity or available route options as a result of airspace allocation or activation by the Luxembourg authorities.

Recommendations

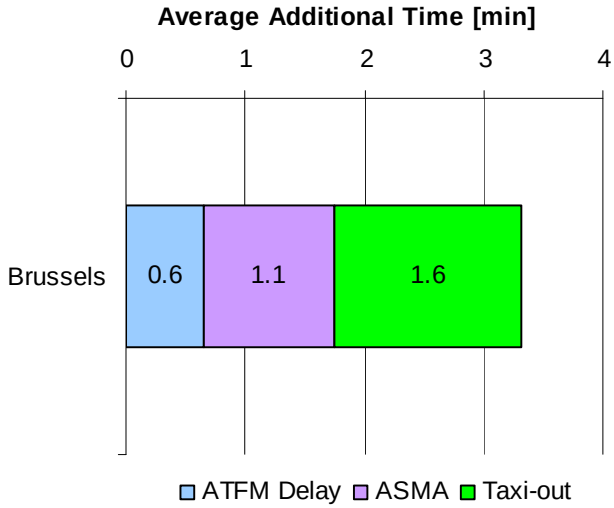
- No recommendations for Belgium / Luxembourg

BELGIUM **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Brussels	EBBR	0.6	70 692	1.1	116 249	1.6	161 736	**348 677**
Weighted average		**0.6**		**1.1**		**1.6**		
Grand Total			**70 692**		**116 249**		**161 736**	**348 677**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS-C.R.).

Specific Analysis

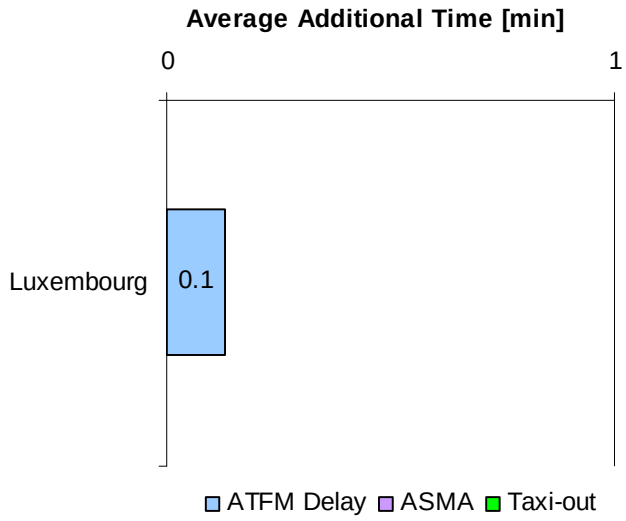
- Discernible reduction in taxi-out time was observed at BRU Airport in 2012 compared to 2011.

LUXEMBOURG **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Luxembourg	ELLX	0.1	3 710	Not applicable		**Data quality issues**		3 710
Weighted average		**0.1**						
Grand Total			**3 710**					**3 710**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Data quality issue for the calculation of unimpeded taxi-out

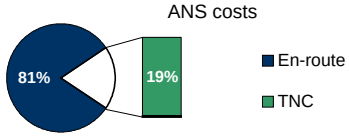
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Belgium/Lux. represents 2.5% of the SES en-route ANS determined costs in 2012.
- ATSP : Belgocontrol
- FAB : FABEC
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

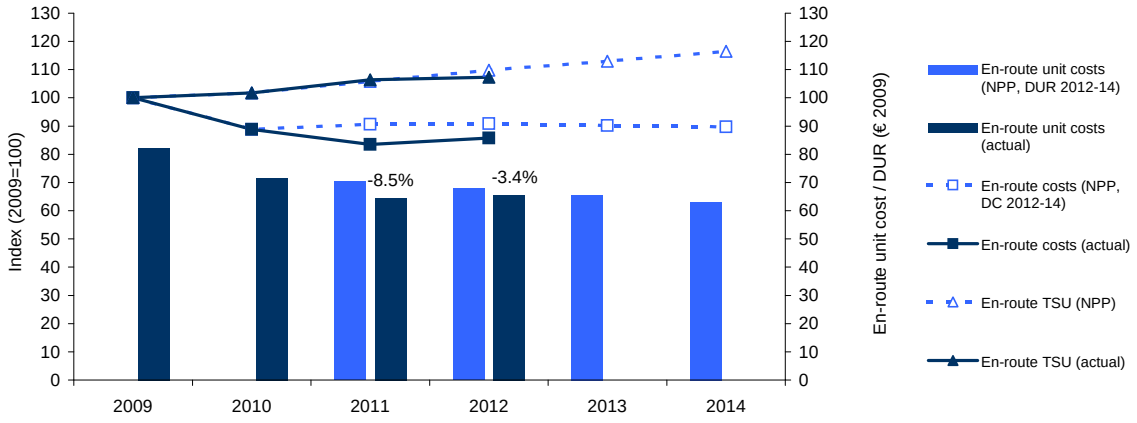


2. - En-route DUR monitoring (2012)

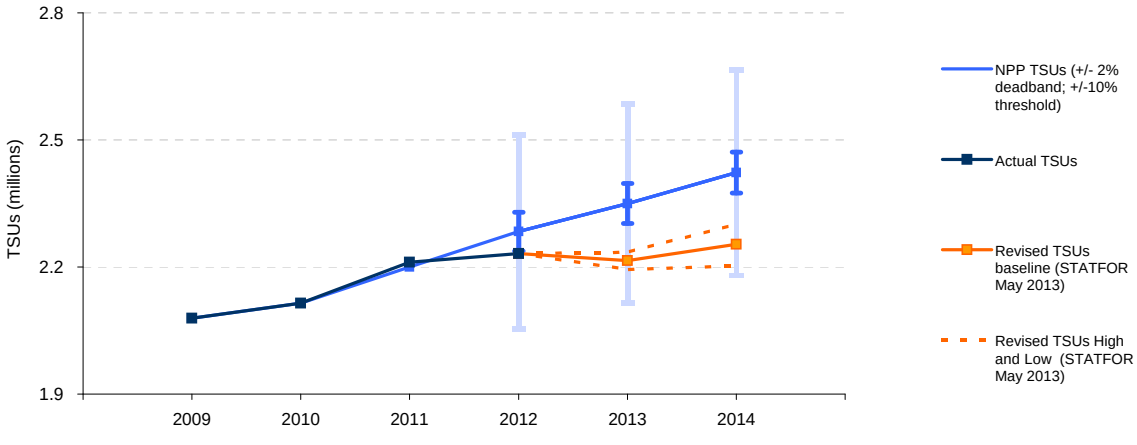
En-route Determined Unit Rate (DUR) 2012 Belgium/Lux. (in EUR2009)	67.86
Monitoring - Actual en-route unit cost 2012 Belgium/Lux. (in EUR2009)	65.56
Difference (in EUR2009)	-2.30
Difference in percent	-3.4%

Belgium/Lux. - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	170 650 791	154 876 930	163 680 729	167 208 194	169 146 337	171 737 556
Inflation %		2.2%	3.5%	2.0%	1.9%	2.0%
Inflation index (100 in 2009)	100.0	102.2	105.8	107.9	109.9	112.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	170 650 791	151 542 984	154 741 323	154 976 604	153 849 821	153 143 830
Total en-route Service Units	2 078 793	2 114 555	2 199 997	2 283 649	2 349 875	2 422 721
Real en-route unit costs per Service Units - (in EUR2009)	**82.09**	**71.67**	**70.34**	**67.86**	**65.47**	**63.21**

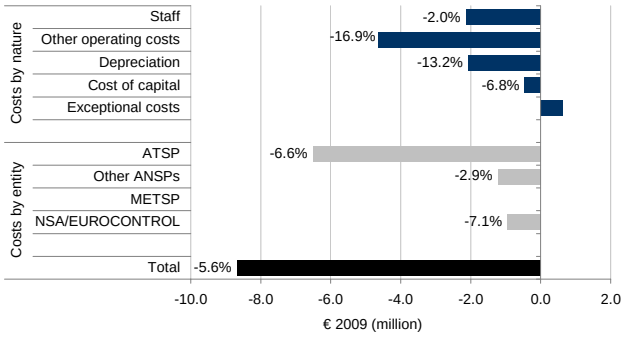
Belgium/Lux. - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	170 650 791	154 876 930	150 631 586	158 794 458	-8 413 736	-5.0%
Inflation %		2.2%	3.5%	2.6%	0.6 p.p.	
Inflation index (100 in 2009)	100.0	102.2	105.8	108.5	0.6 p.p.	
Real en-route costs - (in EUR2009)	170 650 791	151 542 984	142 404 857	146 303 396	-8 673 207	-5.6%
Total en-route Service Units	2 078 793	2 114 555	2 211 673	2 231 537	-52 112	-2.3%
Real en-route unit costs per Service Units - (in EUR2009)	**82.09**	**71.67**	**64.39**	**65.56**	**-2.30**	**-3.4%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-854
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-854
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-854

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

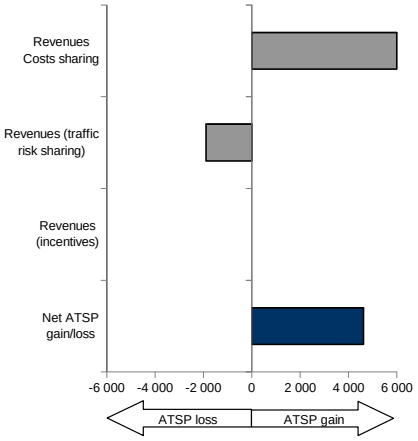
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	99 108
Actual costs for the ATSP	92 597
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	6 511
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**6 511**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-2.28%
Determined costs after deduction of costs for exempted VFR flights	90 603
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-1 812
ATSP loss (traffic between -2% and -10% below NPP)	-77
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 889**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

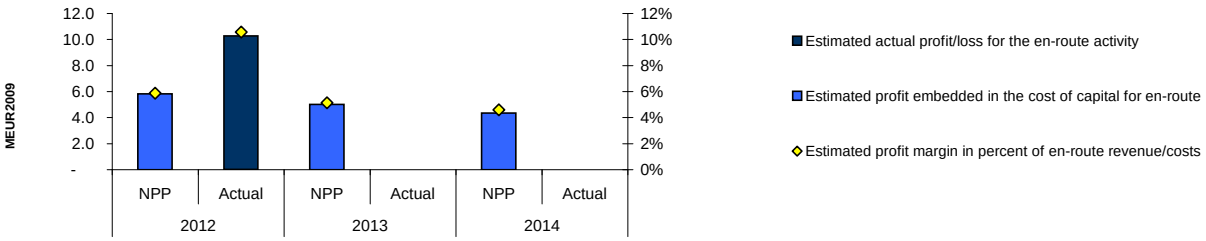
Net ATSP gain(+)/loss(-) on en-route activity	4 622

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	106 672	103 655	96 992		88 019	
Estimated proportion of financing through equity (in %)	91%	91%	97%		100%	
Estimated proportion of financing through equity (in value)	96 804	94 066	94 009		88 019	
Estimated proportion of financing through debt (in %)	9%	9%	3%		0%	
Estimated proportion of financing through debt (in value)	9 868	9 589	2 983		-	
Cost of capital	6 117	5 944	5 101		4 360	
Average interest on debt	3.0%	3.0%	3.0%		3.0%	
Interest on debt	299	291	90		-	
Ex-ante RoE	6.0%	6.0%	5.3%		5.0%	
Estimated profit embedded in the cost of capital for en-route	5 818	5 653	5 011		4 357	
Net ATSP gain(+)/loss(-) on en-route activity		4 622				
Estimated profit/loss for the en-route activity	**5 818**	**10 275**	**5 011**		**4 357**	
Revenue/costs for the en-route activity	**99 108**	**97 219**	**97 315**		**94 938**	
Estimated profit margin in percent of en-route revenue/costs	**5.9%**	**10.6%**	**5.1%**		**4.6%**	
Estimated ex-post RoE	**6.0%**	**10.9%**	**5.3%**		**5.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

The actual 2012 traffic measured in Total en-route Service Units (SUs) is lower (i.e. -2.3%) than the traffic planned in the Belgium-Luxembourg National Performance Plan for RP1 (NPP). On the other hand, the actual en-route costs at Charging zone level for the year are -5.0% below the determined costs published in the NPP (i.e. -5.6% in real terms). As a result, Belgium-Luxembourg's actual real en-route unit cost (i.e. 65.56€per SU) is -3.4% lower than the Determined Unit Rate (DUR) for 2012 (i.e. 67.86€ per SU), corresponding to a decrease of -2.3€ per SU.

The change in actual traffic compared to the NPP plans for 2012 falls slightly outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the - 10% threshold. Therefore, the related loss is shared between the airspace users and the ATSP, which records a loss of some -1.9 M€ (see below). The traffic outlook for the rest of the RP1, according to the latest forecasts released by STATFOR in May 2013, depicts a more pessimistic scenario than presented in the NPP. The en-route traffic is planned to slightly decrease in 2013 and increase in 2014, against a steady increase planned in the NPP for the same period. As a result, even if the high STATFOR scenario will materialise, the difference in traffic with respect to NPP is planned to exceed the +/-2% dead band for rest of RP1, although consistently remaining within the +/- 10% threshold.

The decrease in 2012 en-route costs (compared to the NPP) is mainly related to cost reductions achieved by Belgocontrol (i.e. -6.6%) and MUAC (i.e. -2.9%, for the share of costs relating to Be/Lux). The share of MUAC costs in Belgium/Luxembourg en-route cost-base is around 28%. Moreover, is shall be noted that MUAC recorded no actual exceptional costs in 2012 while a negative amount of -0.7M€ (corresponding to exceptional revenues, used to net off the exceptional costs) were planned for the same year in the NPP.

"Costs exempt from cost-sharing" are filed for the variation concerning the difference between the planned and actual values for EUROCONTROL costs (cf. Table in item 4, some -0.85 M€2009) to be refunded to the users, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions

At ATSP level

Belgocontrol actual 2012 en-route costs are -6.6% lower than planned in real terms. This mainly results from: (i) lower staff costs (i.e. -2.0%), (ii) lower other operating costs (i.e. -16.9%) and (iii) lower capital related costs (i.e. -13.2% depreciation costs and -6.8% cost of capital) than planned in the NPP.

According to the information provided in the NSA monitoring Report, the decrease in staff costs compared to the plans is mainly driven by the reduction of the staff number (mainly achieved by not replacing all the staff leaving in retirement).

It is understood that the decrease in other operating costs compared to plans is related to savings achieved trough renegotiation of purchase conditions with suppliers.

The reduction of capital related costs compared to plans has been mainly achieved trough a rescheduling of the investments, originally planned for 2012. This is consistent with the fact that the asset base used to compute the cost of capital in 2012 is some -3 M€2009 lower than planned for the year 2012 and the actual 2012 investments presented in the NSA Monitoring Report are significantly lower than planned for the same year in the NPP (i.e. some -10 M€ lower). This is mainly driven by lower amount spent for investments in Surveillance (i.e. -5.5 M€, mainly due to a delay in approach radars replacement project in Brussels and Ostende airports) and Navigation (i.e. -2.7 M€, postponement of ILS projects for Brussels and Liege airports).

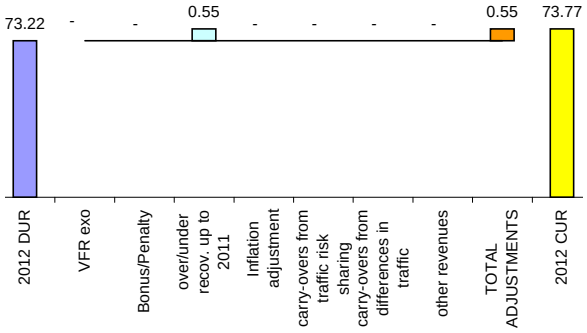
As a result of the cost sharing mechanism, Belgocontrol is entitled to fully retain the gain arising from the fact that actual costs are lower than planned in the NPP for 2012 (i.e. +6.5 M€2009). On the other hand, due to the traffic risk sharing mechanism, the change in actual TSUs compared to the plans (i.e. -2.3%) generates a loss of some -1.8 M€2009 for the ATSP for the traffic decrease within the -2% band and -0.08 M€2009 loss for the traffic change between -2% and -10% (i.e. a total loss of -1.9 M€2009). Overall, the en-route activity for the year 2012 generated a net gain of +4.6 M€2009 for Belgocontrol.

On the profitability side, the ex-ante estimated profit embedded in the cost of capital for the en-route activity planned in the NPP amounted to 5.8 M€2009. Due to the fact that Belgocontrol en-route activity is largely equity financed (91%), the return on equity as presented in the NPP constitutes a profit margin of 6.0% of the en-route costs/revenues for the activities in 2012.

Ex-post, the estimated profit for the year computed by adding the cost of capital (+5.7 M€2009) and the net gain from the en-route activity in 2012 (+4.6 M€2009), gives a total of +10.3 M€2009 for 2012, corresponding to a profit margin of 10.6% of the en-route revenue in respect of the activities in 2012.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Belgium/Lux. 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to users in 2012 was 73.77€ per SU. This is higher than to the nominal DUR (73.22€ per SU), mainly due to the under-recovery carried over to 2012 from the legacy prior to RP1.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^			0.9			
Number of airports in the terminal charging zone(s)			1	1	1	1
of which, number of airports over 50 000 movements			1	1	1	1

Belgium/Lux. - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	35 552 346	34 481 353	36 832 379	39 255 539	37 501 825	37 027 975
Inflation index (100 in 2009)	100.0	102.2	105.8	107.9	109.9	112.1
Real terminal ANS costs - (in EUR2009)	**35 552 346**	**33 739 093**	**34 820 783**	**36 383 924**	**34 110 399**	**33 019 021**

Belgium/Lux. - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	35 552 346	34 481 353	37 007 173	35 195 273	-4 060 267	-10.8%
Inflation index (100 in 2009)	100.0	102.2	105.8	108.5	0.6 p.p.	
Real terminal ANS costs - (in EUR2009)	**35 552 346**	**33 739 093**	**34 986 030**	**32 426 748**	**-3 957 175**	**-10.9%**
Total terminal service units						
Actual real unit costs - (in EUR2009)						
Unit rate applied - (in EUR)				**N/A**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Belgium and Luxembourg counts two terminal charging zones each comprising one airport above 50 000 movements per year (i.e. Brussels-EBBR and Luxembourg-ELLX). The harmonised SES formula (MTOW/50)^0.7 was not used in neither States Charging Zone during RP1.

The information on planned and actual terminal costs and unit rates above only relate to Belgium since Luxembourg is subject to reduced reporting requirements during RP1 due to the exemptions based on Article 1(6) and Annex I of Regulation (EC) No1794/2006.

Moreover, it shall be noted that Belgium did not disclose terminal unit rate/TNSU formula in their TNC reporting tables.

The actual terminal ANS 2012 costs for Belgium are -10.9% lower in real terms (or some -4 M€2009) than planned in the NPP. This difference is driven by lower staff costs, operating costs and capital related costs as is the case for en-route (see item 7 above).

11. - Monitoring of gate-to-gate costs (2012)

Belgium/Lux. - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009	170 650 791	151 542 984	154 741 323	154 976 604	153 849 821	153 143 830
Real terminal ANS costs - (in EUR2009)	35 552 346	33 739 093	34 820 783	36 383 924	34 110 399	33 019 021
Real gate-to-gate ANS costs - (in EUR2009)	**206 203 137**	**185 282 077**	**189 562 106**	**191 360 527**	**187 960 220**	**186 162 851**
Share of en-route costs in gate-to-gate ANS costs	**82.8%**	**81.8%**	**81.6%**	**81.0%**	**81.9%**	**82.3%**

Belgium/Lux. - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	170 650 791	151 542 984	142 404 857	146 303 396	-8 673 207	-5.6%
Real terminal ANS costs - (in EUR2009)	35 552 346	33 739 093	34 986 030	32 426 748	-3 957 175	-10.9%
Real gate-to-gate ANS costs - (in EUR2009)	**206 203 137**	**185 282 077**	**177 390 887**	**178 730 145**	**-12 630 383**	**-6.6%**
Share of en-route costs in gate-to-gate ANS costs	**82.8%**	**81.8%**	**80.3%**	**81.9%**	**0.9%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual 2012 gate-to-gate costs are -6.6% lower than planned as a result of higher en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable overall for RP1 at 81-82% for en-route. The actual proportion of en-route costs in 2012 is broadly in line with respect to the plans made in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Bulgaria

Edition 1.0
Edition date: 15/08/2013

BULGARIA **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Bulgaria	2012	2013	2014
State level	58		
ANSP	74		

EASA observations

98% of the replies were assessed, from which 75% were found to be overrated. The rest of the replies were found to correspond to the situation encountered at the time of the standardisation visit.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
		No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	2	0%		%		%
	ATM overall		100%		%		%
Reporting Runway Incursions (RIs)	ATM ground	1	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	0	0%		%		%

The figures in the Bulgarian Monitoring Report differ from the AST report:

- 0 reported RIs vs. 1 in AST;

Also the use of the RAT methodology is reported differently in the Monitoring Report:

- for ATM 'N/A' was mentioned in the Monitoring Report and 0% in the AST Report.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (BULATSA)	
	YES	NO	YES	NO
Policy and its implementation	4	6	9	4
Legal/Judiciary	4	4	1	2
Occurrence reporting and Investigation	2	0	6	2
TOTAL	**10**	**10**	**16**	**8**

BULGARIA **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.11	0.14	0.12	
National Target	0.11	0.13	0.11	
Actual performance	0.00	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Bulgaria did not contain any specific details of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Bulgaria has exceeded both the national target and the level of performance required to be consistent with the EU wide target for 2012. The PRB is confident that Bulgaria can provide an adequate contribution to capacity performance in RP1

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 40%
- This result is calculated from data provided by Bulgaria on the following temporary segregated and restricted areas:

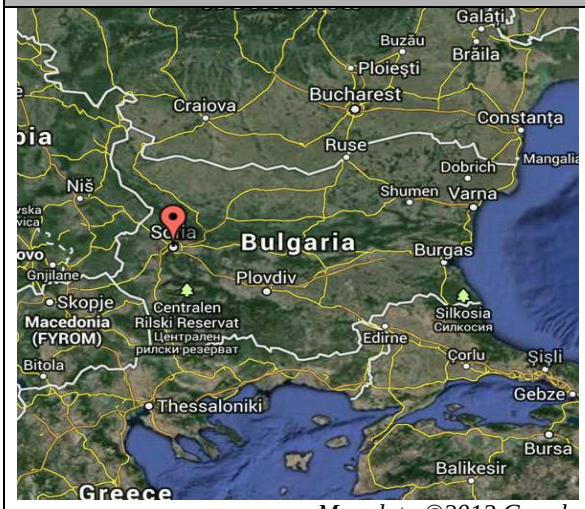
  LBTRA1A; LBTRA1C; LBTRA2; LBTRA21A; LBTRA21B; LBTRA21C; LBTRA3A; LBTRA3B; LBTSA1; LBTSA11; LBTSA12; LBTSA21; LBTSA21A; LBTSA21B; LBTSA21C; LBTSA31; LBTSA32; LBTSA33; LBTSA34; LBTSA35; LBTSA36; LBTSA37; LBTSA4; LBTSA41 & LBTSA43

Recommendations

- No recommendations for Bulgaria

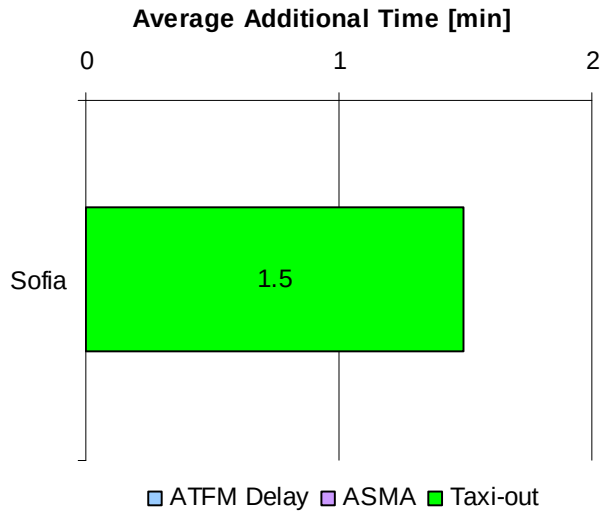
BULGARIA **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1



Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Sofia	LBSF	0.0	0	Not applicable		1.5	29 253	**29 253**
Weighted average		**0.0**				**1.5**		
Grand Total			**0**		**0**		**29 253**	**29 253**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- None.

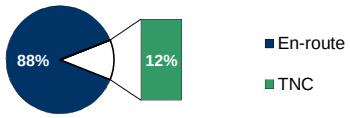
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Bulgaria represents 1.2% of the SES en-route ANS determined costs in 2012.
- ATSP : BULATSA
- FAB : Danube
- National currency: BGN
- Exchange rate 2009: 1 EUR= 1.9553

Share of en-route and terminal in gate-to-gate ANS costs

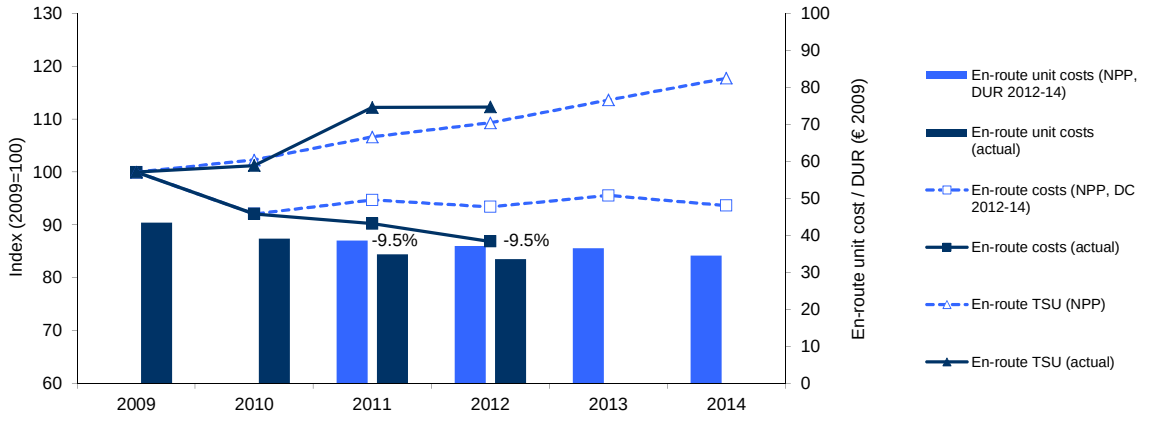


2. - En-route DUR monitoring (2012)

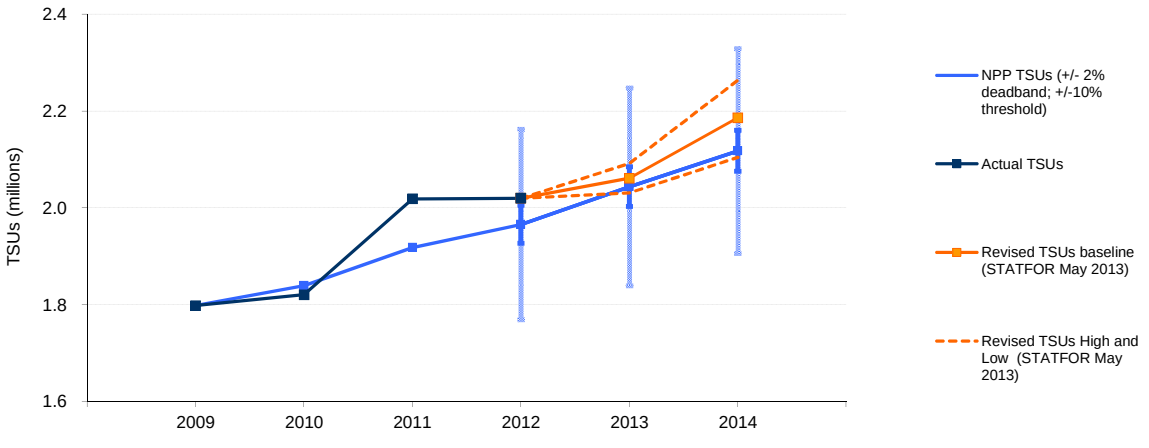
En-route Determined Unit Rate (DUR) 2012 Bulgaria (in BGN2009)	72.64	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Bulgaria (in BGN2009)	65.74	In 2012, the BGN appreciated by 0% compared to 2011.
Difference (in BGN2009)	-6.90	Exchange rate 2011: 1 EUR= 1.95519
Difference in percent	-9.5%	Exchange rate 2012: 1 EUR= 1.95536

Bulgaria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal BGN)	152 872 468	145 025 362	156 321 724	159 874 507	167 981 280	169 542 886
Inflation %		3.0%	4.8%	3.7%	2.7%	3.0%
Inflation index (100 in 2009)	100.0	103.0	107.9	111.9	115.0	118.4
Real en-route costs (determined costs 2012-2014) - (in BGN2009)	152 872 468	140 801 322	144 817 428	142 824 251	146 121 183	143 184 049
Total en-route Service Units	1 798 292	1 839 757	1 918 500	1 966 102	2 043 942	2 117 995
Real en-route unit costs per Service Units - (in BGN2009)	**85.01**	**76.53**	**75.48**	**72.64**	**71.49**	**67.60**
Real en-route unit costs per Service Units - (in EUR2009)	**43.48**	**39.14**	**38.61**	**37.15**	**36.56**	**34.57**

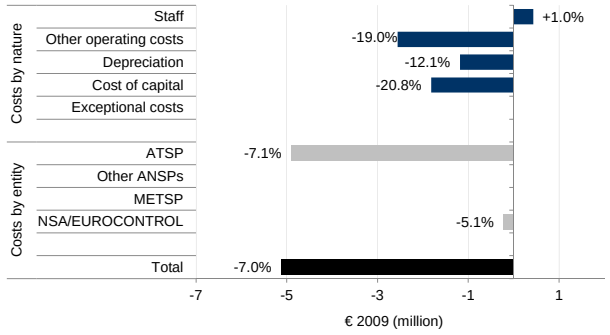
Bulgaria - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal BGN)	152 872 468	145 025 362	146 918 540	144 830 556	-15 043 951	-9.4%
Inflation %		3.0%	3.4%	2.4%	-1.3 p.p.	
Inflation index (100 in 2009)	100.0	103.0	106.5	109.1	-2.9 p.p.	
Real en-route costs - (in BGN2009)	152 872 468	140 801 322	137 949 090	132 801 346	-10 022 905	-7.0%
Total en-route Service Units	1 798 292	1 820 961	2 018 783	2 020 149	54 047	2.7%
Real en-route unit costs per Service Units - (in BGN2009)	**85.01**	**76.53**	**68.33**	**65.74**	**-6.90**	**-9.5%**
Real en-route unit costs per Service Units - (in EUR2009)	**43.48**	**39.14**	**34.95**	**33.62**	**-3.53**	**-9.5%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-159
New cost item required by law	-
International agreements	-14
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-173
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-173

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

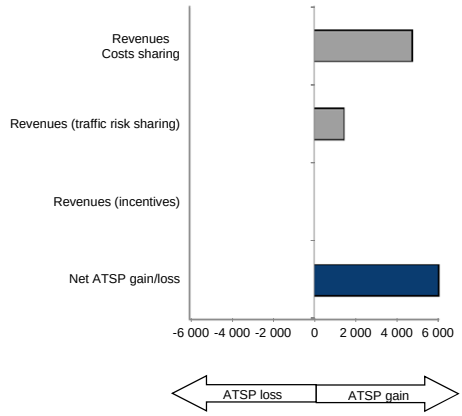
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	68 633
Actual costs for the ATSP	63 732
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	4 901
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-173
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**4 728**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	2.7%
Determined costs after deduction of costs for exempted VFR flights	64 770
ATSP gain (traffic between 0 and +2% higher than NPP)	1 295
ATSP gain (traffic between +2% and +10% higher than NPP)	146
ATSP loss (traffic between 0 and -2% below NPP)	
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**1 441**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

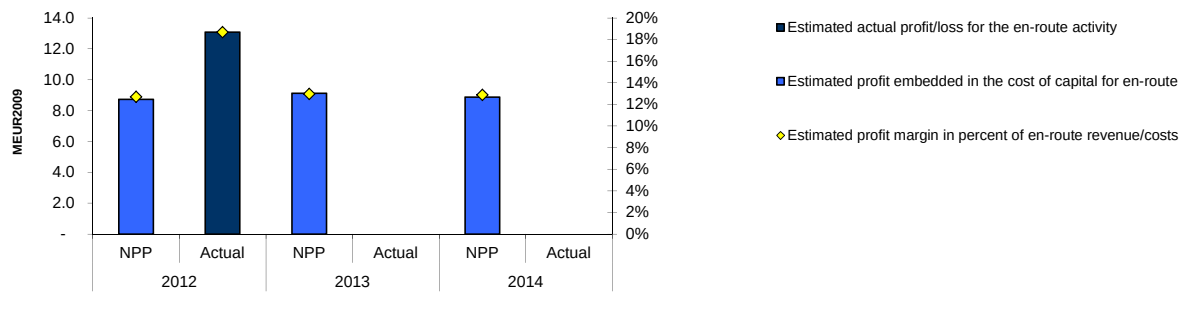
Net ATSP gain(+)/loss(-) on en-route activity	6 169

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	124 584	98 644	130 394		126 823	
Estimated proportion of financing through equity (in %)	100%	100%	100%		100%	
Estimated proportion of financing through equity (in value)	124 584	98 644	130 394		126 823	
Estimated proportion of financing through debt (in %)	0%	0%	0%		0%	
Estimated proportion of financing through debt (in value)	-	-	-		-	
Cost of capital	8 721	6 905	9 127		8 878	
Average interest on debt	0.0%	0.0%	0.0%		0.0%	
Interest on debt	-	-	-		-	
Ex-ante RoE	7.0%	7.0%	7.0%		7.0%	
Estimated profit embedded in the cost of capital for en-route	8 721	6 905	9 128		8 878	
Net ATSP gain(+)/loss(-) on en-route activity		6 169				
Estimated profit/loss for the en-route activity	**8 721**	**13 074**	**9 128**		**8 878**	
Revenue/costs for the en-route activity	**68 633**	**69 901**	**70 341**		**68 882**	
Estimated profit margin in percent of en-route revenue/costs	**12.7%**	**18.7%**	**13.0%**		**12.9%**	
Estimated ex-post RoE	**7.0%**	**13.3%**	**7.0%**		**7.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

Bulgaria's actual real 2012 en-route unit cost (in €2009) is -9.5% lower than planned, with the related en-route costs -7.0% below the NPP figures in real terms and the number of total en-route service units exceeding the forecast in the NPP (+2.7%).

With TSU +2.7% higher than planned, Bulgaria is slightly above the ±2% dead band in 2012. According to the revised May 2013 STATFOR forecast the traffic for 2013 and 2014 is also expected to stay above the plan submitted in the NPP. It should be noted that Bulgaria was assessed as not passing the "traffic forecast" check in the assessment of its Performance Plan as its TSU forecast was always substantially lower than the STATFOR May 2011 base case scenario and even below the low scenario over RP1.

Real en-route costs for Bulgaria are -7.0 % lower in 2012 than planned as a combination of -9.4% lower nominal total costs and -2.9 percentage points lower inflation index; the annual inflation recorded is lower compared to NPP both in 2011 (difference of 1.4pp) and 2012 (difference of 1.3pp). Significant savings were made in other operating costs (-19.0%), depreciation (-12.1%) and cost of capital (-20.8%) while staff costs turned out to be slightly higher than planned (+1.0%). Other operating costs are lower than planned due to savings in several areas (i.e. costs for spare parts, consumables, heating, mission costs, cost of repairs and insurance costs). The savings in depreciation costs are mainly due to the delay of procurement of investments related to surveillance service provision. The cost of capital is affected by the actual total asset base which is lower than the forecast.

Costs exempt from cost sharing are reported for a total amount of -0.2 M€2009 to be reimbursed to users for the en-route activity, corresponding mostly to "*unforeseen changes in national pension regulations and pension accounting regulations*" (-0.2 M€2009) and partly to unforeseen changes in Eurocontrol costs (-0.01 M€2009). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

In 2012 BULATSA has a gain of +4.7 M€2009 from cost sharing due to lower than planned costs. Furthermore, the +2.7% higher than planned TSU results in a +1.4 M€2009 gain for the ATSP in 2012. As a result, the combined effect on profitability of these two deviations is a +6.2 M€2009 gain.

The actual 2012 capex are substantially lower than planned (-69%) as a result of the postponement of several projects, the biggest of which is the "*New En-route PSR and Mode S SSR*" system that is now expected to be commissioned in 2015 instead of 2012, as initially planned.

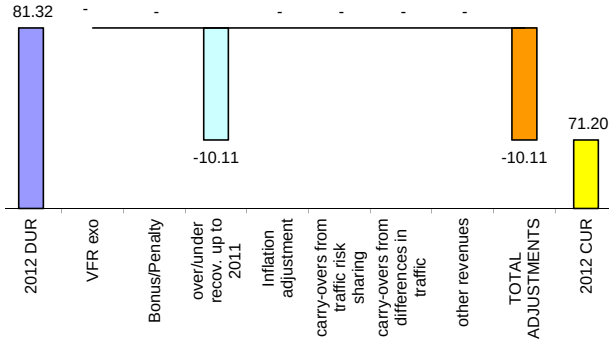
The calculated embedded profit margin for BULATSA in 2012 is +6.9 M€2009 which is -21% lower than planned in the NPP (i.e. +8.7 M€2009). This deviation is due entirely to the lower than planned total asset base (-21%) which was affected mainly by the postponed investments and partly by the lower than planned net current assets as a result of actual over-recovery accrued by the end of 2011. After adding the +6.2 M€2009 net gain resulting from the cost and traffic sharing mechanism, the actual profit relating to the 2012 en-route activities of the ATSP amounts to +13.1 M€2009 or +18.7% of the en-route activity turnover. The estimated return on equity for BULATSA in respect of the 2012 en-route activities is 13.3%. It should be noted that Bulgaria has no debt and therefore the cost of capital and the return on equity are one and the same.

Conclusion

For BULATSA the planned embedded profit through the cost of capital is already significant in terms of profit margin and ROE in international comparison throughout RP1, and in 2012 the profitability was further improved by cost savings and a higher than planned TSU. For 2013 and 2014 the TSU figures are expected to be slightly above those foreseen in the NPP therefore BULATSA is in a good position to reach the planned profitability levels.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Bulgaria 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - BGN



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The en-route unit rate charged to airspace users in 2012 (71.20 BGN) was significantly lower than the nominal DUR (81.32 BGN) due to some over-recoveries up to 2011.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.5	0.5	0.5	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	5	5	5	5	5	5
of which, number of airports over 50 000 movements						

Bulgaria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in BGN)	23 700 000	22 800 000	20 500 000	21 800 000	22 500 000	23 600 000
Inflation index (100 in 2009)	100.0	103.0	107.9	111.9	115.0	118.4
Real terminal ANS costs - (in BGN2009)	**23 700 000**	**22 135 922**	**18 991 329**	**19 475 079**	**19 571 982**	**19 930 907**
Real terminal ANS costs - (in EUR2009)	**12 120 902**	**11 320 985**	**9 712 744**	**9 960 149**	**10 009 708**	**10 193 273**

Bulgaria - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in BGN)	23 700 000	22 822 664	22 923 652	22 901 448	1 101 448	5.1%
Inflation index (100 in 2009)	100.0	103.0	106.5	109.1	-2.9 p.p.	
Real terminal ANS costs - (in BGN2009)	**23 700 000**	**22 157 926**	**21 524 151**	**20 999 320**	**1 524 241**	**7.8%**
Real terminal ANS costs - (in EUR2009)	**12 120 902**	**11 332 238**	**11 008 107**	**10 739 692**	**779 543**	**7.8%**
Total terminal service units	40 222	40 474	42 454	42 376		
Actual real unit costs - (in BGN2009)	589.2	547.5	507.0	495.5		
Unit rate applied - (in BGN)				**415.57**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Bulgaria comprises five airports (Sofia, Burgas, Varna, Plovdiv and Gorna/Oryakhovitsa) in 2012. Starting from 2012 the harmonised SES formula (MTOW/50)^0.7 is applied to determine the number of terminal navigation service units (TNSU).

The actual real 2012 terminal ANS costs are some +0.8 M€2009 higher (+7.8%) than the forecast presented in the NPP which contrasts with the cost savings observed for the en-route activities (-7.0%). Bulgaria reports that the higher than planned terminal ANS costs are the result of delays in the transfer of lightning service provision at the international airports from BULATSA to the airport operators.

11. - Monitoring of gate-to-gate costs (2012)

Bulgaria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in BGN2009	152 872 468	140 801 322	144 817 428	142 824 251	146 121 183	143 184 049
Real terminal ANS costs - (in BGN2009)	23 700 000	22 135 922	18 991 329	19 475 079	19 571 982	19 930 907
Real gate-to-gate ANS costs - (in BGN2009)	**176 572 468**	**162 937 245**	**163 808 756**	**162 299 330**	**165 693 165**	**163 114 956**
Real gate-to-gate ANS costs - (in EUR2009)	**90 304 540**	**83 331 072**	**83 776 789**	**83 004 823**	**84 740 534**	**83 421 959**
Share of en-route costs in gate-to-gate ANS costs	**86.6%**	**86.4%**	**88.4%**	**88.0%**	**88.2%**	**87.8%**

Bulgaria - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in BGN2009)	152 872 468	140 801 322	137 949 090	132 801 346	-10 022 905	-7.0%
Real terminal ANS costs - (in BGN2009)	23 700 000	22 157 926	21 524 151	20 999 320	1 524 241	7.8%
Real gate-to-gate ANS costs - (in BGN2009)	**176 572 468**	**162 959 248**	**159 473 241**	**153 800 666**	**-8 498 664**	**-5.2%**
Real gate-to-gate ANS costs - (in EUR2009)	**90 304 540**	**83 342 325**	**81 559 475**	**78 658 347**	**-4 346 476**	**-5.2%**
Share of en-route costs in gate-to-gate ANS costs	**86.6%**	**86.4%**	**86.5%**	**86.3%**	**-1.7%**	

12 - General conclusions on the gate-to-gate ANS costs

The actual real 2012 gate-to-gate ANS costs (in €2009) are -5.2% lower than the forecast presented in the NPP.

The relative share of en-route costs within the total cost base has been relatively stable over time at around 86%. Compared to the forecast in the National Performance Plan, the actual share of en-route costs in gate-to-gate costs was -1.7 percentage points lower in 2012.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Cyprus

Edition 1.0
Edition date: 15/08/2013

CYPRUS **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Cyprus	2012	2013	2014
State level	66		
ANSP	60		

EASA observations

Overall score seems to be correct.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	4	0%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	1	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	146	0%		%		%

Just Culture

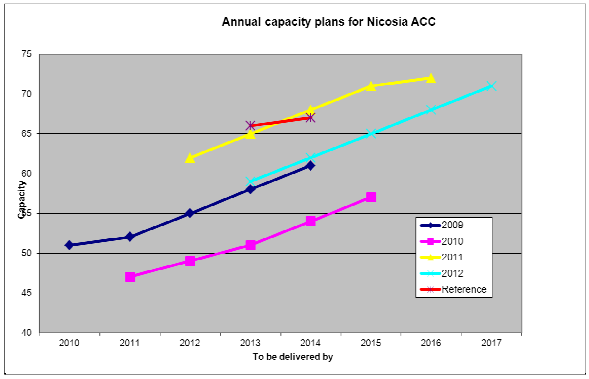
Number of questions answered with Yes or No.	State		ANSP (CYATS)	
	YES	NO	YES	NO
Policy and its implementation	9	1	12	1
Legal/Judiciary	8	0	2	1
Occurrence reporting and Investigation	2	0	6	2
TOTAL	**19**	**1**	**20**	**4**

CYPRUS — Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay

Year	2012	2013	2014
Reference value	0.93	0.59	0.30
National Target	1.90	1.70	1.00
Actual performance	1.59	--	--

Observations



Nicosia ACC, despite continuing to deploy additional capacity in line with the 2009 capacity plan till shows a capacity shortfall when compared to the required capacity (red line above) to contribute to the EU wide capacity target.

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Cyprus did not contain any specific details of how FUA would be applied to increase capacity.

Assessment

Extract from notification letter from European Commission July 2012

- Cyprus's revised performance plan was assessed on the clear expectation that Cyprus will adopt and implement effective capacity enhancement measures in coordination with the Network Manager and the other BLUEMED FAB Member States to resolve any capacity shortfall and enable the 2014 reference value of 0.3 minute of average delay per flight to be met at the earliest possible date in the second reference period.
- Although the capacity performance for Cyprus met the national target for 2012, it was significantly below the contribution expected from Cyprus as part of the EU wide capacity performance.

Effective booking procedures

- The Airspace Management Cell for Cyprus has confirmed that the allocation and activation of restricted or segregated areas within the Nicosia FIR has no impact on either ATC capacity, or on the ability of aircraft operators to file flight plans. Therefore the data for such areas is not reported.

Recommendations

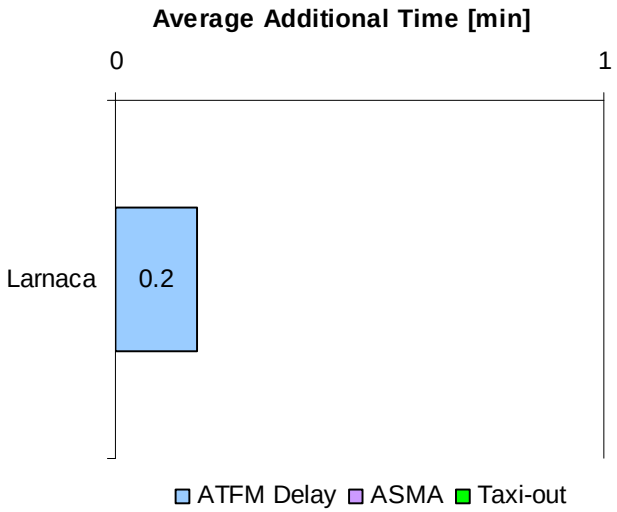
- The NSA for Cyprus is requested to provide the PRB with additional information on how Cyprus is working with the Network Manager and the BLUEMED Member States to resolve the significant capacity shortfall and to ensure an adequate contribution to the EU wide target in 2014.

CYPRUS **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Larnaca	LCLK	0.2	3 909	Not applicable		Missing data		**3 909**
Weighted average		**0.2**						
Grand Total			**3 909**		**0**		**0**	**3 909**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R., STND);
- DRWY data missing since January 2011.

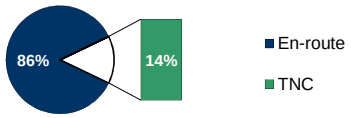
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Cyprus represents 0.7% of the SES en-route ANS determined costs in 2012.
- ATSP : DCAC Cyprus
- FAB : Blue Med
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

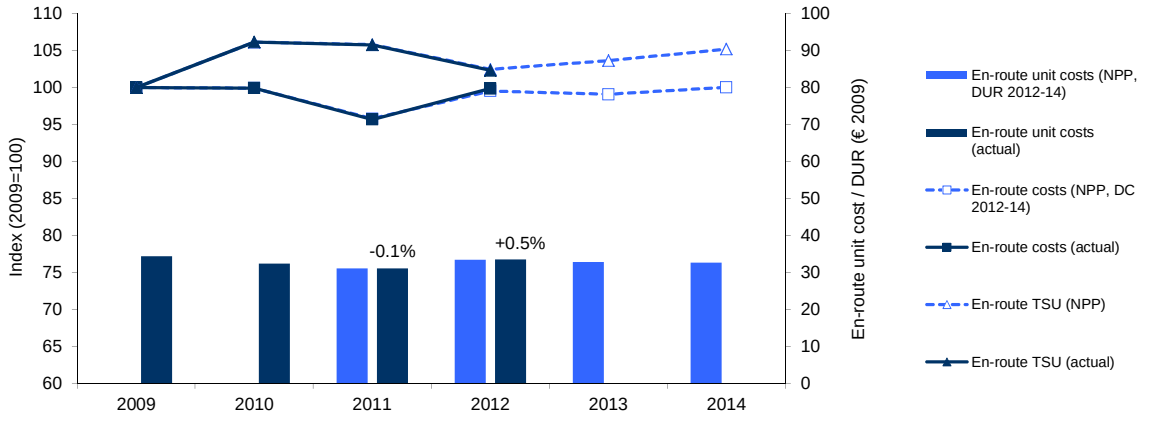


2. - En-route DUR monitoring (2012)

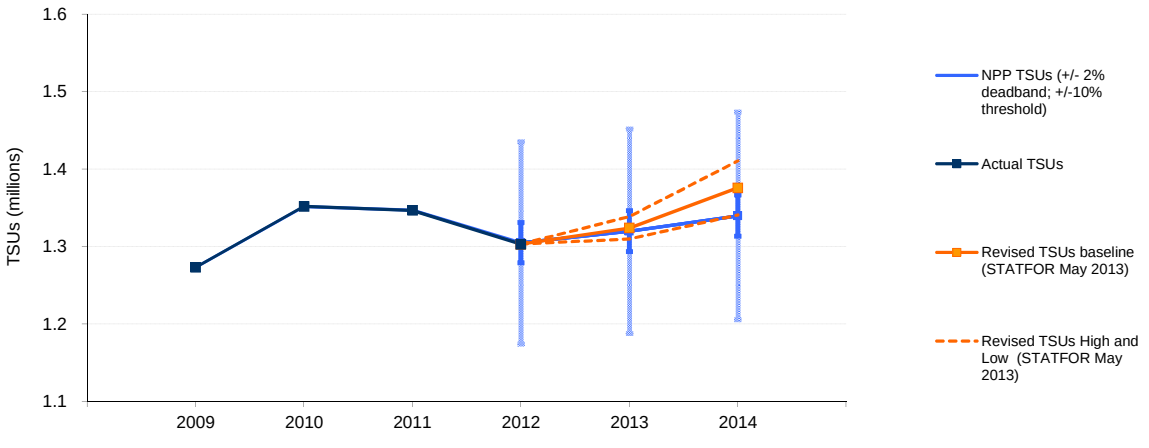
En-route Determined Unit Rate (DUR) 2012 Cyprus (in EUR2009)	33.41
Monitoring - Actual en-route unit cost 2012 Cyprus (in EUR2009)	33.57
Difference (in EUR2009)	0.15
Difference in percent	0.5%

Cyprus - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	43 799 792	44 868 751	44 470 062	47 602 454	48 802 304	50 754 397
Inflation %		2.5%	3.4%	3.0%	3.0%	3.0%
Inflation index (100 in 2009)	100.0	102.5	106.0	109.2	112.4	115.8
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 799 792	43 774 391	41 958 827	43 606 147	43 403 173	43 824 563
Total en-route Service Units	1 273 476	1 351 886	1 347 369	1 305 000	1 320 000	1 340 000
Real en-route unit costs per Service Units - (in EUR2009)	**34.39**	**32.38**	**31.14**	**33.41**	**32.88**	**32.70**

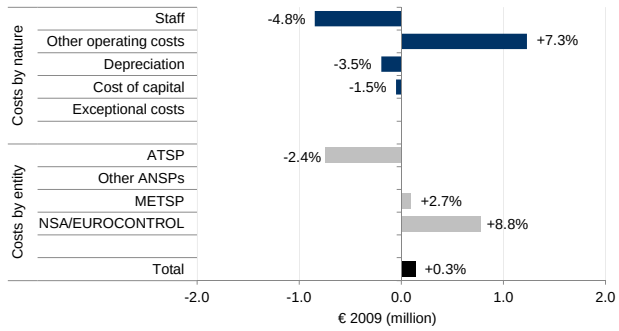
Cyprus - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	43 799 792	44 868 751	44 470 062	47 845 941	243 486	0.5%
Inflation %		2.5%	3.5%	3.1%	0.1 p.p.	
Inflation index (100 in 2009)	100.0	102.5	106.1	109.4	0.2 p.p.	
Real en-route costs - (in EUR2009)	43 799 792	43 774 391	41 918 287	43 744 375	138 228	0.3%
Total en-route Service Units	1 273 476	1 352 000	1 347 000	1 303 262	-1 738	-0.1%
Real en-route unit costs per Service Units - (in EUR2009)	**34.39**	**32.38**	**31.12**	**33.57**	**0.15**	**0.5%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	304
New cost item required by law	-
International agreements	-8
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	213
Other ANSP	-
METSP	27
NSA/EUROCONTROL	56
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**296**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

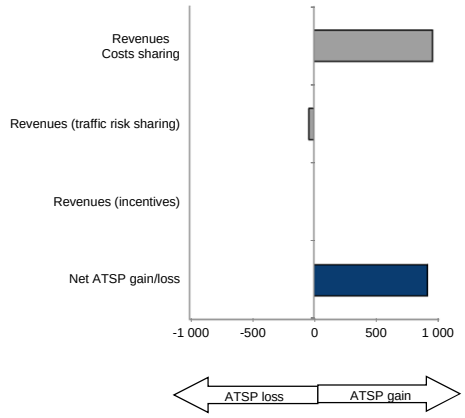
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	31 097
Actual costs for the ATSP	30 358
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	739
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	213
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**952**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-0.13%
Determined costs after deduction of costs for exempted VFR flights	31 037
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-41
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-41**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

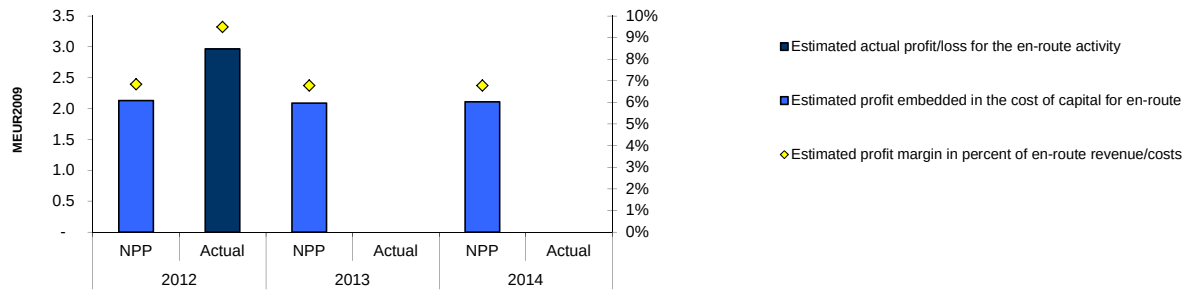
Net ATSP gain(+)/loss(-) on en-route activity	911

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	35 177	34 272	34 446		34 582	
Estimated proportion of financing through equity (in %)	100%	100%	100%		100%	
Estimated proportion of financing through equity (in value)	35 177	34 272	34 446		34 582	
Estimated proportion of financing through debt (in %)	0%	0%	0%		0%	
Estimated proportion of financing through debt (in value)	-	-	-		-	
Cost of capital	2 128	2 056	2 089		2 109	
Average interest on debt	0.0%	0.0%	0.0%		0.0%	
Interest on debt	-	-	-		-	
Ex-ante RoE	6.1%	6.0%	6.1%		6.1%	
Estimated profit embedded in the cost of capital for en-route	2 128	2 056	2 089		2 109	
Net ATSP gain(+)/loss(-) on en-route activity		911				
Estimated profit/loss for the en-route activity	**2 128**	**2 967**	**2 089**		**2 109**	
Revenue/costs for the en-route activity	**31 097**	**31 269**	**30 779**		**31 078**	
Estimated profit margin in percent of en-route revenue/costs	**6.8%**	**9.5%**	**6.8%**		**6.8%**	
Estimated ex-post RoE	**6.1%**	**8.7%**	**6.1%**		**6.1%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by Cyprus

Note 1: Cyprus Annual Monitoring Report
At the time of writing this report, the Cyprus NSA did not yet provide the Commission/PRB with their Annual Monitoring Report for year 2012. Therefore, the PRB based its cost-efficiency monitoring analysis on en-route and terminal ANS cost and charges data provided by Cyprus to the European Commission in June 2013, in line with the charging regulation requirements.

Note 2: Return on equity (RoE)
DCAC is a Governmental Department and as such does not have any equity capital and therefore no return on equity. However, it is noted that Cyprus charges cost of capital and has reported cost of capital for 2012. For the purposes of this analysis, since there is no information on the ratio between the equity (in this case State-owned capital) and the debt, it is assumed that cost of capital pre-tax rate of 6.0% is remuneration for the use of assets funded 100% by the State.

At State / Charging Area level

In 2012, Cyprus real en-route unit cost (33.57 €2009) is slightly higher (+0.5%) than planned in the NPP for RP1 (33.41 €2009). This difference is due to the fact that 2012 actual real en-route costs are +0.3% higher than the determined costs, while the actual number of total service units (TSUs) is slightly lower than planned (-0.1%).

Looking forward, based on STATFOR May 2013 forecasts, the number of TSUs in 2013 is expected to be slightly higher (+0.3%) than the figure provided in the Cyprus NPP for RP1 (which is within the -/+2% deadband). However, according to STATFOR base case scenario, this difference is expected to increase in 2014 since the number of TSUs is forecasted to be +2.7% higher than the amount planned in the NPP. This is outside the -/+2% deadband, but within the -/+10% threshold.

The Cyprus en-route cost-base includes costs relating to: the Cyprus ATSP (DCAC), the METSP, the Cyprus NSA and the EUROCONTROL Agency. While for DCAC 2012 en-route costs are lower than planned in the NPP (-2.4% or -0.7 M€2009), the higher costs than planned are observed for the METSP (+2.7% or +0.1 M€2009) and the NSA/EUROCONTROL (+8.8% or +0.8 M€2009). The latter reflects slightly lower costs than planned for the EUROCONTROL Agency but higher costs for the NSA. In fact, additional costs for the NSA are SAR related costs (+28.5% or +1.1 M€ higher than planned), while the supervision costs are significantly lower than planned in the NPP (-32.4% or -0.3 M€2009).

In 2012, Cyprus actual en-route staff costs are lower than planned in the NPP for RP1 (-4.8% or -0.8 M€2009). This reflects lower staff costs in all three accountable entities: DCAC (-4.9%), the METSP (-5.1%), and the NSA (-3.7%). According to the additional information provided along with the en-route reporting tables in June 2013, this reflects the freezing of salaries and reduction in allowances.

On the other hand, other operating costs are higher than planned in the NPP for 2012 (+7.3% or +1.2 M€2009), which reflects significantly higher other operating costs for the NSA (+20.0%) and the METSP (+34.6%), while other operating costs for the DCAC are slightly higher than planned (+1.0%). According to the additional information provided in the en-route reporting tables in June 2013, this difference is due to the increase of the VAT rate by 2% and the increase in utilities prices.

En-route depreciation costs are -3.5% lower than planned in the NPP for 2012, which reflects lower depreciation costs in all three entities. Actual cost of capital is slightly lower than planned (-1.5%). This is mainly driven by DCAC and reflects the fact that a lower asset base than planned (-2.6%) and lower cost of capital pre-tax rate (6.0% instead of 6.1%) was used to compute DCAC cost of capital in 2012. It is understood from the additional information provided in the en-route reporting tables in June 2013 that lower capital related costs were driven by the postponement of investments (Ground to Air project and the upgrade of Lara and Larnaca Radar).

On the capacity side, although the performance for Cyprus met the national target for 2012, it was significantly below the contribution expected from Cyprus as part of the EU-wide capacity performance target.

Costs exempt from cost sharing are reported for a total of +0.3 M€2009 to be passed on to users for the en-route activity, corresponding to the combination of higher costs arising from a higher actual VAT rate than planned and lower EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

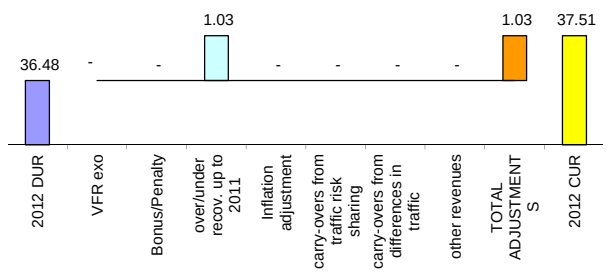
Taking into account the costs exempt from the cost sharing, DCAC actual en-route costs are some -1.0 M€2009 lower than the determined costs reported for the year 2012. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned in 2012 translated into net losses in en-route revenues which amounted to -0.04 M€2009 for DCAC. The combination of these two elements contributes to a net gain of +0.9 M€2009 on the en-route activity in 2012.

When estimating the profit margin for the year 2012, it is important to account for the profit embedded in the cost of capital (some 2.1 M€2009) through the return on equity (in this case State-owned capital). Since there is no information on the ratio between the equity and the debt, it is assumed that cost of capital pre-tax rate of 6.0% represents the remuneration for the use of assets funded 100% by the State.

As a result, the estimated profit for the en-route activity in 2012 would amount to 3.0 M€2009 (0.9 €2009 + 2.1 M€2009), which implies a profit margin of +9.5% and an ex-post rate of return on equity of 8.7%. This indicates that in 2012, DCAC was in a position to retain a part of profit embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2012, despite lower TSUs than planned.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Cyprus 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The unit rate charged to users in 2012 was 37.51€. This is higher than the nominal DUR (36.48€). The difference observed between these two figures (1.03€) reflects solely the amount of under-recovery carried over to 2012 in the context of the full cost-recovery regime in place before RP1.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in the terminal charging zone(s)			2	2	2	2
of which, number of airports over 50 000 movements						

Cyprus - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	0	0	7 434 000	7 850 000	7 781 000	8 004 000
Inflation index (100 in 2009)	100.0	102.5	106.0	109.2	112.4	115.8
Real terminal ANS costs - (in EUR2009)	**0**	**0**	**7 014 200**	**7 190 979**	**6 920 167**	**6 911 161**

Cyprus - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	0	0	7 433 823	7 647 203	-202 797	-2.6%
Inflation index (100 in 2009)	100.0	102.5	106.1	109.4	0.2 p.p.	
Real terminal ANS costs - (in EUR2009)	**0**	**0**	**7 007 256**	**6 991 651**	**-199 328**	**-2.8%**
Total terminal service units			43 902	42 500		
Actual real unit costs - (in EUR2009)			159.6	164.5		
Unit rate applied - (in EUR)				**N/appl**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Cyprus does not charge terminal air navigation services through separate terminal navigation charges, since Cyprus has not yet defined a terminal charging zone with a single terminal unit rate: *"However, one charging zone with one terminal charge is planned to be introduced. No political decision has been taken yet, regarding the date when the new charge will be imposed to users"*, according to the additional information provided along with the terminal reporting tables provided in June 2013.

Nevertheless, Cyprus discloses in the reporting tables the costs related to the provision of air navigation services at the two international airports (Larnaca and Pafos).

The 2012 actual terminal ANS costs are -2.8% lower than the forecast provided in the NPP, in real terms (€2009). The main drivers for this difference are lower staff costs (-5.6% or -0.2 M€2009), lower cost of capital (-23.4% or -0.2 M€2009), and lower depreciation costs (-9.9% or -0.1 M€2009), while other operating costs are higher than the forecast (+14.5% or +0.3 M€2009). No further detailed information on the underlying drivers was noticed.

11. - Monitoring of gate-to-gate costs (2012)

Cyprus - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 799 792	43 774 391	41 958 827	43 606 147	43 403 173	43 824 563
Real terminal ANS costs - (in EUR2009)	0	0	7 014 200	7 190 979	6 920 167	6 911 161
Real gate-to-gate ANS costs - (in EUR2009)	**43 799 792**	**43 774 391**	**48 973 027**	**50 797 126**	**50 323 339**	**50 735 724**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**100.0%**	**85.7%**	**85.8%**	**86.2%**	**86.4%**

Cyprus - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	43 799 792	43 774 391	41 918 287	43 744 375	138 228	0.3%
Real terminal ANS costs - (in EUR2009)	0	0	7 007 256	6 991 651	-199 328	-2.8%
Real gate-to-gate ANS costs - (in EUR2009)	**43 799 792**	**43 774 391**	**48 925 543**	**50 736 027**	**-61 100**	**-0.1%**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**100.0%**	**85.7%**	**86.2%**	**0.4%**	

12 - General conclusions on the gate-to-gate ANS costs

In 2012, Cyprus actual gate-to-gate ANS costs (50.7 M€2009) are slightly lower than planned in the NPP (50.8 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs is slightly higher (86.2%) than the proportion planned in the NPP for 2012 (85.8%), and is planned to remain at this level in 2013 and 2014.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Czech Republic

Edition 1.0
Edition date: 15/08/2013

CZECH REPUBLIC **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Czech Republic	2012	2013	2014
State level	38		
ANSP	81		

EASA observations

95% of the replies were found to correspond to the situation encountered at the time of the standardisation visit. Five percent (5%) of the replies are overrated.

ANS CR will seek further opportunities to improve achieved level of safety – currently however the target is set at 75%, which suggest that target is already met..

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	0	N/A		%		%
	ATM overall		N/A		%		%
Reporting Runway Incursions (RIs)	ATM ground	11	0%		%		%
	ATM overall		100%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	18	56%		%		%

In the NSA Performance Monitoring Report of the Czech Republic for 2012, no mention is made on the application of the severity classification of the RAT methodology.

Just Culture

Number of questions answered with Yes or No.	**State**		**ANSP (ANSCR)**	
	YES	**NO**	**YES**	**NO**
Policy and its implementation	2	8	7	6
Legal/Judiciary	5	3	2	1
Occurrence reporting and Investigation	2	0	4	4
TOTAL	**9**	**11**	**13**	**11**

CZECH REPUBLIC — Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay	Observations

Year	2012	2013	2014
Reference value	0.15	0.16	0.15
National Target	0.15	0.16	0.15
Actual performance	0.00	--	--

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for the Czech Republic did not contain any description of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, the Czech Republic has exceeded both the national target and the level of performance required to be consistent with the EU wide target for 2012. The PRB is confident that the Czech Republic can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 38%
- Information was provided on all restricted areas, temporary restricted areas and temporary segregated areas as listed in the AIP for the Czech Republic in ENR 5.1 & 5.2.

Recommendations

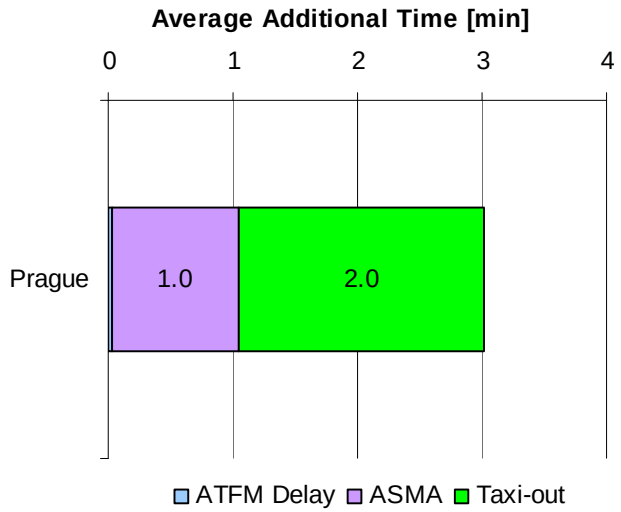
- No recommendations for the Czech Republic

CZECH REPUBLIC **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Prague LKPR		0.0	2 436	1.0	61 960	2.0	119 242	**183 638**
Weighted average		**0.0**		**1.0**		**2.0**		
Grand Total			**2 436**		**61 960**		**119 242**	**183 638**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.)
- Committed to be provided by 30.12.2013

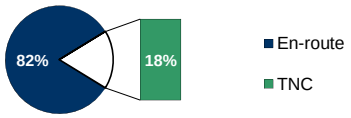
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Czech Republic represents 1.6% of the SES en-route ANS determined costs in 2012.
- ATSP : ANS CR
- FAB : FAB CE
- National currency: CZK
- Exchange rate 2009: 1 EUR= 26.4147

Share of en-route and terminal in gate-to-gate ANS costs

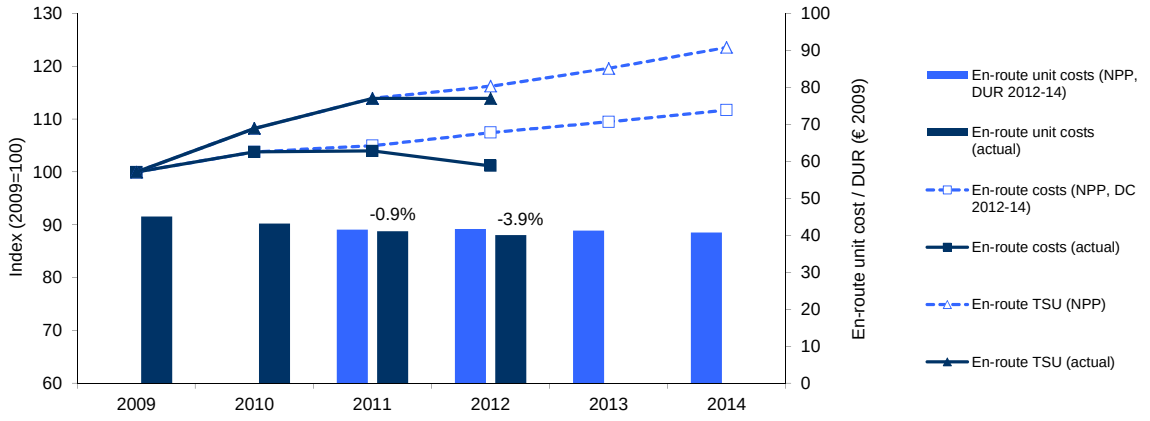


2. - En-route DUR monitoring (2012)

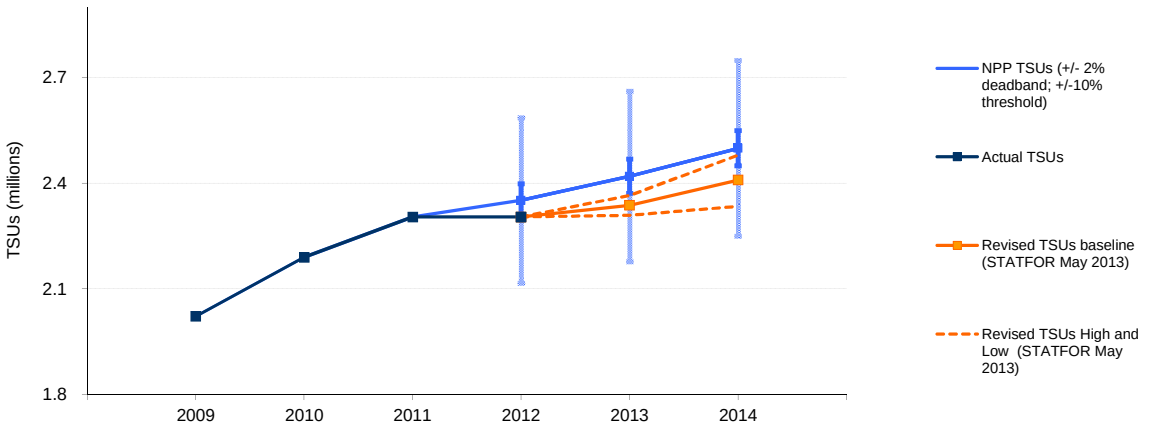
En-route Determined Unit Rate (DUR) 2012 Czech Republic (in CZK2009)	1 102.07	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Czech Republic (in CZK2009)	1 058.71	In 2012, the CZK depreciated by 2.2% compared to 2011.
Difference (in CZK2009)	-43.35	Exchange rate 2011: 1 EUR= 24.5502
Difference in percent	-3.9%	Exchange rate 2012: 1 EUR= 25.1016

Czech Republic - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal CZK)	2 410 997 795	2 540 591 834	2 623 618 675	2 771 863 500	2 880 339 446	2 997 726 999
Inflation %		1.5%	2.1%	3.2%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.5	103.6	106.9	109.1	111.3
Real en-route costs (determined costs 2012-2014) - (in CZK2009)	2 410 997 795	2 503 046 141	2 531 680 691	2 591 793 272	2 640 413 951	2 694 140 585
Total en-route Service Units	2 022 528	2 190 096	2 304 924	2 351 760	2 419 960	2 499 820
Real en-route unit costs per Service Units - (in CZK2009)	**1 192.07**	**1 142.89**	**1 098.38**	**1 102.07**	**1 091.10**	**1 077.73**
Real en-route unit costs per Service Units - (in EUR2009)	**45.13**	**43.27**	**41.58**	**41.72**	**41.31**	**40.80**

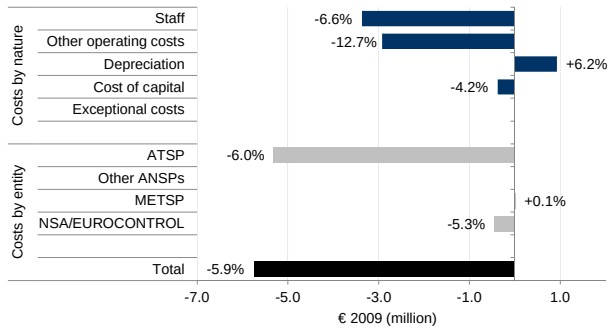
Czech Republic - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal CZK)	2 410 997 795	2 540 592 000	2 598 859 000	2 617 061 700	-154 801 800	-5.6%
Inflation %		1.5%	2.1%	3.5%	0.3 p.p.	
Inflation index (100 in 2009)	100.0	101.5	103.6	107.3	0.3 p.p.	
Real en-route costs - (in CZK2009)	2 410 997 795	2 503 046 305	2 507 788 655	2 439 955 061	-151 838 211	-5.9%
Total en-route Service Units	2 022 528	2 190 096	2 304 684	2 304 641	-47 119	-2.0%
Real en-route unit costs per Service Units - (in CZK2009)	**1 192.07**	**1 142.89**	**1 088.13**	**1 058.71**	**-43.35**	**-3.9%**
Real en-route unit costs per Service Units - (in EUR2009)	**45.13**	**43.27**	**41.19**	**40.08**	**-1.64**	**-3.9%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	116
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	116
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**116**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

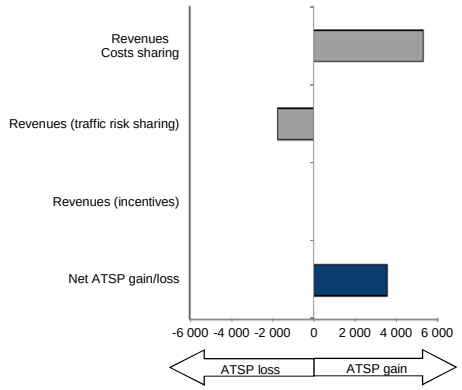
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	87 734
Actual costs for the ATSP	82 427
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	5 307
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**5 307**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-2.00%
Determined costs after deduction of costs for exempted VFR flights	87 002
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-1 740
ATSP loss (traffic between -2% and -10% below NPP)	-1
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 741**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

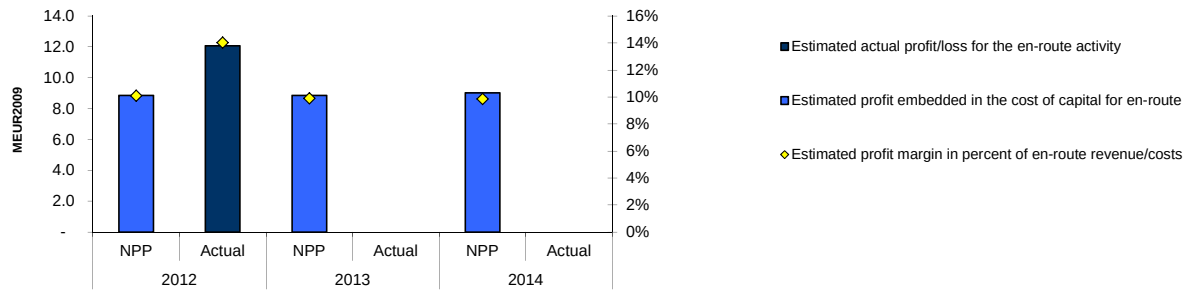
Net ATSP gain(+)/loss(-) on en-route activity	3 566

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	125 724	120 680	125 806		128 188	
Estimated proportion of financing through equity (in %)	100%	100%	100%		100%	
Estimated proportion of financing through equity (in value)	125 724	120 680	125 806		128 188	
Estimated proportion of financing through debt (in %)	0%	0%	0%		0%	
Estimated proportion of financing through debt (in value)	-	-	-		-	
Cost of capital	8 851	8 496	8 857		9 024	
Average interest on debt	0.0%	0.0%	0.0%		0.0%	
Interest on debt	-	-	-		-	
Ex-ante RoE	7.0%	7.0%	7.0%		7.0%	
Estimated profit embedded in the cost of capital for en-route	8 851	8 496	8 857		9 024	
Net ATSP gain(+)/loss(-) on en-route activity		3 566				
Estimated profit/loss for the en-route activity	**8 851**	**12 062**	**8 857**		**9 024**	
Revenue/costs for the en-route activity	**87 734**	**85 993**	**89 488**		**91 536**	
Estimated profit margin in percent of en-route revenue/costs	**10.1%**	**14.0%**	**9.9%**		**9.9%**	
Estimated ex-post RoE	**7.0%**	**10.0%**	**7.0%**		**7.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

In 2012, Czech Republic's real en-route unit cost (40.08 €2009) is -3.9% lower than the DUR provided in the NPP for RP1 (41.72 €2009). This difference is a result of i) lower 2012 actual en-route costs (-5.9%) compared to the determined costs and ii) lower actual number of en-route TSUs (-2.0%) than the figure reported in the NPP for 2012.

Looking forward, based on STATFOR May 2013 base case forecasts for Czech Republic, the number of TSUs in 2013 and 2014 is expected to be lower than the figures provided in the NPP for RP1.

The Czech Republic's en-route cost-base includes costs relating to: the en-route ATSP (ANS CR), the METSP (CHMI), the Czech Republic's NSA and the EUROCONTROL Agency. For CHMI the actual en-route costs are in line with the determined costs (-0.1%) while for the rest of the entities the actual en-route costs are lower than planned in the NPP for 2012 : ANS CR (-6.0%) and the NSA/EUROCONTROL (-5.3%). The latter reflects significantly lower costs than planned (-20.8%) for the NSA (Czech Republic's CAA) mainly due to lower other operating costs.

In 2012, Czech Republic's actual other operating costs are substantially lower (-12.7%) than planned in the NPP for RP1.Similarly, actual staff costs are -6.6% lower than the figure reported in the NPP. According to the data received for ACE 2012, it is understood that the part of lower staff costs are maybe related to lower average overtime hours per ATCO in OPS per year which is decreasing from 110 in 2011 to 84 in 2012.

The actual cost of capital is -4.2% lower than planned in the NPP. Based on the information provided in the Czech Republic's reporting tables, this mainly reflects the use of a lower asset base to compute ANS CR's cost of capital (-4.0% compared to the NPP).The lower asset base is a result of lower Net Book Value of Fixed Assets (-10.6% in real terms) but higher net current assets (+33.3% in real terms comparing to the NPP). Similarly to the cost of capital, actual 2012 capex are significantly lower (-548.5 MCZK or -56.6%). According to the NSA monitoring report this is mainly due to postponement of main investment projects.

Although the fixed assets and the capex are significantly lower, the actual 2012 depreciation costs in real terms are +6.2% higher than planned in the NPP. The main drivers for this difference are i) the ANS CR's depreciation costs which are higher (+4.0%) comparing to the NPP and ii) the NSA's depreciation costs for which no amount was planned in the NPP. There is no information provided from Czech Republic concerning the difference in ANS CR's depreciation costs. Concerning the difference in NSA's depreciation costs, according to the additional information provided with the en-route reporting tables, *"supervision costs were at time of Performance plan preparation bundled in other operating costs, including its depreciation"* . Czech Republic corrected this and reported 7.2 MCZK in the 2012 actual figures of depreciation for the NSA.

Costs exempted from cost sharing are reported for a total of +0.1 M€2009 to be passed on to users for the en-route activity, corresponding to higher EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

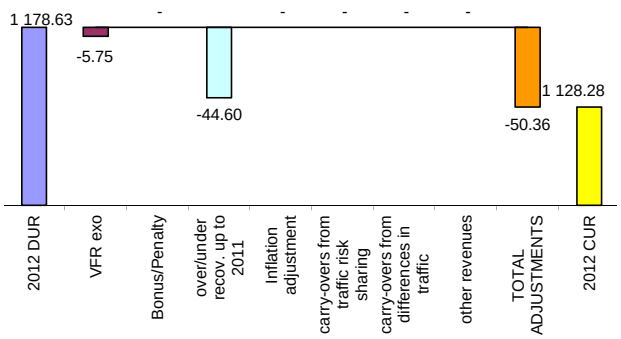
Taking into account the costs exempted from cost sharing, ANS CR's actual en-route costs are some -5.3 M €2009 lower than the determined costs reported for the year 2012. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned in 2012 translated into net losses in en-route revenues which amounted to -1.7 M€2009 for ANS CR. The combination of these two elements contributes to a net gain of +3.6 M€2009 on the en-route activity in 2012.

The estimated ex-ante profit margin for ANS CR for the year 2012 corresponds to the profit embedded in the cost of capital through the return on equity (some 8.5 M€2009). Ex-post, ANS CR's estimated profit for the en-route activity amounts to 12.1 M€2009 (i.e. 8.5 +3.6) which implies a profit margin of 14.0% and an ex-post rate of return on equity of 10.0% for the year 2012 (compared to the 7.0% planned in the NPP).

Conclusion: In 2012 despite a lower actual traffic than planned and associated revenue losses (-1.7 M €2009), ANS CR was in a position to reduce its cost base compared to plans by a significantly greater amount (-5.3 M €2009), while also outperforming the capacity target. The profit embedded in the cost of capital (8.5 M€2009) together with the additional net gains (3.6 M€2009) result in an estimated profit on the en-route activity for ANS CR of 12.1 M€2009 in 2012, implying a profit margin of 14.0%.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Czech Republic 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - CZK



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to airspace users in 2012 was 1 128.28 CZK. This is lower than the DUR expressed in nominal terms (1 178.63 CZK).The difference between these two figures (50.36 CZK) mainly relates to costs for services to exempted VFR and over-recoveries carried over to 2012 in the context of the full cost-recovery regime in place before RP1.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	4	4	4	4	4	4
of which, number of airports over 50 000 movements	1	1	1	1	1	1

Czech Republic - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in CZK)	594 226 434	611 067 517	571 246 000	589 438 400	605 512 600	622 465 700
Inflation index (100 in 2009)	100.0	101.5	103.6	106.9	109.1	111.3
Real terminal ANS costs - (in CZK2009)	**594 226 434**	**602 036 962**	**551 228 150**	**551 146 360**	**555 074 826**	**559 427 228**
Real terminal ANS costs - (in EUR2009)	**22 496 051**	**22 791 740**	**20 868 234**	**20 865 138**	**21 013 861**	**21 178 633**

Czech Republic - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in CZK)	594 226 434	611 768 000	579 482 000	530 308 000	-59 130 400	-10.0%
Inflation index (100 in 2009)	100.0	101.5	103.6	107.3	0.3 p.p.	
Real terminal ANS costs - (in CZK2009)	**594 226 434**	**602 727 094**	**559 175 540**	**494 420 016**	**-56 726 344**	**-10.3%**
Real terminal ANS costs - (in EUR2009)	**22 496 051**	**22 817 866**	**21 169 104**	**18 717 609**	**-2 147 529**	**-10.3%**
Total terminal service units	87 641	83 659	85 372	76 247		
Actual real unit costs - (in CZK2009)	6 780.2	7 204.6	6 549.9	6 484.5		
Unit rate applied - (in CZK)				**6 800.00**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Czech Republic comprises 4 airports, one of which handles over 50 000 movements. No changes are foreseen over the 2013-2014 period. The harmonised SES formula (MTOW/50)^0.7 already applies in the Czech Republic's terminal charging zone.

Actual terminal ANS costs are -10.3% lower than the forecast presented in the NPP for the year 2012 (some 2.1 M€2009). According to the additional information provided with the terminal reporting tables the main driver for this difference is the lower traffic compared to the forecast for 2012 due to less flights operated by Czech Airlines which led ANS CR to introduce cost-containment measures.
Therefore, there are significant decreases that appear across the different categories of costs by nature i.e. lower staff costs (-10.5%), lower other operating costs (-15.3%), depreciation costs (-1.5%) and lower cost of capital (-16.1%) comparing to the plan.

11. - Monitoring of gate-to-gate costs (2012)

Czech Republic - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in CZK2009)	2 410 997 795	2 503 046 141	2 531 680 691	2 591 793 272	2 640 413 951	2 694 140 585
Real terminal ANS costs - (in CZK2009)	594 226 434	602 036 962	551 228 150	551 146 360	555 074 826	559 427 228
Real gate-to-gate ANS costs - (in CZK2009)	**3 005 224 229**	**3 105 083 103**	**3 082 908 841**	**3 142 939 632**	**3 195 488 777**	**3 253 567 813**
Real gate-to-gate ANS costs - (in EUR2009)	**113 770 901**	**117 551 330**	**116 711 863**	**118 984 491**	**120 973 881**	**123 172 620**
Share of en-route costs in gate-to-gate ANS costs	**80.2%**	**80.6%**	**82.1%**	**82.5%**	**82.6%**	**82.8%**

Czech Republic - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in CZK2009)	2 410 997 795	2 503 046 305	2 507 788 655	2 439 955 061	-151 838 211	-5.9%
Real terminal ANS costs - (in CZK2009)	594 226 434	602 727 094	559 175 540	494 420 016	-56 726 344	-10.3%
Real gate-to-gate ANS costs - (in CZK2009)	**3 005 224 229**	**3 105 773 399**	**3 066 964 195**	**2 934 375 077**	**-208 564 554**	**-6.6%**
Real gate-to-gate ANS costs - (in EUR2009)	**113 770 901**	**117 577 463**	**116 108 235**	**111 088 715**	**-7 895 776**	**-6.6%**
Share of en-route costs in gate-to-gate ANS costs	**80.2%**	**80.6%**	**81.8%**	**83.2%**	**0.7%**	

12 - General conclusions on the gate-to-gate ANS costs

In 2012, Czech Republic's gate-to-gate ANS costs (111.1 M€2009) are -6.6% lower than planned in the NPP (118.9 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs in 2012 (83.2%) is slightly higher than planned (82.5%). This is due to the fact that 2012 terminal ANS costs are significantly lower than forecasted (-10.3%) while actual en-route ANS costs are substantially lower than the determined costs provided in the NPP (-5.9%) but proportionally less than the terminal.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Denmark

Edition 1.0
Edition date: 15/08/2013

DENMARK **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Denmark	2012	2013	2014
State level	45		
ANSP	89		

EASA observations

Eight percent (8%) of the results are overrated due to inconsistency with other answers and possible unawareness of the results of the inspection. Sixteen percent (16%) of the replies are underrated but the results encountered at the time of the standardisation inspection in the area of safety assurance showed that overall the self-assessment made by the authority averages ought to be accurate. The rest of the replies were found to correspond to the situation encountered at the time of the standardisation visit.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	8	0%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	38	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	664	0%		%		%

The figures in the Danish Monitoring Report differ from data received through the AST mechanism as follows:

- 27 reported SMIs vs. 8 in AST;
- 3 reported RIs vs. 38 in AST;
- 549 reported ATM events vs. 664 according to the AST.

Nevertheless, the indication of how many reports were assessed with RAT methodology corresponds with the AST, for all types of occurrences (0% or N/A).

Just Culture

Number of questions answered with Yes or No.	State		ANSP (NAVIAR)	
	YES	NO	YES	NO
Policy and its implementation	4	6	9	4
Legal/Judiciary	6	2	2	1
Occurrence reporting and Investigation	2	0	7	1
TOTAL	**12**	**8**	**18**	**6**

The Danish State Monitoring Report did not provide JC data for ANSP level.

DENMARK **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay			
Year	**2012**	**2013**	**2014**
Reference value	0.08	0.06	0.07
National Target			
Actual performance	0.00	--	--

Observations

Denmark did not set a national capacity target for 2012 but, together with Sweden, adopted a Denmark-Sweden FAB target.

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Denmark Sweden FAB, in the part relating to FUA implementation in Denmark did not contain any specific details of how FUA would be applied to increase capacity

Assessment

- With the excellent capacity performance in 2012, Denmark has exceeded the level of performance required to be consistent with the EU wide target for 2012. The PRB is confident that Denmark can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 58%
- Information was provided on the following Danger Areas which are used as temporary segregated areas: EK D301; EK D302; EK D303 & EK D304.
- No information was provided on TSA SILKEBORG, or on the various temporary restricted areas listed in the AIP. However, it is noted that IFR traffic may flight plan via active restricted areas and that they will receive a clearance to cross the relevant area. Therefore, if ATC capacity is not affected by the allocation or activation of such restricted areas, then there is no need for them to be monitored.

Recommendations

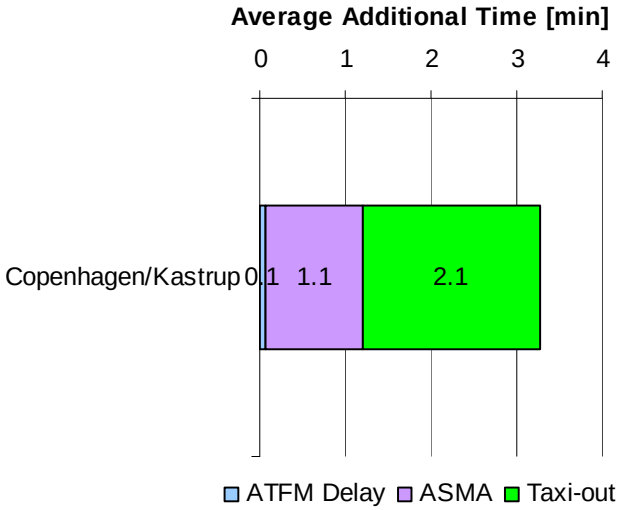
- Denmark is asked to review if the temporary restricted areas listed in the AIP have any impact on available ATC capacity, and if so, to report on the allocation and use of such airspace in the future.

DENMARK **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Copenhagen/Kastrup	EKCH	0.1	9 549	1.1	130 268	2.1	235 868	**375 685**
Weighted average		**0.1**		**1.1**		**2.1**		
Grand Total			**9 549**		**130 268**		**235 868**	**375 685**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.)

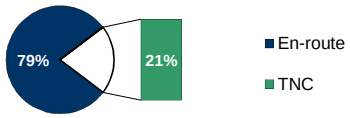
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Denmark represents 1.6% of the SES en-route ANS determined costs in 2012.
- ATSP : NAVIAIR
- FAB : DK-SE
- National currency: DKK
- Exchange rate 2009: 1 EUR= 7.44337

Share of en-route and terminal in gate-to-gate ANS costs

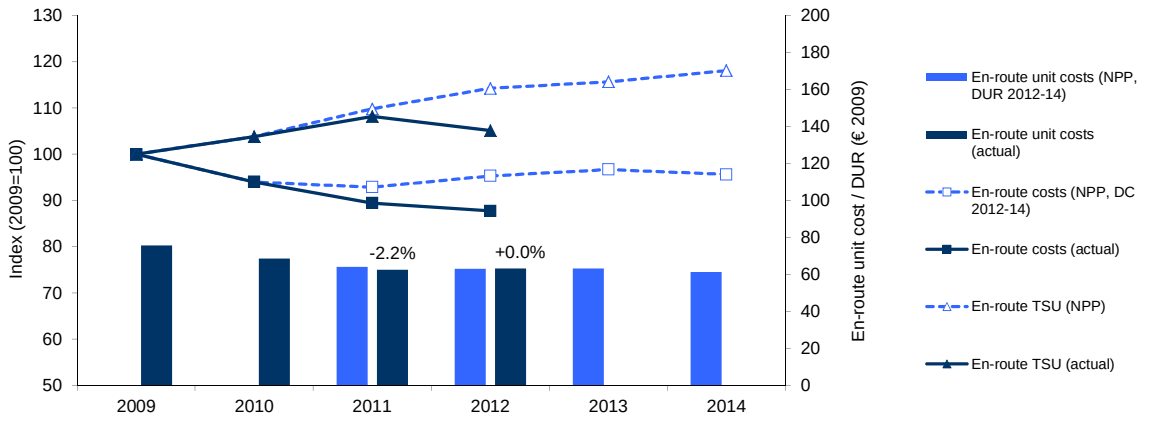


2. - En-route DUR monitoring (2012)

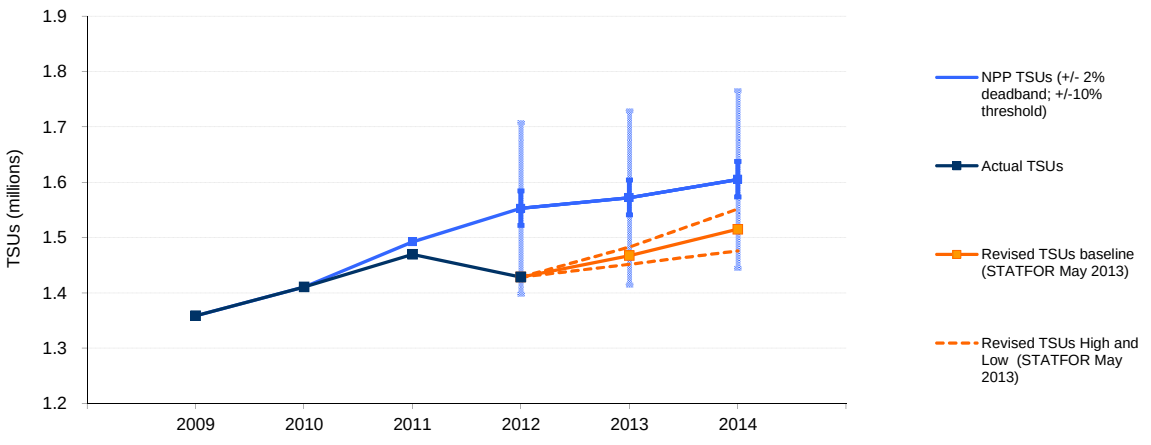
En-route Determined Unit Rate (DUR) 2012 Denmark (in DKK2009)	470.03	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Denmark (in DKK2009)	470.25	In 2012, the DKK appreciated by 0.1% compared to 2011.
Difference (in DKK2009)	0.23	Exchange rate 2011: 1 EUR= 7.44796
Difference in percent	0.0%	Exchange rate 2012: 1 EUR= 7.44164

Denmark - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal DKK)	765 672 826	735 661 455	738 016 565	772 363 786	799 231 596	806 319 034
Inflation %		2.2%	1.5%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	102.2	103.7	105.8	107.9	110.1
Real en-route costs (determined costs 2012-2014) - (in DKK2009)	765 672 826	719 825 299	711 457 844	729 969 631	740 551 666	732 469 353
Total en-route Service Units	1 358 804	1 410 791	1 492 488	1 553 042	1 572 317	1 605 336
Real en-route unit costs per Service Units - (in DKK2009)	**563.49**	**510.23**	**476.69**	**470.03**	**470.99**	**456.27**
Real en-route unit costs per Service Units - (in EUR2009)	**75.70**	**68.55**	**64.04**	**63.15**	**63.28**	**61.30**

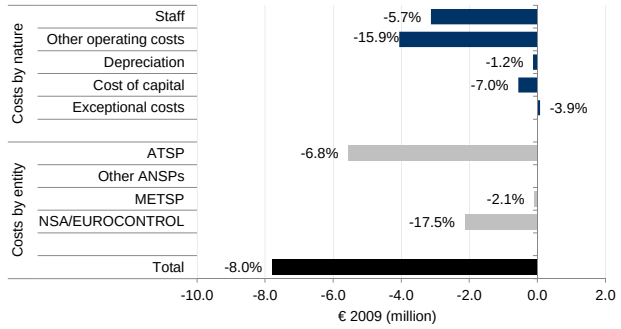
Denmark - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal DKK)	765 672 826	735 661 467	718 962 626	722 109 707	-50 254 078	-6.5%
Inflation %		2.2%	2.7%	2.4%	0.4 p.p.	
Inflation index (100 in 2009)	100.0	102.2	105.0	107.5	1.7 p.p.	
Real en-route costs - (in DKK2009)	765 672 826	719 825 310	684 991 173	671 864 798	-58 104 833	-8.0%
Total en-route Service Units	1 358 804	1 410 791	1 470 012	1 428 735	-124 307	-8.0%
Real en-route unit costs per Service Units - (in DKK2009)	**563.49**	**510.23**	**465.98**	**470.25**	**0.23**	**0.0%**
Real en-route unit costs per Service Units - (in EUR2009)	**75.70**	**68.55**	**62.60**	**63.18**	**0.03**	**0.0%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-28
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-28
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-28

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

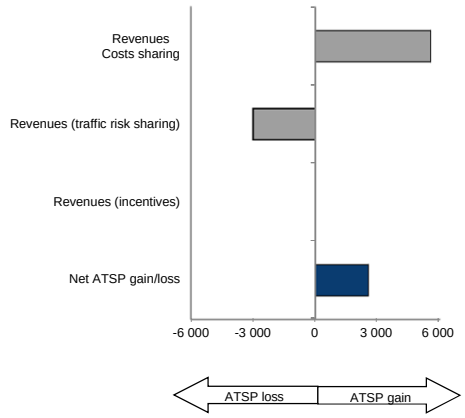
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	81 314
Actual costs for the ATSP	75 745
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	5 569
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**5 569**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-8.00%
Determined costs after deduction of costs for exempted VFR flights	79 050
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-1 581
ATSP loss (traffic between -2% and -10% below NPP)	-1 424
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-3 005**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

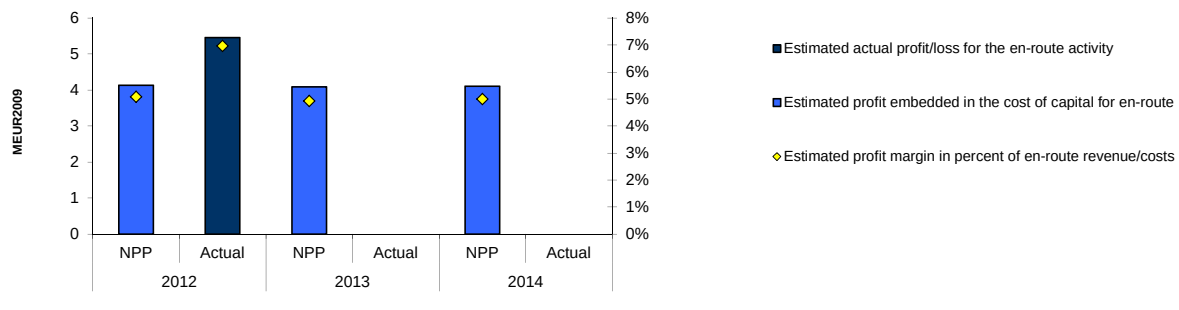
Net ATSP gain(+)/loss(-) on en-route activity	2 564

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	178 212	175 442	185 748		186 750	
Estimated proportion of financing through equity (in %) (see Note 1)	58%	41%	55%		55%	
Estimated proportion of financing through equity (in value)	103 363	72 282	102 161		102 713	
Estimated proportion of financing through debt (in %) (see Note 1)	42%	59%	45%		45%	
Estimated proportion of financing through debt (in value)	74 849	103 160	83 586		84 038	
Cost of capital	8 025	7 443	8 677		8 299	
Average interest on debt	5.2%	4.4%	5.1%		5.0%	
Interest on debt	3 886	4 539	4 235		4 162	
Ex-ante RoE (see Note 1)	4.0%	4.0%	4.0%		4.0%	
Estimated profit embedded in the cost of capital for en-route	4 135	2 891	4 086		4 109	
Net ATSP gain(+)/loss(-) on en-route activity		2 564				
Estimated profit/loss for the en-route activity	**4 135**	**5 455**	**4 086**		**4 109**	
Revenue/costs for the en-route activity	**81 314**	**78 309**	**82 961**		**82 200**	
Estimated profit margin in percent of en-route revenue/costs	**5.1%**	**7.0%**	**4.9%**		**5.0%**	
Estimated ex-post RoE	**4.0%**	**7.5%**	**4.0%**		**4.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Note on the information provided by Denmark

Note 1: Assumptions for the gearing and the return on equity
Note that the figures related to the cost of capital, return on equity and interest on debt reported by NAVIAIR are not fully consistent. To ensure consistency the profitability analysis is based on the following assumptions: For the 2012 plan an (ex-ante) ROE of 4% is assumed that is in line with the actual figure reported for the year 2012. The resulting proportion of equity financing for the 2012 plan is 58% that is close to the Ministry of Transport's legal requirement of 55% equity ratio, while for 2012 actual the proportion of equity financing assumed is the 41% provided by NAVIAR.

Note 2: The number of total terminal service units is not reported by Denmark
Due to the fact that Denmark did not report total terminal service units, the number of chargeable service units is presented in the table in item 9. Furthermore, the "Actual real unit costs" figure is also calculated taking the chargeable service units into account.

At State / Charging Area level

Denmark's actual 2012 real term en-route unit cost is in line with the plan (+0.0%) as real en-route costs are below the performance plan figure by the same percentage as total en-route service units (-8.0%). With the -8.0% lower than planned traffic Denmark is below the ±2% dead band but slightly above the -10% threshold in 2012. According to the revised May 2013 STATFOR plan the traffic for 2013 and 2014 is also expected to be lower than planned in the performance plan, most probably below the ±2% dead band but above the -10% threshold for each year.

Real en-route costs for Denmark are -8.0 % lower in 2012 than planned as a combination of -6.5% lower nominal en-route costs and +1.7 percentage points higher inflation index. The majority of the cost savings in absolute terms is related to NAVIAIR (i.e. -5.6 M€2009 or -6.8%) but the savings for the NSA/EUROCONTROL entity are also significant (i.e. -2.1 M€2009 or -17.5%). According to the NSA monitoring report the cost reduction for the Danish Transport Authority (NSA) is due to general cost savings in relation to the merge of three Danish agencies which was less expensive than expected and a new cost allocation used after the merge. Costs turned out to be lower than planned in 2012 in all cost categories by nature. The majority of the cost savings in absolute terms materialised in staff costs (-5.7%) and other operating costs (-15.9%).

Costs exempt from cost sharing are reported for a total amount of -0.03 M€2009 to be reimbursed to users for the en-route activity, corresponding to unforeseen change in the Eurocontrol costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Staff costs at NAVIAIR are reported to be lower than planned due to the reduction of 33 FTEs staff (more than half impacted ATCOs) out of 690 FTEs total work force, as a reaction to the lower than expected traffic and to salary restrictions, while other operating costs turned out to be below the determined costs due to lower insurance costs, decrease in heat/water/electricity consumption, reduced costs to support and maintenance agreements, and a temporary stop of training. It is not clear whether the cost reductions at NAVIAIR are directly driven by the Denmark-Sweden FAB operational arrangements related to the NUAC company which has started to provide ATS on 1 July 2012 taking over ATCC Copenhagen, Malmö and Stockholm.

According to the Danish NSA monitoring report the actual 2012 capex (52 MDKK) is -13% below the plan (60 MDKK) as a result of the postponement of the start of the CNS-related "WAM" project from 2012 to 2013. It is also understood that COOPANS Build 1 went operational on 31 March 2012 in line with the schedule and the budget.

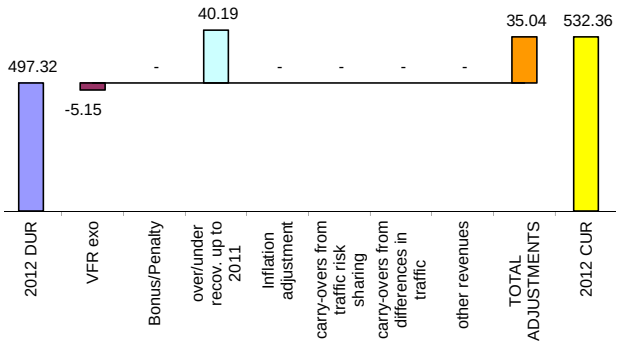
In 2012 NAVIAIR has a gain of +5.6 M€2009 from cost sharing due to the lower than planned costs. On the other hand, the -8.0% lower than planned traffic results in a -3.0 M€2009 loss for the ATSP in 2012. As a result, the combined effect on profitability of these two deviations is a net gain of +2.6 M€2009. There are no financial incentives (bonus/penalty) applied to the ATSP. Based on the assumptions detailed in Note 1 above the calculated embedded profit margin for NAVIAIR in 2012 is +2.9 M€2009 which is lower than planned in the NPP (i.e. +4.1 M€2009). After adding the +2.6 M€2009 net gain resulting from the cost and traffic sharing mechanisms, the actual profit relating to the 2012 en-route activity of the ATSP amounts to +5.5 M€2009 or 7.0% of the en-route activity turnover. The estimated ex-post ROE for NAVIAIR in respect of the 2012 en-route activity is 7.5%.

Conclusion

Although traffic in Denmark was significantly lower than planned for 2012, NAVIAR could maintain (and actually increase) its profit margin by introducing significant cost saving measures in staff and other operating costs. Provided these cost reductions are sustainable for the last two years of RP1 then NAVIAIR should be in a good position to maintain its profit margin given the latest traffic outlook.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Denmark 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - DKK



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to airspace users in 2012 (532.36 DKK) was higher than the nominal DUR (497.32 DKK) as a result of the combination of some under-recoveries accumulated up to 2011 and the deduction of costs for services to exempted VFR.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	1	1	1	1	1	1
of which, number of airports over 50 000 movements	1	1	1	1	1	1

Denmark - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in DKK)	185 064 000	165 750 502	198 980 121	200 894 015	204 035 711	207 053 900
Inflation index (100 in 2009)	100.0	102.2	103.7	105.8	107.9	110.1
Real terminal ANS costs - (in DKK2009)	**185 064 000**	**162 182 487**	**191 819 500**	**189 867 175**	**189 055 321**	**188 090 111**
Real terminal ANS costs - (in EUR2009)	**24 862 932**	**21 788 852**	**25 770 518**	**25 508 227**	**25 399 157**	**25 269 483**

Denmark - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in DKK)	185 064 000	166 550 502	197 620 000	196 482 414	-4 411 601	-2.2%
Inflation index (100 in 2009)	100.0	102.2	105.0	107.5	1.7 p.p.	
Real terminal ANS costs - (in DKK2009)	**185 064 000**	**162 965 266**	**188 282 326**	**182 811 027**	**-7 056 148**	**-3.7%**
Real terminal ANS costs - (in EUR2009)	**24 862 932**	**21 894 017**	**25 295 307**	**24 560 250**	**-947 978**	**-3.7%**
Chargeable terminal service units (see Note 2)	133 215	138 576	145 828	144 110		
Actual real unit costs - (in DKK2009) (see Note 2)	1 389.2	1 176.0	1 291.1	1 268.6		
Unit rate applied - (in DKK)				**1 361.00**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Denmark comprises one airport (Copenhagen) having more than 50 000 airport movements per year. The harmonised SES formula (MTOW/50)^0.7 is applied to determine the number of terminal service units.

The actual real 2012 terminal ANS costs are -3.7% lower than the forecast presented in the performance plan which is proportionately a smaller cost reduction than that observed for the en-route activity (-8.0%).

11. - Monitoring of gate-to-gate costs (2012)

Denmark - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in DKK2009	765 672 826	719 825 299	711 457 844	729 969 631	740 551 666	732 469 353
Real terminal ANS costs - (in DKK2009)	185 064 000	162 182 487	191 819 500	189 867 175	189 055 321	188 090 111
Real gate-to-gate ANS costs - (in DKK2009)	**950 736 826**	**882 007 785**	**903 277 344**	**919 836 807**	**929 606 986**	**920 559 464**
Real gate-to-gate ANS costs - (in EUR2009)	**127 729 352**	**118 495 760**	**121 353 277**	**123 578 004**	**124 890 605**	**123 675 091**
Share of en-route costs in gate-to-gate ANS costs	**80.5%**	**81.6%**	**78.8%**	**79.4%**	**79.7%**	**79.6%**

Denmark - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in DKK2009)	765 672 826	719 825 310	684 991 173	671 864 798	-58 104 833	-8.0%
Real terminal ANS costs - (in DKK2009)	185 064 000	162 965 266	188 282 326	182 811 027	-7 056 148	-3.7%
Real gate-to-gate ANS costs - (in DKK2009)	**950 736 826**	**882 790 576**	**873 273 500**	**854 675 826**	**-65 160 981**	**-7.1%**
Real gate-to-gate ANS costs - (in EUR2009)	**127 729 352**	**118 600 926**	**117 322 328**	**114 823 773**	**-8 754 231**	**-7.1%**
Share of en-route costs in gate-to-gate ANS costs	**80.5%**	**81.5%**	**78.4%**	**78.6%**	**-0.7%**	

12 - General conclusions on the gate-to-gate ANS costs

The actual real 2012 gate-to-gate ANS costs are -7.1% lower than the forecast presented in the performance plan.

The relative share of en-route costs within the total gate-to-gate cost base is 79% in 2012 and is in line with that forecasted in the performance plan.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Estonia

Edition 1.0
Edition date: 15/08/2013

ESTONIA **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Estonia	2012	2013	2014
State level	50		
ANSP	64		

EASA observations

Over 85% of the replies were reviewed: 75% of them were considered as "L" (low level of confidence) and 25% as "M" (medium level of confidence). The remaining 15% were self-assessed as not yet implemented hence not subject to sampling.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	14	21%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	0	N/A		%		%
	ATM overall		N/A		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	3	0%		%		%

According to the Estonian Annual Monitoring Report of 2012, the results for application of the severity classification of the RAT methodology may vary from results based on self-evaluation questions represented in EASA questionnaires. The results shown in the State report are based on the latest information.

The application of the RAT methodology for Estonia was provided by the ANSP representative in the RAT User Group, and provided figures that differ from the ones in the Estonian Monitoring Report:

- 16 reported SMIs vs. 14 via ANSP representative;
- 5 RIs at State level (only 2 at ANSP level) vs. 0 via ANSP representative;
- 4 reported ATM events vs. 3 via ANSP representative.

Also the use of the RAT methodology is reported differently for SMIs and RIs:

- 19% for SMIs vs 21%;
- 50% for the RIs vs N/A.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (EANS)	
	YES	NO	YES	NO
Policy and its implementation	2	8	9	4
Legal/Judiciary	2	6	2	1
Occurrence reporting and Investigation	1	1	5	3
TOTAL	**5**	**15**	**16**	**8**

ESTONIA — Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.11	0.16	0.22	
National Target	0.11	0.16	0.22	
Actual performance	0.11	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Estonia did not contain any specific details of how FUA would be applied to increase capacity

Assessment

- With the capacity performance in 2012, Estonia has met the level of performance required to be consistent with the EU wide target for 2012. The PRB is confident that Estonia can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- The calculation on effective booking procedures could not be performed since Estonia did not provide any information on the actual use of airspace, despite stating in the national FUA report (LSSIP 2011-2015) that Estonia had established mechanisms to archive data on the requests, allocation and actual use of airspace structures in accordance with Art 4.1.n of the FUA Regulation 2150/2005

Recommendations

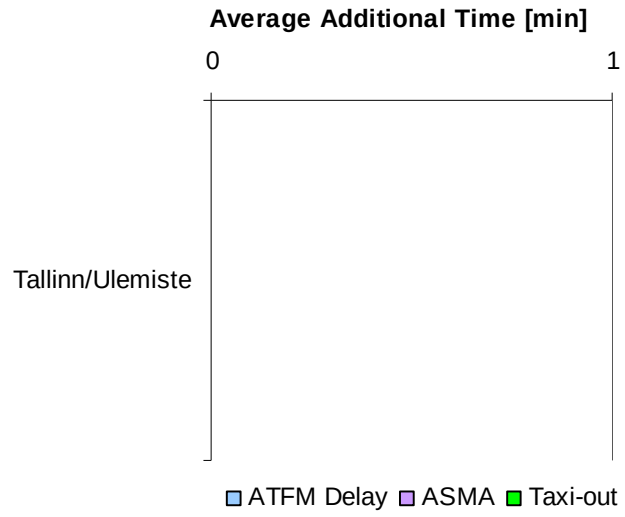
- Estonia is invited to ensure that information on the allocation and use of airspace structures is made available to the Commission in accordance with IR 691/2010, and IR 2150/2005.

ESTONIA **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Tallinn	EETN	0.00	0	Not applicable		Missing Data		0
Weighted average		**0.0**						
Grand Total			**0**		**0**		**0**	**0**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R., DRWY)

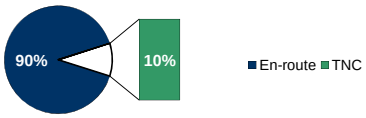
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Estonia represents 0.2% of the SES en-route ANS determined costs in 2012.
- ATSP : EANS
- FAB : NEFAB
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

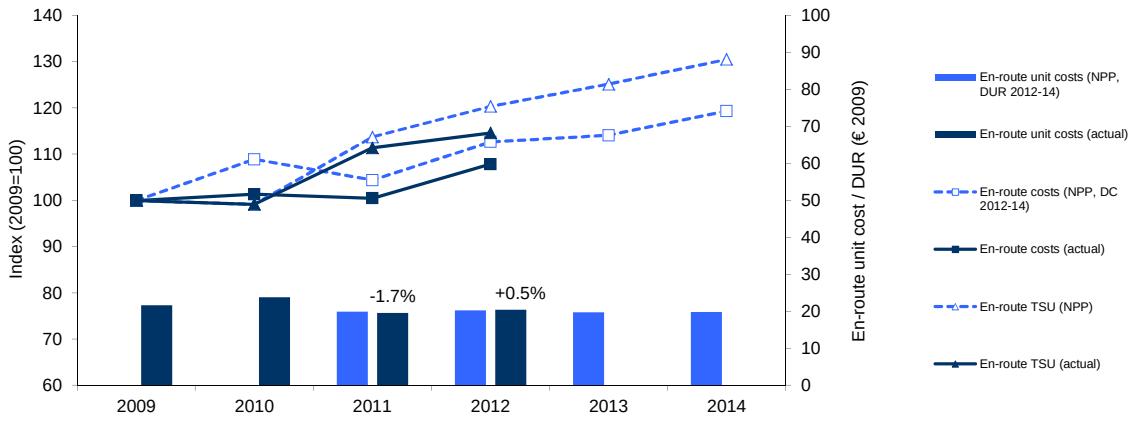


2. - En-route DUR monitoring (2012)

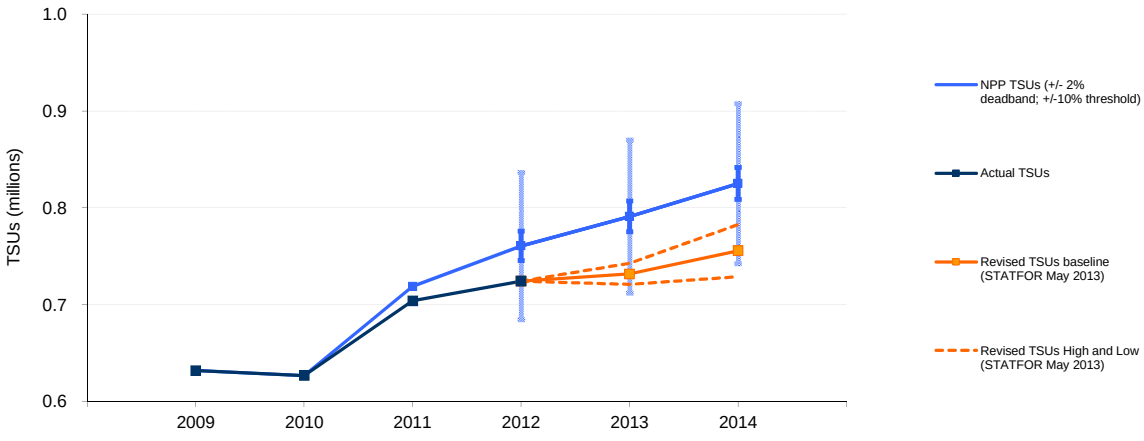
En-route Determined Unit Rate (DUR) 2012 Estonia (in EUR2009)	20.31
Monitoring - Actual en-route unit cost 2012 Estonia (in EUR2009)	20.42
Difference (in EUR2009)	0.11
Difference in percent	0.5%

Estonia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	13 715 440	15 383 534	15 410 276	17 099 491	17 834 818	19 181 800
Inflation %		3.0%	4.5%	2.8%	3.0%	2.8%
Inflation index (100 in 2009)	100.0	103.0	107.6	110.6	114.0	117.2
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	13 715 440	14 935 470	14 317 161	15 453 845	15 648 936	16 372 402
Total en-route Service Units	632 129	626 875	719 000	760 800	791 232	825 255
Real en-route unit costs per Service Units - (in EUR2009)	**21.70**	**23.83**	**19.91**	**20.31**	**19.78**	**19.84**

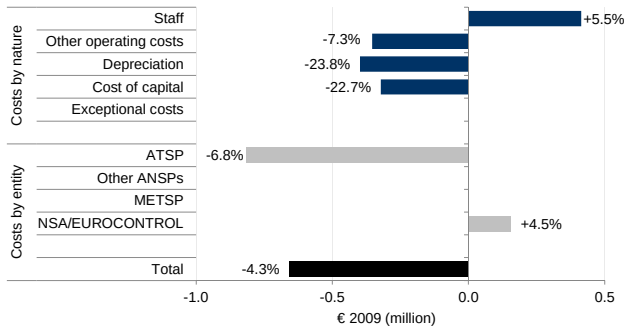
Estonia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	13 715 440	14 316 461	14 919 300	16 688 900	-410 591	-2.4%
Inflation %		3.0%	5.1%	4.2%	1.4 p.p.	
Inflation index (100 in 2009)	100.0	103.0	108.3	112.8	2.2 p.p.	
Real en-route costs - (in EUR2009)	13 715 440	13 899 477	13 781 881	14 795 173	-658 672	-4.3%
Total en-route Service Units	632 129	626 898	704 211	724 536	-36 264	-4.8%
Real en-route unit costs per Service Units - (in EUR2009)	**21.70**	**23.83**	**19.57**	**20.42**	**0.11**	**0.5%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

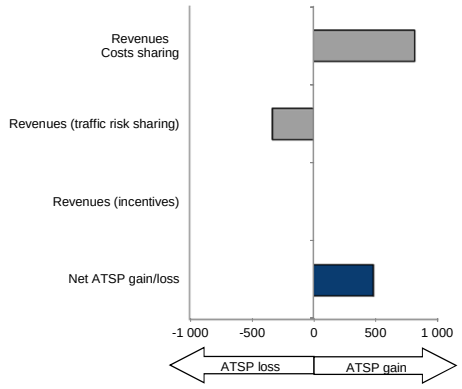
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	11 977
Actual costs for the ATSP	11 161
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	815
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**815**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-4.77%
Determined costs after deduction of costs for exempted VFR flights	11 748
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-235
ATSP loss (traffic between -2% and -10% below NPP)	-98
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-332**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

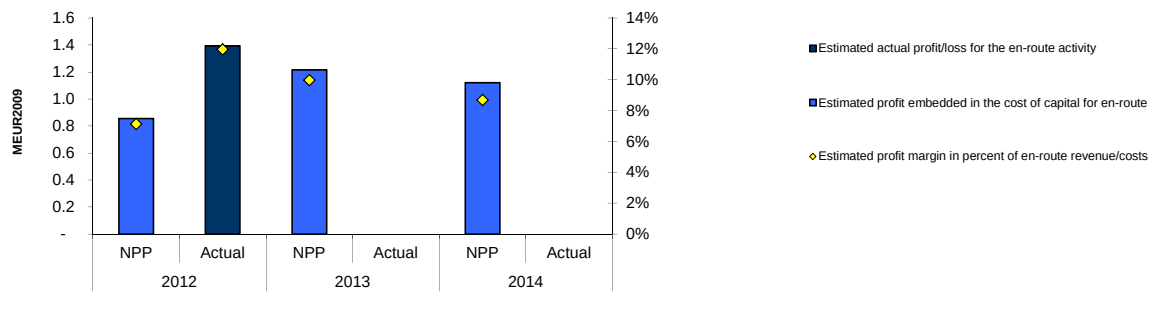
Net ATSP gain(+)/loss(-) on en-route activity	483

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	16 422	17 496	16 307		14 796	
Estimated proportion of financing through equity (in %)	58%	58%	84%		85%	
Estimated proportion of financing through equity (in value)	9 600	10 228	13 651		12 580	
Estimated proportion of financing through debt (in %)	42%	42%	16%		15%	
Estimated proportion of financing through debt (in value)	6 822	7 268	2 656		2 215	
Cost of capital	1 419	1 098	1 312		1 201	
Average interest on debt	3.7%	3.7%	3.7%		3.7%	
Interest on debt	249	265	97		81	
Ex-ante RoE	8.9%	8.9%	8.9%		8.9%	
Estimated profit embedded in the cost of capital for en-route	854	910	1 215		1 120	
Net ATSP gain(+)/loss(-) on en-route activity		483				
Estimated profit/loss for the en-route activity	**854**	**1 393**	**1 215**		**1 120**	
Revenue/costs for the en-route activity	**11 977**	**11 644**	**12 178**		**12 899**	
Estimated profit margin in percent of en-route revenue/costs	**7.1%**	**12.0%**	**10.0%**		**8.7%**	
Estimated ex-post RoE	**8.9%**	**13.6%**	**8.9%**		**8.9%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by Estonia

Note 1: It is understood that the figure reported by Estonia for the inflation rate in its en-route reporting table (3.9%) corresponds to the percentage change in the consumer price index for the year 2012 as it is provided in the Bank of Estonia database (see http://www.eestipank.ee/). However, in order to ensure consistency with the analysis carried out for the other States, the inflation rate used in this Monitoring Report is based on the Harmonised Index of Consumer Prices reported in the Eurostat database for Estonia (4.2% in 2012).

Note 2: In Estonia, the actual cumulative inflation for the period 2009-2012 (12.8%) was 2.2 percentage points higher than planned in the NPP (10.6%). For this reason, while in nominal terms actual 2012 en-route costs are -2.4% lower than the determined costs, a larger difference is observed when the en-route costs are expressed in real terms (-4.3%).

Note 3: In the NPP for RP1, in order to compute the planned cost of capital for EANS in 2012, Estonia considered an asset base (16.6 M€2009) comprising the NBV of fixed assets (14.6 M€2009) and net current assets (2.0 M€2009). Furthermore, information provided in the reporting tables for Route Charges indicates that a rate of return on equity (RoE) of 8.9% and an interest rate of debt of 3.7% were used. In addition, information available in the Estonian NPP on p.5 indicates that EANS planned gearing ratio for 2012 amounts to 0.71. It is understood that these elements were used to compute the planned cost of capital for EANS in 2012.

However, the computations made in the context of this monitoring analysis indicate that using the information above on the asset base, gearing ratio, RoE and interest rate on debts leads to a planned cost of capital (1.1 €M2009) which differs from the figure provided in Estonia NPP for 2012 (1.4 €M2009). A difference is also noted for the actual 2012 cost of capital considering the actual information on the asset base, RoE and interest rate on debt which is provided in the reporting tables for Route Charges and the gearing ratio of 0.71.

This issue deserves a clarification since it affects the analysis of EANS profit margin which is provided in this report. In particular, it would be important to confirm the gearing values that have been used to compute the planned and actual cost of capital for 2012. Furthermore, it is noted that an amount of 5.0 M€2009 has been reported as net current assets in the reporting tables for 2012 actuals (compared to 2.0 M€2009 as planned). It would also be important to confirm that this amount has been included in the asset base used to compute the actual cost of capital for 2012. The analysis provided in this monitoring report will be amended after receiving clarifications on these issues.

At State / Charging Area level

In 2012, Estonia's actual real en-route unit cost (20.42 €2009) is slightly higher (+0.5%) than the DUR provided in the NPP for RP1 (20.31 €2009). This difference is mainly due to the fact that while the 2012 actual en-route costs are -4.3% lower than the determined costs provided in the NPP, the actual number of en-route TSUs is -4.8% lower than planned.

Looking forward, based on STATFOR May 2013 base case forecasts, for Estonia the number of TSUs in 2013 and 2014 is expected to be lower than the figures provided in the NPP for RP1 and outside the deadband (-7.5% and -8.4% respectively). If these forecasts materialise, Estonia will incur losses in en-route revenues in 2013 and 2014.

The Estonian en-route cost-base includes costs relating to the ATSP (EANS) and to the Estonian NSA. Although the MET services are provided by the Estonian Meteorological and Hydrological Institute, the MET provider is not considered as a reporting entity and the MET costs are reported together with the ATSP costs (EANS). The NSA costs accounted for, in this analysis, comprise the supervision costs of the Estonian CAA and of the Ministry of Economic Affairs and Communication, SAR costs, and the Estonian Aviation Academy costs.

In 2012, actual en-route costs for EANS are substantially lower than the determined costs reported in the NPP (-6.8%). On the other hand, actual costs for the Estonian NSA are +4.5% higher than planned. According to the Estonian Annual Monitoring Report for 2012, this difference is mainly due to higher costs for the Estonian Aviation Academy compared to the information provided in the NPP (+ 41.5% in real terms).

In 2012, Estonia's actual 2012 staff costs are +5.5% higher than planned in the NPP. The Estonian Annual Monitoring Report for 2012 does not provide details on the main drivers underlying this difference.

On the other hand, actual depreciation costs (-23.8%) and cost of capital (-22.7%) are significantly lower than planned in the NPP for 2012. According to information provided in the Estonian NSA Annual Monitoring Report the actual capex spent by EANS in 2012 (2.2 M€) was -40.5% lower than planned in the NPP (3.7 M€). On the other hand, based on information provided in the reporting table for Route Charges, the asset base used to compute the actual cost of capital is +6.5% higher than planned in the NPP, mainly due to higher net current assets. This is not fully intuitive considering the lower actual cost of capital in 2012 (-22.7%). This issue would deserve a clarification (see Note 3 above).

Estonia did not report any costs exempted from cost sharing in 2012.

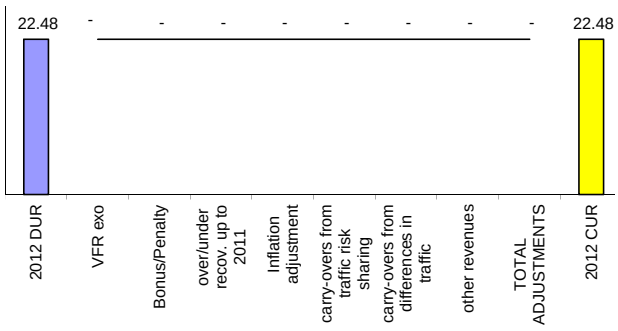
At ATSP level

EANS' actual en-route costs are some -0.8 M€2009 lower than the determined costs reported for the year 2012. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned in 2012 translated into net losses in en-route revenues which amounted to -0.3 M€2009 for EANS. The combination of these two elements contributes to a net gain of +0.5 M€2009 on the en-route activity in 2012. In addition, information from the NSA Monitoring Report indicates that Estonia met the capacity target in 2012.

When estimating the profit margin of EANS for the year 2012, it is important to include the profit embedded in the cost of capital through the return on equity (some 0.9 M€2009). As a result, EANS estimated profit for the en-route activity amounts to 1.4 M€2009 (i.e. 0.9 + 0.5) which implies a profit margin of 12.0% and an ex-post rate of return on equity of 13.6% for the year 2012 (compared to the 8.9% planned in the NPP).

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Estonia 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

Estonia is not part of the Multilateral Route Charges system and therefore did not operate under the full cost recovery regime before RP1. For this reason, the CUR charged to airspace users in 2012 (22.48€) is identical to the DUR expressed in nominal terms.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^		0.5	0.5	0.5	0.7	0.7
Number of airports in the terminal charging zone(s)		2	2	2	2	2
of which, number of airports over 50 000 movements						

Estonia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	1 075 579	1 382 080	1 741 900	1 864 537	1 917 758	2 050 763
Inflation index (100 in 2009)	100.0	103.0	107.6	110.6	114.0	117.2
Real terminal ANS costs - (in EUR2009)	**1 075 579**	**1 341 825**	**1 618 340**	**1 685 095**	**1 682 713**	**1 750 405**

Estonia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	1 075 579	1 039 487	1 278 129	1 987 500	122 963	6.6%
Inflation index (100 in 2009)	100.0	103.0	108.3	112.8	2.2 p.p.	
Real terminal ANS costs - (in EUR2009)	**1 075 579**	**1 009 211**	**1 180 687**	**1 761 974**	**76 879**	**4.6%**
Total terminal service units				19 717		
Actual real unit costs - (in EUR2009)				89.4		
Unit rate applied - (in EUR)				**77.97**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Estonia comprises 2 airports, none of which handles more than 50 000 movements. No changes are foreseen over the 2013-2014 period. The harmonised SES formula (MTOW/50)^0.7 is applied from 2013 onwards.

Actual Terminal ANS costs are +4.6% (some 0.08 M€2009) higher than the forecast provided in the NPP for the year 2012. The main driver for this difference is the significantly higher cost of capital (0.5 M€2009) comparing to the plans (0.2 M€2009).

11. - Monitoring of gate-to-gate costs (2012)

Estonia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	13 715 440	14 935 470	14 317 161	15 453 845	15 648 936	16 372 402
Real terminal ANS costs - (in EUR2009)	1 075 579	1 341 825	1 618 340	1 685 095	1 682 713	1 750 405
Real gate-to-gate ANS costs - (in EUR2009)	**14 791 019**	**16 277 295**	**15 935 501**	**17 138 940**	**17 331 649**	**18 122 807**
Share of en-route costs in gate-to-gate ANS costs	**92.7%**	**91.8%**	**89.8%**	**90.2%**	**90.3%**	**90.3%**

Estonia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	13 715 440	13 899 477	13 781 881	14 795 173	-658 672	-4.3%
Real terminal ANS costs - (in EUR2009)	1 075 579	1 009 211	1 180 687	1 761 974	76 879	4.6%
Real gate-to-gate ANS costs - (in EUR2009)	**14 791 019**	**14 908 688**	**14 962 568**	**16 557 147**	**-581 793**	**-3.4%**
Share of en-route costs in gate-to-gate ANS costs	**92.7%**	**93.2%**	**92.1%**	**89.4%**	**-0.8%**	

12 - General conclusions on the gate-to-gate ANS costs

In 2012, Estonia's actual gate-to-gate ANS costs (16.6 M€2009) are -3.4% lower than planned in the NPP (17.1 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs is 89.4% in 2012. This is in the same order of magnitude of what was planned in the NPP (90.2%).

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Finland

Edition 1.0
Edition date: 15/08/2013

FINLAND **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Finland	2012	2013	2014
State level	45		
ANSP	78		

EASA observations

95% of the replies were found to correspond to the situation encountered at the time of the standardisation visit. For the remaining replies 5% were found overrated; the Corrective Actions haven't been agreed yet, therefore these answers can't be fully assessed at present.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	17	0%		%		%
	ATM overall		76%		%		%
Reporting Runway Incursions (RIs)	ATM ground	12	0%		%		%
	ATM overall		25%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	109	1%		%		%

According to the Finnish Monitoring Report, Finland applies RAT methodology only to occurrence in two ATS units: Helsinki-Vantaa airport and EFIN ACC. Both ATM ground and ATM overall were assessed even though the numbers in the official tables would indicate that the ATM ground was not assessed at all. Due to the large number and nature of ATM specific technical events and the lack of resources, for 2012 only two most significant occurrences were assessed.

The figures in the Finish Monitoring Report differ from the AST report.

- 15 + 1 (indicated separately) reported SMIs vs. 17 in AST;
- 4 + 1 (indicated separately) reported RIs vs. 12 in AST;
- 163 reported ATM special technical events vs. 109 according to the AST.

Also the use of the RAT methodology is reported differently for SMIs and RIs: 100% for both of them, whereas the AST report gives 76% severity assessment with RAT for the SMIs and 25% for RIs.

The ATM specific technical events are reported equally in both AST mechanism and national monitoring report (1%).

Just Culture

Number of questions answered with Yes or No.	**State**		**ANSP (Finavia)**	
	YES	**NO**	**YES**	**NO**
Policy and its implementation	7	3	11	2
Legal/Judiciary	6	2	2	1
Occurrence reporting and Investigation	2	0	4	4
TOTAL	**15**	**5**	**17**	**9**

The Finish State Monitoring Report gives different replies for Occurrence reporting and Investigation at ANSP level. The numbers here are the ones as verified by CAA/NSA Finland

FINLAND **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.10	0.13	0.16	
National Target	0.05	0.03	0.02	
Actual performance	0.01	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Finland did not contain any description of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Finland has exceeded both the level of performance required to be consistent with the EU wide target for 2012 and the more ambitious national target. The PRB welcomes the commitment from Finland to provide good capacity performance and is confident that Finland can provide an adequate contribution to capacity performance in RP1

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 23%.

Recommendations

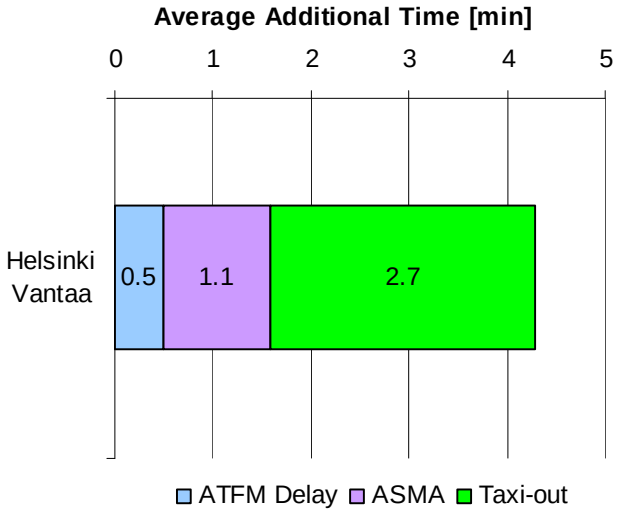
- No recommendations for Finland.

FINLAND **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Helsinki Vantaa	EFHK	0.5	42 870	1.1	86 174	2.7	212 970	**342 014**
Weighted average		**0.5**		**1.1**		**2.7**		
Grand Total			**42 870**		**86 174**		**212 970**	**342 014**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.)

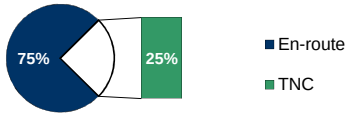
Specific Analysis

- Traffic volume decreased by 10.8% in 2012 compared to 2011.
- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Finland represents 0.7% of the SES en-route ANS determined costs in 2012.
- ATSP : Finavia
- FAB : NEFAB
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

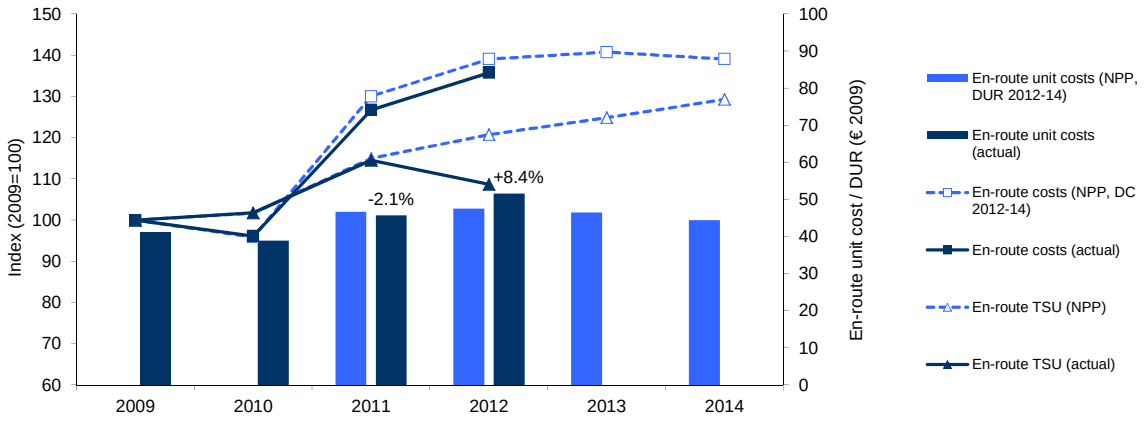


2. - En-route DUR monitoring (2012)

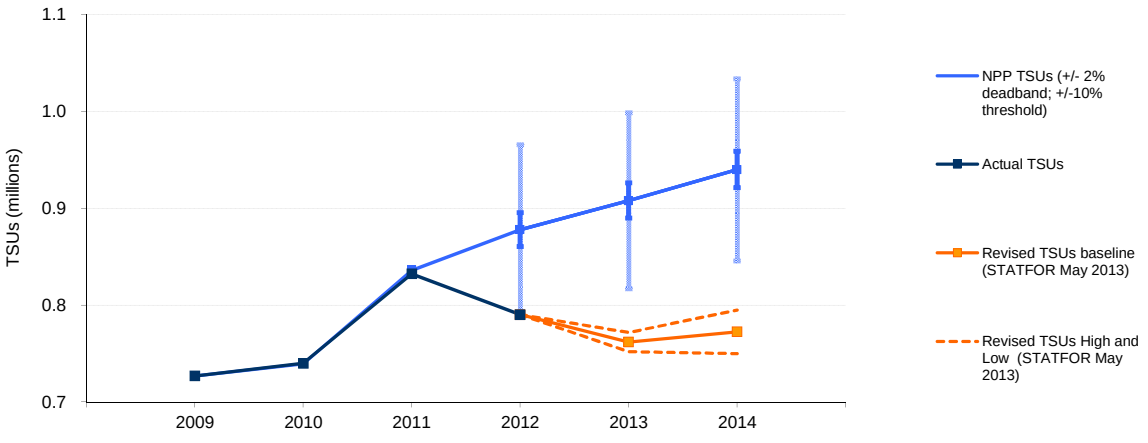
En-route Determined Unit Rate (DUR) 2012 Finland (in EUR2009)	47.56
Monitoring - Actual en-route unit cost 2012 Finland (in EUR2009)	51.57
Difference (in EUR2009)	4.02
Difference in percent	8.4%

Finland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	30 022 744	29 285 087	41 017 857	45 049 783	46 597 000	47 430 000
Inflation %		1.7%	3.3%	2.7%	2.2%	3.0%
Inflation index (100 in 2009)	100.0	101.7	105.1	107.9	110.3	113.6
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	30 022 744	28 795 562	39 043 765	41 754 278	42 258 623	41 761 230
Total en-route Service Units	727 050	739 502	836 000	878 000	908 000	940 000
Real en-route unit costs per Service Units - (in EUR2009)	**41.29**	**38.94**	**46.70**	**47.56**	**46.54**	**44.43**

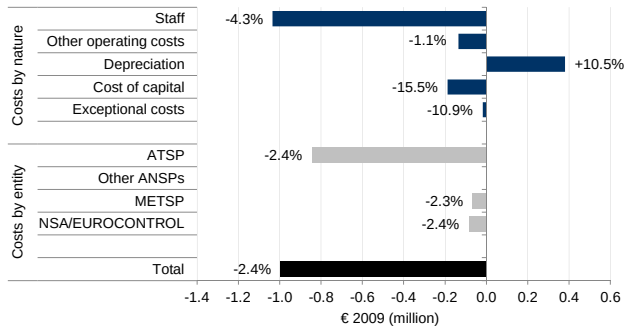
Finland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	30 022 744	29 352 499	39 976 000	44 189 300	-860 483	-1.9%
Inflation %		1.7%	3.3%	3.2%	0.5 p.p.	
Inflation index (100 in 2009)	100.0	101.7	105.1	108.4	0.5 p.p.	
Real en-route costs - (in EUR2009)	30 022 744	28 861 848	38 052 050	40 758 308	-995 970	-2.4%
Total en-route Service Units	727 050	740 000	832 459	790 296	-87 704	-10.0%
Real en-route unit costs per Service Units - (in EUR2009)	**41.29**	**38.94**	**45.71**	**51.57**	**4.02**	**8.4%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-11
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-11
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-11

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

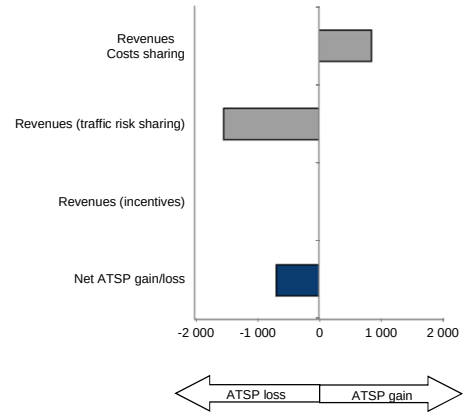
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	35 349
Actual costs for the ATSP	34 504
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	845
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	845

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-9.99%
Determined costs after deduction of costs for exempted VFR flights	34 881
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-698
ATSP loss (traffic between -2% and -10% below NPP)	-836
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-1 534

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-

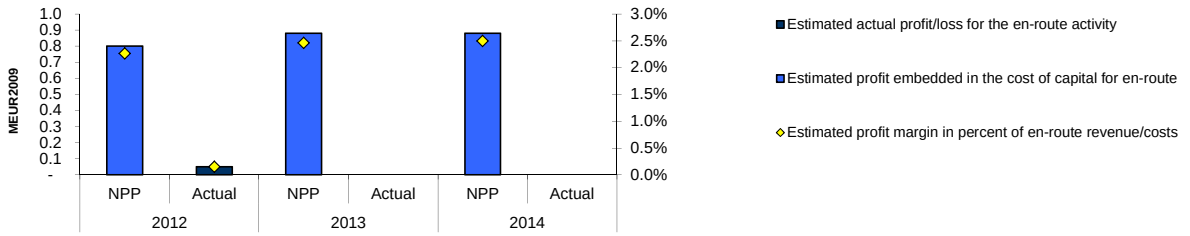
Net ATSP gain(+)/loss(-) on en-route activity	-689

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	25 954	27 154	28 545		28 542	
Estimated proportion of financing through equity (in %)	52%	46%	52%		52%	
Estimated proportion of financing through equity (in value)	13 581	12 536	14 908		14 925	
Estimated proportion of financing through debt (in %)	48%	54%	48%		48%	
Estimated proportion of financing through debt (in value)	12 372	14 619	13 637		13 617	
Cost of capital	1 172	1 017	1 302		1 316	
Average interest on debt	3.0%	1.9%	3.1%		3.2%	
Interest on debt	371	278	423		436	
Ex-ante RoE	5.9%	5.9%	5.9%		5.9%	
Estimated profit embedded in the cost of capital for en-route	801	740	880		881	
Net ATSP gain(+)/loss(-) on en-route activity		-689				
Estimated profit/loss for the en-route activity	**801**	**51**	**880**		**881**	
Revenue/costs for the en-route activity	**35 349**	**33 815**	**35 734**		**35 238**	
Estimated profit margin in percent of en-route revenue/costs	**2.3%**	**0.1%**	**2.5%**		**2.5%**	
Estimated ex-post RoE	**5.9%**	**0.4%**	**5.9%**		**5.9%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

Finland's actual 2012 real en-route unit cost is +8.4% higher than planned, as the difference in traffic (TSUs are nearly -10% lower than planned in the NPP) is not matched by a comparable difference in costs (real en-route costs are -2.4% lower than the determined costs set in the NPP).

With a traffic nearly -10% lower than planned, Finland almost reaches the -10% threshold in 2012. According to the revised May 2013 STATFOR plan (even in case of the "High" scenario), the -10% threshold will be exceeded in both 2013 and 2014.

Overall, real en-route costs for Finland are -2.4 % lower in 2012 than planned. Following the traffic downturn, savings were made in all cost categories except in depreciation (+10.5% in real terms – see details for the ATSP below).

Costs exempt from cost sharing are reported for a total amount of -0.01 M€2009 to be reimbursed to users for the en-route activity, corresponding to unforeseen change in the Eurocontrol costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

For Finavia, total actual en-route costs in 2012 are -2.4% below the determined costs in real terms. Staff costs are -2.8% lower than planned while the savings in other operating costs amount to -6.3%. No details have been provided by Finland about the main drivers behind these cost reductions, except for the fact that they occurred "*as a reaction to the downward trend in traffic*". On the basis of the information provided by Finland, it is understood that the difference between the actual and determined depreciation costs (+14.2%) is due to the fact that the depreciation of the fixed assets relating to the 5 APPs transferred to the en-route cost-base in 2011 (see item 12 below) was mistakenly not taken into account in the NPP. The cost of capital is -13.2% below the plan partly because actual average interest on debt (1.9%) turned out to be lower than foreseen (3.0%) and partly due to the higher calculated actual share of debt financing (54%) compared to the plan (48%), as computed from the cost of capital. Actual 2012 capex are significantly below (i.e. by -64% or -9.7 M€2009) the figure planned in the NPP. The reason for this deviation is that certain projects were postponed in light of the lower traffic. Despite the lower than planned capex the actual asset base is +4.6% higher than planned.

As a result of the cost sharing mechanism, Finavia can retain the amounts generated by the cost savings (i.e. +0.8 M€2009) compared to the NPP. On the other hand, the difference in TSUs (-10% lower than planned) generates a loss of -1.5 M€2009 for Finavia in 2012. Overall, the en-route activity for the year 2012 generates a net loss of -0.7 M€2009 for Finavia.

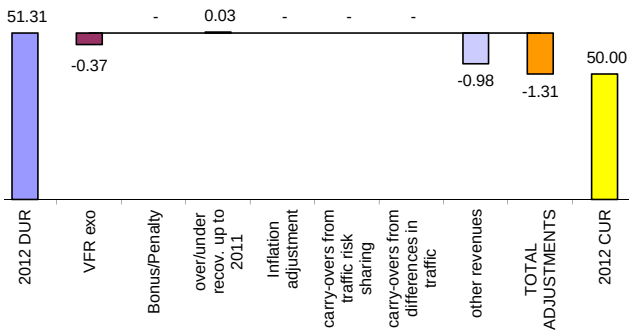
On the profitability side, the estimated embedded profit margin for the ATSP in 2012 is +0.74 M€2009 which is slightly lower than planned in the NPP (i.e. +0.80 M€2009). After deducting the -0.69 M€2009 net loss resulting from the cost and traffic sharing mechanisms, the actual profit relating to the 2012 en-route activities of the ATSP is nearly zero (+0.05 M€2009 or 0.1% of the en-route revenue in respect of the activities in 2012).

Conclusion

As a result of the fact that the -10% lower than planned traffic was not matched by a cost reduction of similar proportion, Finavia's calculated profit in respect of the 2012 en-route activities was only slightly above zero. It is important to note that the latest STATFOR traffic forecasts for Finland for 2013 and 2014 are now more than -10% below the plans reported in the NPP. Even though in the traffic risk sharing mechanism the part of revenue loss below the -10% threshold is completely passed on to the airspace users, the resulting loss born by Finavia would still be around -1.5 M€2009 both for 2013 and 2014. Therefore in order to avoid losses for the en-route activity, Finavia will need to maintain lower costs than the determined costs (by at least -0.7 M€2009 for both years taking into account the estimated embedded profit through the return on equity) through RP1.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Finland 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to users in 2012 (50.00€) was lower than the nominal DUR (51.31€) mainly due to the fact that some other revenues helped lowering the charged unit rate and partly to the deduction of the costs for services to exempted VFR.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	1	1	1	1	1	1
of which, number of airports over 50 000 movements	1	1	1	1	1	1

Finland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	19 218 793	21 756 834	13 966 000	14 907 700	15 367 835	15 754 062
Inflation index (100 in 2009)	100.0	101.7	105.1	107.9	110.3	113.6
Real terminal ANS costs - (in EUR2009)	**19 218 793**	**21 393 150**	**13 293 850**	**13 817 164**	**13 937 025**	**13 871 158**

Finland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	19 218 793	21 756 834	14 102 000	14 654 000	-253 700	-1.7%
Inflation index (100 in 2009)	100.0	101.7	105.1	108.4	0.5 p.p.	
Real terminal ANS costs - (in EUR2009)	**19 218 793**	**21 393 150**	**13 423 304**	**13 516 219**	**-300 946**	**-2.2%**
Total terminal service units	93 636	94 540	107 768	97 600		
Actual real unit costs - (in EUR2009)	205.3	226.3	124.6	138.5		
Unit rate applied - (in EUR)				**128.45**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Finland comprises one airport (Helsinki-Vantaa). The harmonised SES formula (MTOW/50)^0.7 is applied.

The actual real 2012 terminal ANS costs are -2.2% lower than the forecast presented in the NPP which is in line with the difference observed for the en-route activities.

11. - Monitoring of gate-to-gate costs (2012)

Finland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009	30 022 744	28 795 562	39 043 765	41 754 278	42 258 623	41 761 230
	19 218 793	21 393 150				
Real gate-to-gate ANS costs - (in EUR2009)	**49 241 537**	**50 188 713**	**52 337 615**	**55 571 443**	**56 195 648**	**55 632 388**
Share of en-route costs in gate-to-gate ANS costs	**61.0%**	**57.4%**	**74.6%**	**75.1%**	**75.2%**	**75.1%**

Finland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	30 022 744	28 861 848	38 052 050	40 758 308	-995 970	-2.4%
Real terminal ANS costs - (in EUR2009)	19 218 793	21 393 150	13 423 304	13 516 219	-300 946	-2.2%
Real gate-to-gate ANS costs - (in EUR2009)	**49 241 537**	**50 254 998**	**51 475 355**	**54 274 527**	**-1 296 916**	**-2.3%**
Share of en-route costs in gate-to-gate ANS costs	**61.0%**	**57.4%**	**73.9%**	**75.1%**	**0.0%**	

12 - General conclusions on the gate-to-gate ANS costs

The actual real 2012 gate-to-gate ANS costs are -2.3% lower than the forecast presented in the NPP.

The relative share of en-route costs within the total cost base increased from around 60% to 75% in 2011, as a result of a revised cost-allocation methodology between en-route and terminal costs (from 2011 onwards Finavia has included also part of the costs in 5 approach control centers, Helsinki-Vantaa, Rovaniemi, Kuopio, Jyväskylä and Tampere-Pirkkala in the en-route cost base). The actual share of en-route costs is in line with the NPP in 2012.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

France

Edition 1.0
Edition date: 15/08/2013

FRANCE **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

France	2012	2013	2014
State level	72		
ANSP	80		

EASA observations

Overall the replies have been well justified in terms of explanation, reference to documentation and examples.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	0	0%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	0	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	0	0%		%		%

No figures were given in the individual State report. Reference was made to the FABEC report without detailed numbers of reporting, or mentioning the use of the severity assessment with RAT.

Just Culture

Number of questions answered with Yes or No.	**State**		**ANSP (DSNA)**	
	YES	**NO**	**YES**	**NO**
Policy and its implementation	7	3	8	5
Legal/Judiciary	3	5	2	1
Occurrence reporting and Investigation	2	0	6	2
TOTAL	**12**	**8**	**16**	**8**

FRANCE **Monitoring of CAPACITY indicators for 2012**

inutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	France submitted a joint performance plan for cost effectiveness however the capacity performance was submitted as part of the FABEC performance plan.
Reference value	0.34	0.30	0.24	
National Target				
Actual performance	0.54	--	--	

Capacity

Specific information on how France would apply the FUA concept to increase capacity included:

- Development of the pre-tactical planning of each area used by military taking into account the GAT traffic flow instead of planned sectors capacity.

FABEC report on capacity performance

The FABEC Operational Performance Report 2012 shows the average delay per flight in 2012 was higher than 2011 in Reims ACC, Brest ACC, Bordeaux ACC and Marseille ACC.

The FABEC report also shows that the FABEC "ASB-approved Reference Value" was not met at Bordeaux ACC (0.27 instead of 0.17 minutes per flight) or at Marseille ACC (0.55 instead of 0.40 minutes per flight)**.** The report states that the deterioration in performance at Marseille and Bordeaux ACCs was due to industrial actions regarding a national terminal areas reorganisation project. Although the FABEC report states that the French DGAC has included the DSNA terminal areas reorganisation in its 2013 social agreement agenda, it is unclear if this will ensure an improvement in performance.

Extract from notification letter from EC July 2012:

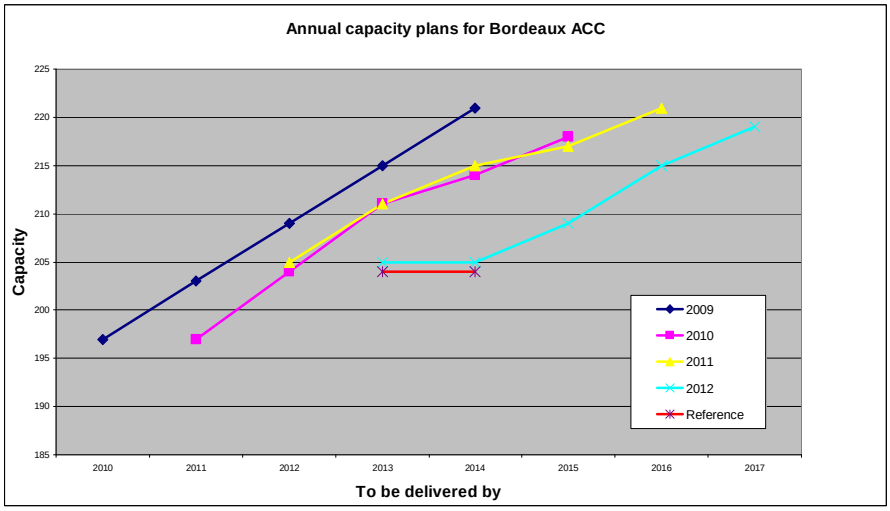
FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;

b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest;

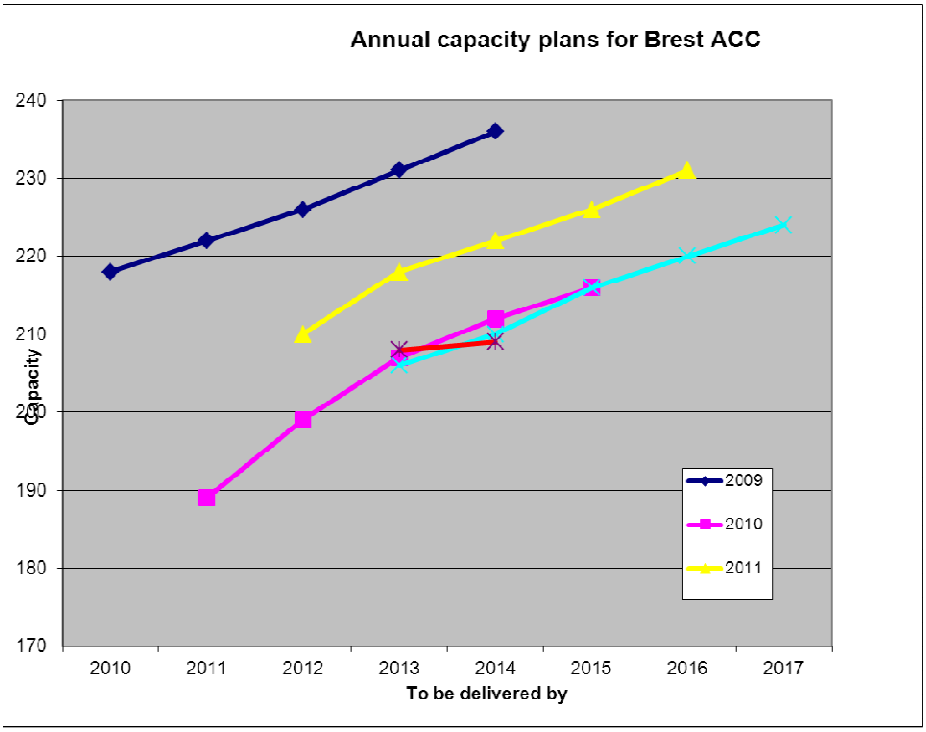
Annual capacity plans for ACCs in France from 2009 to 2012.

(Data is taken from LSSIP 2010-2014, LSSIP 2011-2015, NOP 2012-2016, NOP 2013-2017.)

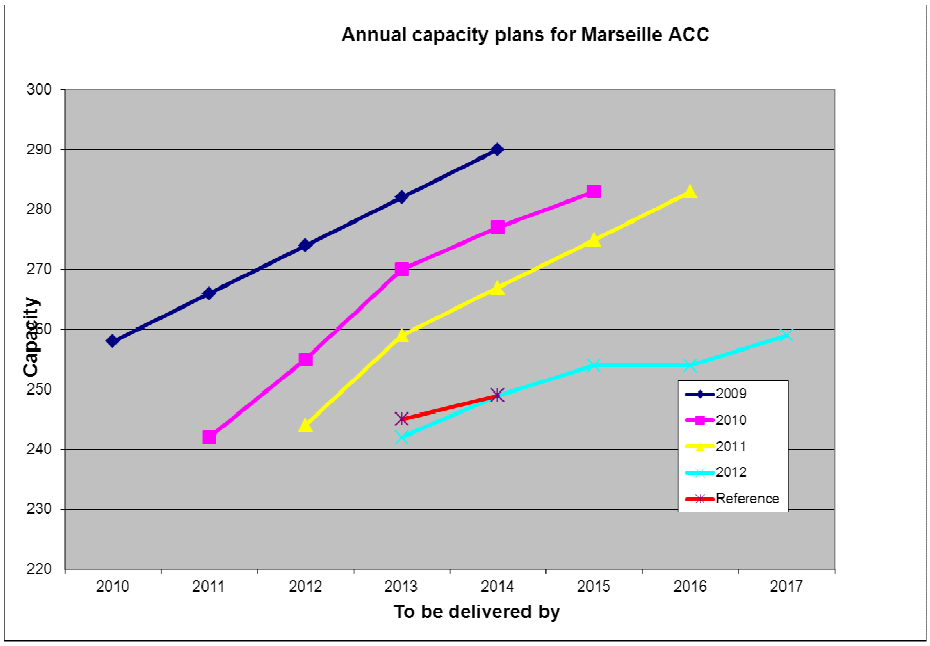


Each capacity plan since 2009 has promised capacity above the level required to meet the EU wide target for 2013 and 2014 (red line).

It is apparent that the 2009 and 2011 plans were not implemented as promised and that the 2012 plan has postponed capacity enhancements until 2015.



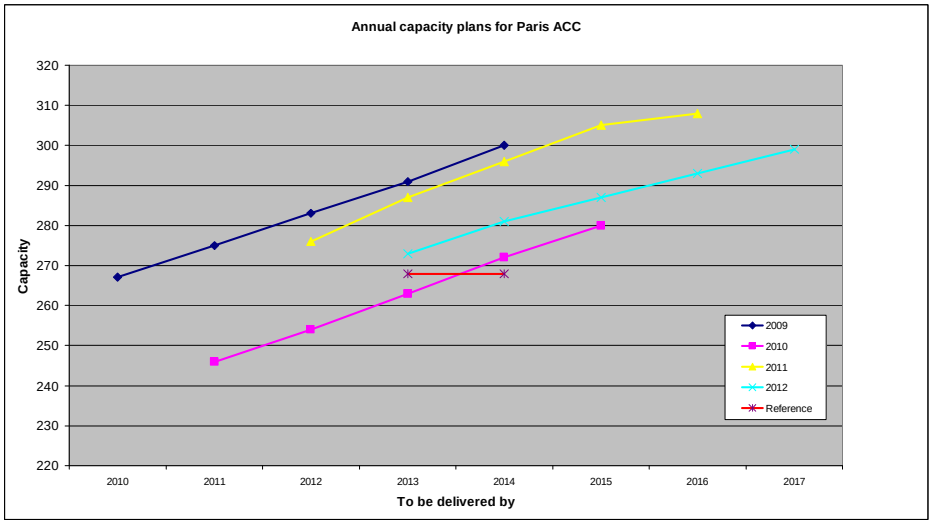
Despite the significant downward revision of capacity plans from 2009, (most noticeably in 2010), Brest ACC is still expected to have sufficient capacity available to contribute to the EU wide capacity target for 2013 and 2014.



The planned capacity enhancements for Marseille ACC have been downgraded considerably, and annually, since 2009.

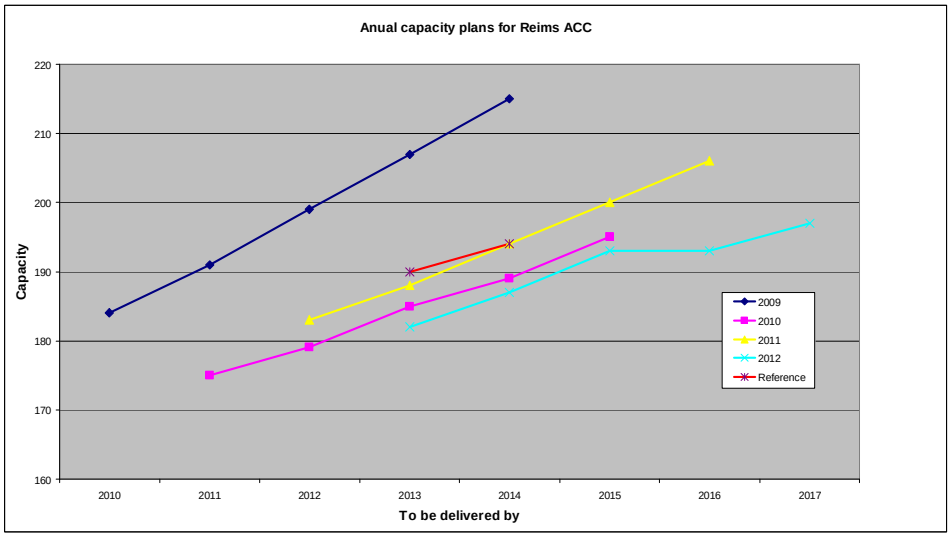
The 2012 capacity plan shows a slight capacity shortfall from the level required to contribute to the EU wide target in 2013.

The successful implementation of any of the previous capacity plans would be more than sufficient to meet the required capacity performance in 2013 and 2014.



There was a significant downward revision of the Paris ACC capacity plans from 2009 to 2010. This was corrected in 2011 but again in 2012 the capacity plans were revised downwards.

However, successful implementation of the 2012 capacity plans should ensure that adequate capacity is available in Paris ACC to contribute to the EU wide target in 2013 and 2014.



In 2009, at Reims ACC, it was planned to provide a capacity of 207 and 215 aircraft per hour by 2013 and 2014 respectively.

According to the 2012 capacity plans, these values will not be achieved by 2017. The 2009 promise of 199 aircraft per hour by 2012 is not expected until after 2017, a postponement of five years.

The level of capacity promised by 2014 is less than originally promised for 2011.

Such a significant downward revision in capacity plans from 2009 forewarns that Reims ACC will experience capacity problems in 2013 and 2014.

FRANCE **Monitoring of CAPACITY indicators for 2012**

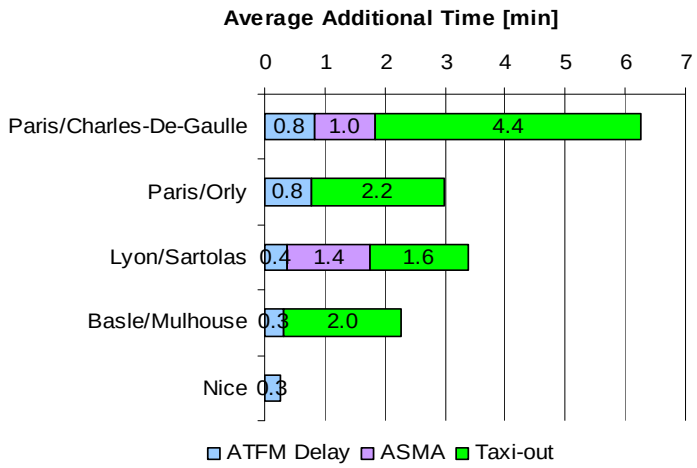
Assessment
• Although there was no national capacity target for France in 2012, the achieved capacity performance in France was not consistent with achieving the EU wide capacity target of 0.7 minutes per flight for 2012 and is not consistent with the performance required to meet the EU wide capacity target for 2014. • Despite the recommendation from the EC, four of the five ACCs in France have actually downgraded their latest capacity plans from the previous year, instead of increasing them.
Effective booking procedures
• Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 64% • The indicator above was calculated using reported data on the following areas: CBA 1; D 12; D 14; TSA 10; TSA 200; TSA 22; TSA 24; TSA 32 ; TSA 34; TSA 35; TSA 40; TSA 41; TSA 42; TSA 43; TSA 44; TSA 46 N; TSA 46 S; TSA 6; TSA 8; TSA 9 A, & TSA 9 B. • No information was provided in the following areas: CBA25, D5, D7, D15, D16, D18, D31, D32, D33, D40, D54, R173, R180, TSA138.
Recommendations
• France is requested to implement remedial capacity measures at ACCs where capacity problems are expected, either due to a lack of existing capacity or an inability to deploy existing capacity according to traffic demand, to ensure that a suitable contribution can be made to network performance within the timeframe of RP1. • France is requested to provide evidence of how it is increasing capacity plans in response to the EC recommendation contained in the notification letter.

FRANCE **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Paris/Charles-De-Gaulle	LFPG	0.8	208 023	1.0	207 926	4.4	1 059 188	**1 475 137**
Paris/Orly	LFPO	0.8	90 123	Missing Data		2.2	253 679	**343 802**
Lyon/Sartolas	LFLL	0.4	22 614	1.4	77 996	1.6	97 745	**198 355**
Basle/Mulhouse	LFSB	0.3	11 484	No applicable		2.0	75 512	**86 996**
Nice	LFMN	0.3	18 783	Missing Data		Missing Data		**18 783**
Weighted average		**0.7**		**1.1**		**3.3**		
Grand Total			**351 027**		**285 922**		**1 486 124**	**2 123 073**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data missing (Airport Operator Cancellation) for Paris/Orly and Lyon/Sartolas.
- Paris Orly: missing data before May 2012.
- Nice: Mandatory data missing (ARWY, DRWY, STND, Airport Operator Cancellation).
- Action Plan maintained by PRU and CODA.

Specific Analysis

- Despite a decrease of traffic demand of 3.4%, additional taxi-out time remains in the top 10 in Europe

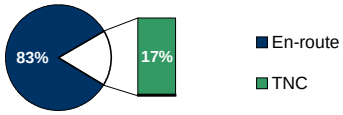
at Paris/Charles-De-Gaulle. Paris/Charles-De-Gaulle is operated above the peak arrival declared capacity.

- Traffic increased by 3.3% at Nice airport in 2012 compared to 2011.

1. - Contextual economic information

- France represents 18% of the SES en-route ANS determined costs in 2012.
- ATSP : DSNA
- FAB : FABEC
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

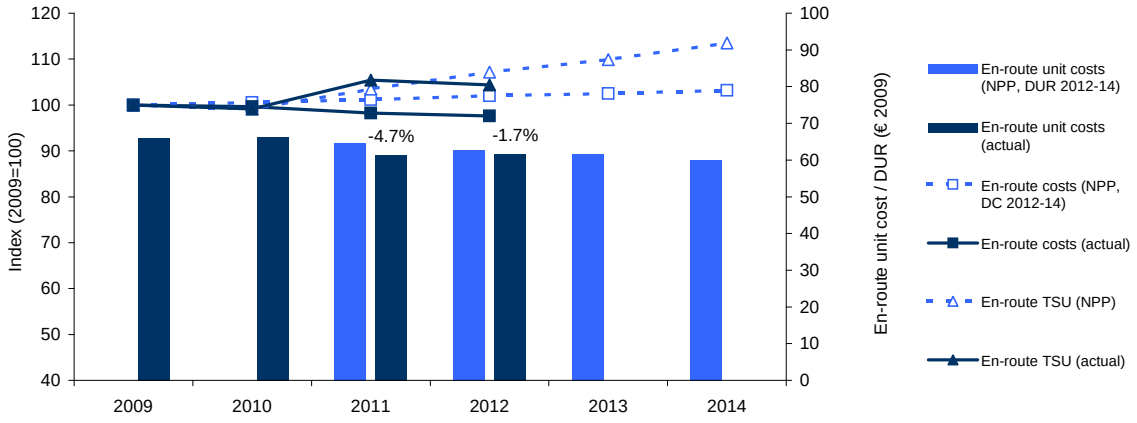


2. - En-route DUR monitoring (2012)

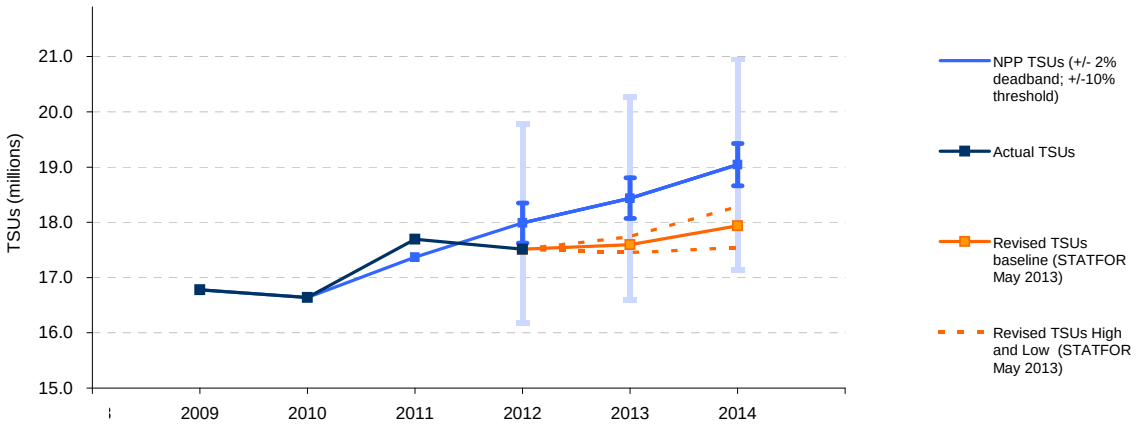
En-route Determined Unit Rate (DUR) 2012 France (in EUR2009)	62.78
Monitoring - Actual en-route unit cost 2012 France (in EUR2009)	61.71
Difference (in EUR2009)	-1.07
Difference in percent	-1.7%

France - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	1 107 192 099	1 132 478 865	1 156 387 966	1 186 455 378	1 212 968 380	1 242 760 065
Inflation %		1.7%	1.5%	1.8%	1.8%	1.8%
Inflation index (100 in 2009)	100.0	101.7	103.3	105.1	106.9	108.8
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	1 107 192 099	1 113 110 738	1 119 813 730	1 129 169 700	1 134 547 984	1 142 421 216
Total en-route Service Units	16 779 861	16 636 697	17 367 156	17 987 000	18 436 674	19 045 084
Real en-route unit costs per Service Units - (in EUR2009)	**65.98**	**66.91**	**64.48**	**62.78**	**61.54**	**59.99**

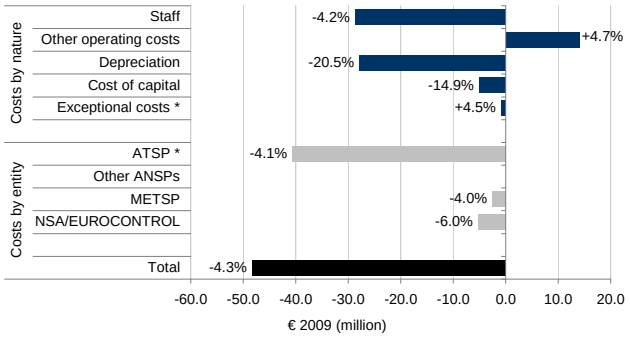
France - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	1 107 192 099	1 122 132 764	1 131 714 939	1 149 848 843	-36 606 535	-3.1%
Inflation %		1.7%	2.3%	2.2%	0.5 p.p.	
Inflation index (100 in 2009)	100.0	101.7	104.1	106.4	1.3 p.p.	
Real en-route costs - (in EUR2009)	1 107 192 099	1 102 941 581	1 087 457 110	1 080 886 180	-48 283 520	-4.3%
Total en-route Service Units	16 779 861	16 636 697	17 691 225	17 515 047	-471 953	-2.6%
Real en-route unit costs per Service Units - (in EUR2009)	**65.98**	**66.30**	**61.47**	**61.71**	**-1.07**	**-1.7%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	1 871
Interest rates on loans	-2 046
National taxation law	-
New cost item required by law	-
International agreements	-56
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	859
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-1 090
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**-231**

* See Note 1

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

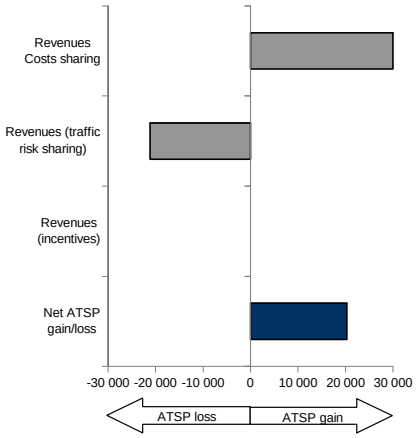
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	978 962
Actual costs for the ATSP	938 415
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	40 547
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	859
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**41 407**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-2.62%
Determined costs after deduction of costs for exempted VFR flights	966 935
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-19 339
ATSP loss (traffic between -2% and -10% below NPP)	-1 810
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-21 148**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

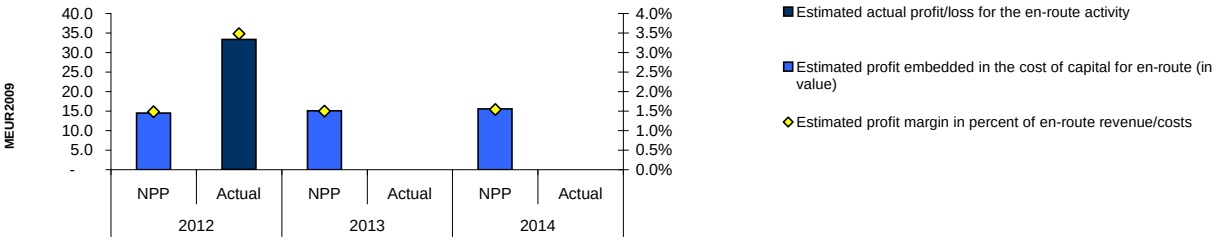
Net ATSP gain(+)/loss(-) on en-route activity	**20 258**

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	673 587	654 772	700 447		722 182	
Estimated proportion of financing through equity (in %)	27%	25%	27%		27%	
Estimated proportion of financing through equity (in value)	181 243	164 013	188 541		194 876	
Estimated proportion of financing through debt (in %)	73%	75%	73%		73%	
Estimated proportion of financing through debt (in value)	492 345	490 759	511 906		527 306	
Cost of capital pre-tax (in value)	30 747	27 304	32 232		33 518	
Average interest on debt (in %)	3.3%	2.9%	3.4%		3.4%	
Interest on debt (in value)	16 247	14 183	17 149		17 928	
Ex-ante RoE pre-tax rate (in %)	8.0%	8.0%	8.0%		8.0%	
Estimated profit embedded in the cost of capital for en-route (in value)	14 499	13 121	15 083		15 590	
Net ATSP gain(+)/loss(-) on en-route activity		20 258				
Estimated profit/loss for the en-route activity	**14 499**	**33 379**	**15 083**		**15 590**	
Revenue/costs for the en-route activity	**978 962**	**958 673**	**1 004 588**		**1 011 704**	
Estimated profit margin in percent of en-route revenue/costs	**1.5%**	**3.5%**	**1.5%**		**1.5%**	
Estimated ex-post RoE pre-taxe rate (in %)	**8.0%**	**20.4%**	**8.0%**		**8.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by France

Note 1: The determined and actual costs for France are considered after deduction of the costs for exempted VFR flights and after deduction of other income in order to ensure consistency with the NPP. The breakdown shown in item 4 presents these deductions as (negative) exceptional costs for the ATSP.

At State / Charging Area level

The actual 2012 traffic measured in Total en-route Service Units (TSUs) is lower (i.e. -2.6%) than the traffic planned in France's National Performance Plan (NPP) for RP1. On the other hand, the actual real en-route costs at State level for 2012 are -4.3% below the determined costs set in the NPP. As a result, France's actual real en-route unit cost is -1.7% lower than the Determined Unit Rate (DUR) for 2012.

The difference in actual traffic compared to the NPP for 2012 falls slightly outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the -10% threshold. According to the latest forecasts released by STATFOR in May 2013, the traffic outlook for the rest of RP1 depicts a more pessimistic scenario than presented in the NPP. Indeed, even if the high STATFOR scenario materialises, traffic is expected to be lower than planned and outside the +/-2% dead band for the rest of RP1, although consistently remaining within the -10% threshold. It should be noted in this respect that the PRB clearly identified in its assessment of the French NPP that the traffic forecast used by France over RP1 (+3.1% p.a.) was substantially higher than the reference STATFOR May 2011 base case scenario (+2.0% p.a.).

The graph in item 4 shows the differences between the actual and NPP real total en-route costs (the deduction of the costs for exempted VFR flights and of other income are presented in exceptional costs for the ATSP).

Overall these total costs are lower by -47.5 M€2009 (-4.1%) compared to the plan, of which -40.5 M€2009 for the ATSP (-4.1%) as described in the section below; -2.5 M€2009 for the METSP (-4.0%, mainly through lower cost of capital); -3.2 M€2009 (-32%, mainly through lower staff costs and lower capital-related costs) for the NSA and -2.0 M€2009 (-2.6%) for the EUROCONTROL costs.

Costs exempt from cost sharing are reported for a total of -0.2 M€2009 to be reimbursed to users for the en-route activity, corresponding to the combination of positive amounts to be recovered from users (differences linked to pension and to the costs of service provision in the "Geneva" delegated airspace) and negative amounts to be reimbursed to users (changes in interest rates on loans and differences linked to EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

As shown in item 5, DSNA costs are lower by some -40.5 M€2009 compared to the NPP, as a result of the combination of the following main differences:
- lower staff costs (-26.0 M€2009, or -4.1%). According to the NSA Monitoring report, this difference results "*for the most part from the containment of staff costs, together with a change in the accounting method resulting in a transfer from staff costs to operating expenses*".
- lower depreciation (-27.3 M€2009, or -21.9%). It is understood that this difference is driven by two factors, 1) lower actual capex than planned for DSNA in 2012 (-18.4%, as described below), and 2) "*a change in accounting rules*" whereby some amounts previously "*recorded as capex are now recorded as operating expenses*".
- lower cost of capital (-3.4 M€2009, or -11.2%). "*For the most part, due to the difference in the average interest on loans*", which is reported as negative costs exempt from cost sharing (see above) and to the lower asset base than planned.
- higher other operating costs (+17.0 M€2009, or +8.0%), partly due to the transfers from staff costs and capex as explained above, as well as a transfer of costs from the French NSA, following a refined allocation of DGAC costs.

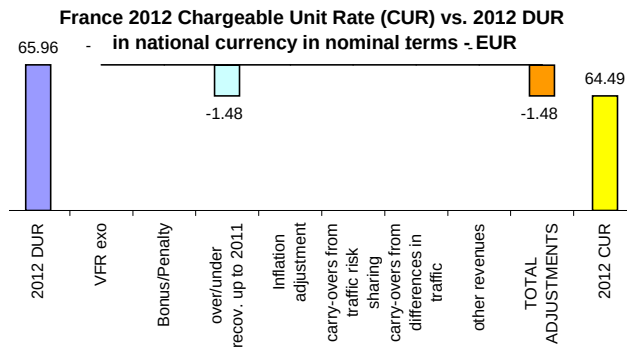
The 2012 en-route asset base is lower by -19 M€2009 than planned in the NPP (or -3%). DSNA total actual capex for 2012 is substantially lower than planned in the NPP (some 30 M€2009, or -18.4%). Based on information provided in the French NSA Monitoring Report, it is understood that this difference is mainly due to two factors: 1) lower capex associated with the 4-FLIGHT and COFLIGHT projects (a total difference of some 22 M€2009) following delays due to technical issues, and 2) the postponement of capex associated with the modernisation and renewal of infrastructure (some 11 M€2009). Furthermore, it should be noted that the comparison between 2012 actual and planned capex is affected by the reclassification of some expenses, which were originally planned as capex, to operating costs (see above).

As a result of the cost-sharing mechanism, DSNA can retain the amounts generated by cost savings (i.e. 40.5 M€2009) and the costs exempted from cost sharing if eligible, as indicated above (i.e. 0.9 M€2009), thus generating gains of 41.4 M€2009 in 2012. As far as the results of the traffic risk sharing mechanism are concerned, DSNA bears a loss of -21.1 M€2009 in respect of the difference between actual and planned traffic for 2012. Based on these assumptions, DSNA made a net gain from the en-route activity in 2012 of 20.3 M€2009.

On the profitability side, the ex-ante estimated profit embedded in the cost of capital for the en-route activity planned in the NPP amounted to 14.5 M€2009, corresponding to an estimated profit margin of 1.5% of the en-route costs/revenues for the activities in 2012. Ex-post, the estimated profit for the year computed by adding the cost of capital (+13.1 M€2009) and the net gain from the en-route activity in 2012 (+20.3 M€2009), gives a total of +33.4 M€2009 for 2012, corresponding to a profit margin of 3.5% of the en-route revenues in respect of the activities in 2012. Similarly, the ex-post RoE generated by DSNA on the en-route activity amounts to 20.4% in 2012, compared to 8.0% as planned in the NPP.

Conclusion: In spite of the lower than expected traffic volumes, the en-route activity for the year 2012 generated a net gain of +20.3 M€2009 for DSNA, which raised the estimated profit margin for the en-route activity from the 1.5% planned to 3.5% in 2012.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users



The DUR expressed in nominal terms differs from the actual en route unit rate charged to users (CUR), which for RP1 also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing);
» a deduction of other revenues.

The CUR charged to users in 2012 was 64.49€. This is lower than the nominal DUR (65.96€), due to the over-recovery carried over from the legacy prior to RP1.

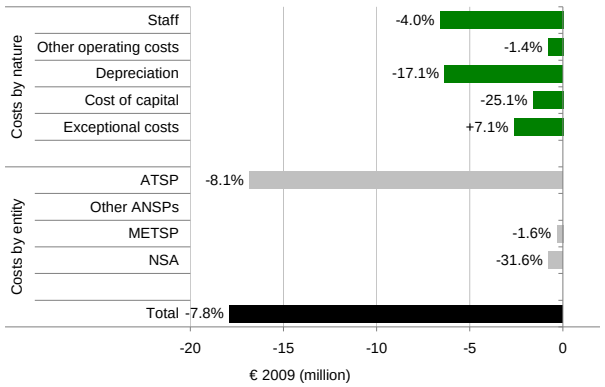
9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.9	0.9	0.9	0.8	0.8	0.7
Number of airports in the terminal charging zone(s)	64	64	61	61	60	60
of which, number of airports over 50 000 movements	9	9	9	9	9	9

France - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs (determined costs 2012-2014) - (in EUR)	227 649 904	233 081 583	237 569 585	242 632 818	248 209 170	254 048 236
Inflation index (100 in 2009)	100.0	101.7	103.3	105.1	106.9	108.8
Real terminal ANS costs (DC 2012-2014) - (in EUR2009)	227 649 904	229 095 324	230 055 735	230 917 767	232 162 040	233 536 708
Total terminal service units		1 093 649	1 136 301	1 104 710	1 126 697	1 092 051
Real terminal unit cost per service unit - (in EUR2009)		**209.48**	**202.46**	**209.03**	**206.06**	**213.85**

France - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs (determined costs 2012-2014) - (in EUR)	227 649 904	233 081 583	230 604 194	226 601 249	-16 031 569	-6.6%
Inflation index (100 in 2009)	100.0	101.7	104.1	106.4	1.3 p.p.	
Real terminal ANS costs - (in EUR2009)	227 649 904	229 095 324	221 585 986	213 010 745	-17 907 022	-7.8%
Total terminal service units		1 093 649	1 147 108	1 093 192	-11 518	-1.0%
Actual real unit costs - (in EUR2009)		**209.48**	**193.17**	**194.85**	**-14**	**-6.8%**
Unit rate applied - (in EUR)				**219.63**		

10. - Terminal ANS costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	449
Interest rates on loans	-569
National taxation law	-
New cost item required by law	-
International agreements	-
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-120
Other ANSP	
METSP	
NSA	
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	-120

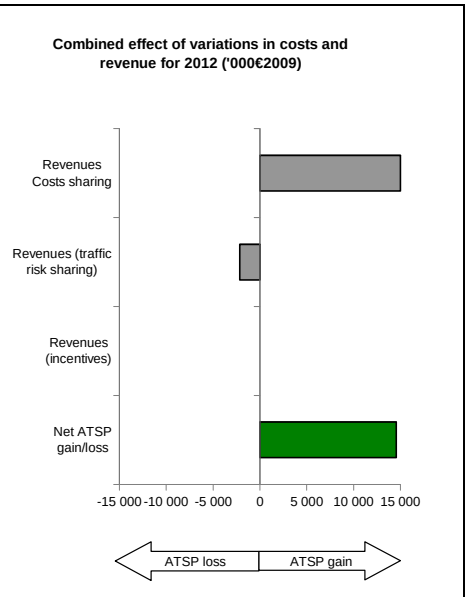
11. - Focus on ATSP - "Net" ATSP gain/loss on terminal ANS activity in 2012

Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	207 402
Actual costs for the ATSP	190 587
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	16 815
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-120
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**16 695**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-1.04%
Determined costs after deduction of costs for exempted VFR flights	204 854
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-2 136
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-2 136**

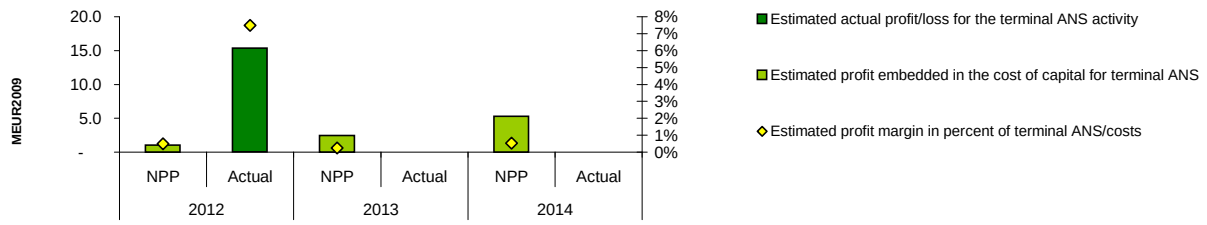
Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on terminal ANS activity	**14 559**



12. - Terminal ANS ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	188 028	165 406	182 430		178 124	
Estimated proportion of financing through equity (in %)	27%	25%	27%		27%	
Estimated proportion of financing through equity (in value)	51 029	40 887	49 105		48 066	
Estimated proportion of financing through debt (in %)	73%	75%	73%		73%	
Estimated proportion of financing through debt (in value)	136 999	124 519	133 325		130 058	
Cost of capital pre-tax (in value)	5 542	4 416	6 919		9 709	
Average interest on debt (in %)	3.3%	2.9%	3.4%		3.4%	
Interest on debt (in value)	4 521	3 599	4 466		4 422	
Ex-ante RoE pre-tax rate (in %)	2.0%	2.0%	5.0%		11.0%	
Estimated profit embedded in the cost of capital for terminal (in value)	1 021	818	2 455		5 287	
Net ATSP gain(+)/loss(-) on terminal activity		14 559				
Estimated profit/loss for the terminal ANS activity	**1 021**	**15 377**	**2 455**		**5 287**	
Revenue/costs for the terminal ANS activity	**207 402**	**205 146**	**1 004 588**		**1 011 704**	
Estimated profit margin in percent of terminal revenue/costs	**0.5%**	**7.5%**	**0.2%**		**0.5%**	
Estimated ex-post RoE pre-taxe rate (in %)	**2.0%**	**37.6%**	**5.0%**		**11.0%**	



13. - General conclusions on the Terminal ANS costs and unit rates monitoring

France has one terminal charging zone comprising 61 airports of which 9 are above 50 000 movements per year. The harmonised SES formula (MTOW/50)^0.7 does not apply in 2012 in the French terminal charging zone. It is however planned to be implemented in 2014.

The actual terminal ANS 2012 costs are -7.8% lower in real terms (or some -17.9 M€2009) than planned in the NPP. This difference is mainly driven by lower depreciation and staff costs than planned (-17.1% and -4.0%, respectively), as is the case for en-route (see item 7 above).

France is the only State applying the determined costs method to the terminal ANS already in RP1. As a result of the cost and traffic-risk sharing mechanism, as shown in item 11, DSNA made a gain of +14.6 M€2009 in respect of the terminal ANS activity performed in 2012, bringing the estimated profit margin from 0.5% as planned to 7.5% of the 2012 turnover for the terminal ANS activity. It should be noted that in the context of determined costs and traffic risk sharing, France has adopted a pre-tax ex-ante RoE of 2.0% for the terminal activity, contrasting significantly with the pre-tax RoE considered for the en-route activity (8%).

Ex-post, due to the relatively low proportion of equity financing of DSNA, the change in the profit margin in absolute terms results in a high rate of the RoE in percentage.

14. - Monitoring of gate-to-gate costs (2012)

France - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	1 107 192 099	1 113 110 738	1 119 813 730	1 129 169 700	1 134 547 984	1 142 421 216
Real terminal ANS costs (DC 2012-2014) - (in EUR2009)	227 649 904	229 095 324	230 055 735	230 917 767	232 162 040	233 536 708
Real gate-to-gate ANS costs - (in EUR2009)	**1 334 842 003**	**1 342 206 062**	**1 349 869 465**	**1 360 087 467**	**1 366 710 024**	**1 375 957 924**
Share of en-route costs in gate-to-gate ANS costs	**82.9%**	**82.9%**	**83.0%**	**83.0%**	**83.0%**	**83.0%**

France - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	1 107 192 099	1 102 941 581	1 087 457 110	1 080 886 180	-48 283 520	-4.3%
Real terminal ANS costs - (in EUR2009)	227 649 904	229 095 324	221 585 986	213 010 745	-17 907 022	-7.8%
Real gate-to-gate ANS costs - (in EUR2009)	**1 334 842 003**	**1 332 036 905**	**1 309 043 096**	**1 293 896 925**	**-66 190 542**	**-4.9%**
Share of en-route costs in gate-to-gate ANS costs	**82.9%**	**82.8%**	**83.1%**	**83.5%**	**0.5%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual 2012 gate-to-gate costs are -4.9% lower than planned as a result of lower en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS is planned to be stable overall RP1 and, in 2012, did not change significantly with respect to the plans made in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Germany

Edition 1.0
Edition date: 15/08/2013

GERMANY **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Germany	2012	2013	2014
State level	51		
ANSP	85		

EASA observations

Overall score seems to be overrated .

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	192	85%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	114	11%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	299	100%		%		%

No figures were given in the individual State report. Reference was made to the FABEC report without detailed numbers of reporting, or mentioning the use of the severity assessment with RAT.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (DFS)	
	YES	NO	YES	NO
Policy and its implementation	8	2	11	2
Legal/Judiciary	4	4	2	1
Occurrence reporting and Investigation	1	1	6	2
TOTAL	**13**	**7**	**19**	**5**

GERMANY **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.35	0.32	0.29	
National Target				
Actual performance	0.51	--	--	

Capacity

Specific details of how Germany would apply the FUA concept to increase capacity included:

- Development of a joint civ/mil airspace planning and booking application;
- Inclusion of CDM mechanisms in pre-tactical airspace planning process, based on agreed priority rules;
- Implement rolling UUP to update available CDRs for flight planning.

FABEC report on capacity performance

The FABEC Operational Performance Report 2012 shows that although the average delay per flight improved at each ACC from 2011 to 2012, Langen ACC did not provide the capacity performance consistent with the FABEC "ASB-approved Reference Value" for 2012.

The report states that staffing issues were responsible for the performance gap, and that the DFS staffing policy is addressing the situation by increased training efforts. The report expects a linear improvement of the staffing induced delay until 2015 when the desired number of ATCOs will be available.

Extract from notification letter from EC July 2012:

FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

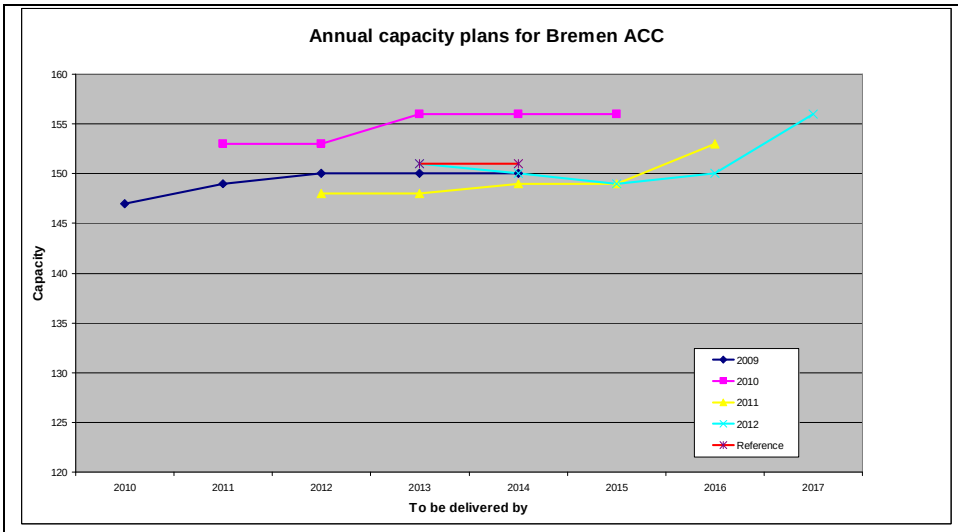
a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;

b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest;

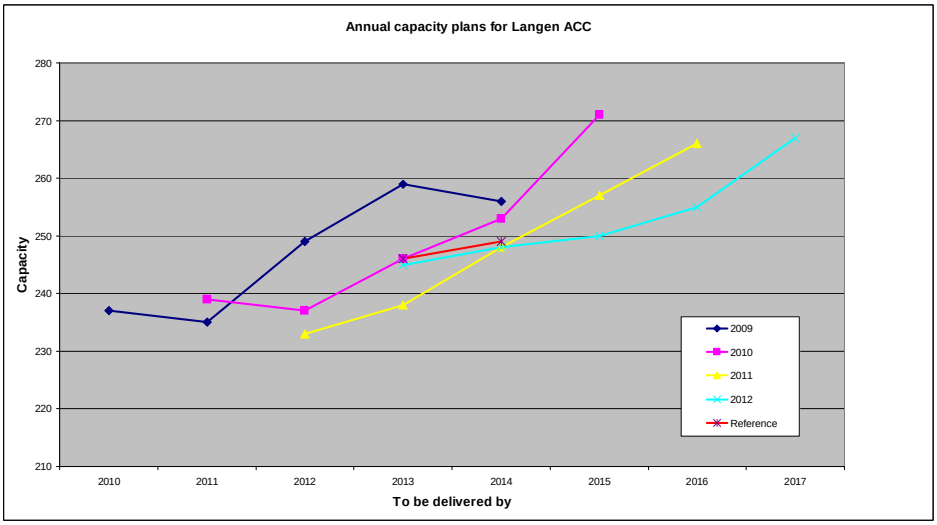
Annual capacity plans for ACCs in Germany from 2009 to 2012.

(Data is taken from LSSIP 2010-2014, LSSIP 2011-2015, NOP 2012-2016, NOP 2013-2017.)

GERMANY **Monitoring of CAPACITY indicators for 2012**



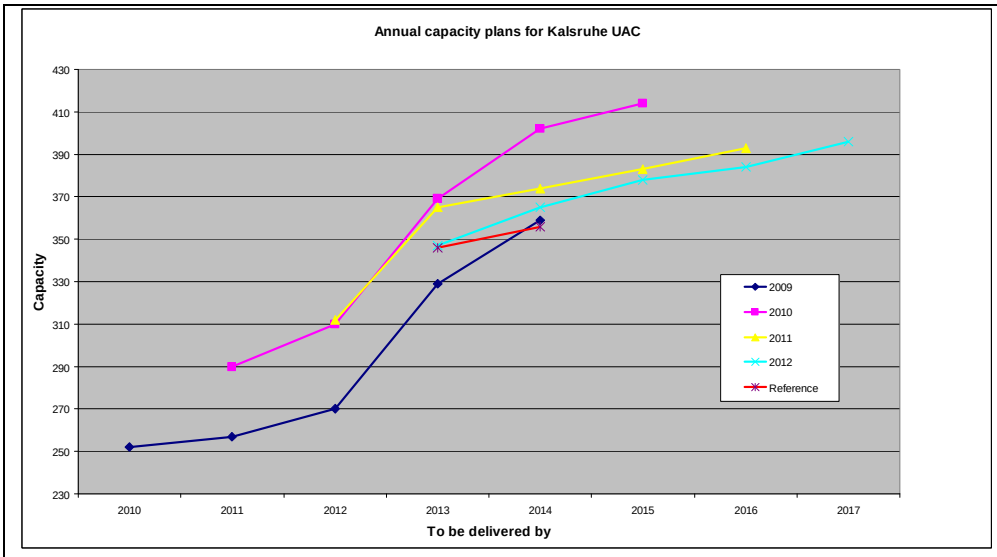
A capacity shortfall appears due to a planned dip, albeit minor, in capacity for 2014, otherwise Bremen ACC should have sufficient capacity to contribute to the EU wide capacity target in 2013 and 2014.



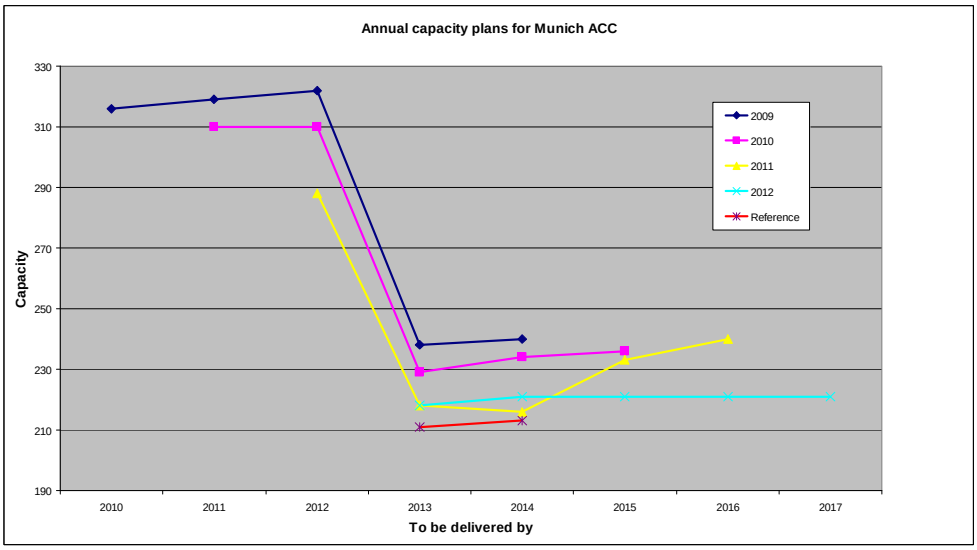
Successful implementation of the 2009 or 2010 capacity plans would have ensured that sufficient capacity exists at Langen ACC to contribute to the EU wide capacity target in 2013 and 2014.

However, due to the upward revision of the 2011 plan, in 2012, Langen ACC should still have sufficient capacity to meet traffic demand in 2013 and 2014, if the current plans are implemented successfully.

GERMANY **Monitoring of CAPACITY indicators for 2012**



Despite the downward revision of capacity plans from 2010 and 2011, Karlsruhe UAC should have sufficient capacity available in 2013 and 2014 to contribute to the EU wide capacity target.



Despite the drop in capacity levels, associated with the transfer of sectors to Karlsruhe UAC, Munich ACC is expected to have sufficient capacity to contribute to the EU wide capacity target in 2013 and 2014, without the need for further capacity enhancement.

Assessment

- Germany is requested to implement remedial capacity measures at ACCs where capacity problems are expected, either due to a lack of existing capacity or an inability to deploy existing capacity according to traffic demand, to ensure that a suitable contribution can be made to network performance within the timeframe of RP1.

GERMANY **Monitoring of CAPACITY indicators for 2012**

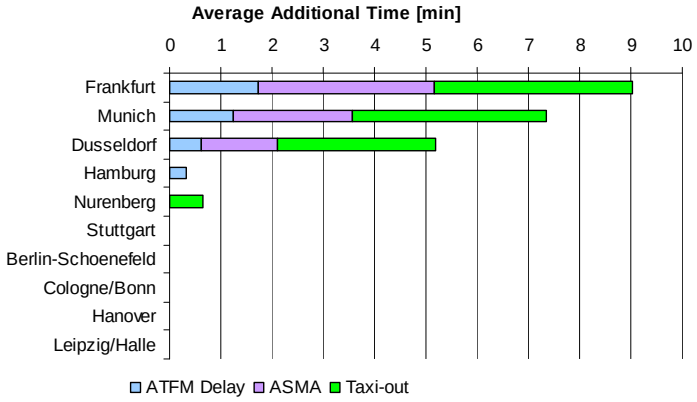
Effective booking procedures
• Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 37% • The indicator above was calculated using reported data on the following areas: • ED-D 100; ED-D 101A; ED-D 101B; ED-D 41A; ED-D 41B; ED-D 44; ED-D 46; ED-D 47A; ED-D 47B; ED-D 47C; ED-D SEA1; ED-R 201N; ED-R 201S; ED-R 202; ED-R 202A; ED-R 202B; ED-R 202C; ED-R 202D; ED-R 203; ED-R 205A; ED-R 205B; ED-R 205C; ED-R 205D; ED-R 207; ED-R 207A; ED-R 207B; ED-R 207C; ED-R 208A; ED-R 208B; ED-R 210A; ED-R 210B; ED-R 302; ED-R 302A; ED-R 302B; ED-R 305A; ED-R 305B; ED-R 305C; ED-R 305D; ED-R 307; ED-R 307A; ED-R 307B; ED-R 307N; ED-R 307S; ED-R 307T; ED-R 308; ED-R 310 & ED-R 312.
Recommendations
• Germany is requested to implement remedial capacity measures at ACCs where capacity problems are expected, either due to a lack of existing capacity or an inability to deploy existing capacity according to traffic demand, to ensure that a suitable contribution can be made to network performance within the timeframe of RP1. • Germany is requested to provide evidence of how it is increasing capacity plans in response to the EC recommendation contained in the notification letter.

GERMANY **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Frankfurt	EDDF	1.7	419 448	3.4	808812	3.9	897133	2 125 392
Munich	EDDM	1.2	246 297	2.3	448930.5	3.8	714192.0	1 409 419
Dusseldorf	EDDL	0.6	68 474	1.5	156011.1	3.1	330189.7	554 675
Hamburg	EDDH	0.3	23 425	Missing Data		Missing Data		23 425
Nurenberg	EDDN	0.0	0	Not applicable		0.7	18023	18 023
Stuttgart	EDDS	0.0	1 805	Missing Data		Missing Data		1 805
Berlin-Schoenefeld	EDDB	0.0	633	Not applicable		Missing Data		633
Cologne/Bonn	EDDK	0.0	184	Missing Data		Missing Data		184
Hanover	EDDV	0.0	0	Not applicable		Missing Data		0
Leipzig/Halle	EDDP	0.0	0	Not applicable		Missing Data		0
Weighted average		**0.9**		**2.6**		**3.5**		
Grand Total			**760 266**		**1 413 753**		**1 959 538**	**4 133 557**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

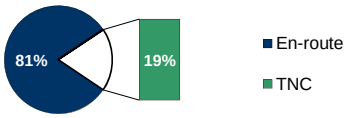
GERMANY **Monitoring of CAPACITY indicators for 2012**

Critical Issues
• Mandatory items missing for several German Airports (Hamburg, Stuttgart, Cologne/Bonn, Berlin-Shoenefeld, Hanover and Leipzig). PRU is currently coordinating a Remedial Action Plan with the aforementioned airports.
Specific Analysis
• Compared to 2011, performance considerably improved at Frankfurt Airport (FRA). Local restrictions (i.e. night curfew) resulted in a re-scheduling of the Lufthansa flights in order to depart well before 11 pm local time. Furthermore, construction works impacted the taxiing and manoeuvring of aircraft for a significant part of 2012. The newly operated 4th runway for arrivals was favourable to performance for inbound traffic. This resulted in an increase in the inbound arrival rate and capacity, with a substantial reduction of both ATFM delay and additional ASMA time. However, performance for outbound traffic slightly degraded in 2012 at Frankfurt Airport, with an increase in additional taxi-out time. • At Munich airport, there is a strong correlation between the moderate traffic decrease in 2012 and the improvements in terms of the management of the arrival and departure flow. These improvements were further supported by operational/procedural refinements of the management of the arrival flow (e.g. re-sectorisation, route design, and collaboration with adjacent Austrian airspace).

1. - Contextual economic information

- Germany represents 15.2% of the SES en-route ANS determined costs in 2012.
- ATSP : DFS
- FAB : FABEC
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

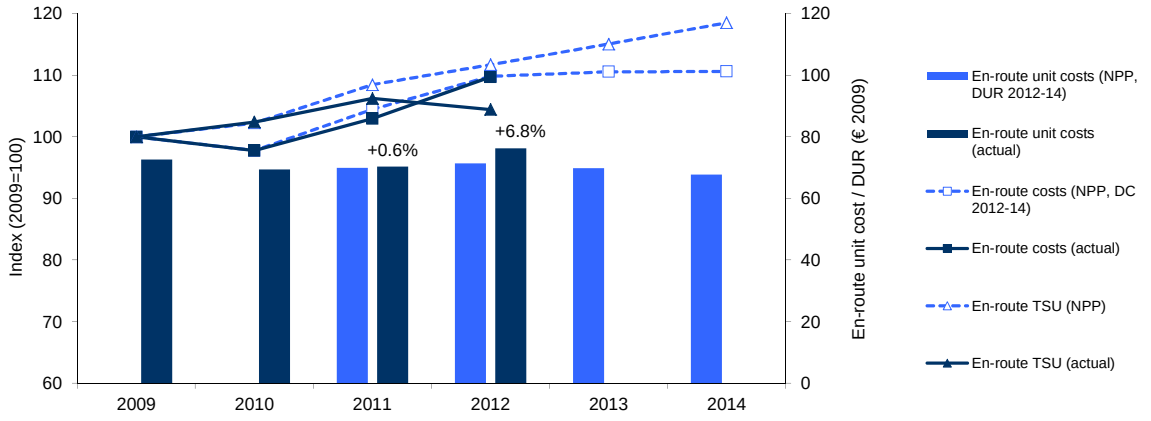


2. - En-route DUR monitoring (2012)

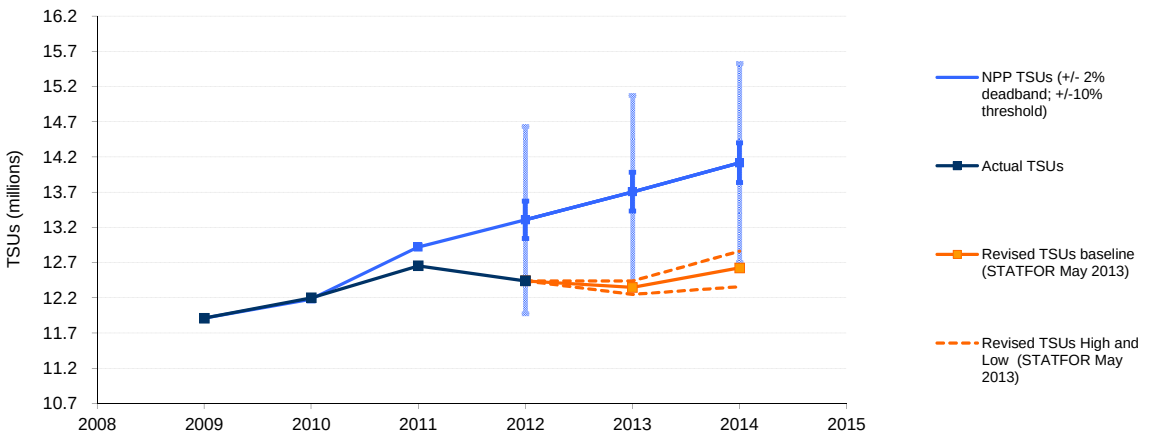
En-route Determined Unit Rate (DUR) 2012 Germany (in EUR2009)	71.42
Monitoring - Actual en-route unit cost 2012 Germany (in EUR2009)	76.31
Difference (in EUR2009)	4.89
Difference in percent	6.8%

Germany - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	865 464 580	856 264 028	933 313 742	1 000 821 853	1 027 719 867	1 048 860 894
Inflation %		1.2%	2.0%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.2	103.2	105.3	107.4	109.5
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	865 464 580	846 110 699	904 163 511	950 552 096	956 959 866	957 495 395
Total en-route Service Units	11 912 989	12 184 000	12 922 000	13 308 820	13 708 080	14 119 320
Real en-route unit costs per Service Units - (in EUR2009)	**72.65**	**69.44**	**69.97**	**71.42**	**69.81**	**67.81**

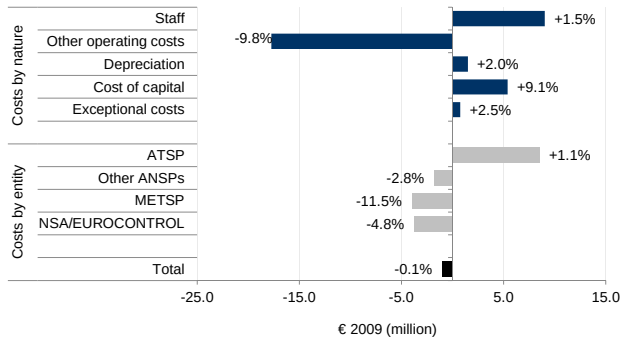
Germany - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	865 464 580	856 264 281	924 293 067	1 005 596 618	4 774 765	0.5%
Inflation %		1.2%	2.5%	2.1%	0.1 p.p.	
Inflation index (100 in 2009)	100.0	101.2	103.7	105.9	0.6 p.p.	
Real en-route costs - (in EUR2009)	865 464 580	846 110 949	891 056 654	949 497 191	-1 054 905	-0.1%
Total en-route Service Units	11 912 989	12 201 835	12 657 524	12 442 470	-866 350	-6.5%
Real en-route unit costs per Service Units - (in EUR2009)	**72.65**	**69.44**	**70.40**	**76.31**	**4.89**	**6.8%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-233
Interest rates on loans	-1 851
National taxation law	7
New cost item required by law	-
International agreements	-429
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-2 077
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-429
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-2 505

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

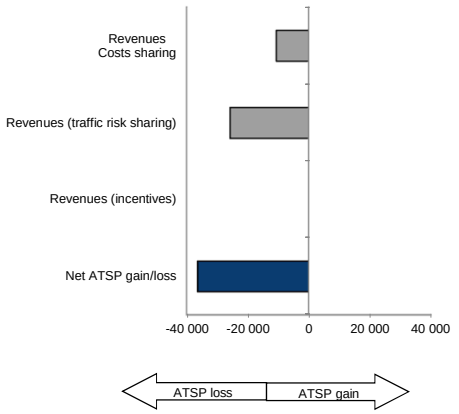
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	773 032
Actual costs for the ATSP	781 583
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-8 552
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-2 077
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**-10 628**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-6.51%
Determined costs after deduction of costs for exempted VFR flights	768 507
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-15 370
ATSP loss (traffic between -2% and -10% below NPP)	-10 397
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-25 767**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

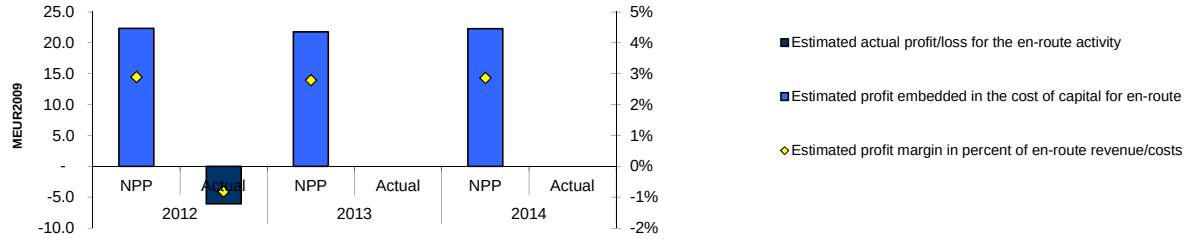
Net ATSP gain(+)/loss(-) on en-route activity	-36 395

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	1 069 591	1 201 583	998 312		932 837	
Estimated proportion of financing through equity (in %)	27%	33%	28%		31%	
Estimated proportion of financing through equity (in value)	288 409	391 232	281 299		287 876	
Estimated proportion of financing through debt (in %)	73%	67%	72%		69%	
Estimated proportion of financing through debt (in value)	781 182	810 351	717 013		644 961	
Cost of capital	57 406	63 210	53 624		50 712	
Average interest on debt	4.5%	4.1%	4.4%		4.4%	
Interest on debt	35 054	32 889	31 824		28 402	
Ex-ante RoE	7.8%	7.8%	7.8%		7.8%	
Estimated profit embedded in the cost of capital for en-route	22 352	30 320	21 801		22 310	
Net ATSP gain(+)/loss(-) on en-route activity		-36 395				
Estimated profit/loss for the en-route activity	**22 352**	**-6 075**	**21 801**		**22 310**	
Revenue/costs for the en-route activity	**773 032**	**745 188**	**780 345**		**779 034**	
Estimated profit margin in percent of en-route revenue/costs	**2.9%**	**-0.8%**	**2.8%**		**2.9%**	
Estimated ex-post RoE	**7.8%**	**-1.6%**	**7.8%**		**7.8%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by Germany

Note 1: the actual 2012 en-route costs provided by Germany in its National Performance Report (960.4 M€) differ from the information disclosed in the Reporting Tables (1 005.6 M€) that were submitted by Germany in the context of the June session of the Enlarged Committee for Route Charges. The discrepancy between these two figures (45.2 M€) mainly reflects the use of a different methodology to report the cost of capital for DFS. Initially, a negative rate of return on equity (ROE) was used to compute DFS 2012 actual cost of capital. During the verification process of the en-route Reporting Tables, Germany was asked to use the ROE reported for DFS in the NPP for RP1, in line with the provisions of Article 7.3 of the Charging Regulation 391/2013. This change was reflected in the latest version of Germany en-route Reporting Tables and this is the information that is used for the purposes of the analysis provided in this monitoring report. Germany, however, put forward some reservations relating to the use of the planned ROE to compute the actual cost of capital for the year 2012.

Note 2: The 2013 and 2014 TSUs forecasts provided by STATFOR include military SUs (i.e. some 75 000 SUs representing less than 1% of the TSUs). These military SUs were not included in the planned traffic figures provided for the years 2013 and 2014 in the German NPP for RP1. For the purposes of the analysis provided in this monitoring report and in order to facilitate the comparison with the traffic data provided in the German NPP, military SUs have been excluded from STATFOR 2013 and 2014 forecasts.

At State / Charging Area level

In 2012, Germany's real en-route unit cost (76.31 €2009) is +6.8% higher than planned in the NPP (71.42 €2009). This difference is mainly due to the fact that in 2012, actual traffic is significantly lower than expected (-6.5%) while actual en-route costs are in line with the determined costs (-0.1%) provided in the NPP. In October 2011 after the submission of the NPP, a new collective agreement has been signed between the DFS and trade unions. Germany elected to absorb these additional costs within the determined costs envelope arising from the NPP. In 2012, the additional costs arising from the implementation of this new collective agreement (some +17 M€) led to an increase in DFS staff costs which was not reflected in the NPP for RP1. Actual 2012 staff costs are overall +1.5% (+9 M€2009) higher than planned which indicates that a part of the additional costs arising from the implementation of the new collective agreement (17 M€) has been compensated by staff costs reduction measures.

Similarly, actual capital-related costs are higher than the figures reported in the NPP. According to information provided in the German NSA Monitoring Report for 2012, the actual depreciation costs for 2012 are slightly higher than planned (+2.0%). Germany indicates on p.14 of the NSA Monitoring Report that "the increase in depreciation costs is mainly due to a renewed plan for the ICAS-Program with its included projects". Although the NSA Monitoring Report includes a table showing the difference between DFS actual and planned capex for some investment projects, this information is not available for the total capex spent by the DFS in 2012. The total amount of the capex associated with the projects listed in these tables (some 13 M€) only represents 12% of the total capex spent by DFS in 2012 (107 M€). Finally, Germany indicates in the NSA Monitoring Report that a new methodology will be implemented in RP2 for planning investments and associated depreciation costs. The main rationale underlying this new methodology is to limit the differences between actual and planned depreciation costs during RP2.

The difference observed for the cost of capital (+9.1% compared to the NPP) is mainly due to the use of a larger asset base (+132 M€2009) to compute the actual cost of capital in 2012. A significant amount (58%) of the asset base used by DFS to compute the cost of capital is reported under "adjustments total assets". It is understood that this item mainly includes an amount relating to pension obligations. Detailed information provided in DFS 2012 Annual Report indicates that the net defined benefit obligations rose from 988 M€ in 2011 to 1 827 M€ in 2012. Since DFS applies the "corridor approach" to record pension obligations in its Balance-Sheet Statement, the net pension obligations for 2012 (1 827 M€) are substantially reduced by an "adjustment for unrecognised actuarial losses" (1 295 M€) so that the provision for pensions recorded in the Balance-Sheet amounts to 532 M€. It is not clear whether the amount reported under "adjustments total assets" in Germany/DFS Reporting Tables comprises elements associated with these "unrecognised actuarial losses". It is considered that this point deserves a clarification.

Overall, these higher costs than planned were compensated by significantly lower other operating costs (-9.8%). These lower costs mainly reflect the impact of the cost containment/reduction measures implemented by DFS in 2012. As a result, actual 2012 costs are in line with the determined costs reported in the NPP.

Germany reported a negative amount for the costs exempted to risk sharing in 2012 (-2.5 M€2009). This amount mainly reflects lower interest rates on loans than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these assumptions.

Looking forward, based on STATFOR May 2013 forecasts, for Germany the number of TSUs in 2013 and 2014 is expected to be substantially lower than the figures provided in the German NPP for RP1 (-9.9% and -10.6%). If these forecasts materialise, Germany will incur losses in en-route revenues in 2013 and 2014. In addition, these forecasts indicate that there is a risk that the alert threshold on traffic will be reached for the year 2014.

The German en-route cost-base includes costs relating to: the German ATSP (DFS), Maastricht UAC (MUAC), the METSP (DWD), the German NSA and the EUROCONTROL Agency. MUAC en-route costs represent 6.5% of Germany en-route cost-base.

The higher actual en-route costs for DFS in 2012 (+1.1% or 8.6 M€2009) were compensated by lower costs than planned observed for MUAC (-2.8%), for the DWD (-11.5%) and for the German NSA and EUROCONTROL (-4.8%). For the DWD, this positive achievement mainly reflects lower staff costs (-12.5%) and other operating costs (-14.5%) than reported in the NPP for 2012. The lower staff costs for the DWD in 2012 are mainly due to the fact that the increase in staff planned for 2012 did not materialise. In addition, a change in the methodology used to compute pension costs led to lower employer pension contributions in 2012.

At ATSP level

Taking into account the amount of 2.1 M€2009 exempt from the cost sharing, DFS actual en-route costs are some +10.6 M€2009 higher than the determined costs reported for the year 2012 in the NPP (i.e. 8.6 + 2.1). In addition, following the traffic risk sharing arrangements, the lower traffic than planned for 2012 translated into net losses in en-route revenues which amounted to -25.8 M€2009 for DFS. The combination of these two elements contributes to a loss of -36.4 M€2009 on the en-route activity in 2012 for DFS.

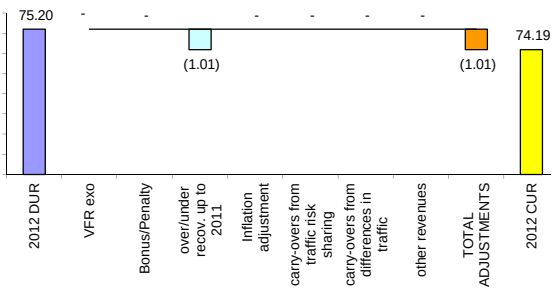
When estimating the profit margin of DFS for the year 2012, it is important to exclude the ROE element of the cost of capital (some 30.3 M€2009) from the loss incurred by DFS on the en-route activity (-36.4 M€2009). As a result, DFS net loss amounts to -6.1 M€2009 which implies a negative profit margin of -0.8% and a negative ex-post ROE (-1.6%) for the year 2012. This indicates that the part of profit embedded in the cost of capital through the ROE was not sufficient to compensate for the losses arising from the lower revenues incurred in 2012 and from the higher actual costs than planned in the NPP.

On the other hand, information provided in DFS Annual Report shows that for the company as a whole, a profit before taxes amounting to 86.8 M€ was realised in 2012. The difference between this accounting profit and the loss on the en-route activity for 2012 (-6.1 M€2009) is mainly due to the fact that the revenues provided in DFS Annual Report include (1) an amount relating to the under-recovery for the year 2012 (i.e. some 26 M€ associated with the losses in revenues to be reimbursed by airspace users in 2014) and (2) additional revenues relating to exceptional costs linked to the revaluation of DFS pension obligations which are charged to airspace users and recovered through the unit rate but not recorded in DFS Profit and Loss statement (some 34 M€ in 2012).

If STATFOR forecasts materialise for the years 2013 and 2014 (respectively -9.4% and -10.1% compared to the NPP), DFS will incur further losses of revenues on the en-route activity. In this context, it will be important to closely monitor the evolution of this situation and to understand the impact of these losses of revenues on DFS financial strength.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Germany 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to airspace users in 2012 was 74.19 €. This is close to the DUR expressed in nominal terms (75.20 €). The difference observed between these two figures (1.01 €) exclusively reflects the net amount of over-recovery carried over to 2012 in the context of the full cost-recovery regime in place before RP1.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.5	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	16	16	16	16	16	16
of which, number of airports over 50 000 movements		11	11	11	11	11

Germany - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	208 967 510	222 598 151	221 953 226	231 313 525	233 663 196	241 148 746
Inflation index (100 in 2009)	100.0	101.2	103.2	105.3	107.4	109.5
Real terminal ANS costs - (in EUR2009)	**208 967 510**	**219 958 647**	**215 020 950**	**219 694 999**	**217 575 147**	**220 142 456**

Germany - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	208 967 510	222 128 938	225 935 662	236 116 937	4 803 412	2.1%
Inflation index (100 in 2009)	100.0	101.2	103.7	105.9	0.6 p.p.	
Real terminal ANS costs - (in EUR2009)	**208 967 510**	**219 494 998**	**217 811 301**	**222 944 632**	**3 249 633**	**1.5%**
Total terminal service units	1 122 291	1 272 339	1 327 797	1 310 562		
Actual real unit costs - (in EUR2009)	186.2	172.5	164.0	170.1		
Unit rate applied - (in EUR)				**171.29**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

In 2012, the German Terminal Charging Zone comprises 16 airports. No changes are foreseen over the 2013-2014 period. The harmonised SES formula (MTOW/50)^0.7 already applies in the German Terminal Charging Zone.

Actual terminal ANS costs are slightly higher than planned in the German NPP (+1.5%). This mainly reflects significantly higher depreciation costs than planned (+17.5%) while actual 2012 staff and non-staff operating costs and the cost of capital are fairly in line with the amounts provided in the NPP.

11. - Monitoring of gate-to-gate costs (2012)

Germany - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	865 464 580	846 110 699	904 163 511	950 552 096	956 959 866	957 495 395
Real terminal ANS costs - (in EUR2009)	208 967 510	219 958 647	215 020 950	219 694 999	217 575 147	220 142 456
Real gate-to-gate ANS costs - (in EUR2009)	**1 074 432 090**	**1 066 069 347**	**1 119 184 461**	**1 170 247 095**	**1 174 535 013**	**1 177 637 851**
Share of en-route costs in gate-to-gate ANS costs	**80.6%**	**79.4%**	**80.8%**	**81.2%**	**81.5%**	**81.3%**

Germany - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	865 464 580	846 110 949	891 056 654	949 497 191	-1 054 905	-0.1%
Real terminal ANS costs - (in EUR2009)	208 967 510	219 494 998	217 811 301	222 944 632	3 249 633	1.5%
Real gate-to-gate ANS costs - (in EUR2009)	**1 074 432 090**	**1 065 605 948**	**1 108 867 954**	**1 172 441 823**	**2 194 729**	**0.2%**
Share of en-route costs in gate-to-gate ANS costs	**80.6%**	**79.4%**	**80.4%**	**81.0%**	**-0.2%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual gate-to-gate 2012 costs (1 172.4 M€2009) are in line with the sum of en-route determined costs and terminal ANS costs provided in the NPP for RP1 (1 170.2 M€2009). The relative share of en-route costs amounts to 81% in 2012 and is planned to remain at this level in 2013 and 2014.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Greece

Edition 1.0
Edition date: 15/08/2013

GREECE **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Greece	2012	2013	2014
State level	40		
ANSP	42		

EASA observations

EASA observations after verification (State level): 95% of the replies were found to correspond to the situation encountered at the time of the standardisation visit. Five percent (5%) of the replies were overrated.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	20	0%		%		%
	ATM overall		95%		%		%
Reporting Runway Incursions (RIs)	ATM ground	56	75%		%		%
	ATM overall		18%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	120	87%		%		%

In the Greek Monitoring Report, the numbers of reported SMIs, RIs and ATM specific technical events are not given.

Nevertheless, the indication of how many reports were assessed with RAT corresponds exactly with the ratio according to the AST, for all types of occurrences.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (DFS)	
	YES	NO	YES	NO
Policy and its implementation	5	5	7	6
Legal/Judiciary	4	4	3	0
Occurrence reporting and Investigation	0	2	4	4
TOTAL	**9**	**11**	**14**	**10**

GREECE — Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay	Observations

Year	2012	2013	2014
Reference value	0.37	0.32	0.26
National Target	1.10	1.0	0.95
Actual performance	0.15	--	--

Capacity

Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Greece did not contain any specific details of how FUA would be applied to increase capacity.

National performance assessment: The HANSA 2012 monitoring report states that the improvement in capacity performance in 2012 was due to: E.C. recommendation of 26-07-2012; ANSP efforts to improve capacity, and a drop in traffic from previous levels (-4% from 2011 levels).

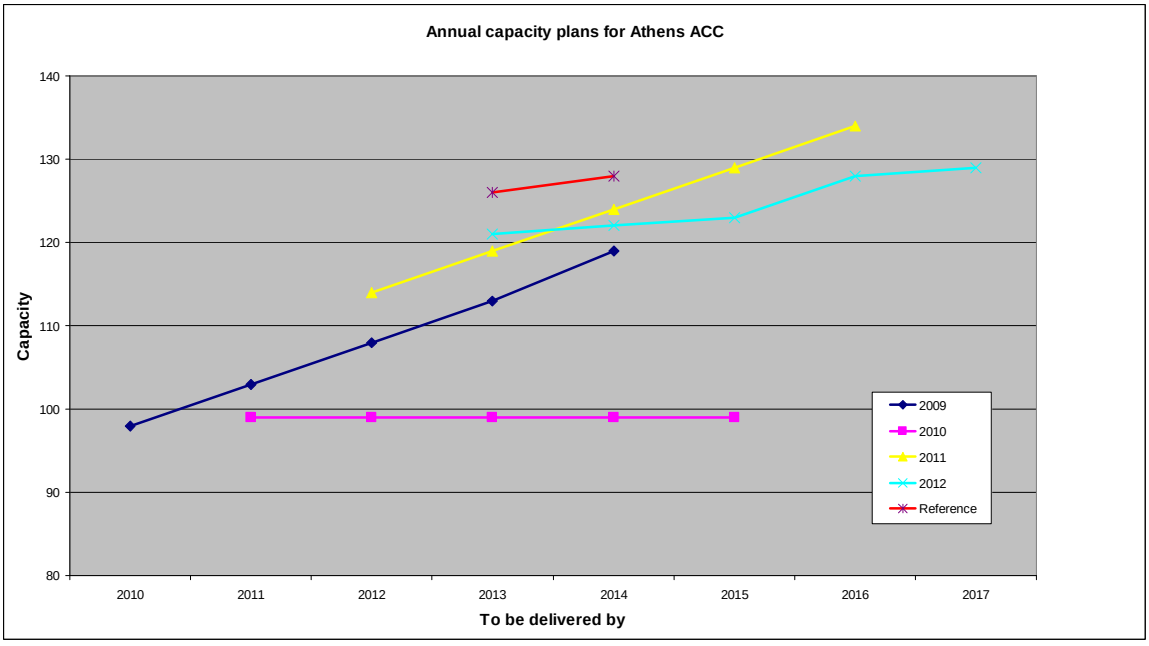
The monitoring report raises concerns that capacity performance could be negatively impacted due to staffing issues, such as the retirement of existing personnel and the inability of the public sector to recruit replacements, and uncertainty that investments for capacity increases can be undertaken, as planned.

Extract from notification letter from EC July 2012:

Greece's revised performance plan is assessed on the understanding that Greece will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.26 minute of average delay per flight to be met at the earliest possible date in the second reference period, with the assistance of the Network Manager.

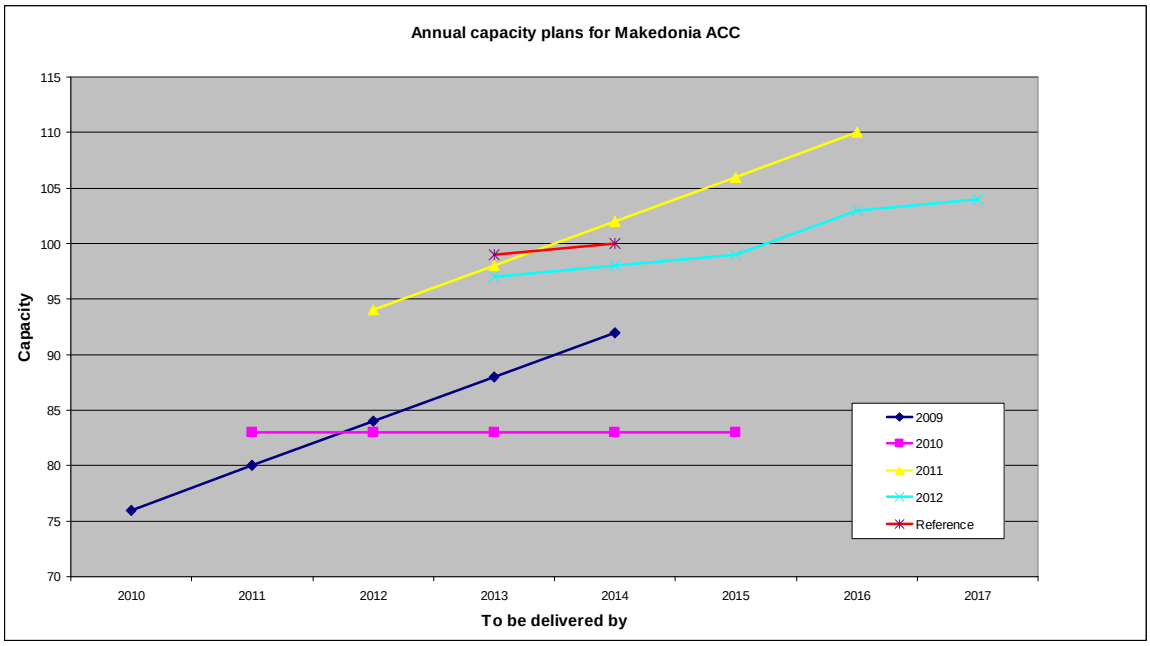
Annual capacity plans for ACCs in Greece from 2009 – 2012.

(Data is taken from LSSIP 2010-2014, LSSIP 2011-2015, NOP 2012-2016, NOP 2013-2017.)



GREECE **Monitoring of CAPACITY indicators for 2012**

Although the level of capacity promised, for Athens ACC, in the 2012 plan is higher than what was contained in the plans from 2009 and 2010, it remains short of the expected capacity requirement for 2013 and 2014, for a positive contribution to the EU wide capacity target.



Despite considerable increases in planned capacity, at the Makedonia ACC, from the 2009 and 2010 capacity plans, the 2012 capacity plan remains slightly below the expected capacity requirement to provide a positive contribution to the EU wide target in 2013 & 2014.

Assessment

With the capacity performance in 2012, Greece has met the level of performance required to be consistent with the EU wide target for 2012.

The PRB appreciates the efforts of the ANSP to improve capacity performance, in accordance with the recommendations of the EC in July 2012, as stated in the HANSA monitoring report.

Since the capacity plans for 2012 do not yet show the results of the ANSP capacity enhancements, in comparison to the capacity plans from 2011, the PRB would appreciate if they could be updated accordingly.

Effective booking procedures

- Greece did not provide any information on the allocation or actual use of airspace, therefore the calculation on effective booking procedures could not be performed.

Recommendations

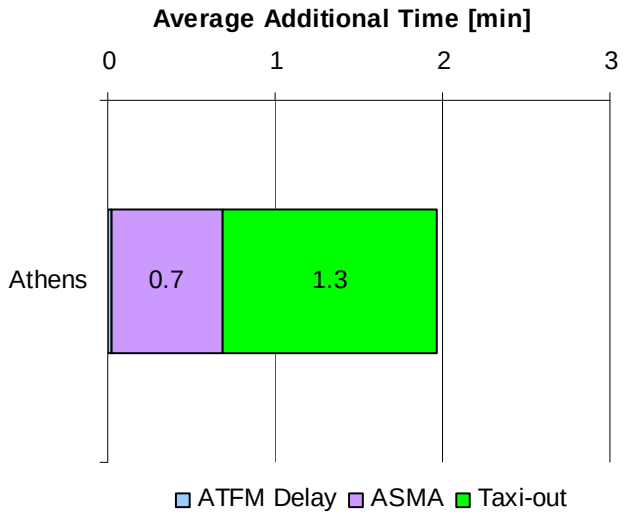
- Greece is invited to provide information on how the FUA concept will be applied to increase capacity.
- Greece is invited to ensure that information on the allocation and use of airspace structures is made available to the Commission in accordance with IR 691/2010, and IR 2150/2005

GREECE **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Athens	LGAV	0.0	1 788	0.7	45336.02	1.3	91 615	138 739
Weighted average		**0.0**		**0.7**		**1.3**		
Grand Total			**1 788**		**45 336**		**91 615**	**138 739**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- None

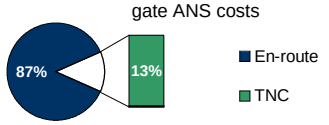
Specific Analysis

- Compared to 2011, Athens Airport recorded a decrease of ATFM delay by -0.9 min/arrival. This reduction is mainly due to traffc demand decreased by -12.1% compared to 2011.

1. - Contextual economic information

- Greece represents 2.4% of the SES en-route ANS determined costs in 2012.
- ATSP : HCAA
- FAB : Blue Med
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

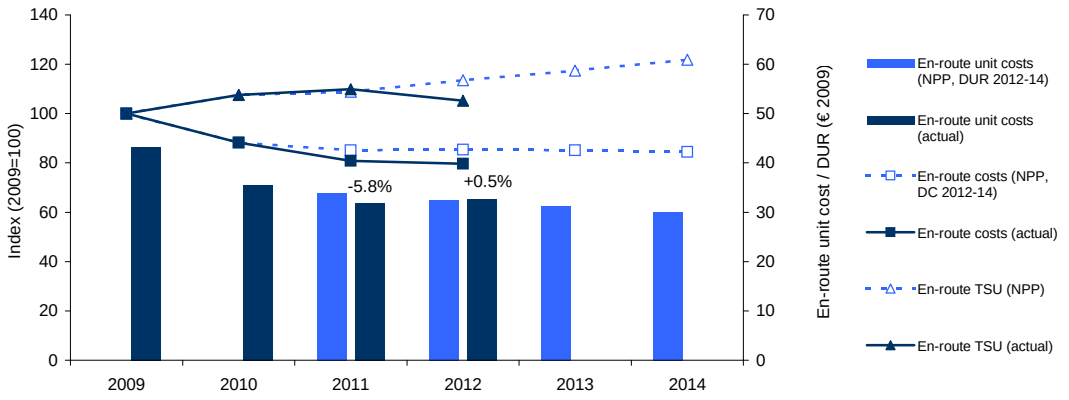


2. - En-route DUR monitoring (2012)

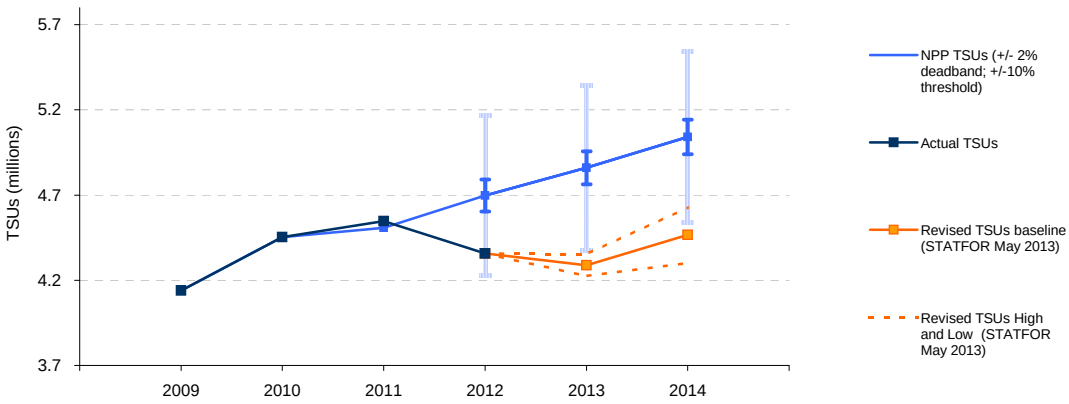
En-route Determined Unit Rate (DUR) 2012 Greece (in EUR2009)	32.55
Monitoring - Actual en-route unit cost 2012 Greece (in EUR2009)	32.73
Difference (in EUR2009)	0.18
Difference in percent	0.5%

Greece - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	179 113 311	165 386 000	163 624 903	165 004 188	165 541 828	165 909 828
Inflation %		4.7%	2.5%	0.5%	0.7%	1.0%
Inflation index (100 in 2009)	100.0	104.7	107.4	107.9	108.6	109.6
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 113 311	157 961 796	152 408 576	152 928 670	152 420 985	151 322 256
Total en-route Service Units	4 138 832	4 454 155	4 507 000	4 698 000	4 860 000	5 041 000
Real en-route unit costs per Service Units - (in EUR2009)	**43.28**	**35.46**	**33.82**	**32.55**	**31.36**	**30.02**

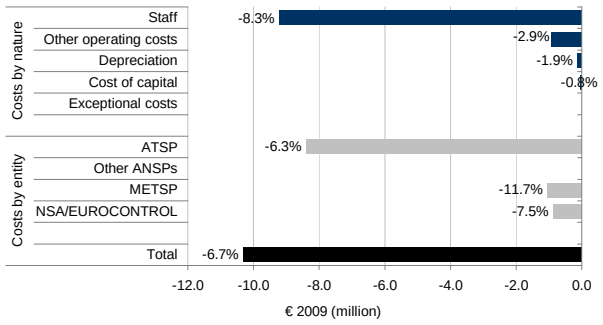
Greece - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	179 113 311	165 386 000	156 350 081	155 483 966	-9 520 222	-5.8%
Inflation %		4.7%	3.1%	1.0%	0.5 p.p.	
Inflation index (100 in 2009)	100.0	104.7	107.9	109.0	1.1 p.p.	
Real en-route costs - (in EUR2009)	179 113 311	157 961 796	144 841 416	142 612 925	-10 315 744	-6.7%
Total en-route Service Units	4 138 832	4 454 000	4 546 412	4 357 569	-340 431	-7.2%
Real en-route unit costs per Service Units - (in EUR2009)	**43.28**	**35.46**	**31.86**	**32.73**	**0.18**	**0.54%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-795
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-795
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-795

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

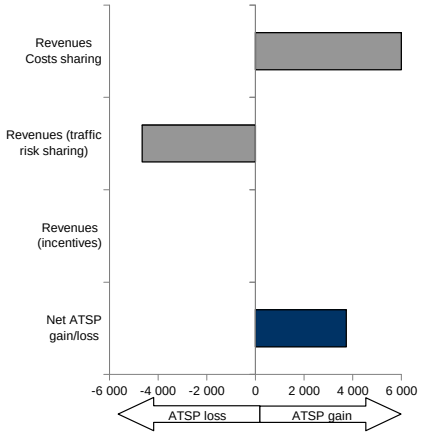
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	132 330
Actual costs for the ATSP	123 929
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	8 401
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**8 401**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-7.25%
Determined costs after deduction of costs for exempted VFR flights	130 480
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-2 610
ATSP loss (traffic between -2% and -10% below NPP)	-2 054
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-4 663**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

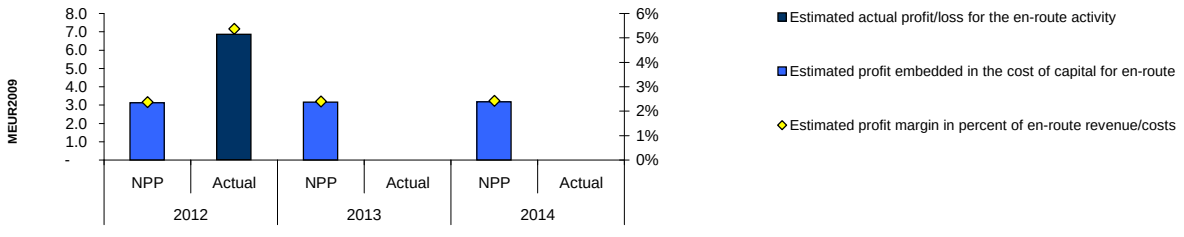
Net ATSP gain(+)/loss(-) on en-route activity	**3 738**

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	97 318	97 734	96 680		95 770	
Estimated proportion of financing through equity (in %)	79%	79%	81%		82%	
Estimated proportion of financing through equity (in value)	77 345	77 198	77 975		78 367	
Estimated proportion of financing through debt (in %)	21%	21%	19%		18%	
Estimated proportion of financing through debt (in value)	19 972	20 536	18 705		17 403	
Cost of capital	3 132	3 127	3 158		3 174	
Average interest on debt	0.0%	0.0%	0.0%		0.0%	
Interest on debt	-	-	-		-	
Ex-ante RoE	4.1%	4.1%	4.1%		4.1%	
Estimated profit embedded in the cost of capital for en-route	3 132	3 127	3 158		3 174	
Net ATSP gain(+)/loss(-) on en-route activity		3 738				
Estimated profit/loss for the en-route activity	**3 132**	**6 865**	**3 158**		**3 174**	
Revenue/costs for the en-route activity	**132 330**	**127 667**	**131 902**		**130 752**	
Estimated profit margin in percent of en-route revenue/costs	**2.4%**	**5.4%**	**2.4%**		**2.4%**	
Estimated ex-post RoE	**4.1%**	**8.9%**	**4.1%**		**4.1%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

The actual 2012 traffic measured in Total en-route Service Units (TSUs) is significantly lower (i.e. -7.2%) than the traffic planned in the Greek National Performance Plan for RP1 (NPP). On the other hand, the actual en-route costs at State level for the year are -5.8% below the determined costs published in the NPP (i.e. -6.7% in real terms). As a result, Greece's actual real en-route unit cost (i.e. 32.73 €2009) is +0.54% higher than the Determined Unit Rate (DUR) for 2012 (i.e. 32.55 €2009), corresponding to an increase of +0.18 €2009.

The change in actual TSU compared to the NPP plans for 2012 falls outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the +/- 10% alert threshold. Therefore, the related loss is shared between the airspace users and the ATSP, which records a loss of some -4.7 M€2009 (see below). The traffic outlook for the rest of RP1, according to the latest forecasts released by STATFOR in May 2013, depicts a more pessimistic scenario than presented in the NPP. The TSU is planned to further decrease in 2013 and increase in 2014, against a steady increase planned in the NPP for the same period. As a result, even if the high STATFOR scenario will materialise, the difference in traffic with respect to NPP is planned to exceed the +/-2% dead band for rest of RP1, and the +/- 10% threshold in 2013.

The decrease in 2012 en-route costs (compared to the NPP) is mainly related to cost reductions achieved by HCAA (some -8.4 M€2009) and entirely corresponding to the fall in staff costs (i.e. -8.4%, or some -8.8 M€2009).

"Costs exempt from cost-sharing" are reported for a total of -0.8 M€2009 to be reimbursed to users for the en-route activity, corresponding to the difference between the planned and actual values for EUROCONTROL costs (cf. Table in item 4). These costs will be eligible to carry-over to the following period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

HCAA actual 2012 en-route costs are -6.3% lower than planned in real terms. This mainly results from the combination of opposite effects: (i) lower staff costs (i.e. -8.4%), (ii) higher other operating costs (i.e. +3.3%) and (iii) slightly lower capital related costs (i.e. -2.6% depreciation costs and -0.2% cost of capital, although in very small amounts) than planned in the NPP.

The 2012 actual HCAA staff costs are some -8.4% lower than planned, however, these are fairly in line with the actual 2011 figure, following a significant fall between 2010 and 2011 (i.e. -9.0% in nominal terms). The fall in staff costs occurred between 2010 and 2012 is the result of the adoption of the First and Second Economic Adjustment Programs (in 2011 and 2012 respectively, see http://ec.europa.eu/economy_finance/publications/occasional_paper/2012/pdf/ocp123_en.pdf).

It is understood from this document (see p.24) that the Greek austerity programme implies significant reductions in civil servant wages: "*Under the adjustment programme, the strong reduction in the public sector wage bill in the period 2010-14 will bring its average growth back into line with the EU average growth over the whole period 2000-14 […]. Public sector wages were already reduced through the elimination of 13th and 14th month salaries in 2010. This was followed by a comprehensive reform of the public sector wage grid in November 2011 that increased the coherence of the wage structure and reduced overall public sector wages by almost 20%.*"

On the other hand, the actual other operating costs are higher than planned in the NPP for 2012, although lower than the actual values in 2011.

The stability in capital related costs compared to plans has been mainly achieved trough a combination of (i) rescheduling of the investments and a postponement of their entry in operation and (ii) upward revision of the capex relating to two projects (i.e. PALLAS, +2.8 M€) and VCS/RCS in five airports, +0.5 M€). This also resulted in an actual asset base to compute the cost of capital fairly in line with the NPP plans.

It is noteworthy that in a context of significant cost decrease and postponement of investments, Greece managed to achieve its capacity target in 2012.

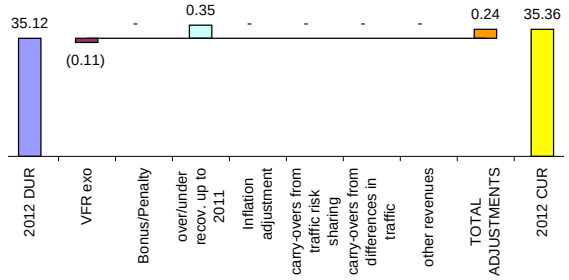
As a result of the cost sharing mechanism, HCAA is entitled to fully retain the gain arising from the fact that actual costs are lower than planned in the NPP for 2012 (i.e. 8.4 €M2009). On the other hand, due to the traffic risk sharing mechanism, the change in actual TSUs compared to the plans (i.e. -7.2%) generates a loss of some -2.6 M€2009 for the ATSP for the traffic decrease within the [-2%; 0] band and -2.1 M€2009 loss for the traffic change within the [-10%; -2%[band (i.e. a total loss of -4.7 M€2009). Overall, the en-route activity for the year 2012 generated a net gain of +3.7 M€2009 for HCAA.

On the profitability side, the ex-ante estimated profit embedded in the cost of capital for the en-route activity planned in the NPP amounted to +3.1 M€2009. Due to the fact that HCAA en-route activity is largely equity financed (79%), the return on equity as presented in the NPP constitutes a profit margin of 2.4% (or a RoE of 4.1%) of the en-route costs/revenues for the activities in 2012.

Ex-post, the estimated profit for the year computed by adding the cost of capital (+3.1 M€2009, in line with the plans) and the net gain from the en-route activity in 2012 (+3.7 M€2009, see above), gives a total of +6.9 M€2009 for 2012, corresponding to a profit margin of 5.4% of the en-route revenue in respect of the activities in 2012 (or a RoE of 8.9%).

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Greece 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to users in 2012 was 35.58€. This is higher than the nominal DUR in 2012 (35.12€), mainly due to the under-recovery carried over to 2012 from the legacy prior to RP1 (i.e. 0.35€) and VFR exemption (i.e. 0.11€).

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^		0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)		1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1

Greece - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	27 324 000	25 614 190	25 636 200	25 674 170	25 585 170	25 585 170
Inflation index (100 in 2009)	100.0	104.7	107.4	107.9	108.6	109.6
Real terminal ANS costs - (in EUR2009)	**27 324 000**	**24 464 365**	**23 878 864**	**23 795 255**	**23 557 290**	**23 335 602**

Greece - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	27 324 000	25 613 999	25 636 001	21 002 810	-4 671 360	-18.3%
Inflation index (100 in 2009)	100.0	104.7	107.9	109.0	1.1 p.p.	
Real terminal ANS costs - (in EUR2009)	**27 324 000**	**24 464 182**	**23 748 978**	**19 264 187**	**-4 531 068**	**-19.0%**
Total terminal service units		103 899	96 513	83 095		
Actual real unit costs - (in EUR2009)		235.5	246.1	231.8		
Unit rate applied - (in EUR)				**74.68**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Greece counts one terminal charging zone comprising one airport, which has more than 50 000 movements per year (i.e. Athens airport, LGAV). Of the numerous airports in Greece, except for Athens International airport, no other airports are subject to the charging regulation. The harmonised SES formula (MTOW/50)^0.7 already applies in the Greek Terminal Charging Zone.

The actual terminal ANS 2012 costs are -18.3% lower in nominal terms than planned in the Greek NPP. This difference is mainly driven by lower staff costs (i.e. -10% in nominal terms or -1.5M€) and lower non-staff operating costs (i.e. -37% in nominal terms or -3.2M€), differently than observed for en-route (see item 7 above). Greece provides no drivers for the change in other operating costs, while it is inferred that the lower staff costs are relating to the adoption of the Government austerity plan, as it was the case for en-route.

The reduction in cost is proportionately larger for terminal ANS costs (i.e. -18.3% in nominal terms) than for en-route (i.e. -5.8% in nominal terms).

In the first quarter of 2012, the applied unit rate was 228.37€. However, it shall be said that from 1st April 2012 to 31 December 2012 a lower unit rate has been adopted (i.e. 74.68€). The rationale for this variation is that as of April 2012 the Government subsidised the Terminal ANS activity, thus allowing a reduction in the chargeable cost-base (see information circular (Ref. LG 2012/02) available at https://www.eurocontrol.int/sites/default/files/content/documents/route-charges/information-circulars/crco-lg-2012-02.pdf).

When accounting for the subsidies, the 2012 actual annual equivalent cost per SU would be 107 .32 (computed as total actual chargeable costs divided by the chargeable service units).

11. - Monitoring of gate-to-gate costs (2012)

Greece - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009	179 113 311	157 961 796	152 408 576	152 928 670	152 420 985	151 322 256
Real terminal ANS costs - (in EUR2009)	27 324 000	24 464 365	23 878 864	23 795 255	23 557 290	23 335 602
Real gate-to-gate ANS costs - (in EUR2009)	**206 437 311**	**182 426 160**	**176 287 440**	**176 723 925**	**175 978 275**	**174 657 858**
Share of en-route costs in gate-to-gate ANS costs	**86.8%**	**86.6%**	**86.5%**	**86.5%**	**86.6%**	**86.6%**

Greece - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	179 113 311	157 961 796	144 841 416	142 612 925	-10 315 744	-6.7%
Real terminal ANS costs - (in EUR2009)	27 324 000	24 464 182	23 748 978	19 264 187	-4 531 068	-19.0%
Real gate-to-gate ANS costs - (in EUR2009)	**206 437 311**	**182 425 978**	**168 590 395**	**161 877 112**	**-14 846 812**	**-8.4%**
Share of en-route costs in gate-to-gate ANS costs	**86.8%**	**86.6%**	**85.9%**	**88.1%**	**1.6%**	

12 - General conclusions on the gate-to-gate ANS costs

2012 gate-to-gate actual costs are -8.4% lower than planned in real terms as a result of both lower en-route and lower terminal ANS costs.

The allocation of gate-to-gate ANS costs between en-route and terminal ANS is quite stable overall in RP1 and did not significantly change in 2012 with respect to the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Hungary

Edition 1.0
Edition date: 15/08/2013

HUNGARY **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Hungary	2012	2013	2014
State level	42		
ANSP 1	84		
ANSP 2	44		

EASA observations

Over 75% of the replies were reviewed. 40% of them were "L" (low level of confidence), 50% "H" (high level of confidence) and the rest "M" (medium level of confidence). The rest of the replies were self-assessed as not implemented yet, therefore they were not subject to sampling.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	0	N/A		%		%
	ATM overall		N/A		%		%
Reporting Runway Incursions (RIs)	ATM ground	1	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	302	100%		%		%

The figures in the Hungarian Monitoring Report differ from the AST report:

- 26 reported SMIs vs. 0 in AST;
- 5 reported RIs vs.1 in AST;
- 301 reported vs. 302 according to the AST.

Also the use of the RAT methodology is reported differently in the Monitoring Report:

- for SMIs 50% assessment with RAT (AST reports 'N/A');
- for RIs 80% assessment with RAT(AST report gives 0% severity assessment with RAT);
- 96% in the Monitoring Report and 100% in the AST Report.

Just Culture

Number of questions answered with Yes or No.	**State**		**ANSP 1 (Hungarocontrol)**		**ANSP 2 (Budapest airport)**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	2	8	7	6	4	9
Legal/Judiciary	3	5	1	2	2	1
Occurrence reporting and Investigation	1	1	4	4	5	3
TOTAL	**6**	**14**	**12**	**12**	**11**	**13**

The Hungarian State Monitoring Report gives different results for JC as it provides only one set of results without any indication whether it is for State or ANSP level. The following replies were provided:
YES: 2 (Policy); 2 (Legal); 4 (Occurrence reporting)) – gives a total of 8 'YES' replies;
NO: 4 (Policy); 1 (Legal); 4 (Occurrence reporting) – gives a total of 9 'NO' replies

HUNGARY **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.03	0.07	0.07	
National Target	0.30	0.07	0.03	
Actual performance	0.00	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Hungary did not contain any specific details of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Hungary has exceeded both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB welcomes the commitment from Hungary to provide good capacity performance and is confident that Hungary can provide an adequate contribution to capacity performance in RP1

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 33%
- The above was calculated from information provided on the following areas: TRA 11A; TRA 11B; TRA 11C; TRA 12; TRA 13; TRA 14A; TRA 14B; TRA 14C; TRA 15A; TRA 15B; TRA 15C; TRA 16; TRA 21A; TRA 21B; TRA 21C; TRA 21D; TRA 21E; TRA 22A; TRA 22B; TRA 22C; TRA 22D; TRA 22E; TRA 22F; TRA 23A; TRA 23B; TRA 23C; TRA 23D; TRA 23E; TRA 31A; TRA 31B; TRA 32A; TRA 32B; TRA 33A & TRA 33B

Recommendations

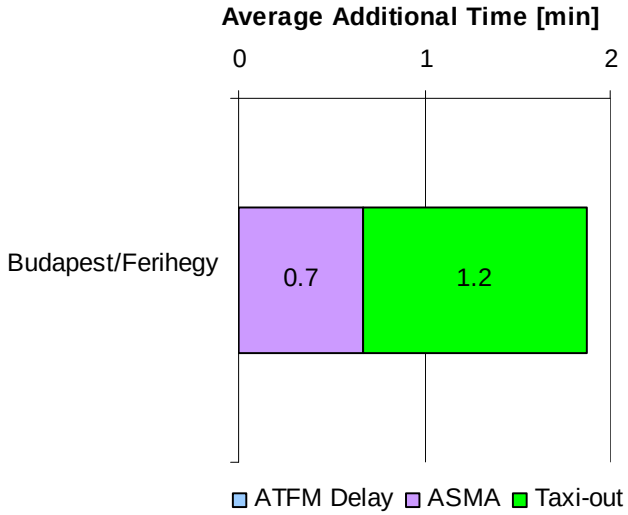
- Hungary is invited to provide information on how the FUA concept will be applied to increase capacity

HUNGARY **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Budapest/Ferihegy	LHBP	0.0	0	0.7	28 418	1.2	46 217	**74 635**
Weighted average		**0.0**		**0.7**		**1.2**		
Grand Total			**0**		**28 418**		**46 217**	**74 635**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- None

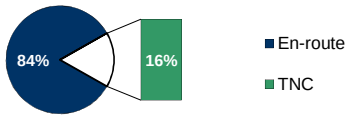
Specific Analysis

- Budapest Airport recorded a traffic demand decrease by -20.5% in 2012 compared to 2011.

1. - Contextual economic information

- Hungary represents 1.3% of the SES en-route ANS determined costs in 2012.
- ATSP : HungaroControl
- FAB : FAB CE
- National currency: HUF
- Exchange rate 2009: 1 EUR= 279.699

Share of en-route and terminal in gate-to-gate ANS costs

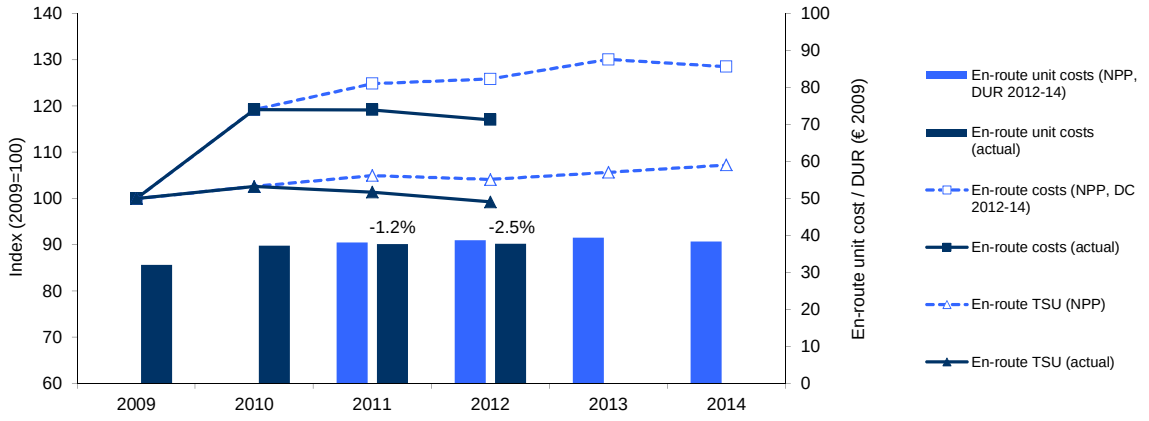


2. - En-route DUR monitoring (2012)

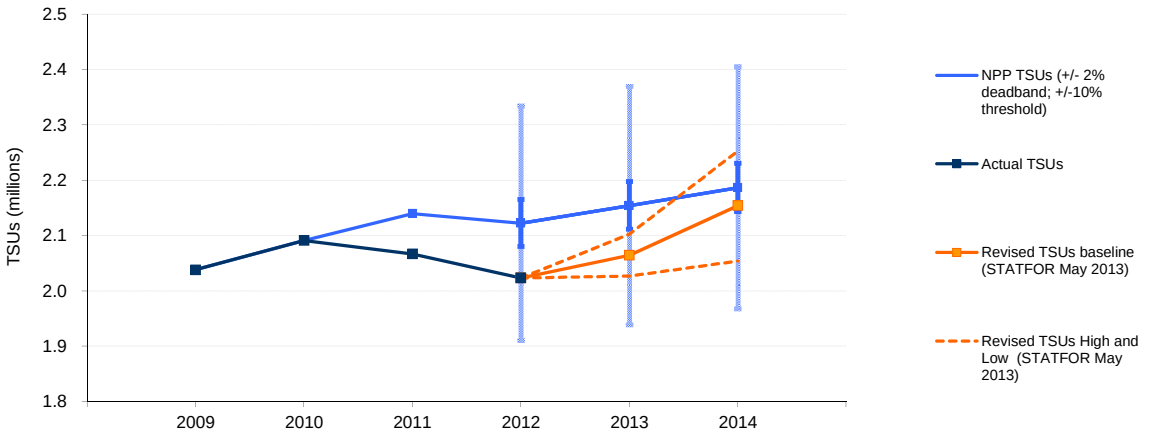
En-route Determined Unit Rate (DUR) 2012 Hungary (in HUF2009)	10 834.44	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Hungary (in HUF2009)	10 567.69	In 2012, the HUF depreciated by 3.6% compared to 2011.
Difference (in HUF2009)	-266.74	Exchange rate 2011: 1 EUR= 278.889
Difference in percent	-2.5%	Exchange rate 2012: 1 EUR= 288.876

Hungary - Data from RP1 national performance plan	2009A	2010A	2011F	2011P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal HUF)	18 270 090 911	22 847 491 091	24 913 550 640	25 989 958 427	27 665 785 366	28 157 420 160
Inflation %		4.9%	4.1%	3.5%	3.0%	3.0%
Inflation index (100 in 2009)	100.0	104.9	109.2	113.0	116.4	119.9
Real en-route costs (determined costs 2012-2014) - (in HUF2009)	18 270 090 911	21 780 258 428	22 817 268 201	22 998 168 700	23 768 044 350	23 485 839 168
Total en-route Service Units	2 038 443	2 091 322	2 139 950	2 122 692	2 154 532	2 186 850
Real en-route unit costs per Service Units - (in HUF2009)	**8 962.77**	**10 414.59**	**10 662.52**	**10 834.44**	**11 031.65**	**10 739.57**
Real en-route unit costs per Service Units - (in EUR2009)	**32.04**	**37.23**	**38.12**	**38.74**	**39.44**	**38.40**

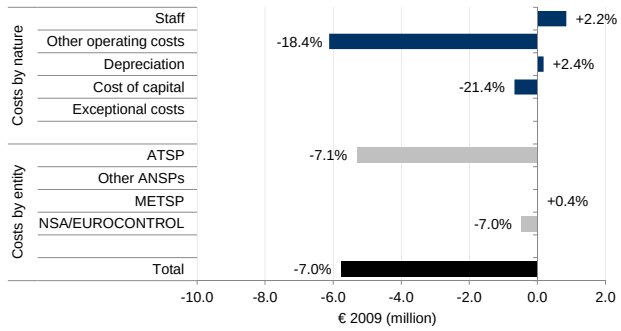
Hungary - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal HUF)	18 270 090 911	22 847 491 091	23 736 569 065	24 636 627 717	-1 353 330 709	-5.2%
Inflation %		4.9%	3.9%	5.7%	2.2 p.p.	
Inflation index (100 in 2009)	100.0	104.9	109.0	115.2	2.2 p.p.	
Real en-route costs - (in HUF2009)	18 270 090 911	21 780 258 428	21 778 447 107	21 385 294 625	-1 612 874 075	-7.0%
Total en-route Service Units	2 038 443	2 091 322	2 067 028	2 023 649	-99 043	-4.7%
Real en-route unit costs per Service Units - (in HUF2009)	**8 962.77**	**10 414.59**	**10 536.12**	**10 567.69**	**-266.74**	**-2.5%**
Real en-route unit costs per Service Units - (in EUR2009)	**32.04**	**37.23**	**37.67**	**37.78**	**-0.95**	**-2.5%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	412
Interest rates on loans	-
National taxation law	-386
New cost item required by law	-
International agreements	-545
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	26
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-545
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-519

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

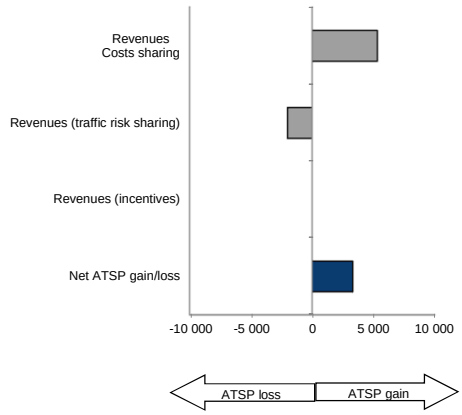
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	74 314
Actual costs for the ATSP	69 012
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	5 302
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	26
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**5 328**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-4.67%
Determined costs after deduction of costs for exempted VFR flights	71 758
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-1 435
ATSP loss (traffic between -2% and -10% below NPP)	-574
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-2 009**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

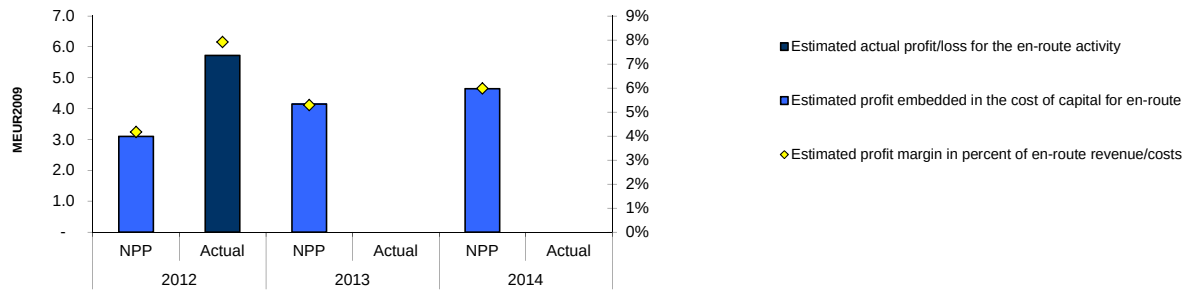
Net ATSP gain(+)/loss(-) on en-route activity	3 319

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	29 501	22 890	39 496		44 226	
Estimated proportion of financing through equity (in %)	100%	100%	100%		100%	
Estimated proportion of financing through equity (in value)	29 501	22 890	39 496		44 226	
Estimated proportion of financing through debt (in %)	0%	0%	0%		0%	
Estimated proportion of financing through debt (in value)	-	-	-		-	
Cost of capital	3 098	2 403	4 147		4 644	
Average interest on debt	0.0%	0.0%	0.0%		0.0%	
Interest on debt	-	-	-		-	
Ex-ante RoE	10.5%	10.5%	10.5%		10.5%	
Estimated profit embedded in the cost of capital for en-route	3 098	2 403	4 147		4 644	
Net ATSP gain(+)/loss(-) on en-route activity		3 319				
Estimated profit/loss for the en-route activity	**3 098**	**5 722**	**4 147**		**4 644**	
Revenue/costs for the en-route activity	**74 314**	**72 331**	**78 471**		**77 534**	
Estimated profit margin in percent of en-route revenue/costs	**4.2%**	**7.9%**	**5.3%**		**6.0%**	
Estimated ex-post RoE	**10.5%**	**25.0%**	**10.5%**		**10.5%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by Hungary

Note 1: Planned supervision costs
In the NPP for RP1, planned supervision costs for 2012 (429.7 MHUF) were allocated to the ATSP. In the reporting tables provided in annex of the Annual Monitoring Report for 2012, supervision costs were allocated to the NSA. Therefore, in order to ensure a consistent comparison of planned and actual costs, supervision costs were excluded from the ATSP 2012 determined costs and allocated to the NSA determined costs.

At State / Charging Area level

In 2012, Hungary real en-route unit cost (37.78 €2009) is -2.5% lower than planned in the NPP for RP1 (38.74 €2009). This difference is mainly due to the fact that 2012 actual en-route costs are -7.0% lower than the determined costs, while the actual number of total service units (TSUs) is -4.7% lower than planned. The bankruptcy of the Hungarian national airlines (MALEV) in 2012 contributed to the lower traffic than planned in 2012.

Looking forward, based on STATFOR May 2013 forecasts, the number of TSUs in 2013 is expected to be also substantially lower than the figure provided in the Hungarian NPP for RP1 (-4.2%). However, according to STATFOR base case scenario, this difference is expected to reduce in 2014 since the number of TSUs is forecasted to be -1.5% lower than the amount planned in the NPP (which is within the -/+2% deadband).

The Hungarian en-route cost-base includes costs relating to the Hungarian ATSP (HungaroControl), to the METSP, to the Hungarian NSA and to the EUROCONTROL Agency. While for HungaroControl (-7.1%) and the NSA/EUROCONTROL (-7.0%) 2012 en-route costs are significantly lower than planned, the costs of the METSP are fairly in line with the amount reported in the NPP (+0.4%).

In 2012, Hungary actual en-route staff costs are +2.2% higher than planned in the NPP for RP1. This mainly reflects additional staff costs for HungaroControl (some 380 MHUF) which are related to provisions for long-term employee's benefits. Similarly, en-route depreciation costs are +2.4% higher than planned for 2012. This mainly reflects higher depreciation costs for the METSP +145% compared to the NPP).

On the other hand, other operating costs are -18.4% lower than planned in the NPP. This significant difference mainly reflects lower other operating costs for HungaroControl, including lower maintenance costs, lower electricity costs in the new ACC and lower costs for services. According to the information provided in the Annual Monitoring Report for 2012, HungaroControl also introduced several cost-saving measures such as a reduction of corporate trainings, advisory services and travelling costs, as a response to the declining traffic.

Similarly, the actual cost of capital is significantly lower than planned (-21.4%). This is mainly driven by HungaroControl and reflects the fact that a lower asset base than planned (-22.4%) was used to compute HungaroControl cost of capital in 2012. Based on the information provided in the Hungarian Annual Monitoring Report, the actual capex spent by HungaroControl on main investment projects is -14% lower than planned. This mainly reflects the postponement of investments that were planned to enter in operation after 2012 and therefore do not affect 2012 depreciation costs.

Costs exempt from cost sharing are reported for a total of -0.5 M€2009 to be reimbursed to users for the en-route activity. This net amount is mainly associated with lower costs arising from a different actual tax rate than planned and lower EUROCONTROL costs than planned. This compensates for higher pension related costs than expected. Hungary indicates in the Annual Monitoring Report that further costs exempt from cost sharing associated with pensions are expected to significantly affect the following two years of RP1. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

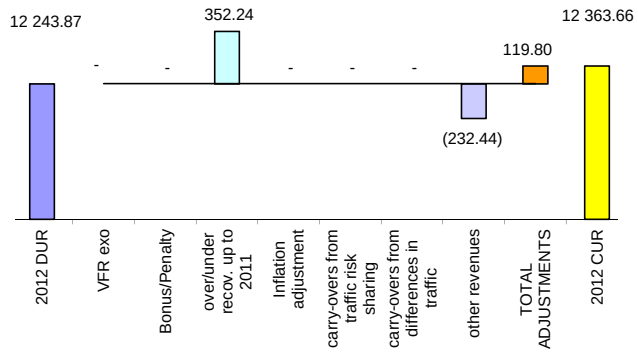
At ATSP level

Taking into account the costs exempt from cost sharing, HungaroControl actual en-route costs are some -5.3 M€2009 lower than the determined costs reported for the year 2012. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned in 2012 translated into net losses in en-route revenues which amounted to -2.0 M€2009 for HungaroControl. The combination of these two elements contributes to a net gain of +3.3 M€2009 on the en-route activity in 2012.

When estimating the profit margin for HungaroControl for the year 2012, it is important to account for the profit embedded in the cost of capital through the return on equity (some 2.4 M€2009). As a result, the estimated profit for the en-route activity in 2012 amounts to 5.7 M€2009 (2.4 M€2009 + 3.3 M€2009), which implies a profit margin of +7.9% and an ex-post rate of return on equity of 25.0% (compared to 10.5% as initially planned in the NPP). This indicates that in 2012, HungaroControl was in a position to retain the part of profit embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2012.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Hungary 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - HUF



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to users in 2012 was 12 363.66 HUF. This is slightly higher than the nominal DUR (12 243.87 HUF), as the amount of under-recovery carried over to 2012 from the legacy prior to RP1 was partly compensated by other revenues.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.5	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	1	1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1

Hungary - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in HUF)	5 226 995 382	5 527 709 352	5 958 387 520	5 093 821 268	5 528 644 684	5 788 537 370
Inflation index (100 in 2009)	100.0	104.9	109.2	113.0	116.4	119.9
Real terminal ANS costs - (in HUF2009)	**5 226 995 382**	**5 269 503 672**	**5 457 035 332**	**4 507 454 723**	**4 749 732 216**	**4 828 164 544**
Real terminal ANS costs - (in EUR2009)	**18 687 930**	**18 839 909**	**19 510 386**	**16 115 377**	**16 981 585**	**17 262 001**

Hungary - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in HUF)	5 226 995 382	5 527 709 819	5 370 415 741	4 708 465 096	-385 356 172	-7.6%
Inflation index (100 in 2009)	100.0	104.9	109.0	115.2	2.2 p.p.	
Real terminal ANS costs - (in HUF2009)	**5 226 995 382**	**5 269 504 117**	**4 927 389 246**	**4 087 081 822**	**-420 372 900**	**-9.3%**
Real terminal ANS costs - (in EUR2009)	18 687 930	18 839 910	17 616 757	14 612 429	-1 502 947	-9.3%
Total terminal service units	55 535	55 839	58 857	49 524		
Actual real unit costs - (in HUF2009)	94 121.4	94 369.6	83 718.5	82 527.3		
Unit rate applied - (in HUF)				**93 707.00**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Hungary comprises one airport, Budapest Ferenc Liszt International Airport, which handles more than 50 000 airport movements per year.

The harmonised SES formula (MTOW/50)^0.7 is already applied in the Hungarian Terminal Charging Zone.

The basic unit rate established for 2012 was 93 707 HUF. The Hungarian terminal charges are charged in euro, and the unit rate expressed in euro (€329.35) is adjusted on a monthly basis.

Actual terminal ANS 2012 costs are -9.3% lower than the forecast provided in the NPP for 2012 (some -1.5 M€2009). The main drivers for this difference are lower staff costs (-7.0%), lower other operating costs (-12.9%), and lower cost of capital (-46.5%), while the depreciation costs were higher than planned (+11.5%). The Annual Monitoring Report does not comprise detailed information on the main drivers underlying these significant changes.

11. - Monitoring of gate-to-gate costs (2012)

Hungary - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in HUF2009)	18 270 090 911	21 780 258 428	22 817 268 201	22 998 168 700	23 768 044 350	23 485 839 168
Real terminal ANS costs - (in HUF2009)	5 226 995 382	5 269 503 672	5 457 035 332	4 507 454 723	4 749 732 216	4 828 164 544
Real gate-to-gate ANS costs - (in HUF2009)	**23 497 086 293**	**27 049 762 101**	**28 274 303 533**	**27 505 623 423**	**28 517 776 566**	**28 314 003 712**
Real gate-to-gate ANS costs - (in EUR2009)	**84 008 474**	**96 710 257**	**101 088 325**	**98 340 085**	**101 958 808**	**101 230 264**
Share of en-route costs in gate-to-gate ANS costs	**77.8%**	**80.5%**	**80.7%**	**83.6%**	**83.3%**	**82.9%**

Hungary - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in HUF2009)	18 270 090 911	21 780 258 428	21 778 447 107	21 385 294 625	-1 612 874 075	-7.0%
Real terminal ANS costs - (in HUF2009)	5 226 995 382	5 269 504 117	4 927 389 246	4 087 081 822	-420 372 900	-9.3%
Real gate-to-gate ANS costs - (in HUF2009)	**23 497 086 293**	**27 049 762 546**	**26 705 836 353**	**25 472 376 447**	**-2 033 246 975**	**-7.4%**
Real gate-to-gate ANS costs - (in EUR2009)	**84 008 474**	**96 710 258**	**95 480 629**	**91 070 674**	**-7 269 411**	**-7.4%**
Share of en-route costs in gate-to-gate ANS costs	**77.8%**	**80.5%**	**81.5%**	**84.0%**	**0.3%**	

12 - General conclusions on the gate-to-gate ANS costs

In 2012, Hungary actual gate-to-gate ANS costs (91.1 M€2009) are -7.4% lower than planned in the NPP (98.3 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs has gradually increased over time from 78% in 2009 to 84% in 2012 and is planned to remain at this level in 2013 and 2014.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Ireland

Edition 1.0
Edition date: 15/08/2013

IRELAND **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Ireland	2012	2013	2014
State level	85		
ANSP	79		

EASA observations

Overall the scores are very high but all of them have been well justified in terms of explanation, reference to documentation and examples.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	19	0%		%		%
	ATM overall		100%		%		%
Reporting Runway Incursions (RIs)	ATM ground	25	0%		%		%
	ATM overall		72%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	38	47%		%		%

Both Irish Annual Monitoring Report and AST mechanism, report the same number of RIs events and use of severity assessment with the RAT methodology.

- The number of SMIs reported is slightly higher in the Irish report then reported through AST mechanism (24 vs. 19 in AST) however the use of RAT methodology is the same.
- The number of reported ATM specific technical events in the Irish Monitoring Report is slightly lower than the figure reported via AST mechanism (37 vs. 38 in AST). Again the percentage of severity assessment with RAT is the same.

The data used to calculate the percentage use of the RAT is derived from the Eurocontrol AST (made available via the PRB dashboard). This data includes Irish airports and ANSPs that are not within the scope of the Performance Plan for Ireland. This should be taken into account when considering the performance indicator for the purpose of RP1 measurement.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (IAA)	
	YES	NO	YES	NO
Policy and its implementation	9	1	11	2
Legal/Judiciary	8	0	3	0
Occurrence reporting and Investigation	2	0	5	3
TOTAL	**19**	**1**	**19**	**5**

IRELAND **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.09	0.13	0.14	
National Target	0.07	0.14	0.14	
Actual performance	0.00	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Ireland did not contain any specific details of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Ireland has exceeded both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB is confident that Ireland can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- Ireland does not make pre-tactical allocation of restricted or segregated areas, but instead provided information on the tactical allocation and use of such areas.
- The NSA for Ireland has confirmed that the allocation and activation of restricted or segregated Airspace has no adverse impact on either ATC capacity, or on the ability of aircraft operators to file flight plans.
- If the allocation or activation of restricted or segregated areas has no impact on general air traffic then there is no need for Ireland to report on effective booking procedures.

Recommendations

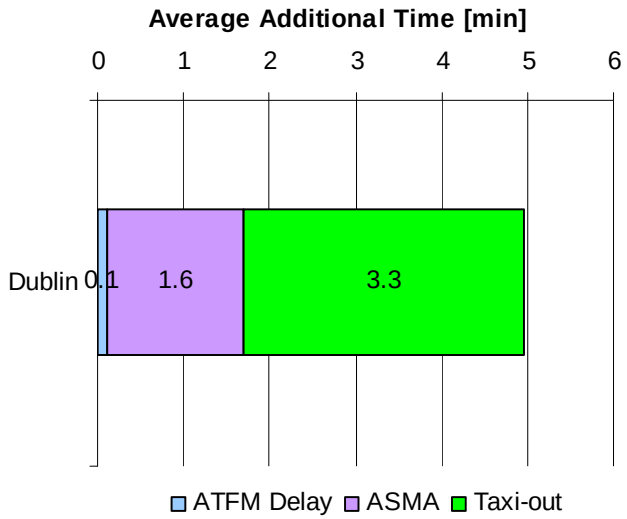
- Ireland is invited to provide information on how the FUA concept will be applied to increase capacity.

IRELAND **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Dublin EIDW		0.1	8 321	1.6	124 167	3.3	245 635	**378 123**
Weighted average		**0.1**		**1.6**		**3.3**		
Grand Total			**8 321**		**124 167**		**245 635**	**378 123**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.).

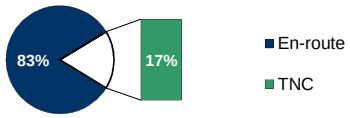
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Ireland represents 1.9% of the SES en-route ANS determined costs in 2012.
- ATSP : IAA
- FAB : UK-IR
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

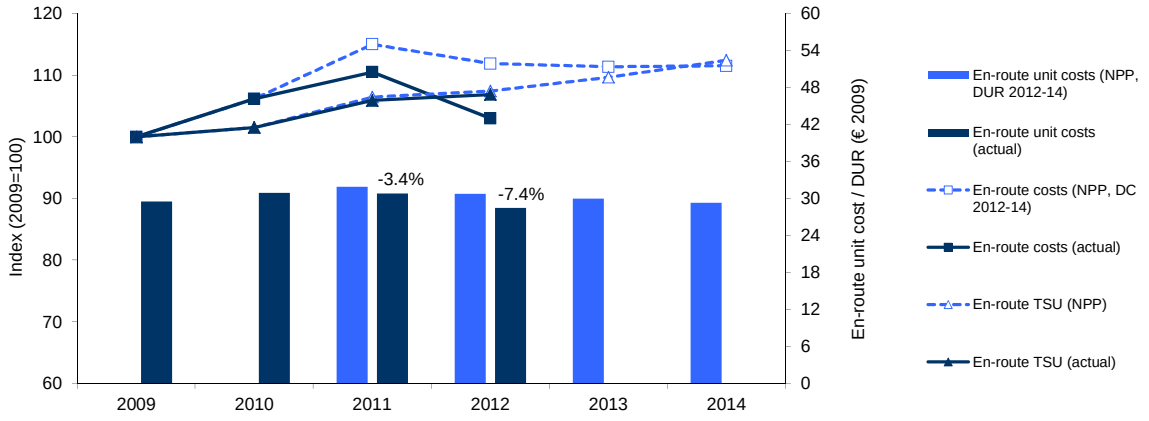


2. - En-route DUR monitoring (2012)

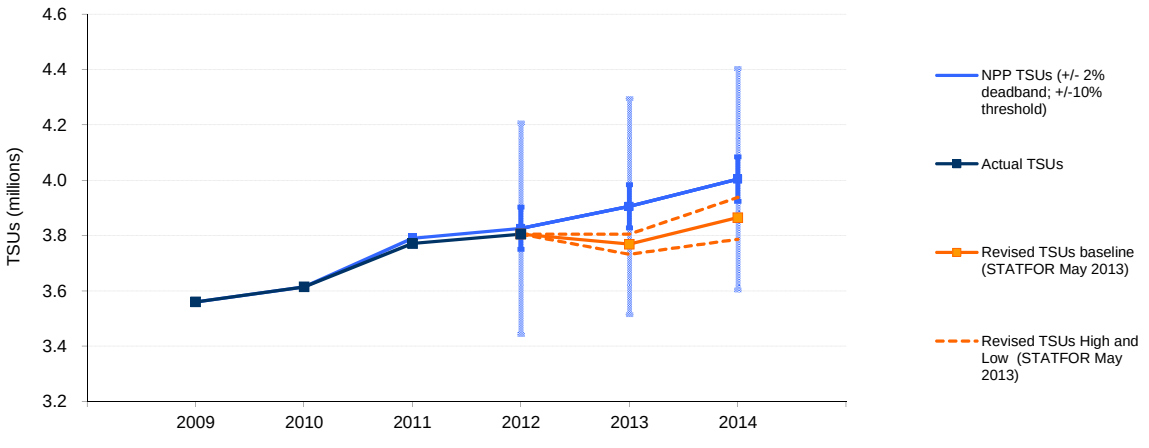
En-route Determined Unit Rate (DUR) 2012 Ireland (in EUR2009)	30.77
Monitoring - Actual en-route unit cost 2012 Ireland (in EUR2009)	28.48
Difference (in EUR2009)	-2.29
Difference in percent	-7.4%

Ireland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	105 200 000	109 931 000	120 637 000	118 505 000	119 609 000	121 704 000
Inflation %		-1.6%	1.3%	1.0%	1.4%	1.6%
Inflation index (100 in 2009)	100.0	98.4	99.7	100.7	102.1	103.7
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	105 200 000	111 718 496	121 025 249	117 709 295	117 165 564	117 340 321
Total en-route Service Units	3 560 633	3 615 036	3 791 000	3 826 000	3 906 000	4 004 000
Real en-route unit costs per Service Units - (in EUR2009)	**29.55**	**30.90**	**31.92**	**30.77**	**30.00**	**29.31**

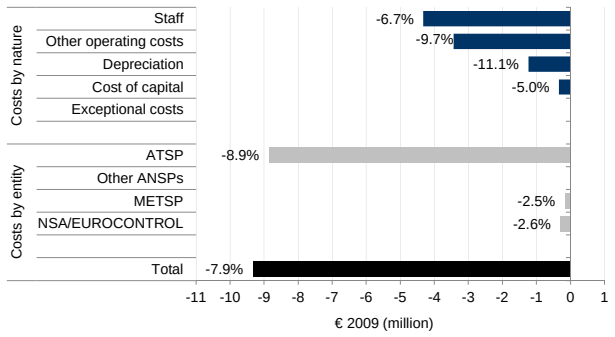
Ireland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	105 200 000	109 931 000	115 774 000	109 977 000	-8 528 000	-7.2%
Inflation %		-1.6%	1.2%	1.9%	0.9 p.p.	
Inflation index (100 in 2009)	100.0	98.4	99.6	101.5	0.8 p.p.	
Real en-route costs - (in EUR2009)	105 200 000	111 718 496	116 261 368	108 380 730	-9 328 564	-7.9%
Total en-route Service Units	3 560 633	3 615 036	3 771 478	3 805 985	-20 015	-0.5%
Real en-route unit costs per Service Units - (in EUR2009)	**29.55**	**30.90**	**30.83**	**28.48**	**-2.29**	**-7.4%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	51
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	51
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**51**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

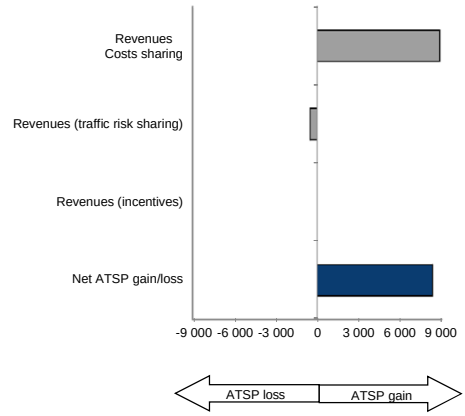
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	99 515
Actual costs for the ATSP	90 654
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	8 861
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**8 861**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-0.52%
Determined costs after deduction of costs for exempted VFR flights	98 609
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-516
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-516**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

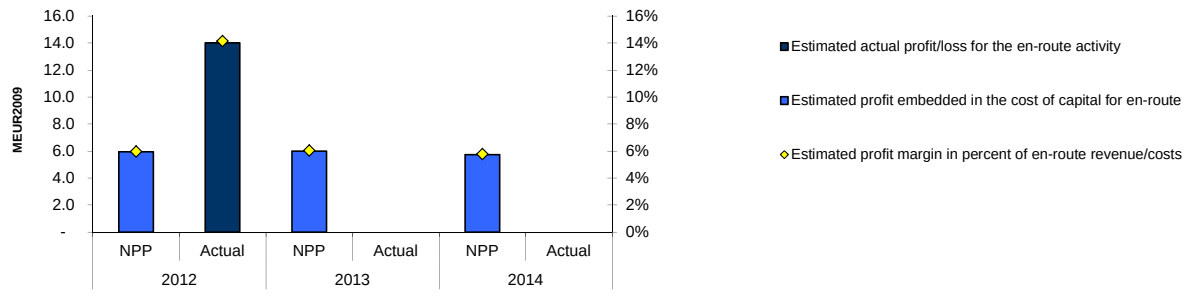
Net ATSP gain(+)/loss(-) on en-route activity	8 346

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	85 623	81 371	82 304		76 179	
Estimated proportion of financing through equity (in %)	73%	73%	77%		79%	
Estimated proportion of financing through equity (in value)	62 918	59 793	63 334		60 559	
Estimated proportion of financing through debt (in %)	27%	27%	23%		21%	
Estimated proportion of financing through debt (in value)	22 705	21 578	18 969		15 620	
Cost of capital	6 764	6 428	6 832		6 475	
Average interest on debt	3.6%	3.6%	4.5%		4.8%	
Interest on debt	817	777	846		751	
Ex-ante RoE	9.5%	9.5%	9.5%		9.5%	
Estimated profit embedded in the cost of capital for en-route	5 946	5 650	5 985		5 723	
Net ATSP gain(+)/loss(-) on en-route activity		8 346				
Estimated profit/loss for the en-route activity	**5 946**	**13 996**	**5 985**		**5 723**	
Revenue/costs for the en-route activity	**99 515**	**98 999**	**99 104**		**99 216**	
Estimated profit margin in percent of en-route revenue/costs	**6.0%**	**14.1%**	**6.0%**		**5.8%**	
Estimated ex-post RoE	**9.5%**	**23.4%**	**9.5%**		**9.5%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

Ireland's actual 2012 real en-route unit cost is -7.4% lower than planned as a result of en-route service units being in line with the forecast (-0.5%) and -7.9% lower real en-route costs compared to the NPP figures.

Although in 2012 the actual en-route traffic is in line with the plan, according to the revised May 2013 STATFOR plan the 2013 and 2014 traffic is expected to be lower than foreseen in the NPP. In both years the traffic is expected to be below the ±2% dead band but above the -10% threshold based on the baseline scenario.

Real en-route costs for Ireland are -7.9% lower than planned in 2012 as a combination of -7.2% lower nominal total costs and +0.8 percentage points higher inflation index. Savings are made in all cost categories, the biggest ones in absolute terms materialised in staff costs (-6.7%) and in other operating costs (-9.7%). Ireland reports that "*these lower costs were delivered through exceptional cost containment measures*" including exceptional manpower planning and payroll cost management and the lack of pay awards in 2012 that provided savings in staff costs while other operating costs were decreased by savings across a range of ANSP technical and administration expenses.

Costs exempt from cost sharing are reported for a total amount of +0.05 M€2009 to be passed on to users for the en-route activity, corresponding to unforeseen change in the Eurocontrol costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

In 2012 IAA has a gain of +8.9 M€2009 from cost sharing due to lower than planned costs. On the other hand, the slightly lower than planned traffic (-0.5%) results in a -0.5 M€2009 loss for the ANSP in 2012 through traffic risk sharing. As a result, the combined effect on profitability of these two deviations is a +8.3 M€2009 gain.

The calculated actual embedded profit margin for IAA in 2012 is +5.7 M€2009 which is slightly lower than planned in the NPP (i.e. +5.9 M€2009) due to the total asset base being lower than foreseen. After adding the +8.3 M€2009 net gain resulting from the cost and traffic sharing mechanism, the actual profit relating to the 2012 en-route activities of the ATSP amounts to +14.0 M€2009 or +14.1% of the en-route activity turnover, bringing the calculated actual return on equity in respect of the 2012 en-route activities to +23.4%.

In 2012 the actual asset base is -5.0% lower than planned. Actual 2012 capex (3.0 M€) are below the figure planned in the NPP (3.7 M€).

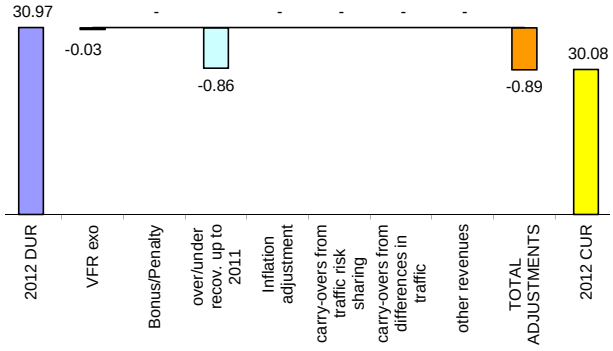
Note that the calculations in item 6 above are based on the assumption that Ireland published after-tax ROE figures in its reporting tables (7.71%) instead of the pre-tax rate of the return on equity of 9.5% which would also be in line with the gearing published by IAA.

Conclusion

The combination of traffic being in line with the plan and significantly lower than planned costs ensured a high profitability for IAA for 2012 as shown by the elevated estimated profit margin and ex-post return on equity figures. On the other hand, traffic estimates for Ireland for 2013 and 2014 have been revised down compared to the NPP therefore IAA has to keep its cost base below the plans in order to maintain the planned profitability.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Ireland 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to users in 2012 (30.08€) was slightly lower than the nominal DUR (30.97€) mainly due to the fact that some over-recoveries up to 2011 decreased the charged unit rate.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^			0.9	0.8	0.8	0.7
Number of airports in the terminal charging zone(s)			3	3	3	3
of which, number of airports over 50 000 movements			1	1	1	1

Ireland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	25 621 000	25 416 000	26 229 000	24 959 000	25 101 000	25 819 000
Inflation index (100 in 2009)	100.0	98.4	99.7	100.7	102.1	103.7
Real terminal ANS costs - (in EUR2009)	**25 621 000**	**25 829 268**	**26 313 413**	**24 791 412**	**24 588 223**	**24 893 264**

Ireland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	25 621 000	23 241 000	25 246 000	23 163 000	-1 796 000	-7.2%
Inflation index (100 in 2009)	100.0	98.4	99.6	101.5	0.8 p.p.	
Real terminal ANS costs - (in EUR2009)	**25 621 000**	**23 618 902**	**25 352 277**	**22 826 799**	**-1 964 613**	**-7.9%**
Total terminal service units	159 785	137 483	135 824	129 658		
Actual real unit costs - (in EUR2009)	160.3	171.8	186.7	176.1		
Unit rate applied - (in EUR)				**160.24**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Ireland comprises three airports (Dublin, Shannon and Cork). The formula used to calculate the number of terminal service units is (MTOW/50)^0.8 in 2012. The harmonised SES formula (MTOW/50)^0.7 is going to be applied from 2014.

The actual real 2012 terminal ANS costs are -7.9% lower than the forecast presented in the NPP which is exactly the same as the difference observed for the en-route activities.

Note that IAA's terminal charges are subject to price cap / economic regulation by the Commission for Aviation Regulation, covering the years 2012-2015.

11. - Monitoring of gate-to-gate costs (2012)

Ireland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009	105 200 000	111 718 496	121 025 249	117 709 295	117 165 564	117 340 321
Real terminal ANS costs - (in EUR2009)	25 621 000	25 829 268	26 313 413	24 791 412	24 588 223	24 893 264
Real gate-to-gate ANS costs - (in EUR2009)	**130 821 000**	**137 547 764**	**147 338 662**	**142 500 707**	**141 753 787**	**142 233 584**
Share of en-route costs in gate-to-gate ANS costs	**80.4%**	**81.2%**	**82.1%**	**82.6%**	**82.7%**	**82.5%**

Ireland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	105 200 000	111 718 496	116 261 368	108 380 730	-9 328 564	-7.9%
Real terminal ANS costs - (in EUR2009)	25 621 000	23 618 902	25 352 277	22 826 799	-1 964 613	-7.9%
Real gate-to-gate ANS costs - (in EUR2009)	**130 821 000**	**135 337 398**	**141 613 644**	**131 207 529**	**-11 293 177**	**-7.9%**
Share of en-route costs in gate-to-gate ANS costs	**80.4%**	**82.5%**	**82.1%**	**82.6%**	**0.0%**	

12 - General conclusions on the gate-to-gate ANS costs

The actual real 2012 gate-to-gate ANS costs are -7.9% lower than the forecast presented in the NPP.

The relative share of en-route costs within the total cost base has been relatively stable since 2010 at around 83 percent which is in line with that planned in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Italy

Edition 1.0
Edition date: 15/08/2013

ITALY **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Italy	2012	2013	2014
State level	80		
ANSP	83		

EASA observations

High scores, sampled replies did not provide sufficient arguments to confirm it. Overall score seem to be overrated.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	108	85%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	89	62%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	20	0%		%		%

- The Italian Monitoring Report gives the same number of SMIs, RIs and ATM specific technical events as the AST reporting mechanism.
- However, the percentage of severity assessment by the RAT methodology is reported higher in the State Monitoring Report than through the AST, due to the fact that several events were still under investigation at the moment of the Italian Monitoring Report.
- 100% is reported for SMIs, RIs and ATM events in the Monitoring Report, whereas AST mentions 85%, 62% and 0% respectively. For SMIs, RIs and ATM specific technical event, monitoring report mentions that 16, 34 and 9 events are still under investigation respectively.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (ENAV)	
	YES	NO	YES	NO
Policy and its implementation	2	8	11	2
Legal/Judiciary	3	5	2	1
Occurrence reporting and Investigation	2	0	7	1
TOTAL	**7**	**13**	**20**	**4**

The Italian State Monitoring Report contains different numbers due to typing mistakes.

ITALY **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.14	0.14	0.12	
National Target	0.14	0.14	0.12	
Actual performance	0.00	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Italy did not contain any description of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Italy has exceeded both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB is confident that Italy can provide a positive contribution to capacity performance in RP1.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 48%
- The above indicator was calculated from data provided on the following areas: D111B; D112B; D113B; D114B; D115B; D115C; D84; D87; R26; R49N; R49S; R51A; R51B; R51C; R51D; R51E; R66A; R66B; R68; TSA72; TSA73; TSA73BIS; TSA74A; TSA74B; TSA76A; TSA76B; TSA77; TSA78; CBA60; CBA660.
- No information was provided in the following areas: R108A; R108B; R65; R26; R4; R64; R107B; R107A; R48; D67; R50; R62A; R62B; R105; R106; D75; R46; R54; R39; R1110

Recommendations

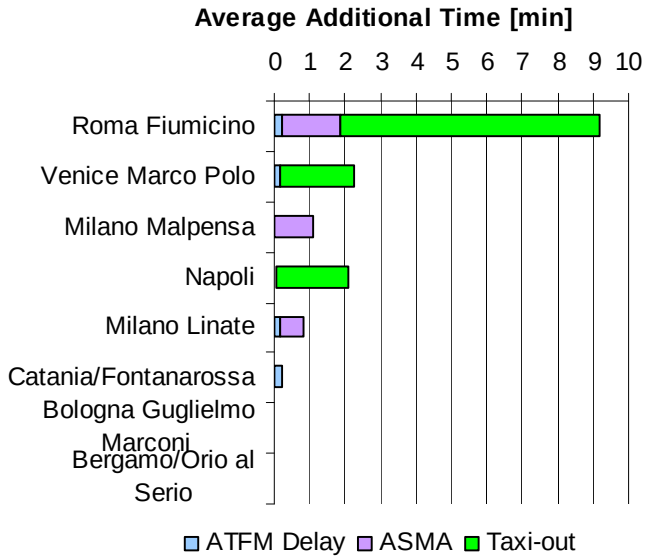
- Italy is invited to provide information on how the FUA concept will be applied to increase capacity.

ITALY **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Roma Fiumicino	LIRF	0.2	32 177	1.7	255912	7.3	1 069 568	1 357 657
Venice Marco Polo	LIPZ	0.1	6 208	Not applicable		2.1	87 886	94 094
Milano Malpensa	LIMC	0.0	278	1.1	90700	Missing Data		90 978
Napoli	LIRN	0.0	1 423	Not applicable		2.0	60 566	61 989
Milano Linate	LIML	0.2	9 736	0.6	28258	Missing Data		37 994
Catania/Fontanarossa	LICC	0.2	5 176	Not applicable		Missing Data		5 176
Bologna Guglielmo Marconi	LIPE	0.0	528	Not applicable		Missing Data		528
Bergamo/Orio al Serio	LIME	0.0	60	Not applicable		Missing Data		60
Weighted average		**0.1**		**1.3**		**5.6**		
Grand Total			**55 586**		**374 870**		**1 218 019**	**1 648 475**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

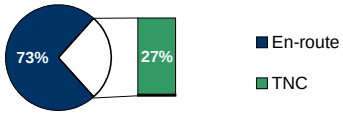
ITALY **Monitoring of CAPACITY indicators for 2012**

Critical Issues
• Data was provided by Catania and Bologna airports, and is in the process of being uploaded and analysed from a quality perspective. • Missing Data up to July 2012 included for Milano Malpensa and Milano Linate; • DRWY missing for Bergamo.
Specific Analysis
• ATFM delay is well below the European average at Roma Fiumicino (FCO) airport (0.2 vs 0.7 minutes per arrival), and additional ASMA time is just above the average (1.7 vs 1.4 minutes per arrival). • From a departure flow perspective, additional taxi-out time remains relatively high (7.2 min/dep) despite a departure peak service rate (46 departures per hour) well below the peak declared departure capacity (54 departures per hour). It is expected that A-CDM, which started locally at Fiumicino on 3rd December 2012, will enable both unimpeded and additional taxi-out times to be further reduced in the near-future. • Although Fiumicino Airport experienced (i) significant disruptions in February 2012 due to snow, (ii) punctuality drop in November 2012 due to staffing actions (airport operator), and (iii) wind conditions that led to single runway operations (RWY25), weather conditions are generally favourable to airport operations. Fiumicino Airport intends to investigate possible mitigations to operational disruptions.

1. - Contextual economic information

- Italy represents 9.7% of the SES en-route ANS determined costs in 2012.
- ATSP : ENAV
- FAB : Blue Med
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

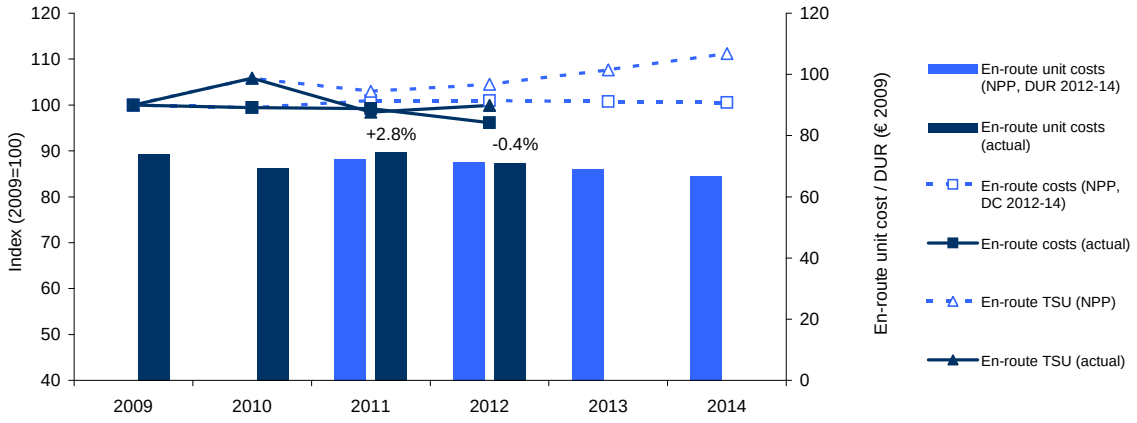


2. - En-route DUR monitoring (2012)

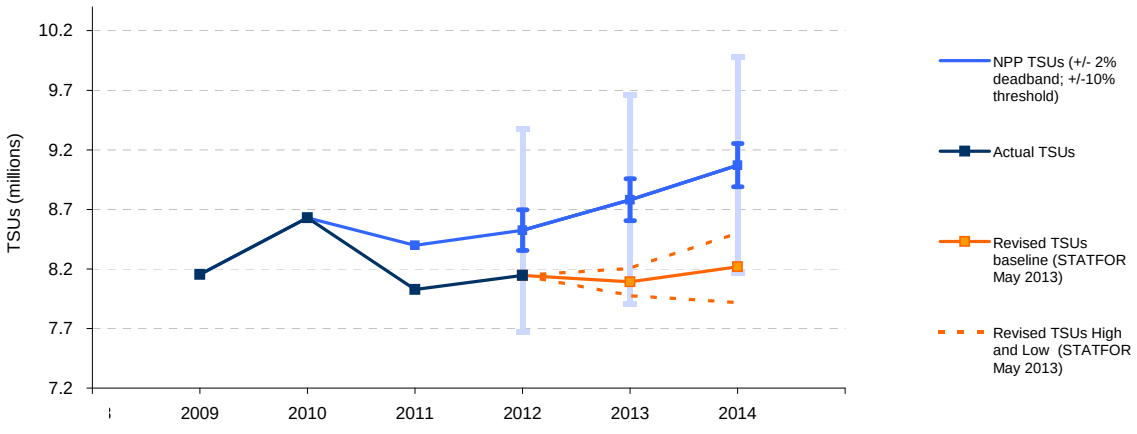
En-route Determined Unit Rate (DUR) 2012 Italy (in EUR2009)	71.38
Monitoring - Actual en-route unit cost 2012 Italy (in EUR2009)	71.11
Difference (in EUR2009)	-0.27
Difference in percent	-0.4%

Italy - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	602 560 561	609 025 448	630 521 093	644 020 778	655 301 570	666 974 089
Inflation %		1.6%	2.0%	2.1%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.6	103.6	105.8	107.9	110.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	602 560 561	599 204 487	608 464 111	608 529 861	607 048 027	605 746 111
Total en-route Service Units	8 154 586	8 628 649	8 399 127	8 525 114	8 780 867	9 070 636
Real en-route unit costs per Service Units - (in EUR2009)	**73.89**	**69.44**	**72.44**	**71.38**	**69.13**	**66.78**

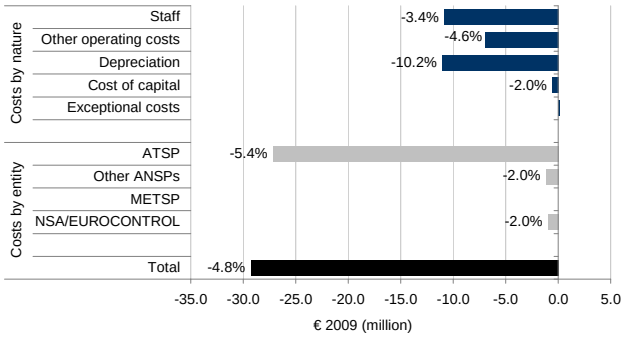
Italy - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	602 560 561	609 025 448	625 199 629	625 794 790	-18 225 988	-2.8%
Inflation %		1.6%	2.9%	3.3%	1.2 p.p.	
Inflation index (100 in 2009)	100.0	101.6	104.6	108.0	2.2 p.p.	
Real en-route costs - (in EUR2009)	602 560 561	599 204 487	597 782 165	579 236 424	-29 293 438	-4.8%
Total en-route Service Units	8 154 586	8 628 649	8 026 718	8 145 415	-379 699	-4.5%
Real en-route unit costs per Service Units - (in EUR2009)	**73.89**	**69.44**	**74.47**	**71.11**	**-0.27**	**-0.4%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

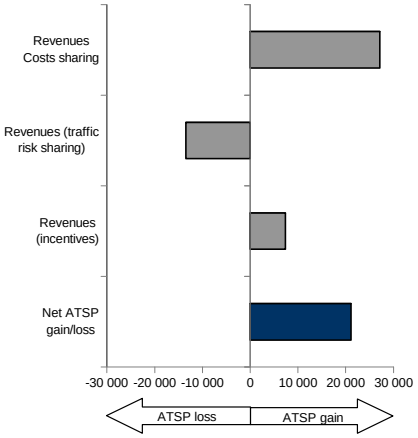
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	502 623
Actual costs for the ATSP	475 470
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	27 153
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**27 153**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-4.45%
Determined costs after deduction of costs for exempted VFR flights	492 362
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-9 847
ATSP loss (traffic between -2% and -10% below NPP)	-3 625
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-13 472**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	7 405
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**7 405**

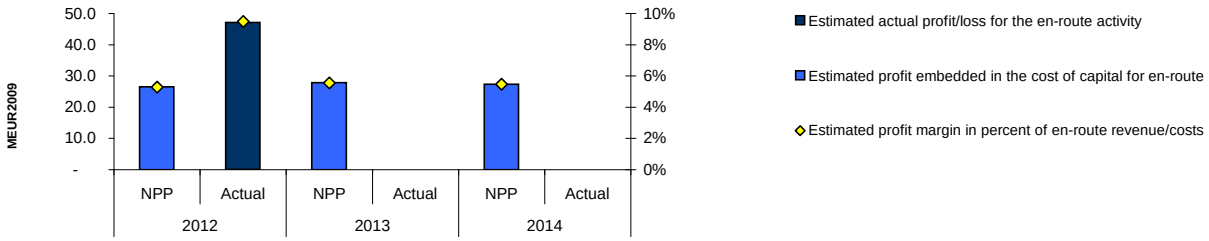
Net ATSP gain(+)/loss(-) on en-route activity	**21 086**

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	983 040	962 971	978 048		958 871	
Estimated proportion of financing through equity (in %)	100%	100%	100%		100%	
Estimated proportion of financing through equity (in value)	983 040	962 971	978 048		958 871	
Estimated proportion of financing through debt (in %)	0%	0%	0%		0%	
Estimated proportion of financing through debt (in value)	-	-	-		-	
Cost of capital	26 542	26 000	27 874		27 328	
Average interest on debt	0.0%	0.0%	0.0%		0.0%	
Interest on debt	-	-	-		-	
Ex-ante RoE	2.7%	2.7%	2.9%		2.9%	
Estimated profit embedded in the cost of capital for en-route	26 542	26 000	27 874		27 328	
Net ATSP gain(+)/loss(-) on en-route activity		21 086				
Estimated profit/loss for the en-route activity	**26 542**	**47 086**	**27 874**		**27 328**	
Revenue/costs for the en-route activity	**502 623**	**496 556**	**501 796**		**500 240**	
Estimated profit margin in percent of en-route revenue/costs	**5.3%**	**9.5%**	**5.6%**		**5.5%**	
Estimated ex-post RoE	**2.7%**	**4.9%**	**2.9%**		**2.9%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Note 1: Actual costs for 2012 have not been provided for all entities in the Reporting Tables made available in June 2013 and in the NSA 2012 Monitoring Report. These have only been provided for ENAV. The data for ITAF, ENAC and EUROCONTROL provided for 2012 is still the planned data. Consequently, the monitoring at State level is based on provisional data.

At State / Charging Area level

The actual 2012 traffic measured in total en-route Service Units (SUs) is -4.5% lower than planned in Italy's National Performance Plan for RP1 (NPP). On the other hand, the actual real en-route costs at State level (see Note 1 above) for the year are -4.8% below the determined costs set in the NPP. As a result, Italy's actual real en-route unit cost is -0.4% lower than the Determined Unit Rate (DUR) for 2012.

As far as the traffic outlook for the rest of RP1 is concerned, the latest forecasts released by STATFOR in May 2013 show a difference in traffic with respect to the NPP exceeding the -2% dead band for the rest of RP1, although remaining above the -10% threshold.

Actual costs for ENAV are lower by -3.4% in nominal terms (or -5.4% in real terms, as shown on the graph in item 4). As the costs for the other entities have not yet been updated from the planned values in nominal terms, the differences shown on the graph only reflect the difference due to inflation (NPP vs. actual).

No costs exempted from cost-sharing have been reported for Italy and ENAV, but the NSA Monitoring Report indicates that *"there could be some ENAC and ITAF uncontrollable costs, which will be defined when the final economical results will be available"*.

At ATSP level

As shown in the table in item 5, ENAV costs are lower by some -27.2 M€2009 compared to the NPP. This mainly results from significantly lower staff and other operating costs (-15.8 M€2009), and lower capital-related costs (-11.5 M€2009) than planned.

Staff costs are lower by -10.2 M€2009, or -3.5%. One element mentioned in the NSA 2012 Monitoring Report explaining this difference is the reduction of overtime. Other operating costs are lower by -5.6 M€2009, or -6.6% than planned, mainly as a result of cuts "*in the non-core business of ENAV*".

As far as the investments are concerned, the NSA 2012 Monitoring Report indicates that the capex for 2012 was reduced to 110 M€ compared to 137 M€ planned (i.e. a difference in real terms of -21.3%), as some programs have not been activated in 2012. It confirms that "*Safety related investments have been entirely maintained and Capacity increase investments have been postponed while a strong commitment on new generation systems - targeted to new classes of efficiency, capacity and safety - has been maintained.*" It is understood that the lower capex is the main reason for the difference in depreciation for 2012 (lower by -10.9 M€2009, or -10.6% compared to the NPP). On the other hand, the actual asset base is the same in nominal terms as in the NPP (corresponding to a -2.0% decrease in real terms). This does not seem consistent with the difference in capex.

As shown in item 5, the en-route activity for the year 2012 generated a net gain of +21.1 M€2009 for ENAV overall. This is the combination of three separate elements:
- a gain of +27.2 M€2009 as a result of the cost-sharing mechanism, where ENAV can retain the amounts generated by cost savings, thus realising an implicit income for the en-route activity in 2012;
- a loss of -13.5 M€2009 as a result of the traffic risk sharing mechanism for 2012; and
- a gain of +7.4 M€2009, corresponding to a bonus of 8 M€ (nominal terms) awarded to ENAV as part of the incentive mechanism for the capacity target described in the Italian NPP. The NSA 2012 Monitoring Report explains that the financial bonus is "*in consideration of the excellent performance achieved in the capacity area*".

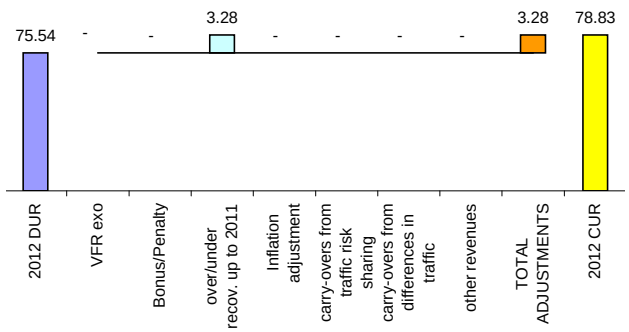
In a context of lower (-4.5%) actual traffic than planned, it should be noted that Italy has outperformed the national capacity target (Italy recorded zero delays in 2012 compared to the target of 0.14 minute of ATFM delay/flight), while achieving lower staff costs and lower investments than planned.

On the profitability side for the en-route activity, the ex-ante estimated profit embedded in the cost of capital planned in the NPP amounted to 26.5 M€2009, corresponding to an estimated profit margin of 5.3% of the en-route costs/revenues for 2012. Ex-post, the estimated profit for the year computed by adding the cost of capital (+26.0 M€2009) and the net gain from the en-route activity in 2012 (+21.1 M€2009), gives a total of +47.1 M€2009 for 2012, corresponding to a profit margin of +9.5% of the en-route activity in 2012.

Conclusion: In spite of the lower than expected traffic volumes, the en-route activity for the year 2012 generated a net gain of +21.1 M€2009 for ENAV, which raised the estimated profit margin for the en-route activity from the 5.3% planned to 9.5% in 2012

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Italy 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to airspace users in 2012 was 78.83€. This is higher than the nominal DUR (75.54€), and the difference is entirely due to the under-recovery carried over to 2012 from the legacy prior to RP1. Note that Italy revised the chargeable UR from 78.55€ to 78.83€ on 1st September 2012 in order to align it with the NPP. The "loss of income" due to the application of lower unit rate for the period from January to August 2012 was carried over as an adjustment to the 2013 unit rate.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.95	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	39	47	47	47	47	47
of which, number of airports over 50 000 movements	11	11	11	11	11	11

Italy - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	180 118 090	212 109 538	223 061 164	235 190 617	248 312 872	255 821 981
Inflation index (100 in 2009)	100.0	101.6	103.6	105.8	107.9	110.1
Real terminal ANS costs - (in EUR2009)	**180 118 090**	**208 689 124**	**215 258 005**	**222 229 653**	**230 028 198**	**232 337 617**

Italy - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	180 118 090	212 109 538	223 944 803	227 483 201	-7 707 416	-3.3%
Inflation index (100 in 2009)	100.0	101.6	104.6	108.0	2.2 p.p.	
Real terminal ANS costs - (in EUR2009)	**180 118 090**	**208 689 124**	**214 123 942**	**210 558 730**	**-11 670 923**	**-5.3%**
Total terminal service units	35 270 775	908 813	925 436	892 822		
Actual real unit costs - (in EUR2009)	5.1	229.6	231.4	235.8		
Unit rate applied - (in EUR)				**121.50 254.34**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Italy has one terminal charging zone comprising 47 airports of which 39 are operated by ENAV and 8 by ITAF. 11 airports are above the 50 000 commercial air transport movements threshold (10 managed by ENAV and 1 by ITAF).

The harmonised SES formula (MTOW/50)^0.7 applies in the TCZ.

The actual terminal ANS 2012 costs are -5.3% lower in real terms (or some -11.7 M€2009) than planned in the NPP.

In 2012, there was a mid-year change in the terminal ANS unit rate. The unit rate applied from 1 January to 30 June was 121.50 € (with a reduced rate of 60.75 € for all intra-EU Community flights, including Italian domestic flights) and the unit rate applied from 1 July to 31 December 2012 was 254.34 €. As part of the Italian government austerity measures it was decided to withdraw the government subsidies to TNC (around 50% of the terminal ANS costs).

11. - Monitoring of gate-to-gate costs (2012)

Italy - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009	602 560 561	599 204 487	608 464 111	608 529 861	607 048 027	605 746 111
Real terminal ANS costs - (in EUR2009)	180 118 090	208 689 124	215 258 005	222 229 653	230 028 198	232 337 617
Real gate-to-gate ANS costs - (in EUR2009)	**782 678 651**	**807 893 610**	**823 722 116**	**830 759 514**	**837 076 225**	**838 083 728**
Share of en-route costs in gate-to-gate ANS costs	**77.0%**	**74.2%**	**73.9%**	**73.2%**	**72.5%**	**72.3%**

Italy - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	602 560 561	599 204 487	597 782 165	579 236 424	-29 293 438	-4.8%
Real terminal ANS costs - (in EUR2009)	180 118 090	208 689 124	214 123 942	210 558 730	-11 670 923	-5.3%
Real gate-to-gate ANS costs - (in EUR2009)	**782 678 651**	**807 893 610**	**811 906 107**	**789 795 153**	**-40 964 361**	**-4.9%**
Share of en-route costs in gate-to-gate ANS costs	**77.0%**	**74.2%**	**73.6%**	**73.3%**	**0.1%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual 2012 gate-to-gate costs in real terms are -4.9% lower than planned as a result of both lower en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS is planned to remain quite stable overall RP1 and for the year 2012 did not change significantly with respect to the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Latvia

Edition 1.0
Edition date: 15/08/2013

LATVIA **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Latvia	2012	2013	2014
State level	57		
ANSP	57		

EASA observations

Over 80% of the replies have been reviewed, from which 65% were marked as "L"(low level of confidence), 15% as "H"(high level of confidence) and the rest as "M" (medium level of confidence) . The rest of the replies were self-assessed as not yet implemented hence no subject to sampling.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	3	0%		%		%
	ATM overall		100%		%		%
Reporting Runway Incursions (RIs)	ATM ground	2	100%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	33	100%		%		%

- The Latvian Monitoring Report gives exactly the same numbers of SMIs, RIs and ATM specific technical events, as the AST reporting mechanism.
- In addition, the indication of how many reports were assessed with the RAT methodology corresponds exactly with the ratio according to the AST, for all three types of occurrences.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (LGS)	
	YES	NO	YES	NO
Policy and its implementation	4	6	11	2
Legal/Judiciary	1	7	2	1
Occurrence reporting and Investigation	2	0	6	2
TOTAL	**7**	**13**	**19**	**5**

The Lithuanian State Monitoring Report gives different replies on State level for the Legal/Judiciary section. It was confirmed that this was a typographic mistake.

LATVIA — Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.02	0.04	0.05	
National Target	0.02	0.03	0.03	
Actual performance	0.00	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Latvia did not contain any specific details of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Latvia has exceeded both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB welcomes the commitment from Latvia to provide good capacity performance and is confident that Latvia can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 7%
- The above indicator was calculated from data provided on the following areas: TSA2; TSA3; TSA7; TSA7A.

Recommendations

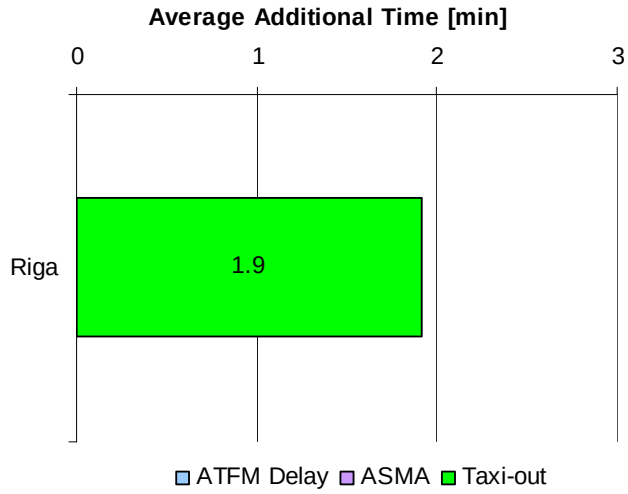
- Latvia is invited to provide information on how the FUA concept will be applied to provide additional capacity.

LATVIA **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Riga EVRA		0.0	65	Not applicable		1.9	63 342	**63 407**
Weighted average		**0.0**				**1.9**		
Grand Total			**65**		**0**		**63 342**	**63 407**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.).

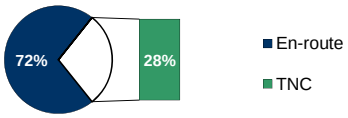
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Latvia represents 0.3% of the SES en-route ANS determined costs in 2012.
- ATSP : LGS
- FAB : NEFAB
- National currency: LVL
- Exchange rate 2009: 1 EUR= 0.702804

Share of en-route and terminal in gate-to-gate ANS costs

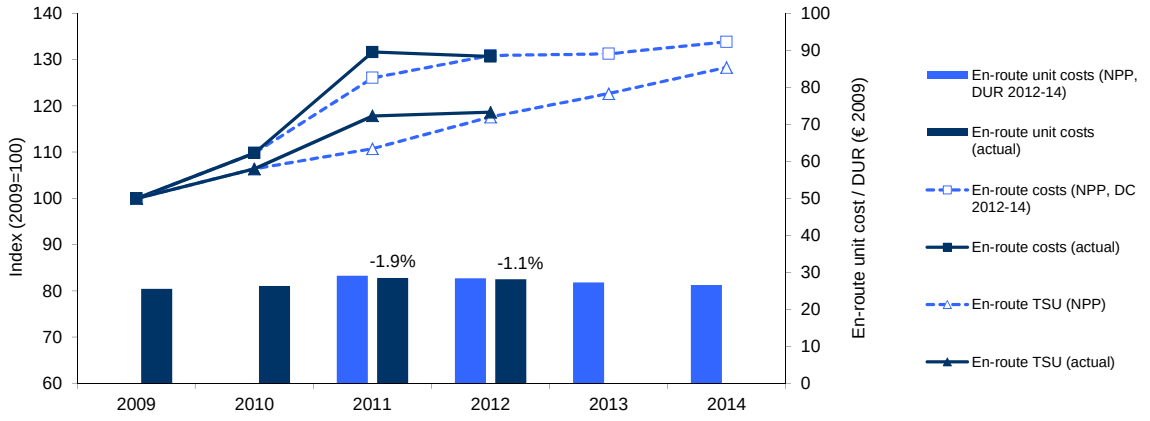


2. - En-route DUR monitoring (2012)

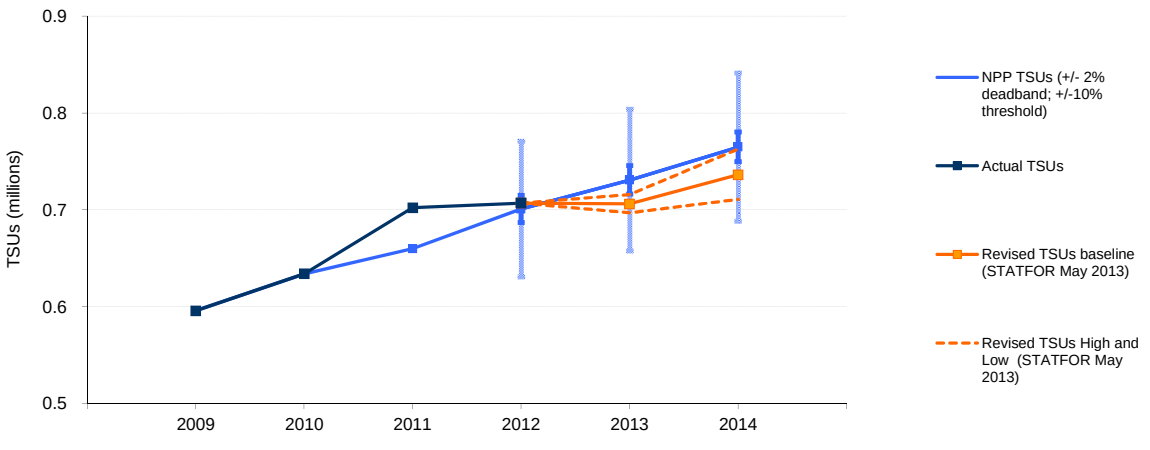
En-route Determined Unit Rate (DUR) 2012 Latvia (in LVL2009)	19.98	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Latvia (in LVL2009)	19.77	In 2012, the LVL appreciated by 1.3% compared to 2011.
Difference (in LVL2009)	-0.21	Exchange rate 2011: 1 EUR= 0.705551
Difference in percent	-1.1%	Exchange rate 2012: 1 EUR= 0.696617

Latvia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal LVL)	10 696 000	11 620 000	13 902 513	14 768 182	15 057 719	15 618 921
Inflation %		-1.1%	4.2%	2.3%	1.7%	1.7%
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	107.2	109.0
Real en-route costs (determined costs 2012-2014) - (in LVL2009)	10 696 000	11 749 242	13 490 539	14 008 363	14 044 251	14 324 170
Total en-route Service Units	595 873	634 000	660 000	701 000	731 000	765 000
Real en-route unit costs per Service Units - (in LVL2009)	**17.95**	**18.53**	**20.44**	**19.98**	**19.21**	**18.72**
Real en-route unit costs per Service Units - (in EUR2009)	**25.54**	**26.37**	**29.08**	**28.43**	**27.34**	**26.64**

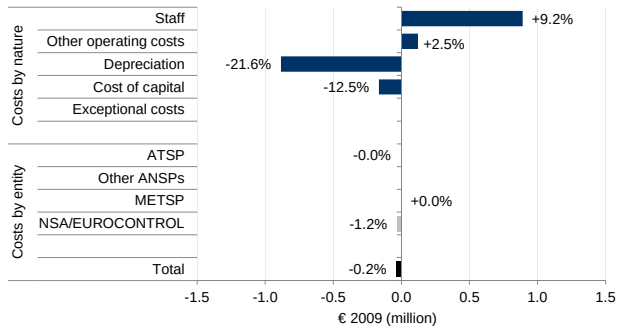
Latvia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal LVL)	10 696 000	11 620 000	14 515 000	14 739 102	-29 080	-0.2%
Inflation %		-1.1%	4.2%	2.3%	0.0 p.p.	
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	0.0 p.p.	
Real en-route costs - (in LVL2009)	10 696 000	11 749 242	14 084 876	13 980 779	-27 584	-0.2%
Total en-route Service Units	595 873	634 000	702 400	707 109	6 109	0.9%
Real en-route unit costs per Service Units - (in LVL2009)	**17.95**	**18.53**	**20.05**	**19.77**	**-0.21**	**-1.1%**
Real en-route unit costs per Service Units - (in EUR2009)	**25.54**	**26.37**	**28.53**	**28.13**	**-0.30**	**-1.1%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-24
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-24
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-24

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

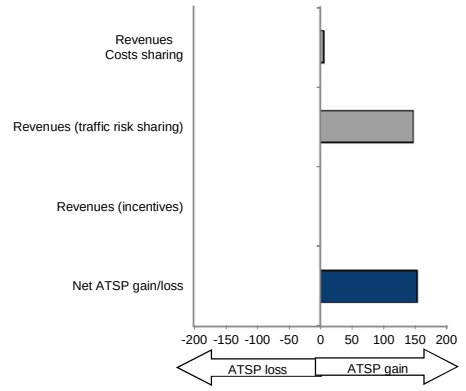
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	16 883
Actual costs for the ATSP	16 878
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	6
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**6**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	0.9%
Determined costs after deduction of costs for exempted VFR flights	16 883
ATSP gain (traffic between 0 and +2% higher than NPP)	147
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**147**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

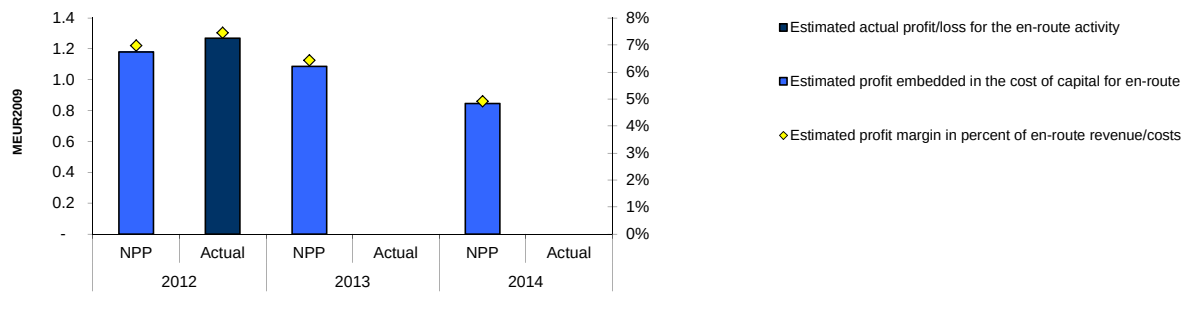
Net ATSP gain(+)/loss(-) on en-route activity	**153**

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	19 302	17 264	18 404		16 934	
Estimated proportion of financing through equity (in %)	89%	94%	100%		100%	
Estimated proportion of financing through equity (in value)	17 087	16 166	18 404		16 934	
Estimated proportion of financing through debt (in %)	11%	6%	0%		0%	
Estimated proportion of financing through debt (in value)	2 215	1 097	-		-	
Cost of capital	1 312	1 146	1 076		847	
Average interest on debt	6.0%	2.8%	6.0%		0.0%	
Interest on debt	133	30	-		-	
Ex-ante RoE	6.9%	6.9%	5.9%		5.0%	
Estimated profit embedded in the cost of capital for en-route	1 179	1 115	1 086		847	
Net ATSP gain(+)/loss(-) on en-route activity		153				
Estimated profit/loss for the en-route activity	**1 179**	**1 268**	**1 086**		**847**	
Revenue/costs for the en-route activity	**16 883**	**17 030**	**16 882**		**17 217**	
Estimated profit margin in percent of en-route revenue/costs	**7.0%**	**7.4%**	**6.4%**		**4.9%**	
Estimated ex-post RoE	**6.9%**	**7.8%**	**5.9%**		**5.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

In 2012, Latvia's real en-route unit cost (28.13 €2009) is -1.1% lower than the DUR provided in the NPP for RP1 (28.43 €2009). This difference is mainly due to the fact that the actual number of en-route TSUs is slightly higher than planned (+0.9%) while 2012 actual en-route costs are in line with the determined costs (-0.2%) provided in the NPP.

Looking forward, based on STATFOR May 2013 base case forecasts for Latvia, the number of TSUs in 2013 and 2014 is expected to be lower than the figures provided in the NPP for RP1.

The Latvia's en-route cost-base includes costs relating to LGS, to the METSP, to the Latvian NSA and to the EUROCONTROL Agency. In 2012, actual en-route costs for LGS and the METSP are in line with the determined costs reported in the NPP. On the other hand, actual costs for the Latvian NSA and EUROCONTROL are -1.2% lower than planned.

In 2012, Latvia's actual staff costs are, in real terms, higher (+9.2%) than planned in the NPP for RP1. The Latvian Annual Monitoring Report for 2012 does not provide details on the drivers for this difference. Similarly, other operating costs are slightly higher than planned (+2.5%) mainly reflecting higher electricity expenses and lease costs for LGS, the ATSP operating in Latvia.

On the other hand, actual depreciation costs for 2012 are significantly lower (-21.6%) than planned in the NPP. According to information provided in the Latvian Annual Monitoring Report for 2012, this substantial difference mainly reflects the postponement of investment projects (LGS actual 2012 capex are -33% lower than planned in the NPP) and associated depreciation costs to future years. Similarly, the actual cost of capital is -12.5% lower than reported in the NPP. This discrepancy is mainly due to i) the use of a lower asset base to compute the cost of capital (-11% compared to the NPP, reflecting the postponement of the capex) and ii) a lower average interest rate on debt (2.8% compared to 6.0% in the NPP). Furthermore, Latvia indicates in the Additional Information of the En-Route Reporting tables that in 2013 and 2014, actual capex are likely to be lower than planned in the NPP for RP1.

Costs exempted from cost sharing are reported for a total of -0.02 M€2009 to be reimbursed to users for the en-route activity, corresponding to lower EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

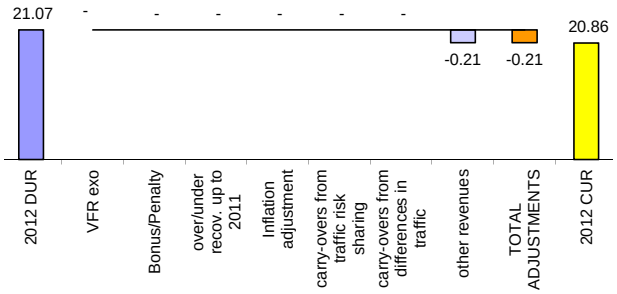
Taking into account the costs exempted from the cost sharing, LGS actual en-route costs are some -0.006 M €2009 lower than the determined costs reported for the year 2012. Similarly, following the traffic risk sharing arrangements, the higher traffic than planned in 2012 translated into net gains in en-route revenues which amounted to 0.1 M€2009 for LGS. The combination of these two elements contributes to a net gain of +0.2 M€2009 on the en-route activity.

When estimating the profit margin of LGS for the year 2012, it is important to include the profit embedded in the cost of capital through the return on equity (some 1.1 M€2009). As a result, LGS estimated profit for the en-route activity amount to 1.3 M€2009 (i.e. 1.1 + 0.2) which implies a profit margin of 7.4% and an ex-post rate of return on equity of 7.8% for the year 2012 (compared to the 6.9% planned in the NPP).

In addition, Latvia indicates in the NSA Monitoring Report that the capacity target was achieved in 2012.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Latvia 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - LVL



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to airspace users in 2012 was 20.86 LVL. This is close to the DUR expressed in nominal terms (21.07 LVL). The small difference observed between these two figures (0.21 LVL) reflects other revenues received from Public Authorities which are used to reduce the UR charged to airspace users.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^			0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)			3	3	3	3
of which, number of airports over 50 000 movements			1	1	1	1

Latvia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in LVL)			5 721 589	5 873 961	5 977 274	6 358 719
Inflation index (100 in 2009)			103.1	105.4	107.2	109.0
Real terminal ANS costs - (in LVL2009)			**5 552 041**	**5 571 747**	**5 574 970**	**5 831 605**
Real terminal ANS costs - (in EUR2009)			**7 899 842**	**7 927 882**	**7 932 468**	**8 297 626**

Latvia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in LVL)			4 908 703	4 656 000	-1 217 961	-20.7%
Inflation index (100 in 2009)			103.1	105.4	0.0 p.p.	
Real terminal ANS costs - (in LVL2009)			**4 763 243**	**4 416 450**	**-1 155 297**	**-20.7%**
Real terminal ANS costs - (in EUR2009)			**6 777 484**	**6 284 042**	**-1 643 840**	**-20.7%**
Total terminal service units			34 500	32 000		
Actual real unit costs - (in LVL2009)			138.1	138.0		
Unit rate applied - (in LVL)				**63.06**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Latvia comprises 3 airports of which only one (Riga) handles over 50 000 movements. No changes are foreseen over the 2013-2014 period. The harmonised SES formula (MTOW/50)^0.7 already applies in Latvia's terminal charging zone.

Actual terminal ANS costs are significantly lower (-20.7%) than the forecast provided in the NPP for 2012. Latvia indicates in the additional information provided in the TNC reporting tables that the main drivers underlying this significant difference are i) reduced other operating costs (-32.4%) which reflect the lower traffic than forecasted for Ventspils and Liepaja airports and ii) lower depreciation costs (-30.0%) following the postponement of capex projects to future years.

11. - Monitoring of gate-to-gate costs (2012)

Latvia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in LVL2009)	10 696 000	11 749 242	13 490 539	14 008 363	14 044 251	14 324 170
Real terminal ANS costs - (in LVL2009)	0	0	5 552 041	5 571 747	5 574 970	5 831 605
Real gate-to-gate ANS costs - (in LVL2009)	**10 696 000**	**11 749 242**	**19 042 580**	**19 580 110**	**19 619 222**	**20 155 775**
Real gate-to-gate ANS costs - (in EUR2009)	**15 219 037**	**16 717 665**	**27 095 150**	**27 859 987**	**27 915 637**	**28 679 084**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**100.0%**	**70.8%**	**71.5%**	**71.6%**	**71.1%**

Latvia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in LVL2009)	10 696 000	11 749 242	14 084 876	13 980 779	-27 584	-0.2%
Real terminal ANS costs - (in LVL2009)	0	0	4 763 243	4 416 450	-1 155 297	-20.7%
Real gate-to-gate ANS costs - (in LVL2009)	**10 696 000**	**11 749 242**	**18 848 119**	**18 397 229**	**-1 182 882**	**-6.0%**
Real gate-to-gate ANS costs - (in EUR2009)	**15 219 037**	**16 717 665**	**26 818 457**	**26 176 898**	**-1 683 089**	**-6.0%**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**100.0%**	**74.7%**	**76.0%**	**4.5%**	

12 - General conclusions on the gate-to-gate ANS costs

In 2012, Latvia's actual gate-to-gate ANS costs (26.2 M€2009) are -6.0% lower than planned in the NPP (27.9 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs in 2012 (76.0%) is higher than planned (71.5%). This is due to the fact that 2012 terminal ANS costs are significantly lower than forecasted (-20.7%) while actual en-route ANS costs are in line with the determined costs provided in the NPP (-0.2%).

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Lithuania

Edition 1.0
Edition date: 15/08/2013

LITHUANIA **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Lithuania	2012	2013	2014
State level	58		
ANSP	83		

EASA observations

Over 80% of the results were sampled, all of the marked as "H" (high level of confidence). The rest of the replies (20%) were self-assessed as not implemented yet, therefore they were not subject to sampling.

There is a plan to establish National KPI for EoSM for State and ANSP in the second half of 2013. ANSP has established target for 2017 to reach and maintain Overall Maturity Level 3.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	0	N/A		%		%
	ATM overall		N/A		%		%
Reporting Runway Incursions (RIs)	ATM ground	0	N/A		%		%
	ATM overall		N/A		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	17	100%		%		%

The Performance Monitoring Report of Lithuania gives exactly the same numbers of reported ATM specific technical events, as the AST reporting mechanism.

Neither SMIs, nor RIs, were reported in the Safety Chapter of the State Monitoring Report.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (ORO NAVIGACIJA)	
	YES	NO	YES	NO
Policy and its implementation	6	4	11	2
Legal/Judiciary	7	1	2	1
Occurrence reporting and Investigation	2	0	8	0
TOTAL	**15**	**5**	**21**	**3**

LITHUANIA — Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.04	0.05	0.06	
National Target	0.04	0.05	0.05	
Actual performance	0.00	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Lithuania did not contain any specific details of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Lithuania has exceeded both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB welcomes the commitment from Lithuania to provide good capacity performance and is confident that Lithuania can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- Lithuania does not make pre-tactical allocation of restricted or segregated areas, but instead provided information on the tactical allocation and use of SUA.
- The AMC for Lithuania has confirmed that the allocation and activation of restricted or segregated areas has no adverse impact on either ATC capacity, or on the ability of aircraft operators to file flight plans.
- If the allocation or activation of restricted or aggregated areas has no impact on general air traffic then there is no need for Lithuania to report on effective booking procedures.

Recommendations

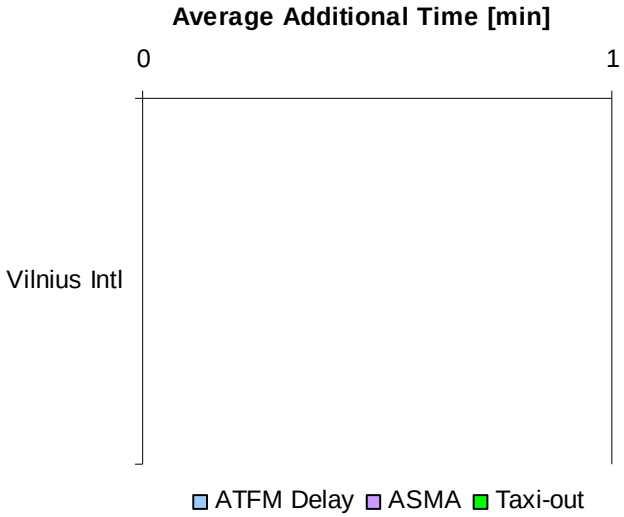
- No recommendations for Lithuania

LITHUANIA **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Vilnius Intl	EYVI	0.0	0	Not applicable		**Missing data**		0
Weighted average		**0.0**						
Grand Total			**0**					**0**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Missing Mandatory data. Vilnius Intl Airport committed to implement a data provision mechanism in line with their A-CDM implementation, by end of 2014.

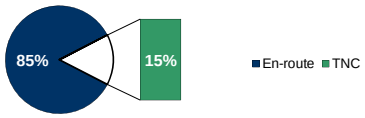
Specific Analysis

- No specific operational concern regarding RP1 performance monitorin.
- Traffic increased by 8.5% compared to 2011.

1. - Contextual economic information

- Lithuania represents 0.3% of the SES en-route ANS determined costs in 2012.
- ATSP : Oro Navigacija
- FAB : Baltic
- National currency: LTL
- Exchange rate 2009: 1 EUR= 3.45061

Share of en-route and terminal in gate-to-gate ANS costs

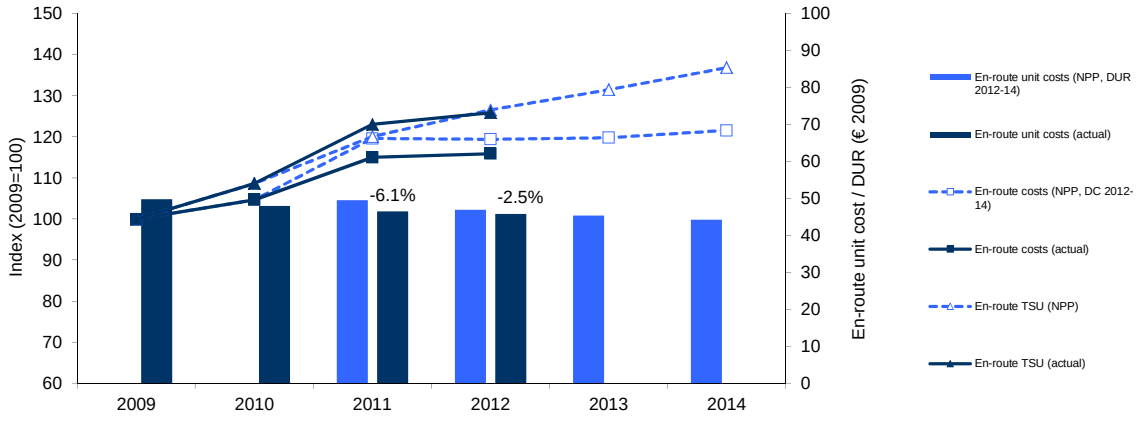


2. - En-route DUR monitoring (2012)

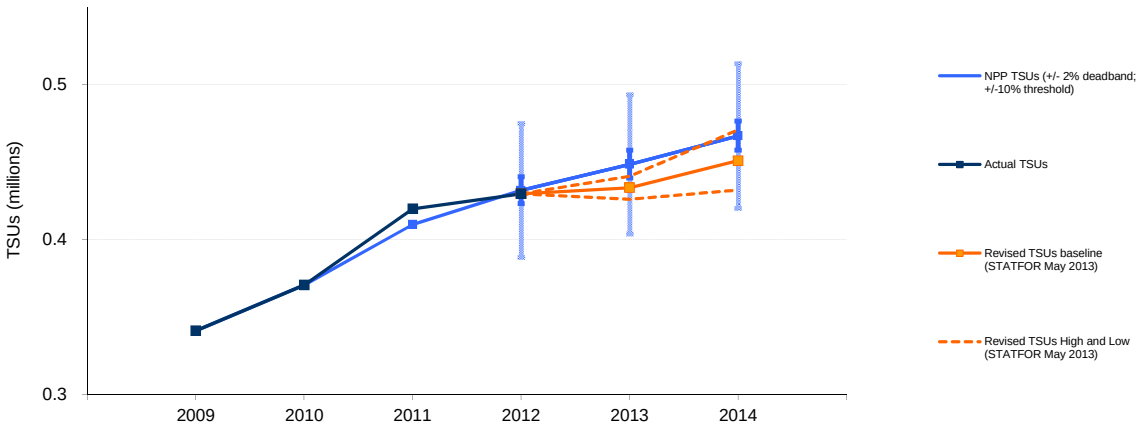
En-route Determined Unit Rate (DUR) 2012 Lithuania (in LTL2009)	162.16	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Lithuania (in LTL2009)	158.19	In 2012, the LTL remained the same as in 2011.
Difference (in LTL2009)	-3.98	Exchange rate 2011: 1 EUR= 3.45084
Difference in percent	-2.5%	Exchange rate 2012: 1 EUR= 3.45102

Lithuania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal LTL)	58 633 924	62 118 000	72 560 295	74 222 874	76 109 996	79 164 791
Inflation %		1.2%	2.2%	2.4%	2.2%	2.5%
Inflation index (100 in 2009)	100.0	101.2	103.5	106.0	108.4	111.0
Real en-route costs (determined costs 2012-2014) - (in LTL2009)	58 633 924	61 381 423	70 133 122	70 031 323	70 239 218	71 289 683
Total en-route Service Units	341 247	370 823	409 819	431 858	448 700	467 097
Real en-route unit costs per Service Units - (in LTL2009)	**171.82**	**165.53**	**171.13**	**162.16**	**156.54**	**152.62**
Real en-route unit costs per Service Units - (in EUR2009)	**49.79**	**47.97**	**49.59**	**47.00**	**45.37**	**44.23**

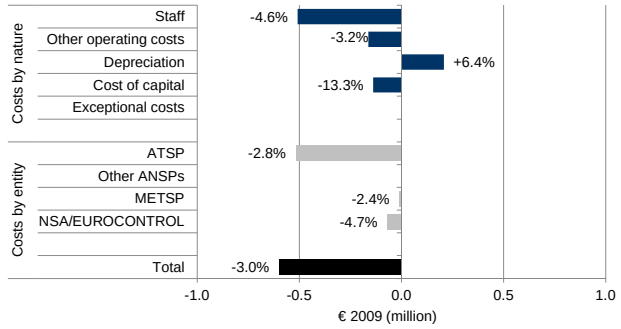
Lithuania - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal LTL)	58 633 924	62 118 000	71 053 687	73 888 590	-334 284	-0.5%
Inflation %		1.2%	4.1%	3.2%	0.8 p.p.	
Inflation index (100 in 2009)	100.0	101.2	105.3	108.7	2.7 p.p.	
Real en-route costs - (in LTL2009)	58 633 924	61 381 423	67 445 872	67 962 045	-2 069 278	-3.0%
Total en-route Service Units	341 247	370 823	419 921	429 631	-2 227	-0.5%
Real en-route unit costs per Service Units - (in LTL2009)	**171.82**	**165.53**	**160.62**	**158.19**	**-3.98**	**-2.5%**
Real en-route unit costs per Service Units - (in EUR2009)	**49.79**	**47.97**	**46.55**	**45.84**	**-1.15**	**-2.5%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	31
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	31
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**31**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

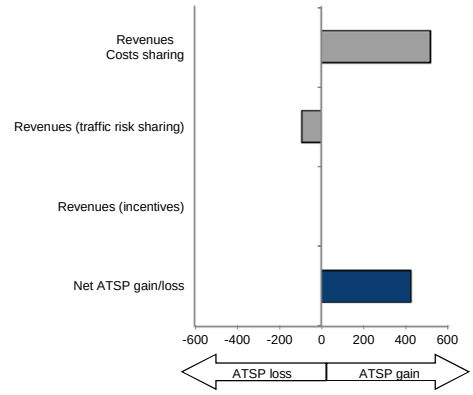
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	18 313
Actual costs for the ATSP	17 795
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	518
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**518**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-0.52%
Determined costs after deduction of costs for exempted VFR flights	17 852
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-92
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-92**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

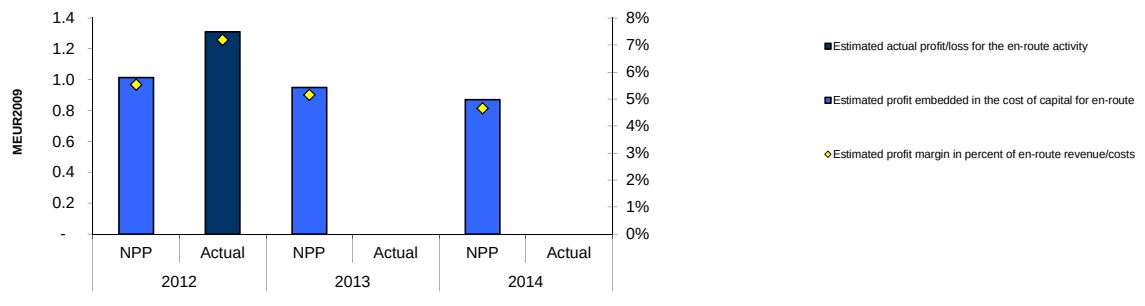
Net ATSP gain(+)/loss(-) on en-route activity	426

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	33 776	29 526	31 663		29 039	
Estimated proportion of financing through equity (in %)	100%	100%	100%		100%	
Estimated proportion of financing through equity (in value)	33 776	29 526	31 663		29 039	
Estimated proportion of financing through debt (in %)	0%	0%	0%		0%	
Estimated proportion of financing through debt (in value)	-	-	-		-	
Cost of capital	1 013	886	950		871	
Average interest on debt	0.0%	0.0%	0.0%		0.0%	
Interest on debt	-	-	-		-	
Ex-ante RoE	3.0%	3.0%	3.0%		3.0%	
Estimated profit embedded in the cost of capital for en-route	1 013	886	950		871	
Net ATSP gain(+)/loss(-) on en-route activity		426				
Estimated profit/loss for the en-route activity	**1 013**	**1 311**	**950**		**871**	
Revenue/costs for the en-route activity	**18 313**	**18 221**	**18 452**		**18 722**	
Estimated profit margin in percent of en-route revenue/costs	**5.5%**	**7.2%**	**5.1%**		**4.7%**	
Estimated ex-post RoE	**3.0%**	**4.4%**	**3.0%**		**3.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

Note1: In Lithuania, the actual cumulative inflation for the period 2009-2012 (8.7%) was 2.7 percentage points higher than planned in the NPP (6.0%). For this reason, while in nominal terms actual 2012 en-route costs are -0.5% lower than the determined costs, a larger difference is observed when the en-route costs are expressed in real terms (-3.0%).

In 2012, Lithuania's real en-route unit cost (45.84 €2009) is -2.5% lower than the DUR provided in the NPP for RP1 (47.00 €2009). This difference is mainly due to the fact that the actual en-route costs are -3.0% lower than the determined costs, while the actual number of en-route TSUs is slightly lower (-0.5%) than the figure reported in the NPP for 2012.

Looking forward, based on STATFOR May 2013 base case forecasts for Lithuania, the number of TSUs in 2013 and 2014 is expected to be lower than the figures provided in the NPP for RP1 (-3.4% for both years). If these traffic forecasts materialise, Lithuania will incur losses in en-route revenues in 2013 and 2014.

The Lithuanian en-route cost-base includes costs relating to: the en-route ATSP (Oro Navigacija), the METSP, the Lithuanian NSA and the EUROCONTROL Agency. For all these entities actual en-route costs are lower than planned in the NPP for 2012: Oro Navigacija (-2.8%), the METSP (-2.4%) and the NSA/EUROCONTROL (-4.7%). The latter reflects significantly lower costs than planned (-20.5%) for the NSA (Lithuanian CAA) mainly due to lower staff costs.

In 2012, Lithuania's actual staff costs are in real terms substantially lower (-4.6%) than planned in the NPP for RP1. Similarly, actual other operating costs are -3.2% lower than the figure reported in the NPP.

On the other hand, actual depreciation costs are +6.4% higher than planned. Information provided in the NSA Monitoring Report indicates that this difference is mainly due to a change in strategy relating to the main ATM System (Eurocat). Although, during the preparation of the NPP for RP1 it was foreseen to extend the operating life of the system from 2013 to 2016, it was finally decided to implement upgrades to the system in 2011 and 2012 but to keep its operating life unchanged (ending in 2013). Information provided in the NSA Monitoring Report indicates that the actual 2012 capex are significantly higher than planned in the NPP (+3.8 MLTL or +41%). This mainly reflects (1) the upgrades of the ATM system in 2012 which were not planned and (2) the fact that Oro Navigacija spent the entire amount relating to the enterprise data exchange network project (3.6 MLTL) in 2012, while it was initially planned that these capex would be spread over the 2012-2016 period.

The actual cost of capital is -13.3% lower than planned in the NPP. Based on the information provided in Lithuanian reporting tables, this mainly reflects the use of a lower asset base to compute Oro Navigacija's cost of capital (-12.6% compared to the NPP).The NSA Monitoring Report does not comprise detailed information on the main drivers underlying the lower actual asset base in 2012. It is considered that this point deserves a clarification, in particular since for Oro Navigacija actual 2012 capex was significantly higher than planned in the NPP.

Costs exempted from cost sharing are reported for a total of +0.03 M€2009 to be passed on to users for the en-route activity, corresponding to higher EUROCONTROL costs than planned.
These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

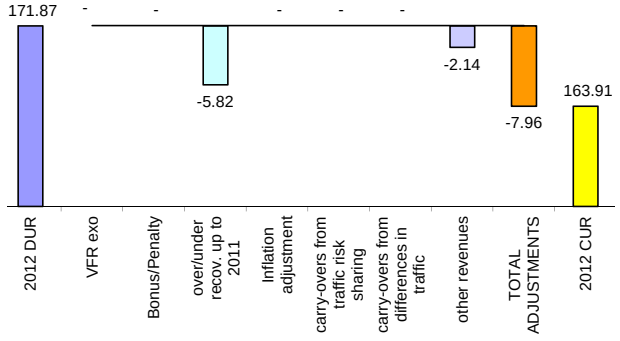
Taking into account the costs exempted from cost sharing, Oro Navigacija actual en-route costs are some -0.5 M€2009 lower than the determined costs reported for the year 2012. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned in 2012 translated into net losses in en-route revenues which amounted to -0.09 M€2009 for Oro Navigacija. The combination of these two elements contributes to a net gain of +0.4 M€2009 on the en-route activity in 2012.

When estimating the profit margin for Oro Navigacija for the year 2012, it is important to include the profit embedded in the cost of capital through the return on equity (some 0.9 M€2009). As a result, Oro Navigacija's estimated profit for the en-route activity amounts to 1.3 M€2009 (i.e. 0.9 +0.4) which implies a profit margin of 7.2% and an ex-post rate of return on equity of 4.4% for the year 2012 (compared to the 3.0% planned in the NPP).

In addition, information from the NSA Monitoring Report indicates that Llithuania met the capacity target in 2012.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Lithuania 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - LTL



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to airspace users in 2012 was 163.91 LTL. This is lower than the DUR expressed in nominal terms (171.87 LTL).The difference between these two figures (7.96 LTL) mainly relates to other revenues and over-recoveries carried over to 2012 in the context of the full cost-recovery regime in place before RP1.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.5	0.5	0.5	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	3	4	4	4	4	4
of which, number of airports over 50 000 movements						

Lithuania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in LTL)	9 468 000	10 968 000	12 603 000	13 252 000	13 866 000	14 972 000
Inflation index (100 in 2009)	100.0	101.2	103.5	106.0	108.4	111.0
Real terminal ANS costs - (in LTL2009)	**9 468 000**	**10 837 945**	**12 181 424**	**12 503 626**	**12 796 440**	**13 482 624**
Real terminal ANS costs - (in EUR2009)	**2 743 863**	**3 140 878**	**3 530 223**	**3 623 599**	**3 708 457**	**3 907 316**

Lithuania - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in LTL)	9 468 000	10 968 000	11 413 953	13 846 672	594 672	4.5%
Inflation index (100 in 2009)	100.0	101.2	105.3	108.7	2.7 p.p.	
Real terminal ANS costs - (in LTL2009)	**9 468 000**	**10 837 945**	**10 834 400**	**12 736 041**	**232 415**	**1.9%**
Real terminal ANS costs - (in EUR2009)	**2 743 863**	**3 140 878**	**3 139 851**	**3 690 954**	**67 355**	**1.9%**
Total terminal service units	14 117	17 236	18 361	19 495		
Actual real unit costs - (in LTL2009)	670.7	628.8	590.1	653.3		
Unit rate applied - (in LTL)				**739.69**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Lithuania comprises 4 airports none of which handles over 50 000 movements. No changes are foreseen over the 2013-2014 period. The harmonised SES formula (MTOW/50)^0.7 is applied from 2012 onwards.

Actual terminal ANS costs are +1.9% higher than the forecast presented in the NPP for the year 2012 (some 0.07 M€2009). The main drivers for this difference are higher depreciation costs (+13.5%) and cost of capital (+10.0%) than planned. According to the information provided in the Lithuanian NSA Monitoring Report, these higher capital-related costs mainly reflect the upgrade of the ATM system which was not foreseen in the NPP.

11. - Monitoring of gate-to-gate costs (2012)

Lithuania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in LTL2009)	58 633 924	61 381 423	70 133 122	70 031 323	70 239 218	71 289 683
Real terminal ANS costs - (in LTL2009)	9 468 000	10 837 945	12 181 424	12 503 626	12 796 440	13 482 624
Real gate-to-gate ANS costs - (in LTL2009)	**68 101 924**	**72 219 368**	**82 314 546**	**82 534 950**	**83 035 659**	**84 772 308**
Real gate-to-gate ANS costs - (in EUR2009)	**19 736 199**	**20 929 449**	**23 855 071**	**23 918 945**	**24 064 052**	**24 567 340**
Share of en-route costs in gate-to-gate ANS costs	**86.1%**	**85.0%**	**85.2%**	**84.9%**	**84.6%**	**84.1%**

Lithuania - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in LTL2009)	58 633 924	61 381 423	67 445 872	67 962 045	-2 069 278	-3.0%
Real terminal ANS costs - (in LTL2009)	9 468 000	10 837 945	10 834 400	12 736 041	232 415	1.9%
Real gate-to-gate ANS costs - (in LTL2009)	**68 101 924**	**72 219 368**	**78 280 272**	**80 698 086**	**-1 836 863**	**-2.2%**
Real gate-to-gate ANS costs - (in EUR2009)	**19 736 199**	**20 929 449**	**22 685 923**	**23 386 615**	**-532 330**	**-2.2%**
Share of en-route costs in gate-to-gate ANS costs	**86.1%**	**85.0%**	**86.2%**	**84.2%**	**-0.6%**	

12 - General conclusions on the gate-to-gate ANS costs

In 2012, Lithuania's gate-to-gate ANS costs (23.4 M€2009) are -2.2% lower than planned in the NPP (23.9 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs has gradually decreased over time from 86% in 2009 to 84% in 2012 and is planned to remain at this level in 2013 and 2014.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Malta

Edition 1.0
Edition date: 15/08/2013

MALTA **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Malta	2012	2013	2014
State level	74		
ANSP	80		

EASA observations

Overall scores are too high without sound justification.

Malta Monitoring Report 2012 does not provide any EoSM results.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	0	N/A		%		%
	ATM overall		N/A		%		%
Reporting Runway Incursions (RIs)	ATM ground	0	N/A		%		%
	ATM overall		N/A		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	81	5%		%		%

The Report of Malta on the NSAs Performance gives no numbers of reported incidents.

During 2012, the ANSP MATS has started using the RAT methodology in assessing the severity of ATM occurrences. MATS has given training to its staff in the use of this methodology and reports of analysis of ATM incidents using RAT have been forwarded to the NSA.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (MATS)	
	YES	NO	YES	NO
Policy and its implementation	**8**	**2**	**11**	**2**
Legal/Judiciary	**3**	**5**	**2**	**1**
Occurrence reporting and Investigation	**2**	**0**	**5**	**3**
TOTAL	**13**	**7**	**18**	**6**

The State Monitoring Report of Malta did not provide JC data.

MALTA **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.02	0.03	0.05	
National Target	0.02	0.03	0.05	
Actual performance	0.00	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Malta did not contain any specific details of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Malta has exceeded both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB is confident that Malta can provide an adequate contribution to capacity performance in RP1

Effective booking procedures

- The NSA for Malta has confirmed that the allocation and activation of restricted or segregated areas has no adverse impact on either ATC capacity, or on the ability of aircraft operators to file flight plans
- Since the allocation or activation of restricted or segregated areas has no impact on general air traffic then there is no need for Malta to report on effective booking procedures

Recommendations

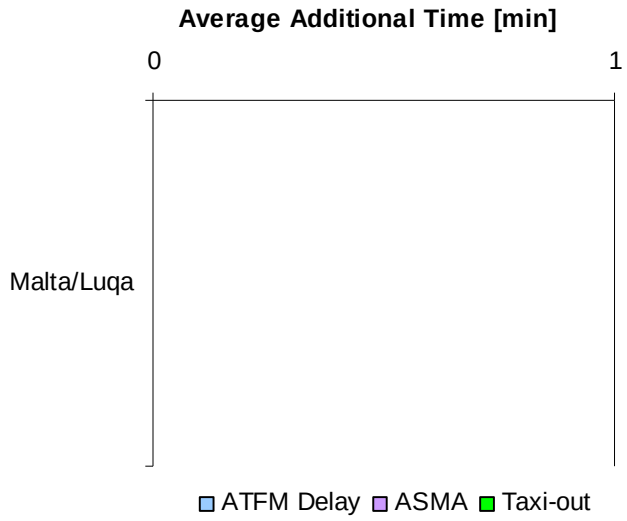
- No recommendations for Malta

MALTA **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Malta/Luqa	LMML	0.0	46	Not applicable		**Data quality issues**		46
Weighted average		**0.0**						
Grand Total			**46**					**46**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Data quality issue for the calculation of unimpeded taxi-out time.

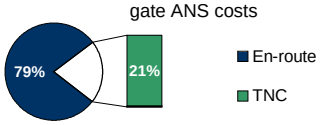
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Malta represents 0.2% of the SES en-route ANS determined costs in 2012.
- ATSP : MATS
- FAB : Blue Med
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

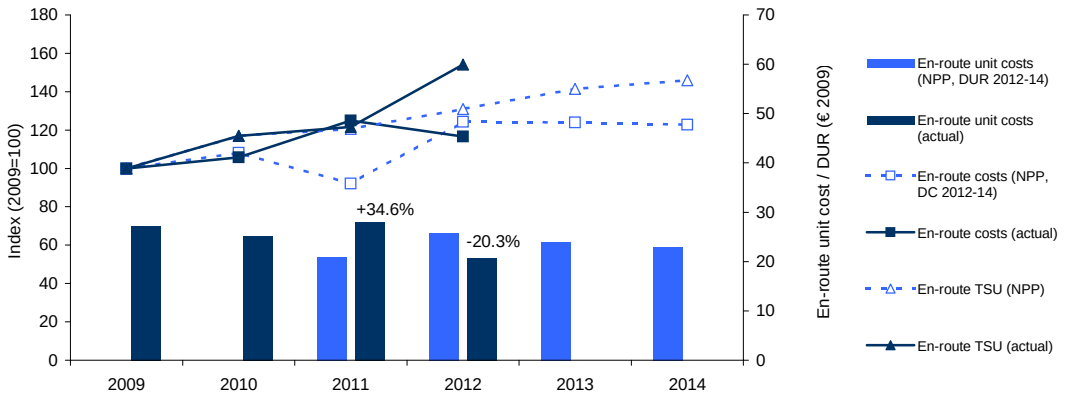


2. - En-route DUR monitoring (2012)

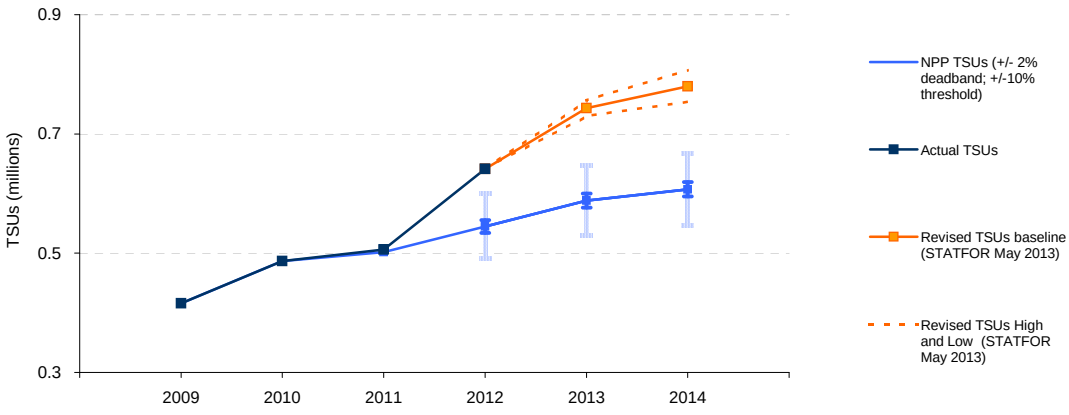
En-route Determined Unit Rate (DUR) 2012 Malta (in EUR2009)	25.86
Monitoring - Actual en-route unit cost 2012 Malta (in EUR2009)	20.62
Difference (in EUR2009)	-5.25
Difference in percent	-20.3%

Malta - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	11 335 319	12 506 056	10 937 810	15 097 776	15 417 209	15 637 660
Inflation %		2.0%	2.7%	2.3%	2.4%	2.4%
Inflation index (100 in 2009)	100.0	102.0	104.8	107.2	109.7	112.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	11 335 319	12 260 839	10 441 425	14 088 564	14 049 457	13 916 358
Total en-route Service Units	416 028	486 800	502 000	544 747	588 338	607 164
Real en-route unit costs per Service Units - (in EUR2009)	**27.25**	**25.19**	**20.80**	**25.86**	**23.88**	**22.92**

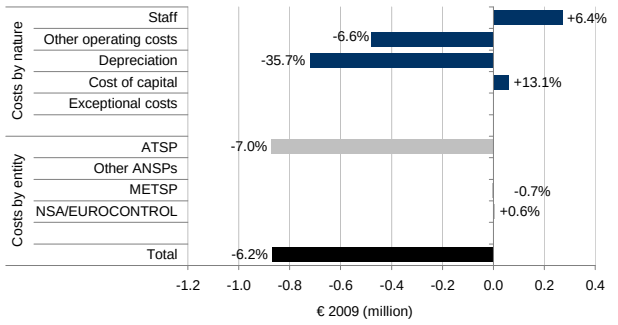
Malta - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	11 335 319	12 220 386	14 811 130	14 264 142	-833 634	-5.5%
Inflation %		2.0%	2.5%	3.2%	0.9 p.p.	
Inflation index (100 in 2009)	100.0	102.0	104.6	107.9	0.7 p.p.	
Real en-route costs - (in EUR2009)	11 335 319	11 980 771	14 166 552	13 220 319	-868 245	-6.2%
Total en-route Service Units	416 028	486 800	505 867	641 289	96 542	17.7%
Real en-route unit costs per Service Units - (in EUR2009)	**27.25**	**25.19**	**28.00**	**20.62**	**-5.247**	**-20.3%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-2
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-2
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-2

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

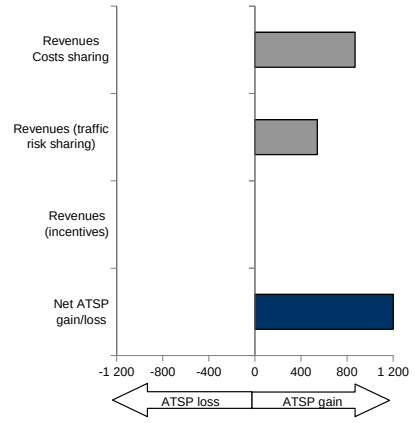
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	12 429
Actual costs for the ATSP	11 559
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	870
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**870**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	17.7%
Determined costs after deduction of costs for exempted VFR flights	12 345
ATSP gain (traffic between 0 and +2% higher than NPP)	247
ATSP gain (traffic between +2% and +10% higher than NPP)	296
ATSP loss (traffic between 0 and -2% below NPP)	
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**543**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

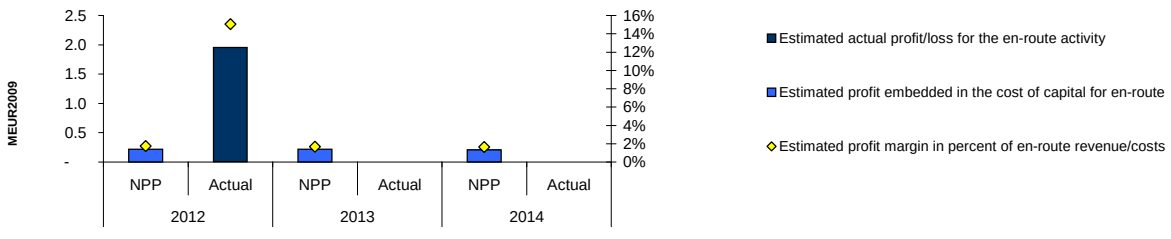
Net ATSP gain(+)/loss(-) on en-route activity	1 414

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	9 238	11 221	9 022		8 721	
Estimated proportion of financing through equity (in %)	49%	100%	50%		50%	
Estimated proportion of financing through equity (in value)	4 546	11 221	4 511		4 361	
Estimated proportion of financing through debt (in %)	51%	0%	50%		50%	
Estimated proportion of financing through debt (in value)	4 692	-	4 511		4 361	
Cost of capital	476	539	520		583	
Average interest on debt	5.5%	5.5%	5.5%		5.5%	
Interest on debt	258	-	248		240	
Ex-ante RoE	4.8%	4.8%	4.8%		4.8%	
Estimated profit embedded in the cost of capital for en-route	218	539	217		209	
Net ATSP gain(+)/loss(-) on en-route activity		1 414				
Estimated profit/loss for the en-route activity	**218**	**1 952**	**217**		**209**	
Revenue/costs for the en-route activity	**12 429**	**12 972**	**12 977**		**12 858**	
Estimated profit margin in percent of en-route revenue/costs	**1.8%**	**15.0%**	**1.7%**		**1.6%**	
Estimated ex-post RoE	**4.8%**	**17.4%**	**4.8%**		**4.8%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

The actual 2012 traffic measured in Total en-route Service Units (TSU) is significantly higher (i.e. +17.7%) than the traffic planned in Malta's National Performance Plan for RP1 (NPP). On the other hand, the actual en-route costs in nominal terms at State level for the year 2012 are -5.5% below the determined costs published in the NPP (i.e. -6.2% in real terms). As a result, Malta's actual real en-route unit cost (i.e. 20.62 €) is -20.3% lower than the Determined Unit Rate (DUR) for 2012 (i.e. 25.86 €), corresponding to a decrease of -5.25 €.

The change in actual TSU compared to the NPP plans for 2012 falls outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, and exceeds the + 10% threshold. The traffic outlook for the rest of RP1, according to the latest forecasts released by STATFOR in May 2013, depicts a more optimistic scenario than presented in the NPP. The en-route traffic is planned to further increase in 2013 and 2014, at higher pace than planned in the NPP for the same period. As a result, under all STATFOR scenarios the difference in TSU with respect to the NPP is planned to significantly exceed the + 10% threshold in both 2013 and 2014. It is understood from the Report "EUROCONTROL Two-Year Forecast (2012 - 2013) - December 2012" prepared by STATFOR that the overflights over the Maltese airspace (namely on the Europe-Africa axis) recovered in the course of 2012, after the Arab Spring events and the closure of the Libyan airspace, when all routes were shifted to East (over the Adriatic sea), thus avoiding the Maltese airspace. Therefore the traffic for 2012 and following years appear to be higher than planned in the NPP.

According to the traffic risk sharing mechanism the related gain is shared between the airspace users and the ATSP, which records a total gain of some +0.5 M€2009 (see below).

The decrease in 2012 en-route costs (compared to the NPP) is mainly related to cost reductions achieved by MATS (some -0.9 M€2009) and particularly to the fall in other operating costs (i.e. -0.5 M€2009) and depreciation costs (i.e. -0.7 M€2009).

"Costs exempt from cost-sharing" are reported for a total of 0.002 M€2009 to be reimbursed to users for the en-route activity, corresponding to the difference between the planned and actual values for EUROCONTROL costs (cf. Table in item 4). These costs will eligible for carry-over to the following period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

MATS actual 2012 en-route costs are -7.0% lower than planned in real terms. This mainly results from the combination of opposite effects: (i) higher staff costs (i.e. +6.2% or +0.2 M€2009), (ii) lower other operating costs (i.e. -7.7% or -0.5 M€2009) and (iii) significantly lower depreciation costs (i.e. -35.7% or -0.7 M€2009) than planned in the NPP.

It is understood from the additional information to the en-route Reporting Tables and from the NSA monitoring report that the increase in actual en-route staff costs compared to the NPP is mainly due to the "*cost of overtime that was required to manage the unforeseen increase in traffic*".

On the other hand, the decrease in actual other operating costs compared to plans was achieved trough "*continuous efforts by MATS management to exercise better control on controllable costs*".

Finally, the decrease in depreciation costs compared to plans is mainly related to the fact that the upgrade of the ATM system originally planned in 2012 was postponed to 2013. It is understood from the additional information to the Reporting Tables and from the NSA monitoring report that the capital expenditure planned for 2011 and 2012 (i.e. 3.4 M€ and 4.7 M€, respectively) were significantly lower in actual terms (i.e. 2.7 M€ and 1.8 M€, respectively). It is understood that this capex was not cancelled but only postponed to 2013 and 2014.

It is noteworthy that the asset base used to compute the cost of capital is higher in actual terms than planned in the NPP (i.e. +21.5% or some +2.0 M€2009). A closer look to the information provided by Malta in the June 2013 en-route submission shows that the increase in asset base is entirely related to the net current assets (i.e. +9.4 M€ higher than planned in nominal terms). On the contrary, the component of the asset base relating to the net book value of fixed assets significantly decreased compared to plans (i.e. -6.2 M€2009). This decrease is consistent with the changes in capex and depreciation, which suggested that in 2011 and 2012 the amount of assets in operation have been lower than planned, considering the project postponements and the significantly less capex that has materialised.

As a result of the cost sharing mechanism, MATS is entitled to fully retain the gain arising from the fact that actual costs are lower than planned in the NPP for 2012 (i.e. some 0.9 €M2009). On the other hand, due to the traffic risk sharing mechanism, the change in actual TSU compared to the plans (i.e. +17.7%) generates a gains of some +0.2 M€2009 for the ATSP for the traffic increase within the 0%/+2% band and +0.3 M€2009 gain for the traffic change between +2% and +10% (i.e. a total gain of +0.5 M€2009). Finally, according to the traffic risk sharing mechanism, all gains above the +10% threshold will be returned to airspace users through carry over to future years.

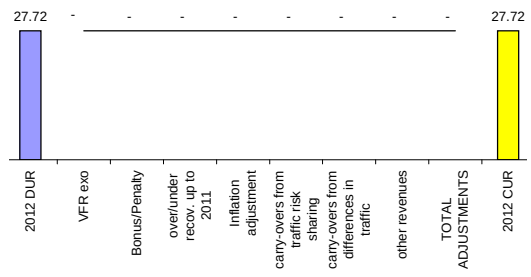
Overall, the en-route activity for the year 2012 generated a net gain of +1.4 M€2009 for MATS.

On the profitability side, the ex-ante estimated profit embedded in the cost of capital for the en-route activity as planned in the NPP amounted to +0.2 M€2009. Moreover, according to the NPP, MATS en-route activity is half equity financed (i.e. 49%) and half debt financed (i.e. 51%), thus the return on equity as presented in the NPP constitutes a profit margin of 4.8% of the en-route costs/revenues for the activities in 2012.

Ex-post, the estimated profit for the year computed by adding the cost of capital (+0.5 M€2009, higher than the NPP) and the net gain from the en-route activity in 2012 (+1.4 M€2009, see above), gives a total of +1.95 M€2009 for 2012. However, according to the information provided by Malta in their June 2013 data submission, it is possible to compute that the estimated proportion of financing through equity passed from 49% to 100%, which result in a higher ex-post RoE (17.7%), while the estimated profit margin in percent of the en-route revenues/costs is now 15.0% (compared to the planned 1.8%).

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Malta 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to users in 2012 was 22.72€. This is in line with the nominal DUR provided the NPP.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in the terminal charging zone(s)				1	1	1
of which, number of airports over 50 000 movements						

Malta - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	0	4 120 000	4 100 000	3 990 000	4 340 000	4 200 000
Inflation index (100 in 2009)	100.0	102.0	104.8	107.2	109.7	112.4
Real terminal ANS costs - (in EUR2009)	**0**	**4 039 216**	**3 913 932**	**3 723 288**	**3 954 973**	**3 737 689**

Malta - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	0	0	0	2 664 258	-1 325 742	-33.2%
Inflation index (100 in 2009)	100.0	102.0	104.6	107.9	0.7 p.p.	
Real terminal ANS costs - (in EUR2009)	**0**	**0**	**0**	**2 469 293**	**-1 253 996**	**-33.7%**
Total terminal service units						
Actual real unit costs - (in EUR2009)						
Unit rate applied - (in EUR)				**N/appl**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Malta counts one terminal charging zone comprising one airport, which has less than 50 000 movements per year (i.e. Malta/Luqa airport, LMML).

It is understood from previous years and from the additional information to the TANS Reporting Tables that Malta does only have an En-route charging zone for the time being and that no unit rate is applicable for TANS. The costs borne by Malta for TANS are recovered trough “income from other sources”.

The actual terminal ANS 2012 costs are -33.7% lower in real terms (or some -1.3 M€2009) than planned in the Maltese NPP. Malta provides no comments for the change in terminal ANS costs.

11. - Monitoring of gate-to-gate costs (2012)

Malta - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	11 335 319	12 260 839	10 441 425	14 088 564	14 049 457	13 916 358
Real terminal ANS costs - (in EUR2009)	0	4 039 216	3 913 932	3 723 288	3 954 973	3 737 689
Real gate-to-gate ANS costs - (in EUR2009)	**11 335 319**	**16 300 055**	**14 355 356**	**17 811 852**	**18 004 430**	**17 654 047**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**75.2%**	**72.7%**	**79.1%**	**78.0%**	**78.8%**

Malta - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	11 335 319	11 980 771	14 166 552	13 220 319	-868 245	-6.2%
Real terminal ANS costs - (in EUR2009)	0	0	0	2 469 293	-1 253 996	-33.7%
Real gate-to-gate ANS costs - (in EUR2009)	**11 335 319**	**11 980 771**	**14 166 552**	**15 689 611**	**-2 122 241**	**-11.9%**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**100.0%**	**100.0%**	**84.3%**	**5.2%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual 2012 gate-to-gate costs are -11.9% lower in real terms than planned, as a result of lower en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS remains quite stable overall during RP1 and changes only slightly with respect to the plans made in the NPP (i.e. share on en-route passing from 79% to 84%).

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

The Netherlands

Edition 1.0
Edition date: 15/08/2013

THE NETHERLANDS **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

The Netherlands	2012	2013	2014
State level	40		
ANSP 1	76		
ANSP 2	86		

EASA observations

Overall score seems to be correct.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	34	18%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	75	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	2005	0%		%		%

No figures were given in the individual State report. Reference was made to the FABEC report without detailed numbers of reporting, or mentioning the use of the severity assessment with RAT.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (LVNL)	
	YES	NO	YES	NO
Policy and its implementation	6	4	10	3
Legal/Judiciary	7	1	3	0
Occurrence reporting and Investigation	1	1	6	2
TOTAL	**14**	**6**	**19**	**5**

THE NETHERLANDS **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.12	0.14	0.18	
National Target				
Actual performance	0.17	--	--	

Capacity

Details how the Netherlands would apply the FUA concept to increase capacity include:

- The establishment of a joint civil military Airspace and Flow Management Unit;
- The introduction of LARA to improve transparency, enhance the military booking processes and facilitate real-time CDM between all parties involved;
- All major exercises, requiring non-standard airspace volume with an associated impact on civil capacity, are subject to coordination processes involving civil and military stakeholders and CDM.

Extract from notification letter from EC, July 2012:

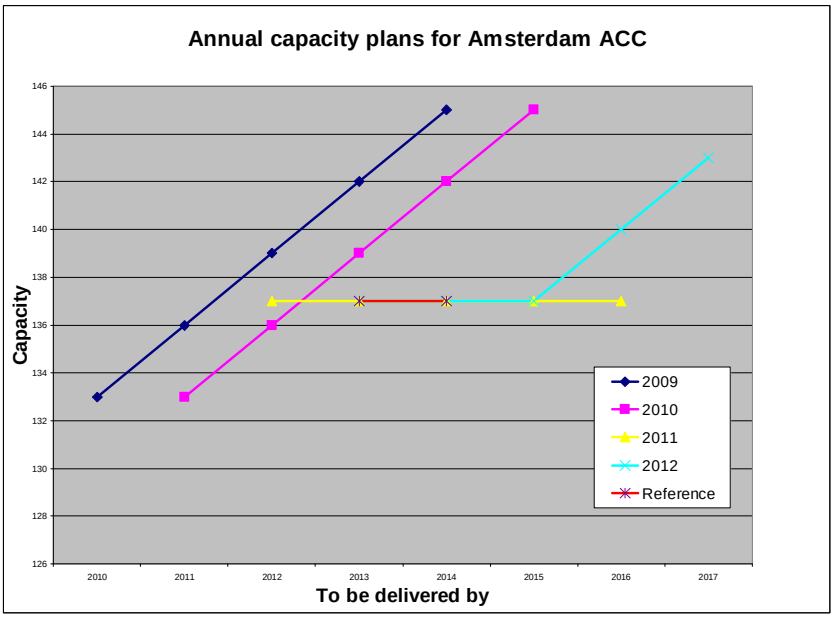
FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;

b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest;

Annual capacity plans for Amsterdam ACC and Maastricht UAC (2009 -2012)

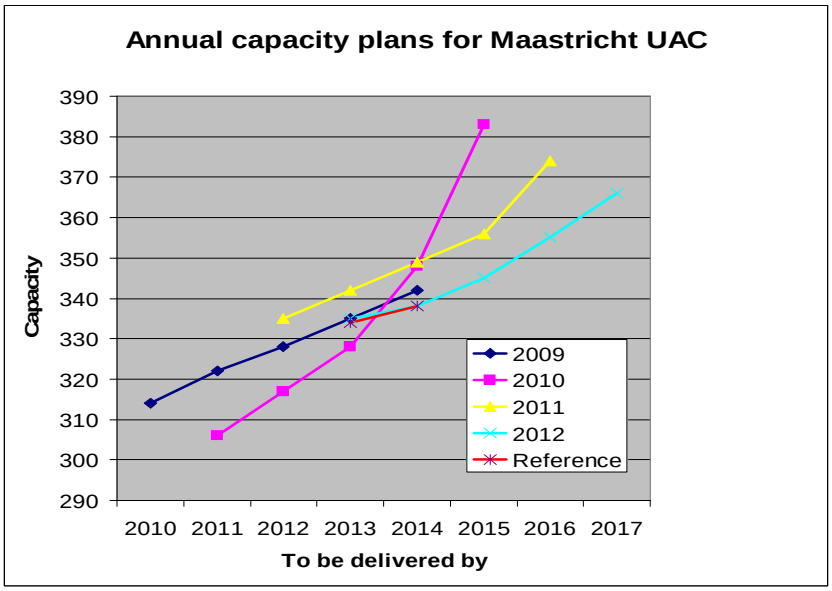
(Data is taken from LSSIP 2010-2014, LSSIP 2011-2015, NOP 2012-2016, NOP 2013-2017.)



The planned capacity is sufficient to be consistent with the EU wide capacity target in 2013 & 2014.

The capacity plans from 2011 and 2012 show a downgrade and postponement of the capacity plans from previous years, which reduces the ability of Amsterdam ACC to provide a positive contribution to

FABEC or network performance in RP1.



Capacity plans from 2011 and 2012 show a considerable improvement on the original plan from 2009.

Sufficient capacity is planned to meet the required contribution with the EU wide capacity target in 2013 & 2014 although the postponement of the capacity increases foreseen in 2011 reduces the ability of MUAC to provide a positive contribution to FABEC or network performance.

Assessment

The national performance for the Netherlands (LVNL & MUAC) was not consistent with the effort required to be consistent with the EU wide target of 0.7 minutes per flight in 2012. However, if such a level of capacity performance can be maintained, it would be consistent with the EU wide capacity target in 2014 of 0.5 average minutes per flight.

Although the PRB is optimistic that the Netherlands can contribute sufficiently to meeting the EU wide target in 2014, it notes that the ability to provide a positive contribution to FABEC and network performance has been reduced.

It is not clear how the Netherlands has increased capacity plans in compliance with the recommendation from the EC to FABEC States contained within the notification letters.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 90%
- The above indicator was calculated from data provided on the following areas: EHD01; EHD01A; EHD02; EHD02A; EHD03; EHD03A; EHD04; EHD04A; EHD05; EHD05A; EHD06; EHD06A; EHD07; EHD07A; EHD08; EHD08A; EHD09; EHD09A; EHTRA10; EHTRA10A; EHCBASEA1; EHTRA12; EHTRA12A; EHR4A; EHR4E; EHR8; EHD41A; EHD41B; EHD41C; EHD41D; EHD41E; EHD42; CAROL; POLLY.

Recommendations

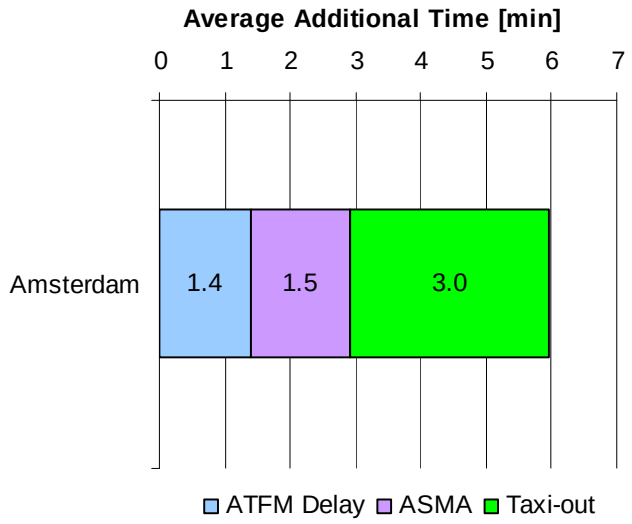
There are no recommendations for The Netherlands

THE NETHERLANDS **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Amsterdam	EHAM	1.4	306466	1.5	317130	**3.0**	651006	**1 274 602**
Weighted average		**1.4**		**1.5**		**3.0**		
Grand Total			**306 466**		**317 130**		**651 006**	**1 274 602**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.).

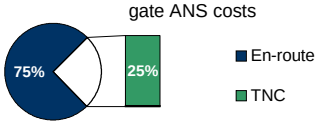
Specific Analysis

- Amsterdam recorded a marginal increase of air traffic in 2012 of 0.3% and demonstrated a stable performance in 2012. The improvement in ATFM arrival delay can be attributed to continued close collaboration of all stakeholders (i.e. Schiphol airport, LVNL, and KLM) and the refinement of local procedures.

1. - Contextual economic information

- Netherlands represents 2.5% of the SES en-route ANS determined costs in 2012.
- ATSP : LVNL
- FAB : FABEC
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

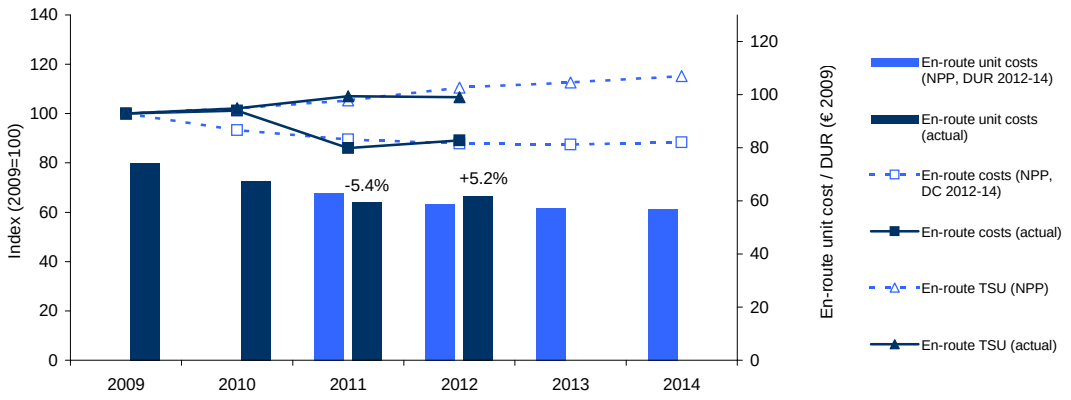


2. - En-route DUR monitoring (2012)

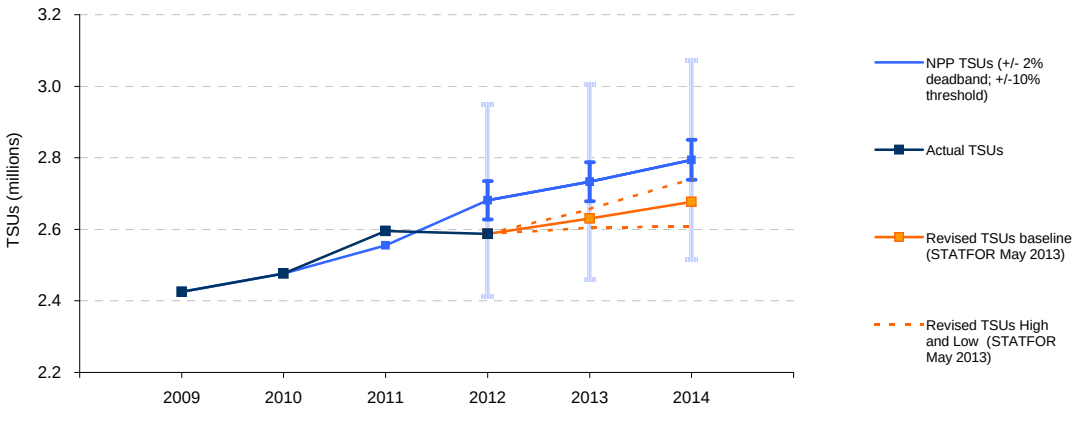
En-route Determined Unit Rate (DUR) 2012 Netherlands (in EUR2009)	58.86
Monitoring - Actual en-route unit cost 2012 Netherlands (in EUR2009)	61.92
Difference (in EUR2009)	3.06
Difference in percent	5.2%

Netherlands - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	179 626 000	169 174 000	165 663 000	165 826 000	168 337 000	173 633 000
Inflation %		1.0%	2.0%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.0	103.0	105.1	107.2	109.3
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 626 000	167 499 010	160 806 639	157 808 687	157 057 143	158 821 835
Total en-route Service Units	2 425 841	2 476 000	2 555 000	2 681 000	2 733 000	2 794 000
Real en-route unit costs per Service Units - (in EUR2009)	**74.05**	**67.65**	**62.94**	**58.86**	**57.47**	**56.84**

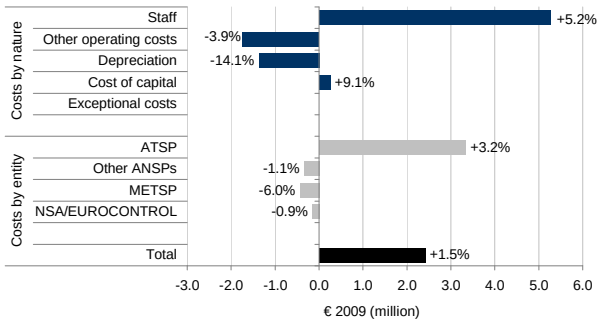
Netherlands - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	179 626 000	183 679 409	159 983 640	170 513 899	4 687 899	2.8%
Inflation %		1.0%	2.5%	2.8%	0.8 p.p.	
Inflation index (100 in 2009)	100.0	101.0	103.5	106.4	1.3 p.p.	
Real en-route costs - (in EUR2009)	179 626 000	181 860 801	154 536 238	160 221 735	2 413 048	1.5%
Total en-route Service Units	2 425 841	2 476 000	2 595 143	2 587 398	-93 602	-3.5%
Real en-route unit costs per Service Units - (in EUR2009)	**74.05**	**67.65**	**59.55**	**61.92**	**3.1**	**5.2%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	3 315
Interest rates on loans	-
National taxation law	95
New cost item required by law	258
International agreements	-
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	3 668
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**3 668**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

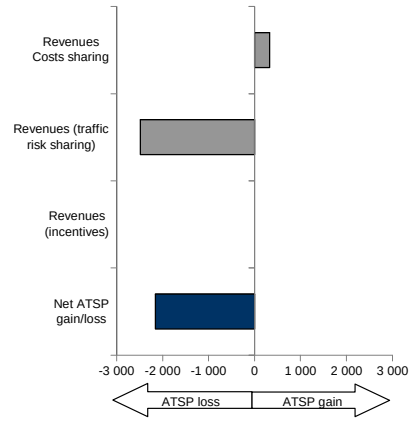
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	103 450
Actual costs for the ATSP	106 788
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-3 338
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	3 668
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**330**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-3.49%
Determined costs after deduction of costs for exempted VFR flights	101 746
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-2 035
ATSP loss (traffic between -2% and -10% below NPP)	-455
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-2 490**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

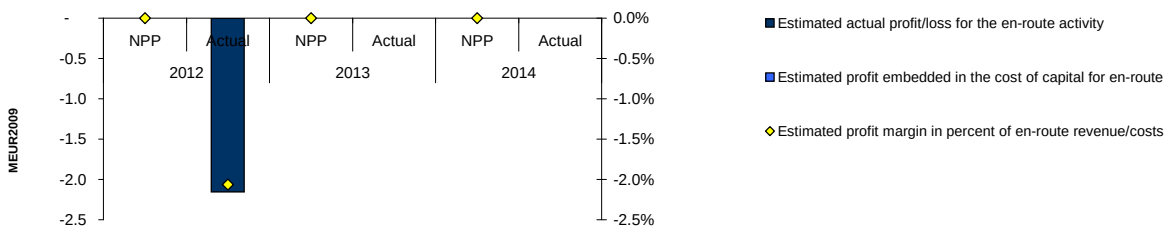
Net ATSP gain(+)/loss(-) on en-route activity	-2 160

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	69 946	68 124	83 239		104 616	
Estimated proportion of financing through equity (in %)	0%	0%	0%		0%	
Estimated proportion of financing through equity (in value)	-	-	-		-	
Estimated proportion of financing through debt (in %)	100%	100%	100%		100%	
Estimated proportion of financing through debt (in value)	69 946	68 124	83 239		104 616	
Cost of capital	2 392	2 844	1 771		1 646	
Average interest on debt	3.4%	4.2%	2.1%		1.6%	
Interest on debt	2 392	2 844	1 771		1 646	
Ex-ante RoE	0.0%	0.0%	0.0%		0.0%	
Estimated profit embedded in the cost of capital for en-route	-	-	-		-	
Net ATSP gain(+)/loss(-) on en-route activity		-2 160				
Estimated profit/loss for the en-route activity	**-**	**-2 160**	**-**		**-**	
Revenue/costs for the en-route activity	**103 450**	**104 629**	**102 694**		**103 910**	
Estimated profit margin in percent of en-route revenue/costs	**0.0%**	**-2.1%**	**0.0%**		**0.0%**	
Estimated ex-post RoE	**N/appl**	**N/appl**	**N/appl**		**N/appl**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

The actual 2012 traffic measured in total Service Units (TSUs) is lower (i.e. -3.5%) than the traffic planned in Netherlands' Performance Plan for RP1 (NPP). On the other hand, the actual en-route costs at State level for the year are +2.8% above the determined costs published in the NPP (i.e. +1.5% in real terms). As a result, Netherlands' actual real en-route unit cost (i.e. 61.92 €2009) is +5.2% higher than the Determined Unit Rate (DUR) for 2012 (i.e. 58.86 €2009), corresponding to an increase of +3.1 €2009.

The change in actual traffic compared to the NPP for 2012 (i.e. -3.5%) falls outside the ±2% dead band foreseen in the traffic risk sharing mechanism, but it does not exceed the -10% threshold. Therefore, the related loss is shared between airspace users and LVNL (which records a loss of some -2.5M€2009, as it is detailed below). Note that MUAC is not subject to traffic risk sharing in RP1. The traffic outlook for the rest of RP1, according to the latest forecasts released by STATFOR in May 2013, depicts a more pessimistic scenario than presented in the NPP. Although the en-route traffic is planned to increase in both 2013 and 2014, it is forecasted to remain below the levels planned in the NPP, and to exceed the ±2% dead band for rest of RP1.

The increase in 2012 en-route costs (compared to the NPP) is mainly explained by the variation in LVNL costs (i.e. + 3.2%) and in particular in staff costs (i.e. +4.7% in real terms), as described at ATSP level in the box below. According to the NSA monitoring report and to the additional information to the Reporting Tables, this is mainly due to increases in pension costs, which are reported as costs exempt from cost sharing (see below).

On the contrary, MUAC managed to reduce its costs by -1.1% in real terms, compared to the NPP. The share of MUAC costs in the Netherlands en-route cost-base is around 19%. This variation results from a combination of higher staff costs than planned and lower operating costs and capital related costs. It is understood from the additional information to the Reporting Tables that these changes depend on the fact that "cost-effectiveness measures were taken in the area of recruitment of Ab-Initio students and support staff. External support was reduced. Investment programmes for capacity enhancing projects were put on hold or shifted in time". MUAC investments relating to the VCS, new generation CWP and the SESAR compliant ATM were reduced compared to plans, to reflect postponement or delays.

Finally, the MET provider KNMI also managed to reduce its actual 2012 costs by -6.0% in real terms compared to the plans, mainly trough reductions in other operating costs.

Costs exempt from cost sharing are reported for a total amount of 3.7 M€2009 to be passed on to airspace users for the en-route activity. Of these, 3.3M€2009 relate to pensions, 0.1M€2009 to VAT increases and 0.3M€2009 to the introduction of an additional crisis income tax on annual salaries above 150 000 €. These costs will be eligible for carry-over to the following reference periods, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

LVNL actual 2012 en-route costs are +3.3 M€2009 (or +3.2%) higher than planned This mainly results from the combination of opposite effects: higher staff costs by 3.5 M€2009 (or +4.7%), slightly higher other operating costs by 0.2 M€2009 (or 0.8%), lower depreciation costs by -0.7 M€2009 (or -10.4%) and higher cost of capital by +0.5 M€2009 (or +18.9%) than planned in the NPP.

The increase in staff costs is mainly attributable to the variation of pension costs, provision and social security premiums as described above.

The reduction of depreciation costs compared to the plans is linked to the rescheduling of the investments originally planned for 2012 and in particular the "Communication Mustang" Project (whose entry into operation was delayed, although the relating capex rose from 1.7 M€ planed to 2.2 M€ actual) and the replacement of the "Surveillance TAR-4" Project (delayed). According to the NSA Report, the actual 2012 capex amounts to some 14.7 M€2009,. This is significantly lower than planned in the NPP (i.e. some 26.9 M€2009, for the year 2012). The main drivers for this difference are lower capex than planned for the "contingency" project (i.e. some 0.4 M€ compared to 2.0 M€ planned in the NPP), and the fact that capex for "replacement IT office automation" (1.7 M€ planned) and "primary radar coverage Polderbaan (18R/36L) (1.5 M€ planned) did not materialise in 2012.

The higher cost of capital than planned is a result of two opposite effects: on the one hand the decrease in the asset base with respect to plans (i.e. some -3% or -1.8 M€2009), on the other hand the increase in the average interest rate, from 3.4% to 4.2%. It is understood from the additional information to the Reporting Tables that LVNL is in the process of building up equity assets but that, due to the absence of equity for LVNL at the start of RP1, the Government decided not to consider the cost of equity when computing the cost of capital for LVNL. Therefore, the cost of capital for LVNL only comprises interest on debt (i.e. commercial loans and Government loans).

As a result of the cost sharing mechanism, and if the costs exempt from cost sharing are deemed eligible by the European Commission, LVNL would fully neutralise the loss arising from higher actual costs than planned in the NPP for 2012 (i.e. a difference of 3.3 M€2009), and would achieve a gain of 0.3 M€2009 in 2012 to be retained in respect of cost sharing.

On the other hand, due to the traffic risk sharing mechanism, the lower actual TSUs compared to the NPP (i.e. -3.5%) generates a loss of some -2.0 M€2009 for the ATSP for the traffic decrease within the -2% band and -0.5 M€2009 loss for the traffic change between -2% and -10% (i.e. a total loss of -2.5 M€2009).

Overall, the en-route activity for the year 2012 would generate a net loss of -2.2 M€2009 for LVNL, if the costs exempt from cost sharing are deemed eligible (or -5.8 M€2009 without taking account of exemptions from cost sharing)..

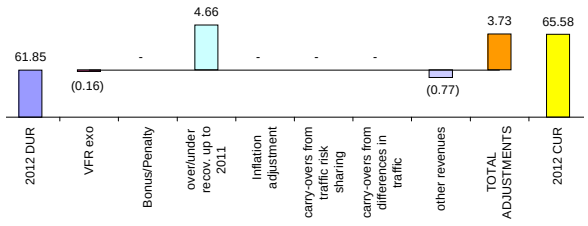
On the profitability side, as detailed above, LVNL did not have any equity at the start of RP1 to properly cope with the traffic risk sharing. This has been the rationale for establishing a mechanism to build up an equity capital over l RP1 (i.e. some 22 M€). It is understood from the NPP that a corresponding amount has been added to the 2010 en-route cost base, under "exceptional costs". This amount contributed to generate an under-recovery for the year 2010 that will be recovered though the 2012-2014 unit rates and recorded as equity in LVNL balance sheet. However, from the additional information to the Route Charges it seems that, due to the fact that traffic is lower than planned over RP1 (see above), LVNL is not planning to achieve its target in terms of equity building.

Because LVNL has no equity and hence no return on equity, the ex-ante estimated profit embedded in the cost of capital for the en-route activity planned in the NPP amounts to zero.

Conclusion:
Ex-post, LVNL experiences a net loss of -2.2 M€2009 for the en-route activity if the costs exempt from cost sharing are deemed eligible (or -5.8 M€2009 without taking account of exemptions from cost sharing). This loss therefore yields a negative profit margin of -2.1% of the en-route revenue in respect of the activity in 2012 (-5.8% without taking account of exemptions from cost sharing). Given the latest traffic outlook for 2013 and 2014, LVNL should seek every opportunity to reduce its costs (e.g. FAB cooperation, technological alliance, etc.) or have alternative sources of revenues in order to limit overall losses.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Netherlands 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to airspace users in 2012 was 65.58 €. This is lower than the nominal DUR (i.e. 61.85 €), due to the carry-over to 2012 of under-recoveries incurred before the entry into force of the determined costs method.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	4	4	4	4	4	4
of which, number of airports over 50 000 movements		1	1	1	1	1

Netherlands - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	62 603 512	55 908 000	53 780 000	56 195 000	56 532 000	58 165 000
Inflation index (100 in 2009)	100.0	101.0	103.0	105.1	107.2	109.3
Real terminal ANS costs - (in EUR2009)	**62 603 512**	**55 354 455**	**52 203 456**	**53 478 099**	**52 743 927**	**53 203 435**

Netherlands - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	62 603 512	55 908 000	55 545 000	51 422 996	-4 772 004	-8.5%
Inflation index (100 in 2009)	100.0	101.0	103.5	106.4	1.3 p.p.	
Real terminal ANS costs - (in EUR2009)	**62 603 512**	**55 354 455**	**53 653 707**	**48 319 121**	**-5 158 978**	**-9.6%**
Total terminal service units	311 000	315 000	339 680	339 000		
Actual real unit costs - (in EUR2009)	201.3	175.7	158.0	142.5		
Unit rate applied - (in EUR)				**163.12**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The Netherlands has one terminal charging zone comprising four airports of which one above 50 000 movements per year (i.e. Schiphol-EHAM). The harmonised SES formula (MTOW/50)^0.7 already applies in the Netherlands Terminal Charging Zone.

The applied unit rate is 163.12 €.

The actual terminal ANS 2012 costs are -9.6% lower in real terms (or some -5.2 M€2009) than planned in the NPP, which is a significant decrease compared to the plan but also significantly lower than in 2011 (i.e. -9.9% in real terms). This contrasts with the en-route activity.

The reduction in terminal ANS costs is mainly due to lower staff costs, while these increased for en-route. It is understood from the additional information to the Reporting Tables that this different trend could be due to a significant reduction in the number of FTE staff assigned to terminal ANS provision in 2012. It is therefore inferred that this more compensate for the increase generated by the variation of pension costs, provision and social security premiums as described above for en-route.

11. - Monitoring of gate-to-gate costs (2012)

Netherlands - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 626 000	167 499 010	160 806 639	157 808 687	157 057 143	158 821 835
Real terminal ANS costs - (in EUR2009)	62 603 512	55 354 455	52 203 456	53 478 099	52 743 927	53 203 435
Real gate-to-gate ANS costs - (in EUR2009)	**242 229 512**	**222 853 465**	**213 010 095**	**211 286 786**	**209 801 070**	**212 025 269**
Share of en-route costs in gate-to-gate ANS costs	**74.2%**	**75.2%**	**75.5%**	**74.7%**	**74.9%**	**74.9%**

Netherlands - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	179 626 000	181 860 801	154 536 238	160 221 735	2 413 048	1.5%
Real terminal ANS costs - (in EUR2009)	62 603 512	55 354 455	53 653 707	48 319 121	-5 158 978	-9.6%
Real gate-to-gate ANS costs - (in EUR2009)	**242 229 512**	**237 215 256**	**208 189 945**	**208 540 856**	**-2 745 930**	**-1.3%**
Share of en-route costs in gate-to-gate ANS costs	**74.2%**	**76.7%**	**74.2%**	**76.8%**	**2.1%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual 2012 gate-to-gate costs are -1.3% lower than planned as a result of higher en-route costs but lower terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS is planned to remain quite stable over RP1. However for 2012 it slightly changed with respect to the NPP, since the share of en-route costs increased from 74.7% to 76.8%, as a result of different costs trends for en-route and terminal ANS costs.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Norway

Edition 1.0
Edition date: 15/08/2013

NORWAY **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Norway	2012	2013	2014
State level	48		
ANSP	80		

EASA observations

Over 65% of the replies were reviewed: 70% were considered as "L"(low level of confidence) , 24% as "M"(medium level of confidence) and 6% as "H" (high level of confidence). The remaining replies (35%) were self-assessed as initiating/planning, hence, no subject to sampling.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	1	0%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	120	5%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	1309	1%		%		%

The Norwegian Performance Report indicates that Norway has not implemented the RAT-methodology on a State level. The Norwegian ANSP is on the other hand in compliance with the requirements. The Norwegian CAA perceives that they will have implemented the RAT-methodology at the beginning of 2014.

The reporting for RIs does not correspond with the AST reporting mechanism (122 reported in monitoring report and 120 via AST mechanism).

The Monitoring Report of Norway does not have the data regarding the SMIs and ATM specific technical events. This is due to delays in the production of statistics. The figures should be available by the end of August 2013.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (Anivor)	
	YES	NO	YES	NO
Policy and its implementation	3	7	11	2
Legal/Judiciary	6	2	2	1
Occurrence reporting and Investigation	2	0	5	3
TOTAL	**11**	**9**	**18**	**6**

NORWAY **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.04	0.04	0.05	
National Target	0.04	0.04	0.05	
Actual performance	0.28	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Norway did not contain any specific details of how FUA would be applied to increase capacity.

Assessment

- The Norwegian Annual Capacity Report states that the deviation in performance was limited to the months of June, July and August. It explains that the reasons for the deviations were capacity/staffing problems at ATCC Oslo: staff planning and organising related during the summer holiday period proved to be unsatisfactory.
- The NSA states that meetings took place with the management of the ANSP, and the Ministry of Transport and communication, to discuss how similar problems can be avoided in the future. As a result of these meetings, several changes were made to ensure that delivery of en route services will be provided in and acceptable manner.
- The NSA also states that it will prioritise supervision of the ANSP more closely with regard to planning and organisation of the staffing.
- The NSA is optimistic that the problems are resolved and that the capacity target will be met for 2013.
- Capacity performance for 2012 did not meet the national target and was inconsistent with the effort required to meet the EU-wide target. In light of the report of the remedial actions taken by the NSA, the PRB is optimistic that Norway will meet the capacity target for 2013 and for 2014.
- The existing capacity of ACCs in Norway was considered to be sufficient to handle the expected traffic demand for RP1, as stated in the NOP 2012-2016, Because of the problems in deploying the existing capacity, the capacity performance for 2012 did not meet the national target and was inconsistent with the effort required to meet the EU-wide target. In light of the report of the remedial actions taken by the NSA, the PRB is optimistic that Norway will meet the capacity target for 2013 and for 2014.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 44%
- The above indicator was calculated from data provided on the following areas: TSA B1A; TSA B1B; TSA B2; D411; TSA B3B; D412; TSA B4B; D413; TSA B4D; TSA B5A; TSA B5B; TSA B5C; D414; D415; TSA B6C; TSA B6D; D416 ; D417 ; D418 ; D419; TSA T2A ; TSA T2B ; TSA T2C ; TSA B7A ; TSA B7B; TSA B7C; TSA O1A; TSA O1B; TSA O2A; TSA O2B; TSA O2C; TSA O3A; TSA O3B; TSA O3C; TSA O4A; TSA O4B; TSA O4C; TSA O4D ; D111 ; D112; TSA S1A; TSA S1B & TSA S2A.

Recommendations

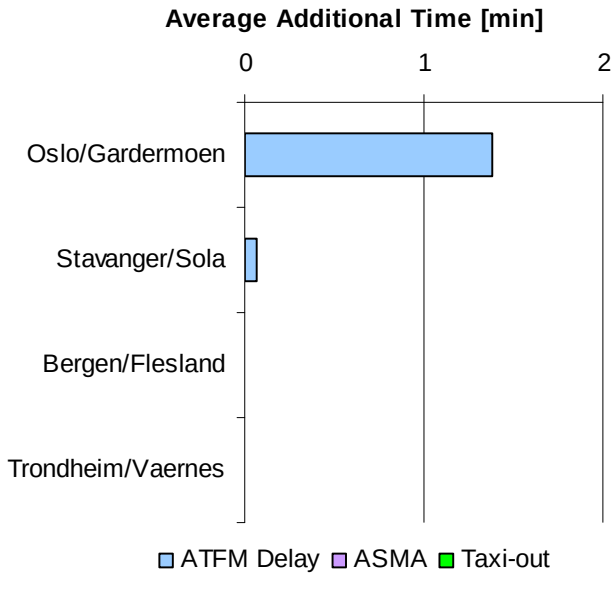
- No recommendations for Norway

NORWAY **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Oslo/Gardermoen	ENGM	1.4	162 048	Missing Data		Missing Data		162 048
Stavanger/Sola	ENZV	0.1	2 338	Not applicable		Missing Data		2 338
Bergen/Flesland	ENBR	0.0	643	Not applicable		Missing Data		643
Trondheim/Vaernes	ENVA	0.0	0	Not applicable		Missing Data		0
Weighted average		**0.7**						
Grand Total			**165 029**		**0**		**0**	**165 029**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Missing data for ASMA calculation at Oslo Airport
- Missing data for all airports for unimpeded taxi-out time calculation

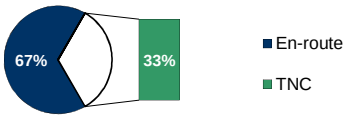
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Norway represents 1.6% of the SES en-route ANS determined costs in 2012.
- ATSP : Avinor
- FAB : NEFAB
- National currency: NOK
- Exchange rate 2009: 1 EUR= 8.72807

Share of en-route and terminal in gate-to-gate ANS costs

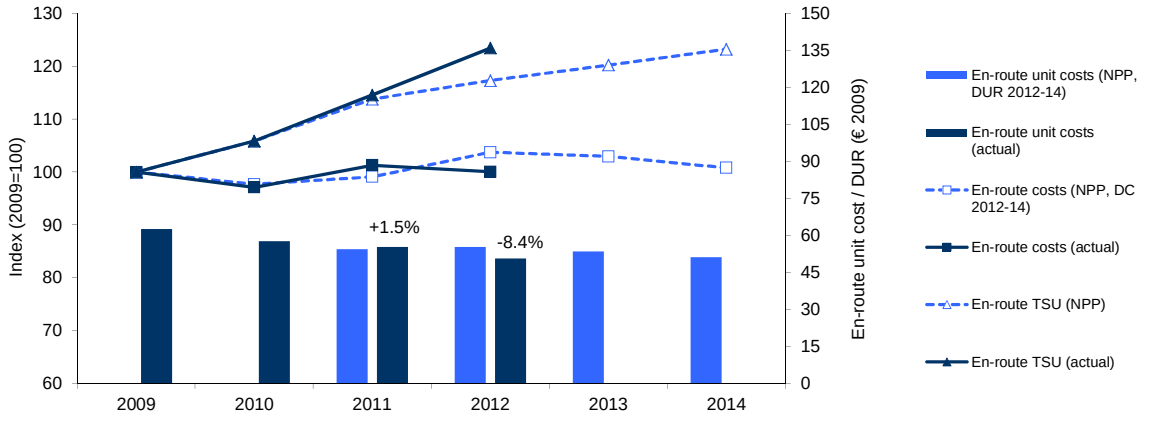


2. - En-route DUR monitoring (2012)

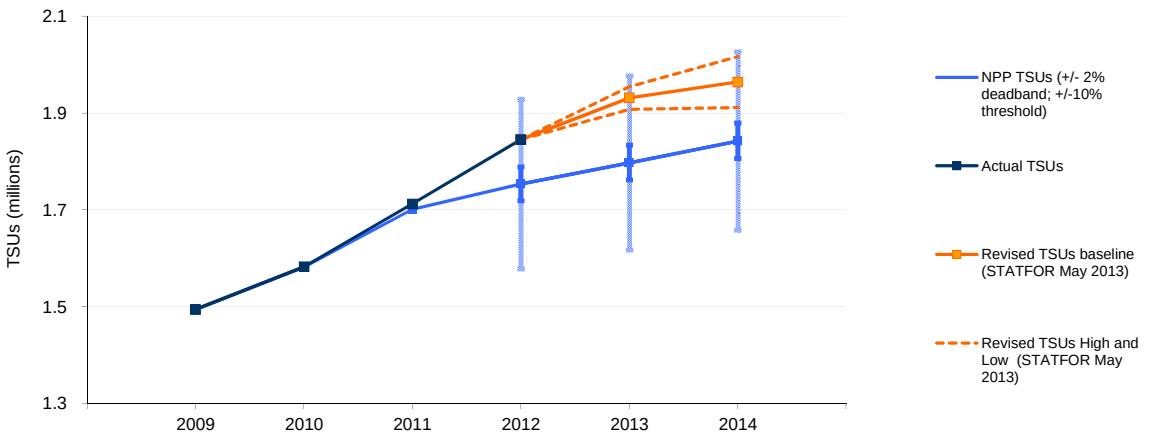
En-route Determined Unit Rate (DUR) 2012 Norway (in NOK2009)	482.98	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Norway (in NOK2009)	442.61	In 2012, the NOK appreciated by 4.1% compared to 2011.
Difference (in NOK2009)	-40.37	Exchange rate 2011: 1 EUR= 7.79228
Difference in percent	-8.4%	Exchange rate 2012: 1 EUR= 7.47413

Norway - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal NOK)	816 343 600	811 264 608	834 553 721	885 743 710	893 184 025	891 017 436
Inflation %		1.7%	1.4%	1.4%	1.6%	1.9%
Inflation index (100 in 2009)	100.0	101.7	103.1	104.6	106.2	108.3
Real en-route costs (determined costs 2012-2014) - (in NOK2009)	816 343 600	797 703 646	809 273 632	847 054 227	840 718 058	823 040 957
Total en-route Service Units	1 494 584	1 582 742	1 701 332	1 753 798	1 797 642	1 842 584
Real en-route unit costs per Service Units - (in NOK2009)	**546.20**	**504.00**	**475.67**	**482.98**	**467.68**	**446.68**
Real en-route unit costs per Service Units - (in EUR2009)	**62.58**	**57.74**	**54.50**	**55.34**	**53.58**	**51.18**

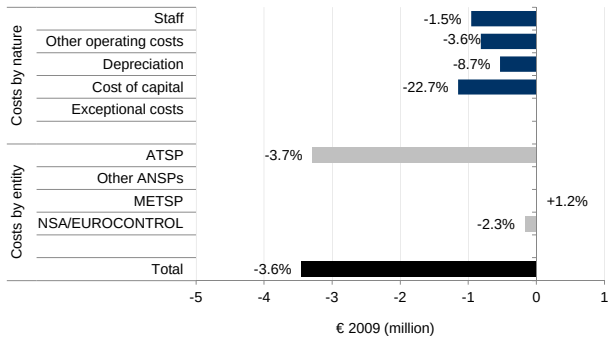
Norway - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal NOK)	816 343 600	806 335 205	851 265 387	844 093 366	-41 650 344	-4.7%
Inflation %		1.7%	1.2%	0.4%	-1.0 p.p.	
Inflation index (100 in 2009)	100.0	101.7	102.9	103.3	-1.2 p.p.	
Real en-route costs - (in NOK2009)	816 343 600	792 856 642	827 110 453	816 874 443	-30 179 784	-3.6%
Total en-route Service Units	1 494 584	1 582 742	1 712 781	1 845 568	91 770	5.2%
Real en-route unit costs per Service Units - (in NOK2009)	**546.20**	**504.00**	**482.90**	**442.61**	**-40.37**	**-8.4%**
Real en-route unit costs per Service Units - (in EUR2009)	**62.58**	**57.74**	**55.33**	**50.71**	**-4.63**	**-8.4%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-262
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-262
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-262

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

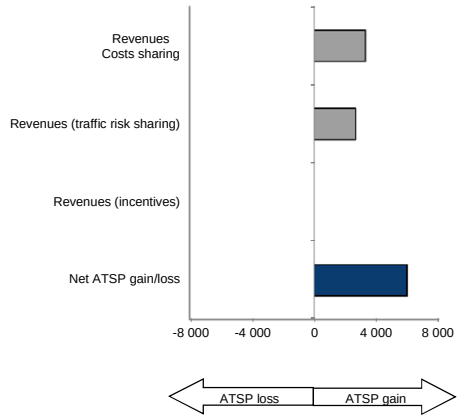
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	88 749
Actual costs for the ATSP	85 453
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	3 295
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**3 295**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	5.2%
Determined costs after deduction of costs for exempted VFR flights	89 810
ATSP gain (traffic between 0 and +2% higher than NPP)	1 796
ATSP gain (traffic between +2% and +10% higher than NPP)	871
ATSP loss (traffic between 0 and -2% below NPP)	
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**2 667**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

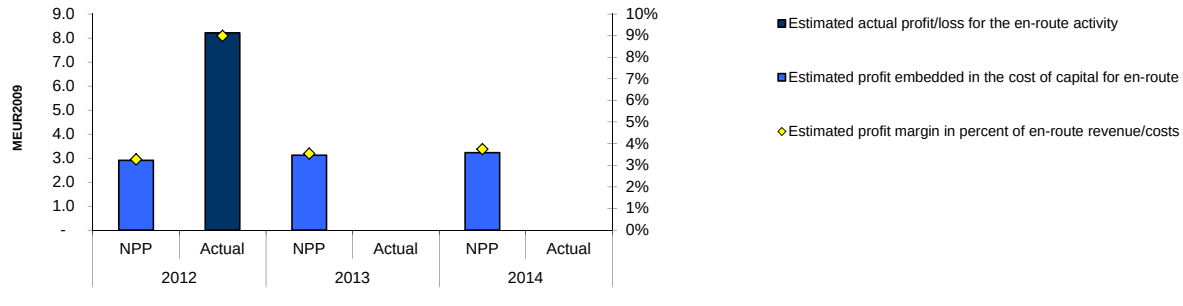
Net ATSP gain(+)/loss(-) on en-route activity	5 963

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	66 826	51 647	71 580		73 769	
Estimated proportion of financing through equity (in %)	40%	40%	40%		40%	
Estimated proportion of financing through equity (in value)	26 642	20 648	28 519		29 529	
Estimated proportion of financing through debt (in %)	60%	60%	60%		60%	
Estimated proportion of financing through debt (in value)	40 183	30 999	43 061		44 240	
Cost of capital	5 075	3 926	5 435		5 609	
Average interest on debt (see Note 1)	5.4%	5.4%	5.4%		5.4%	
Interest on debt	2 166	1 671	2 321		2 385	
Ex-ante RoE (see Note 1)	10.9%	10.9%	10.9%		10.9%	
Estimated profit embedded in the cost of capital for en-route	2 909	2 255	3 114		3 225	
Net ATSP gain(+)/loss(-) on en-route activity		5 963				
Estimated profit/loss for the en-route activity	**2 909**	**8 217**	**3 114**		**3 225**	
Revenue/costs for the en-route activity	**88 749**	**91 416**	**88 027**		**86 040**	
Estimated profit margin in percent of en-route revenue/costs	**3.3%**	**9.0%**	**3.5%**		**3.7%**	
Estimated ex-post RoE	**10.9%**	**39.8%**	**10.9%**		**10.9%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on information provided by Norway

Note 1: Assumptions for the gearing, the return on equity and the average interest on debt
Note that the figures reported by Norway in the en-route reporting tables for the pre-tax RoE and the pre-tax interest on debt are actually after tax rates (7.9% and 3.9%, respectively). In order to ensure data consistency the pre-tax RoE and interest on debt figures have been calculated based on the available information about the pre-tax and after tax WACC (7.6% and 5.5%, respectively) and about the gearing (i.e. 60% debt ratio). The recalculated pre-tax RoE and interest on debt figures are used in the calculation of the embedded profit in item 6.

Note 2: Capitalisation of staff costs
Norway reports in the additional information for the en-route reporting tables that the asset base includes "*capitalisation of internal man hours in investment projects*".

At State / Charging Area level

Norway's actual 2012 real en-route unit cost is -8.4% lower than planned as real en-route costs are -3.6% below the NPP figures while the number of total en-route service units exceeds the plan (+5.2%).

With the +5.2% higher than planned traffic Norway is above the ±2% dead band in 2012. According to the revised May 2013 STATFOR plan the traffic for 2013 and 2014 is also expected to be higher than planned in the NPP, most probably beyond the ±2% dead band but below the +10% threshold for each year.

Real en-route costs for Norway are -3.6 % lower in 2012 than planned as a combination of -4.7% lower nominal total costs and -1.2 percentage points lower inflation index. Actual costs are lower than planned in all cost categories by nature. According to Norway's NSA Monitoring Report, staff costs (-1.5%) are lower due to the lower number of staff (both ATCOs and support staff) and savings in pension costs compared to the plan, other operating costs (-3.6%) are lower than planned as a result of savings in multiple cost items (i.e. travel, consultants, repair and maintenance) while depreciation (-8.7%) and cost of capital (-22.7%) are affected by lower than planned capital expenditure and delayed capitalisation of large investments.

Costs exempt from cost sharing are reported for a total amount of -0.3 M€2009 to be reimbursed to users for the en-route activity, corresponding to unforeseen change in the Eurocontrol costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

In 2012 Avinor has a gain of +3.3 M€2009 from cost sharing due to lower than planned costs. Furthermore, the +5.2% higher than planned traffic results in a +2.7 M€2009 gain for the ATSP in 2012. As a result, the combined effect on profitability of these two deviations is a +6.0 M€2009 gain.

Based on the assumptions detailed in Note 1 above the calculated actual embedded profit margin for Avinor in 2012 is +2.3 M€2009 which is -23% lower than planned in the NPP (i.e. +2.9 M€2009). This deviation is due entirely to the lower than planned total asset base (-23%). Although no detailed information was provided by Norway about the actual capex for 2012 but it is clearly indicated that the 2012 capex are lower than the plan which explains the lower asset base. After adding the +6.0 M€2009 net gain resulting from the cost and traffic sharing mechanism, the actual profit relating to the 2012 en-route activities of the ATSP amounts to +8.2 M€2009 or +9.0% of the en-route activity turnover. The estimated return on equity for Avinor in respect of the 2012 en-route activities is 39.8%.

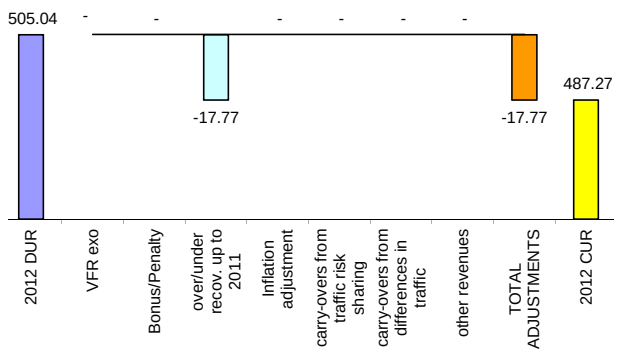
Referring to the reported lower than planned number of ATCOs and support staff and to the postponement of investments it is worth noting that Avinor had capacity issues during the summer months of 2012 at ACC Oslo due to staffing problems.

Conclusion

Avinor's profitability in respect of the 2012 activities was outstanding as a result of the fact that despite the higher than planned traffic actual costs were below the determined costs. In light of the upward traffic revisions compared to the NPP for 2013 and 2014, Avinor is in a good position to reach the planned profit margin throughout RP1.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Norway 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - NOK



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The average UR charged to users in 2012 (487.27 NOK) was lower than the nominal DUR (505.04 NOK) due to some over-recoveries up to 2011. Note that a modification of the unit rate took place in 2012 for Norway. Therefore the 2012 CUR presented on the chart above corresponds to the average for the year.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^		0.9	0.9	0.9	0.9	0.9
Number of airports in the terminal charging zone(s)		4	4	4	4	4
of which, number of airports over 50 000 movements		4	4	4	4	4

Norway - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in NOK)	0	399 773 247	409 364 496	441 644 803	427 137 945	433 534 776
Inflation index (100 in 2009)	100.0	101.7	103.1	104.6	106.2	108.3
Real terminal ANS costs - (in NOK2009)	**0**	**393 090 705**	**396 964 131**	**422 353 660**	**402 047 701**	**400 460 039**
Real terminal ANS costs - (in EUR2009)	**0**	**45 037 529**	**45 481 318**	**48 390 270**	**46 063 758**	**45 881 855**

Norway - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in NOK)	0	399 773 235	403 728 452	408 645 408	-32 999 395	-7.5%
Inflation index (100 in 2009)	100.0	101.7	102.9	103.3	-1.2 p.p.	
Real terminal ANS costs - (in NOK2009)	**0**	**393 090 693**	**392 272 525**	**395 468 088**	**-26 885 571**	**-6.4%**
Real terminal ANS costs - (in EUR2009)	**0**	**45 037 528**	**44 943 788**	**45 309 913**	**-3 080 357**	**-6.4%**
Total terminal service units		217 615	233 918	247 004		
Actual real unit costs - (in NOK2009)		1 806.4	1 677.0	1 601.1		
Unit rate applied - (in NOK)				**1 857.25**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Norway comprises four airports (Oslo, Bergen, Stavanger and Trondheim). Norway does not use the harmonised SES formula (MTOW/50)^0.7 but the formula (MTOW/50)^0.9 is applied to determine the number of terminal service units throughout RP1.

The actual real 2012 terminal ANS costs are -6.4% lower than the forecast presented in the NPP which indicates that savings in terminal activities compared to the plan were slightly higher than those observed for en-route activities.

11. - Monitoring of gate-to-gate costs (2012)

Norway - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in NOK2009	816 343 600	797 703 646	809 273 632	847 054 227	840 718 058	823 040 957
Real terminal ANS costs - (in NOK2009)	0	393 090 705	396 964 131	422 353 660	402 047 701	400 460 039
Real gate-to-gate ANS costs - (in NOK2009)	**816 343 600**	**1 190 794 351**	**1 206 237 763**	**1 269 407 886**	**1 242 765 759**	**1 223 500 996**
Real gate-to-gate ANS costs - (in EUR2009)	**93 530 826**	**136 432 722**	**138 202 118**	**145 439 700**	**142 387 236**	**140 180 016**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**67.0%**	**67.1%**	**66.7%**	**67.6%**	**67.3%**

Norway - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in NOK2009)	816 343 600	792 856 642	827 110 453	816 874 443	-30 179 784	-3.6%
Real terminal ANS costs - (in NOK2009)	0	393 090 693	392 272 525	395 468 088	-26 885 571	-6.4%
Real gate-to-gate ANS costs - (in NOK2009)	**816 343 600**	**1 185 947 335**	**1 219 382 979**	**1 212 342 531**	**-57 065 355**	**-4.5%**
Real gate-to-gate ANS costs - (in EUR2009)	**93 530 826**	**135 877 386**	**139 708 203**	**138 901 559**	**-6 538 141**	**-4.5%**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**66.9%**	**67.8%**	**67.4%**	**0.7%**	

12 - General conclusions on the gate-to-gate ANS costs

The actual real 2012 gate-to-gate ANS costs are -4.5% lower than the forecast presented in the NPP.

The relative share of en-route costs within the total cost base has been relatively stable at around 67% since 2010 which is in line with that forecasted in the National Performance Plan.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Poland

Edition 1.0
Edition date: 15/08/2013

POLAND **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Poland	2012	2013	2014
State level	55		
ANSP	68		

EASA observations

95% of the replies were found to correspond to the situation encountered at the time of the standardisation visit. 2.5% of the replies are slightly overrated and 2.5% of them are overrated.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	2	0%		%		%
	ATM overall		100%		%		%
Reporting Runway Incursions (RIs)	ATM ground	53	0%		%		%
	ATM overall		87%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	101	71%		%		%

The values given for the reported incidents in the Polish Monitoring Report only totals the number of occurrences reported to SCAAI and those delegated by SCAAI to PANSA for investigation.

These numbers do not correspond with data reported via the AST reporting mechanism. In addition, the ratio of severity assessments with the RAT methodology also does not correspond with information received via the AST reporting mechanism.

The figures in the Polish Monitoring Report differ from the AST report:

- 11 reported SMIs vs. 2 in AST;
- 2(15) reported RIs vs.53 in AST;
- 4(60) reported vs. 101 according to the AST.

The value in the bracket means the number of occurrences reported to SCAAI The value before bracket means the number of occurrences delegated by SCAAI to PANSA for investigation.

Also the use of the RAT methodology is reported differently in the Monitoring Report:

- for SMIs 50% assessment with RAT (AST reports ‘N/A’);
- for RIs 80% assessment with RAT(AST report gives 0% severity assessment with RAT);
- 96% in the Monitoring Report and 100% in the AST Report.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (PANSA)	
	YES	NO	YES	NO
Policy and its implementation	4	6	6	7
Legal/Judiciary	7	1	1	2
Occurrence reporting and Investigation	1	1	2	6
TOTAL	**12**	**8**	**9**	**15**

POLAND **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.32	0.31	0.26	
National Target	1.00	1.50	0.48	
Actual performance	0.52	--	--	

Capacity

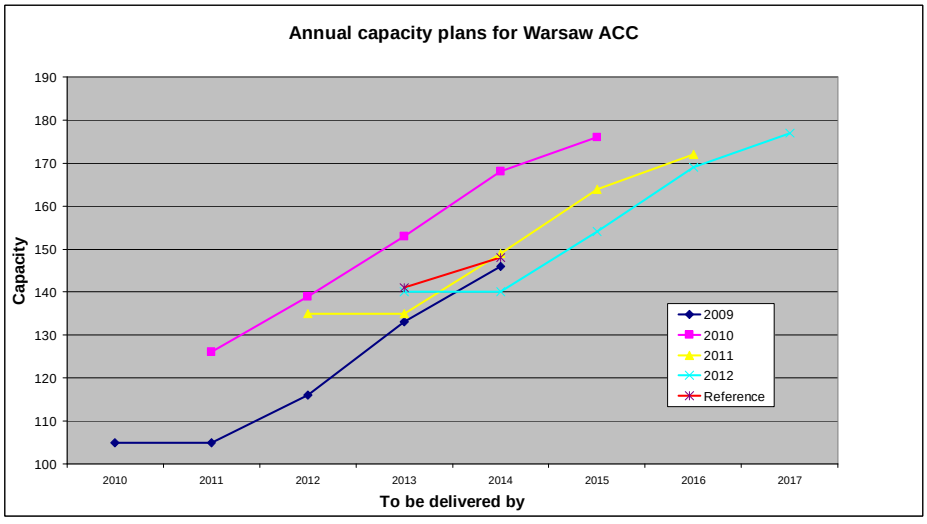
- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Poland did not contain any specific details of how FUA would be applied to increase capacity.
- The national monitoring report for Poland 2012 notes that, in June 2012, the EURO 2012 championship, with associated traffic increase, resulted in significantly less delay per flight than the same month in 2011, primarily due to modification of traffic flow in critical parts of the Warsaw FIR.
- The report states that the previously planned implementation of the new ATM system was postponed from 2012 until autumn 2013. This, according to the report, could threaten the targeted capacity performance for 2014 which is already high at 1.5 minutes per flight (compared to 0.31 minutes per flight to be consistent with the EU wide delay target for 2013).
- Although capacity performance for 2012 exceeded the national target, it remained inconsistent with the effort required to meet the EU wide target. In light of the postponement of the implementation of the new ATM system to 2013, the PRB is concerned that Poland will not meet the national target for 2013, nor possibly for 2014.

Extract from notification letter from EC July 2012:

Furthermore, Poland's performance plan is assessed on the clear expectation that Poland will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.26 minute of average delay per flight to be met in 2015, with the assistance of the Network Manager.

Annual capacity plans of Warsaw ACC (2009 – 2012).

(Data is taken from LSSIP 2010-2014, LSSIP 2011-2015, NOP 2012-2016, NOP 2013-2017.)



Capacity plans from 2009 show a continuous improvement although not at the rate originally foreseen.

Despite the continuous improvement, a small capacity shortfall is expected in 2014, from what is required to be consistent with the EU wide capacity target.

POLAND **Monitoring of CAPACITY indicators for 2012**

Assessment

Although capacity performance for 2012 exceeded the national target, it remained inconsistent with the effort required to meet the EU wide target. In light of the postponement of the implementation of the new ATM system to 2013, the PRB is concerned that Poland will not meet the national target for 2013, nor possibly for 2014.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 48%
- Poland did not provide any information regarding the specific areas used to calculate this indicator.

Recommendations

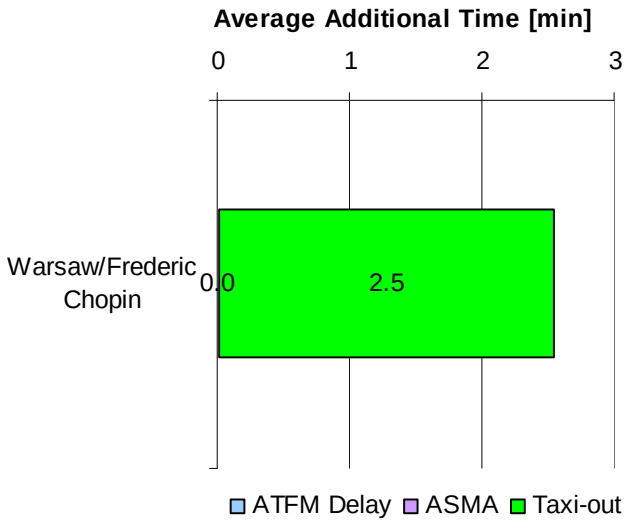
- Poland is invited to work closely with the Network Manager and adjacent ANSPs to minimise the disruption to air traffic which is likely to occur due to the implementation of the new ATM system in autumn 2013 and most likely early 2014.
- In light of the critical capacity situation projected for 2013, Poland is requested to investigate and describe how the FUA concept can be applied to provide additional capacity within the Warsaw FIR.
- Poland is invited to provide more detailed data on the allocation and use of individual restricted and segregated areas of the aggregated data provided.

POLAND **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Warsaw	EPWA	0.0	1 264	Missing CPR Data		2.5	160 467	161 731
Weighted average		**0.0**				**2.5**		
Grand Total			**1 264**		**0**		**160 467**	**161 731**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Missing CPR data.

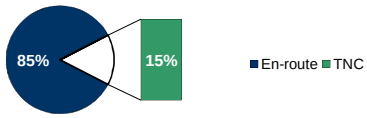
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Poland represents 2.1% of the SES en-route ANS determined costs in 2012.
- ATSP : PANSA
- FAB : Baltic
- National currency: PLN
- Exchange rate 2009: 1 EUR= 4.32383

Share of en-route and terminal in gate-to-gate ANS costs

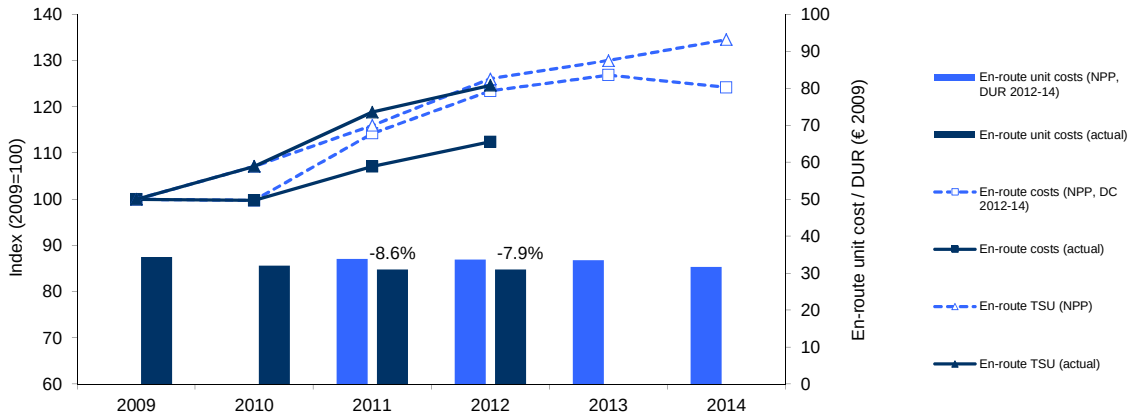


2. - En-route DUR monitoring (2012)

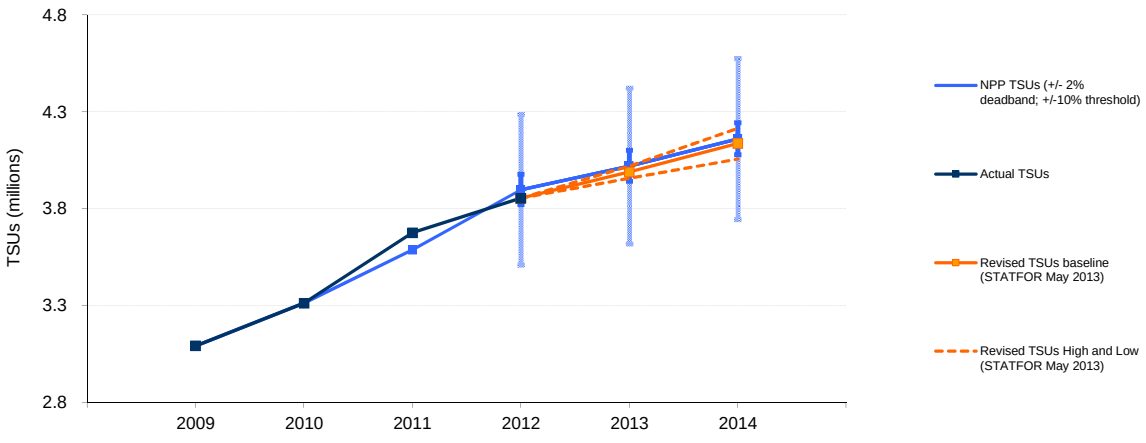
En-route Determined Unit Rate (DUR) 2012 Poland (in PLN2009)	145.62	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Poland (in PLN2009)	134.13	In 2012, the PLN depreciated by 1.6% compared to 2011.
Difference (in PLN2009)	-11.49	Exchange rate 2011: 1 EUR= 4.11521
Difference in percent	-7.9%	Exchange rate 2012: 1 EUR= 4.1792

Poland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal PLN)	459 836 760	471 159 428	561 585 902	624 280 299	658 448 534	660 703 387
Inflation %		2.7%	4.1%	2.9%	2.6%	2.5%
Inflation index (100 in 2009)	100.0	102.7	106.9	110.0	112.8	115.7
Real en-route costs (determined costs 2012-2014) - (in PLN2009)	459 836 760	458 772 569	525 522 297	567 754 139	583 517 084	571 234 473
Total en-route Service Units	3 092 271	3 312 823	3 587 255	3 898 889	4 021 000	4 161 000
Real en-route unit costs per Service Units - (in PLN2009)	**148.71**	**138.48**	**146.50**	**145.62**	**145.12**	**137.28**
Real en-route unit costs per Service Units - (in EUR2009)	**34.39**	**32.03**	**33.88**	**33.68**	**33.56**	**31.75**

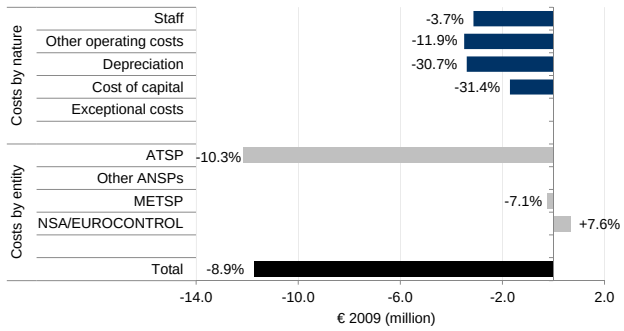
Poland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal PLN)	459 836 760	471 159 429	525 538 742	572 087 017	-52 193 282	-8.4%
Inflation %		2.7%	3.9%	3.7%	0.8 p.p.	
Inflation index (100 in 2009)	100.0	102.7	106.7	110.7	0.7 p.p.	
Real en-route costs - (in PLN2009)	459 836 760	458 772 569	492 514 188	517 008 097	-50 746 042	-8.9%
Total en-route Service Units	3 092 271	3 312 823	3 676 460	3 854 458	-44 431	-1.1%
Real en-route unit costs per Service Units - (in PLN2009)	**148.71**	**138.48**	**133.96**	**134.13**	**-11.49**	**-7.9%**
Real en-route unit costs per Service Units - (in EUR2009)	**34.39**	**32.03**	**30.98**	**31.02**	**-2.66**	**-7.9%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	733
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	733
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**733**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

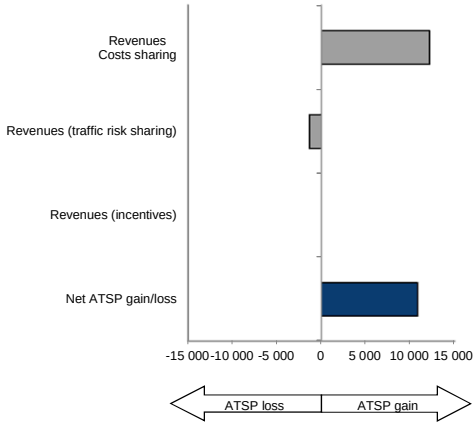
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	118 356
Actual costs for the ATSP	106 184
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	12 172
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**12 172**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-1.14%
Determined costs after deduction of costs for exempted VFR flights	117 395
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-1 338
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 338**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

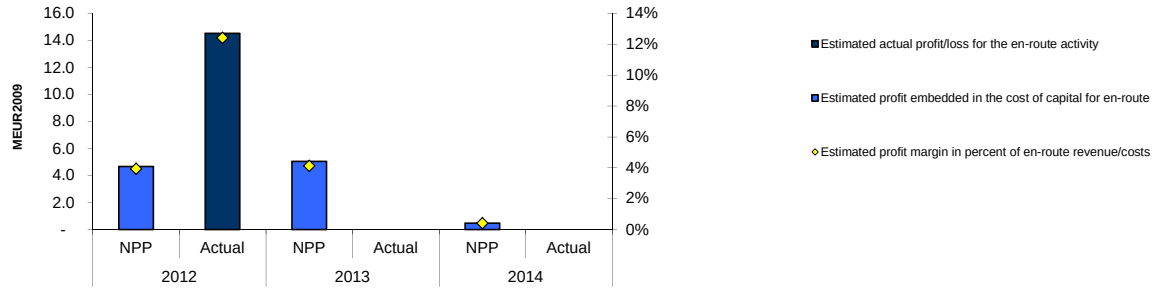
Net ATSP gain(+)/loss(-) on en-route activity	**10 834**

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	144 486	105 702	163 152		175 977	
Estimated proportion of financing through equity (in %)	92%	100%	88%		85%	
Estimated proportion of financing through equity (in value)	133 281	105 702	143 840		148 701	
Estimated proportion of financing through debt (in %)	8%	0%	12%		16%	
Estimated proportion of financing through debt (in value)	11 205	-	19 312		27 276	
Cost of capital	5 332	3 700	6 183		2 100	
Average interest on debt	6.0%	-	6.0%		6.0%	
Interest on debt	667	-	1 149		1 623	
Ex-ante RoE	3.5%	3.5%	3.5%		0.3%	
Estimated profit embedded in the cost of capital for en-route	4 665	3 700	5 034		477	
Net ATSP gain(+)/loss(-) on en-route activity		10 834				
Estimated profit/loss for the en-route activity	**4 665**	**14 533**	**5 034**		**477**	
Revenue/costs for the en-route activity	**118 356**	**117 018**	**121 986**		**119 157**	
Estimated profit margin in percent of en-route revenue/costs	**3.9%**	**12.4%**	**4.1%**		**0.4%**	
Estimated ex-post RoE	**3.5%**	**13.7%**	**3.5%**		**0.3%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by Poland

Note 1: Allocation of PANSA costs between en-route and terminal ANS

According to Poland Performance Plan for RP1, the allocation of costs into the en-route and terminal cost-bases was expected to change in 2012. Until 2011, the allocation of costs was based on the nature of the operational units (i.e. the costs of TWR operational units were allocated to terminal ANS while those of stand-alone APP operational units were allocated to en-route ANS). From 2012 onwards, the cost allocation was expected to reflect the nature of the service provided. This means that if an APP operational unit is collocated into a TWR, the costs associated with the provision of approach control services would be allocated to en-route ANS and not reported in the terminal ANS cost-base as it was the case until 2011.
According to information disclosed in Poland NSA Annual Monitoring Report, it appears that this new cost allocation has not been fully implemented in 2012. Poland specifies that if the cost allocation had been fully implemented in 2012, the actual en-route costs of the Polish ATSP (PANSA) would have been some +14 MPLN higher than reported in the monitoring report (i.e. 508 MPLN).
Information provided by Poland in the additional information of the reporting tables submitted in June 2013 indicates that the 2012 actual costs figures may still change in the coming weeks since the application of the methodology to allocate PANSA's costs between en-route and terminal is currently being analysed by the Polish CAA.

Note 2: Determined costs considered for POLAND over RP1

Following the assessment of the revised NPP and the PRB recommendations to the EC, Poland agreed to consider the determined costs disclosed in its initial NPP (June 2011) with a small change relating to EUROCONTROL Agency costs. In order to ensure consistency, the analysis provided in this monitoring report compares actual 2012 costs with the financial data presented in the initial NPP (i.e. including the cost breakdown per nature/service and the information relating to the asset base used to compute PANSA cost of capital) but reflecting the change in EUROCONTROL Agency costs.

At State / Charging Area level

In 2012, Poland real en-route unit cost (31.02 €2009) is -7.9% lower than planned in the NPP for RP1 (33.68 €2009). This difference is mainly due to the fact that 2012 actual en-route costs are -8.9% lower than the determined costs, while the actual number of total service units (TSUs) is slightly lower than planned (-1.1%).

Looking forward, based on STATFOR May 2013 forecasts, the number of TSUs in 2013 and 2014 is also expected to be slightly lower than the figures provided in the Poland NPP (-0.8% and -0.6% respectively which is within the -/+2% deadband).

The Poland en-route cost-base includes costs relating to the Poland ATSP (PANSA), to the METSP (IMWM), to the Poland NSA and to the EUROCONTROL Agency. While for PANSA (-10.3%) and the IMWM (-7.1%) 2012 en-route costs are significantly lower than planned, the costs of the NSA/EUROCONTROL are higher than the amount reported in the NPP (+7.6%).

As explained in Note 1 above, the fact that the new cost allocation has not been fully implemented in 2012, contributes to lower actual en-route costs observed for PANSA (-10.3% compared to the NPP). If the cost allocation had been fully implemented in 2012, as initially planned in the NPP, then the actual en-route costs of the Polish ATSP (PANSA) would have been some +14 MPLN higher than reported in the monitoring report (i.e. 508 MPLN). This means that PANSA 2012 actual en-route costs would have been -7.8% lower than planned in the NPP.

The lower actual costs for IMWM in 2012 (-7.1%) mainly reflect lower depreciation costs (-83%) and lower cost of capital (-81%) following the postponement of investments to future years (e.g. AWOS installation).

In 2012, Poland actual en-route staff costs are -3.7% lower than planned in the NPP for RP1. This mainly reflects lower staff costs for PANSA (some 3.1 M€2009). Other operating costs are -11.9% lower than planned in the NPP. This significant difference mainly reflects lower other operating costs for PANSA (some 4.2 M€2009) following the implementation of cost-containment/reduction measures in 2012. Actual depreciation costs and cost of capital are significantly lower than planned (-30.2% and -30.6% respectively). This mainly reflects the postponement of investment projects to future years for PANSA and the postponed implementation of some fixed assets. Information provided in the Polish NSA Monitoring Report for 2012 indicates that PANSA actual capex for main projects is -52% lower than planned in the NPP. This mainly reflects the postponement of capex associated with the implementation of the System ATM PEGASUS-21, Integrated Area Control Centre in Warsaw, and the purchase of radio-communication and radio-navigation infrastructure.

Costs exempt from cost sharing are reported for a total of +0.7 M€2009 to be passed on to users for the en-route activity, corresponding to higher EUROCONTROL costs than planned in the NPP, mainly due to differences in exchange rates. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

PANSA actual en-route costs are some -12.2 M€2009 lower than the determined costs reported for the year 2012. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned in 2012 translated into losses in en-route revenues which amounted to -1.3 M€2009 for PANSA. The combination of these two elements contributes to a net gain of +10.8 M€2009 on the en-route activity in 2012.

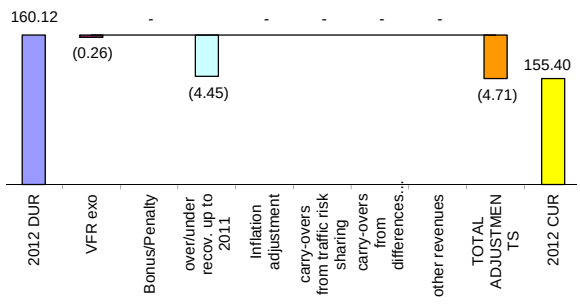
When estimating the profit margin for PANSA for the year 2012, it is important to account for the profit embedded in the cost of capital through the return on equity (some 3.7 M€2009). As a result, the estimated profit for the en-route activity in 2012 amounts to 14.5 M€2009 (10.8 M€2009 + 3.7 M€2009), which implies a profit margin of 12.4% and an ex-post rate of return on equity of 13.7% (compared to 3.5% as initially planned in the NPP). This indicates that in 2012, PANSA was in a position to retain the part of profit embedded in the cost of capital and to generate extra gains arising from the lower en-route costs than planned in 2012.

It is noteworthy that in 2012 PANSA also outperformed the capacity target since the actual value of en-route ATFM delays per flight (0.53 minutes) is significantly lower than the target provided in the NPP (1.00 minutes).

The cost allocation issue identified in Note 1 above does not significantly affect the results of this analysis. Assuming that the new cost allocation methodology was fully implemented in 2012, PANSA 2012 actual en-route costs would have been slightly higher (+2.9 M€2009), and while the estimated profit margin for the en-route activity in 2012 would have been slightly lower (some 10% instead of 12.4%) it would remain substantially higher than planned in the NPP (3.9%).

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Poland 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - PLN



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to users in 2012 was 155.40 PLN, which is lower than the nominal DUR (160.12 PLN). The difference observed between these two figures (4.71 PLN) mainly reflects the net amount of over-recovery carried over to 2012 in the context of the full cost-recovery regime in place before RP1.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.5	0.5	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	11	11	11	13	13	14
of which, number of airports over 50 000 movements		1	1	1	1	1

Poland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in PLN)	122 938 882	116 336 331	141 412 605	111 077 280	113 550 465	115 911 332
Inflation index (100 in 2009)	100.0	102.7	106.9	110.0	112.8	115.7
Real terminal ANS costs - (in PLN2009)	**122 938 882**	**113 277 830**	**132 331 450**	**101 019 663**	**100 628 421**	**100 215 240**
Real terminal ANS costs - (in EUR2009)	**28 432 867**	**26 198 493**	**30 605 146**	**23 363 468**	**23 272 983**	**23 177 424**

Poland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in PLN)	122 938 882	116 336 331	121 715 004	121 816 429	10 739 149	9.7%
Inflation index (100 in 2009)	100.0	102.7	106.7	110.7	0.7 p.p.	
Real terminal ANS costs - (in PLN2009)	**122 938 882**	**113 277 830**	**114 066 503**	**110 088 288**	**9 068 624**	**9.0%**
Real terminal ANS costs - (in EUR2009)	**28 432 867**	**26 198 493**	**26 380 894**	**25 460 827**	**2 097 359**	**9.0%**
Total terminal service units	126 670	133 012	134 574	150 318		
Actual real unit costs - (in PLN2009)	970.5	851.6	847.6	732.4		
Unit rate applied - (in PLN)				**781.06**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Poland comprises thirteen airports, of which only one, Frederic Chopin Airport handles more than 50 000 airport movements per year.

The harmonised SES formula (MTOW/50)^0.7 is already applied in the Poland Terminal Charging Zone since 2011.

Actual terminal ANS 2012 costs are significantly higher (+9.0%) than the forecast provided in the NPP for 2012 (some 2.1 M€2009). It is understood that this change is mainly due to the fact that the change in cost allocation between en-route and terminal ANS that was planned for 2012 did not fully materialise. Assuming that the new cost allocation methodology was fully implemented in 2012, PANSA 2012 actual terminal costs would have in fact been lower (some 2.9 M€2009), and therefore below the forecast provided in the NPP for 2012.

11. - Monitoring of gate-to-gate costs (2012)

Poland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in PLN2009)	459 836 760	458 772 569	525 522 297	567 754 139	583 517 084	571 234 473
Real terminal ANS costs - (in PLN2009)	122 938 882	113 277 830	132 331 450	101 019 663	100 628 421	100 215 240
Real gate-to-gate ANS costs - (in PLN2009)	**582 775 641**	**572 050 399**	**657 853 747**	**668 773 802**	**684 145 505**	**671 449 713**
Real gate-to-gate ANS costs - (in EUR2009)	**134 782 274**	**132 301 778**	**152 146 071**	**154 671 623**	**158 226 735**	**155 290 498**
Share of en-route costs in gate-to-gate ANS costs	**78.9%**	**80.2%**	**79.9%**	**84.9%**	**85.3%**	**85.1%**

Poland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in PLN2009)	459 836 760	458 772 569	492 514 188	517 008 097	-50 746 042	-8.9%
Real terminal ANS costs - (in PLN2009)	122 938 882	113 277 830	114 066 503	110 088 288	9 068 624	9.0%
Real gate-to-gate ANS costs - (in PLN2009)	**582 775 641**	**572 050 399**	**606 580 690**	**627 096 384**	**-41 677 418**	**-6.2%**
Real gate-to-gate ANS costs - (in EUR2009)	**134 782 274**	**132 301 779**	**140 287 821**	**145 032 618**	**-9 639 005**	**-6.2%**
Share of en-route costs in gate-to-gate ANS costs	**78.9%**	**80.2%**	**81.2%**	**82.4%**	**-2.5%**	

12 - General conclusions on the gate-to-gate ANS costs

In 2012, Poland actual gate-to-gate ANS costs (145.0 M€2009) are -6.2% lower than planned in the NPP (154.7 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs is lower (82.4%) than initially planned in the NPP for 2012 (84.9%). This difference is mainly due to the fact that the change in cost allocation between en-route and terminal ANS that was planned for 2012 did not fully materialise.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Portugal

Edition 1.0
Edition date: 15/08/2013

PORTUGAL **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Portugal	2012	2013	2014
State level	47		
ANSP	60		

EASA observations

The scores are not too high. The overall score seems to be correct.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	10	30%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	6	100%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	0	0%		%		%

The Portuguese Monitoring Report gives the same numbers of reported SMIs, RIs and ATM specific technical events, as via AST reporting mechanism.

Also, the indication of how many reports were assessed with RAT corresponds exactly with the ratio according to the AST, for all types of occurrences.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (NAV Portugal)	
	YES	NO	YES	NO
Policy and its implementation	6	4	9	4
Legal/Judiciary	8	0	2	1
Occurrence reporting and Investigation	2	0	6	2
TOTAL	**16**	**4**	**17**	**7**

PORTUGAL **Monitoring of CAPACITY indicators for 2012**

PORTUGAL

Monitoring of CAPACITY indicators for 2012

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.28	0.21	0.16	
National Target	0.25	0.20	0.15	
Actual performance	0.65	--	--	

Capacity

The national performance plan Portugal gave details of how FUA would be applied to increase capacity, including:

- The AMC collects and analyses all airspace requests and decides the daily airspace allocation taking into account the user requirements, available capacity and the effects on the network;
- The real-time activation, de-activation or modification of the airspace allocated at pre-tactical level, according to actual traffic and capacity versus military airspace needs.

Assessment

- **National assessment**: "The main reasons for the deviations {from the 2012 target] were related to *"C-ATC capacity"* (45,55%) and for "C-ATC Staffing" (46, 12%), more precisely due to problems with the availability staff to ensure:
- The necessary appropriation in the shifts (staffing), as well as
- The split the sector in order to meet the traffic demand (capacity).
- As result, during the Summer IATA Season 2012, the ACC's operational appropriation was on average less 4 CTA than previous season.
- Other factors that have influenced the achievement of this target were related with training envisaging the new boundaries implementation, in the context of SW-FAB, as well as the modifications in the FPL 2012's system.
- NSA has requested relevant information on the measures to be implemented by ANSP in order to avoid these situations in the forthcoming years. Therefore, ANSP has presented the following *"Capacity Plan":*

PORTUGAL **Monitoring of CAPACITY indicators for 2012**

Capacity Plan					
	2013	2014	2015	2016	2017
Measures Planned	Improve rostering and sector opening schemes				
	4 net additional controllers	2 net additional controllers	Net additional controllers		
	Free route extension to LECM FIR		New BRNAV ATS route structure Casablanca FIR		
			Sector Design Optimisation according to Casablanca project		
	Update traffic volume definition to take new traffic pattern into account in line with the free route extension to LECM FIR		Update traffic volume definition to take new traffic pattern into account (free route + Casablanca)		
		Area Proximity warning (APW)			
		New Sector			
Significant events		Football World Cup in Brazil			
Max sectors	8 (6ENR+2 TMA)	9 (7 ENR + 2 TMA)*	9 (7 ENR + 2 TMA)*	9 (7 ENR + 2 TMA)*	9 (7 ENR + 2 TMA)*
Capacity increase p.a.	2%	3%	1%	2%	2%
Reference profile	4%	1%	1%	2%	3%
Additional information	The new sector in 2015 will allow for more flexibility in the sector configurations.				
	* Maximum number o sectors opened on normal day o operations. Up to 9 ENR sectos could be available when required.				

- The capacity performance for 2012 did not meet the national target. The capacity performance did not meet the effort required to be consistent with the EU wide target for 2012.
- The PRB is unable to determine how the new capacity plan will resolve the issues faced by Portugal, which according to existing capacity plans, was not expected to experience any capacity related issues.

Effective booking procedures

- The NSA for Portugal has confirmed that the allocation and activation of restricted or segregated areas has no adverse impact on either ATC capacity, or on the ability of aircraft operators to file flight plans.
- Since the allocation or activation of restricted or segregated areas has no impact on general air traffic then there is no need for Portugal to report on effective booking procedures

Recommendations

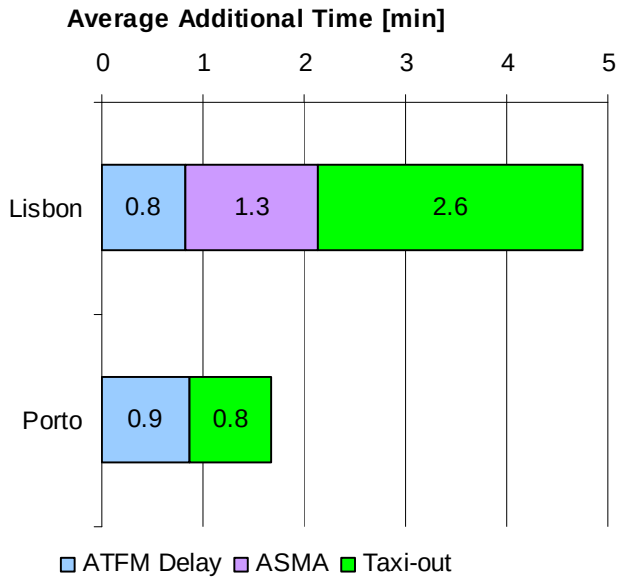
- The NSA of Portugal is invited to provide additional information to the Commission on how the problems in deploying sufficient capacity have been addressed.

PORTUGAL **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Lisbon	LPPT	0.8	60 230	1.3	90 469	2.6	184 457	335 156
Porto	LPPR	0.9	25 597	Not applicable		0.8	22 769	48 366
Weighted average		**0.8**		**1.3**		**2.1**		
Grand Total			**85 827**		**90 469**		**207 226**	**383 522**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.) for both Lisbon and Porto Airports.

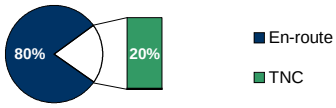
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Portugal represents 1.6% of the SES en-route ANS determined costs in 2012.
- ATSP : NAV Portugal
- FAB : SW
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

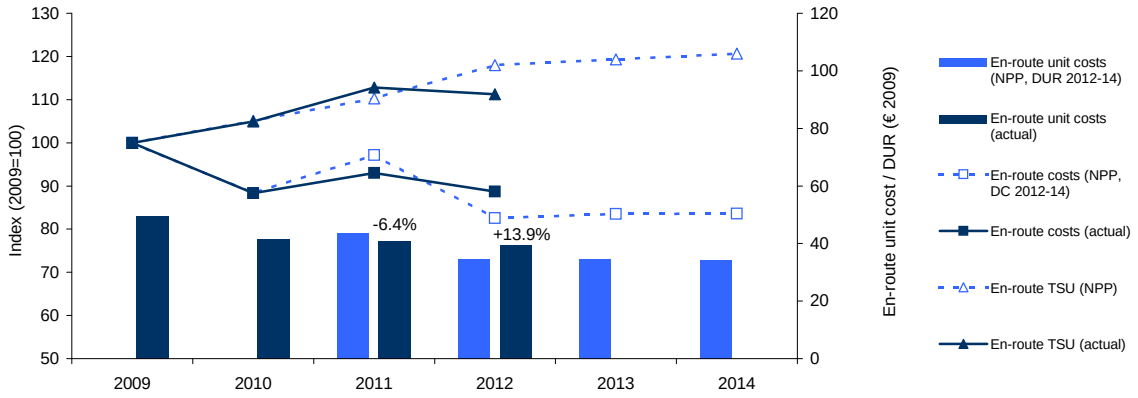


2. - En-route DUR monitoring (2012)

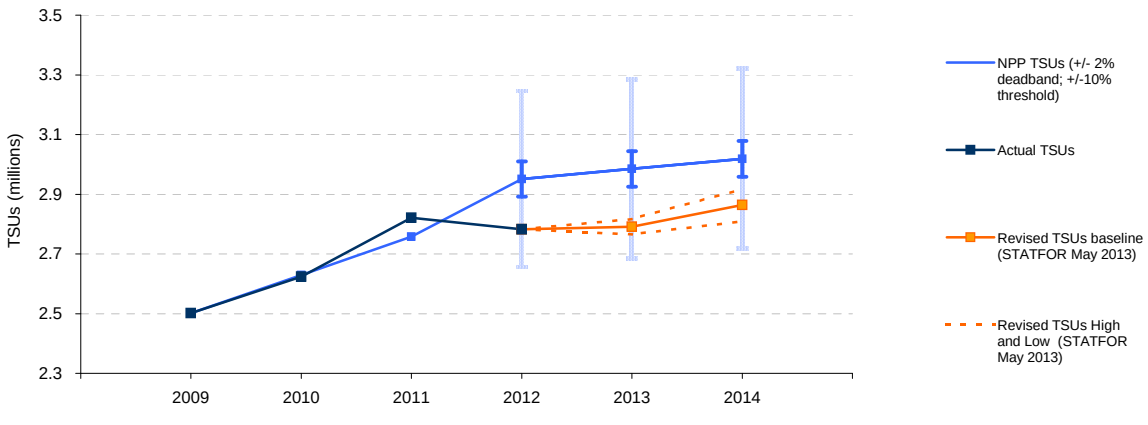
En-route Determined Unit Rate (DUR) 2012 Portugal (in EUR2009)	34.49
Monitoring - Actual en-route unit cost 2012 Portugal (in EUR2009)	39.29
Difference (in EUR2009)	4.81
Difference in percent	13.9%

Portugal - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	123 220 317	110 340 648	123 739 855	106 616 262	109 366 877	111 001 402
Inflation %		1.4%	1.9%	1.4%	1.4%	1.4%
Inflation index (100 in 2009)	100.0	101.4	103.3	104.8	106.2	107.7
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	123 220 317	108 817 207	119 756 050	101 759 123	102 943 223	103 039 195
Total en-route Service Units	2 501 219	2 628 788	2 757 489	2 950 581	2 984 808	3 018 536
Real en-route unit costs per Service Units - (in EUR2009)	**49.26**	**41.39**	**43.43**	**34.49**	**34.49**	**34.14**

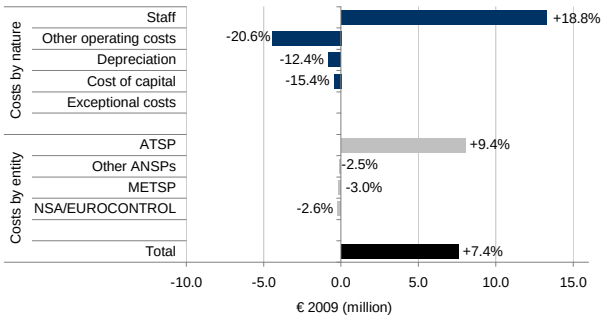
Portugal - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	123 220 317	110 340 648	120 421 412	118 060 986	11 444 724	10.7%
Inflation %		1.4%	3.6%	2.8%	1.4 p.p.	
Inflation index (100 in 2009)	100.0	101.4	105.1	108.0	3.2 p.p.	
Real en-route costs - (in EUR2009)	123 220 317	108 817 207	114 632 036	109 324 017	7 564 894	7.4%
Total en-route Service Units	2 501 219	2 624 149	2 821 265	2 782 280	-168 301	-5.7%
Real en-route unit costs per Service Units - (in EUR2009)	**49.26**	**41.39**	**40.63**	**39.29**	**4.8**	**13.9%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	19 632
Interest rates on loans	-
National taxation law	-
New cost item required by law	-3 555
International agreements	-27
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	16 077
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-27
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**16 050**

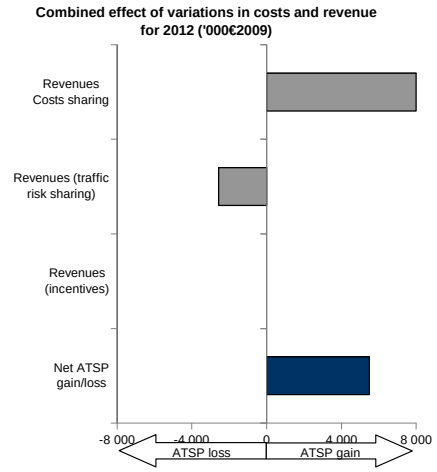
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	84 991
Actual costs for the ATSP	93 007
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-8 017
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	16 077
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**8 060**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-5.70%
Determined costs after deduction of costs for exempted VFR flights	82 458
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-1 649
ATSP loss (traffic between -2% and -10% below NPP)	-916
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-2 565**

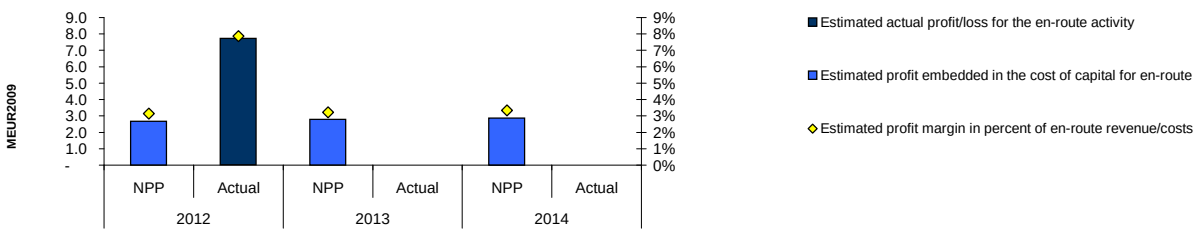
Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**5 495**



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	41 055	34 560	42 827		44 188	
Estimated proportion of financing through equity (in %)	86%	86%	86%		86%	
Estimated proportion of financing through equity (in value)	35 293	29 709	36 816		37 986	
Estimated proportion of financing through debt (in %)	14%	14%	14%		14%	
Estimated proportion of financing through debt (in value)	5 762	4 850	6 011		6 202	
Cost of capital	2 775	2 336	2 895		2 987	
Average interest on debt	1.9%	1.9%	1.9%		1.9%	
Interest on debt	107	90	112		115	
Ex-ante RoE	7.6%	7.6%	7.6%		7.6%	
Estimated profit embedded in the cost of capital for en-route	2 668	2 246	2 783		2 872	
Net ATSP gain(+)/loss(-) on en-route activity		5 495				
Estimated profit/loss for the en-route activity	**2 668**	**7 741**	**2 783**		**2 872**	
Revenue/costs for the en-route activity	**84 991**	**98 502**	**86 177**		**86 157**	
Estimated profit margin in percent of en-route revenue/costs	**3.1%**	**7.9%**	**3.2%**		**3.3%**	
Estimated ex-post RoE	**7.6%**	**26.1%**	**7.6%**		**7.6%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

The actual 2012 traffic measured in Total Service Units (TSUs) is substantially lower (i.e. -5.7%) than the traffic planned in Portugal's National Performance Plan for RP1 (NPP). On the other hand, the actual en-route costs at State level for the year are +10.7% above the determined costs published in the NPP (i.e. +7.4% in real terms). As a result, Portugal's actual real en-route unit cost (i.e. 39.29€2009) is +13.9% higher than the Determined Unit Rate (DUR) for 2012 (i.e. 34.49 €2009), corresponding to an increase of +4.8 €2009.

The change in actual traffic compared to the NPP plans for 2012 falls outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the 10% threshold. Therefore, the related loss is shared between the airspace users and the ATSP (which records a loss of some -2.6 M€2009, as will be discussed below). The traffic outlook for the rest of the RP1, according to the latest forecasts released by STATFOR in May 2013, depicts a more pessimistic scenario than presented in the NPP. The en-route traffic is planned to remain fairly stable in 2013 and slightly increase in 2014, against a steady increase planned in the NPP for the same period. As a result, even if the high STATFOR scenario will materialise, the difference in traffic with respect to NPP is planned to exceed the +/-2% dead band for rest of RP1.

The large increase in 2012 en-route costs (compared to the NPP) is entirely explained by the variation of staff costs (i.e. + 18.8%). According to the NSA monitoring report and to the additional information to the Reporting Tables, this is due to the unexpected variation of the actuarial assumptions for pension provisions for NAV Portugal (working under defined benefit mechanism), namely the reduction of the pension provision discount rate from 5.5% to 4%, as evaluated by the Pension funds Managing Company (i.e. Futuro S.A.) under the supervision of the competent national authority (i.e. Instituto de Seguros de Portugal). Due to the nature of this variation, Portugal decided to treat these costs as "costs exempt from cost sharing", therefore not subject to the cost sharing mechanism, thus recoverable in the following Reference Period. This issue will be further discussed in the section below.

Costs exempt from cost sharing are reported for a total of 16.05 M€2009 to be passed on to airspace users, for the en-route activity, corresponding to the combination of: the unexpected variation of the actuarial assumptions for pension funds (i.e. +19.63 M€2009), the difference between the planned and actual values for EUROCONTROL costs (-0.027 M€2009) and for a "new cost item required by law" for NAV Portugal as an amount to be refunded to users (i.e. some -3.55 M€2009). These costs will be eligible for carry-over to the following reference periods, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

NAV Portugal actual 2012 en-route costs are +9.4% higher than planned in real terms. This mainly results from the combination of opposite effects: higher staff costs (i.e. +18.8%), lower other operating costs (i.e. -20.6%) and lower capital related costs (i.e. -12.4% depreciation and -15.4% cost of capital) than planned in the NPP.

The increase in staff costs is entirely attributable to the variation of pension costs, following the reduction of the pension provision's discount rate from 5.5% to 4%, as described above.

It is understood from the additional information to the reporting tables that the decrease in other operating costs compared to plans is related to savings achieved trough renegotiation of purchase conditions with suppliers and the efficient use of external services.

The reduction of capital related costs compared to plans is mainly the result of a rescheduling of the investments, originally planned for 2012. The asset base used to compute the cost of capital in 2012 is some -6.5 M€2009 lower than planned for the year 2012. The actual 2012 investments reported in the NSA Monitoring Report are significantly lower than planned for the same year in the NPP (i.e. some -16M€ lower). This is mainly driven by the postponement of several projects including, inter alia: (i) iTEC (ATM, some 11.7M€ originally planned of which only 0.3 M€ effectively spent in 2012) was postponed from 2014 to 2015-2017; (ii) TAQ recorders (Communications, some 0.5M€ planned, but not materialised in 2012) has been postponed from 2013 to 2014; (iii) North Radar enhancement project (Surveillance, some 0.9M€ capex originally planned, but not spent in 2012) has been moved from 2012 to 2014/2015.

As a result of the cost sharing mechanism, and if the exemptions reported by Portugal are deemed allowed by the European Commission, NAV Portugal is entitled to compensate the loss arising from the fact that actual costs are higher than planned in the NPP for 2012 (i.e. +8.0 M€2009) by excluding from the 2012 cost base the net amounts relating to the exemptions discussed above (i.e. some 16.1 M€2009). This would allow NAV Portugal to achieve a net gain of 8.1 M€2009 in 2012.

On the other hand, due to the traffic risk sharing mechanism, the change in actual TSUs compared to the plans (i.e. -5.7%) generates a loss of some -1.6 M€2009 for the ATSP for the traffic decrease within the -2% band and -0.9 M€2009 loss for the traffic change between -2% and -10% (i.e. a total loss of -2.6 M€2009).

Overall, the en-route activity for the year 2012 would generate a net gain of +5.5 M€2009 for NAV Portugal, if the exemptions for cost sharing are applied.

If, however, the unexpected variation of the actuarial assumptions for pension funds (i.e. +19.63 M€2009) would not be considered as costs exempted from the cost sharing mechanism, the scenario would be completely different. NAV Portugal would experience a loss of some -11.6 M€2009 in respect to the cost sharing, due to the higher staff costs relating to the pensions. Adding the -2.6 M€2009 loss from the traffic risk sharing mechanism this would result in a net loss of -14.2 M€2009 for the 2012 en-route activity.

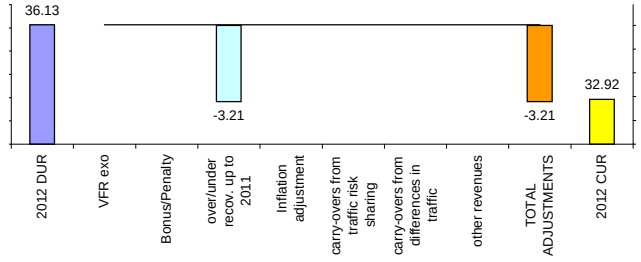
On the profitability side, the ex-ante estimated profit embedded in the cost of capital for the en-route activity planned in the NPP amounted to 2.7 M€2009. Due to the fact that NAV Portugal en-route activity is largely equity financed (86%), the return on equity as presented in the NPP constitutes a profit margin of 7.6% of the en-route costs/revenues for the activities in 2012.

Ex-post, the estimated profit for the year computed by adding the cost of capital (2.2 M€2009) and the net gain from the en-route activity in 2012 (5.5 M€2009), gives a total of +7.7 M€2009 for 2012, corresponding to a profit margin of 7.9% of the en-route revenue in respect of the activities in 2012.

However, if the unexpected variation of the actuarial assumptions for pension funds (i.e. +19.63 M€2009) would not be considered as costs exempted from the cost sharing mechanism, the new estimated profit for the year would be negative (i.e. -11.9 M€2009 = 2.2 M€2009 -14.1 M€2009), thus resulting in a negative profit margin of -15.1% of the en-route revenue in respect of the activities in 2012.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Portugal 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The CUR charged to users in 2012 was 32.92 €. This is lower than to the nominal DUR (36.13 €), due to the carry-over to 2012 of over-recoveries incurred before the entry into force of the determined costs method.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^		0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)		9	9	9	9	9
of which, number of airports over 50 000 movements		2	2	2	2	2

Portugal - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	28 746 046	27 074 815	31 399 855	25 968 337	26 132 847	26 651 711
Inflation index (100 in 2009)	100.0	101.4	103.3	104.8	106.2	107.7
Real terminal ANS costs - (in EUR2009)	**28 746 046**	**26 701 001**	**30 388 936**	**24 785 292**	**24 597 937**	**24 739 965**

Portugal - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	28 746 046	27 074 815	31 227 975	29 578 006	3 609 669	13.8%
Inflation index (100 in 2009)	100.0	101.4	105.1	108.0	3.2 p.p.	
Real terminal ANS costs - (in EUR2009)	**28 746 046**	**26 701 001**	**29 726 660**	**27 389 120**	**2 603 827**	**10.5%**
Total terminal service units		176 894	179 351	177 634		
Actual real unit costs - (in EUR2009)		150.9	165.7	154.2		
Unit rate applied - (in EUR)				**139.78**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Portugal counts one terminal charging zone comprising nine airports of which two above 50 000 movements per year (i.e. Lisbon-LPPT and Porto-LPPR airports). The harmonised SES formula (MTOW/50)^0.7 already applies in the Portuguese Terminal Charging Zone.

The actual terminal ANS 2012 costs are +10.2% higher in real terms (or some +2.6 M€2009) than planned in the Portuguese NPP. This difference is mainly driven by higher staff costs than planned, as is the case for en-route (see item 7 above).

The increase of terminal ANS related costs is similar to that observed for en-route,, in relative terms.

11. - Monitoring of gate-to-gate costs (2012)

Portugal - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR20(	123 220 317	108 817 207	119 756 050	101 759 123	102 943 223	103 039 195
Real terminal ANS costs - (in EUR2009)	28 746 046	26 701 001	30 388 936	24 785 292	24 597 937	24 739 965
Real gate-to-gate ANS costs - (in EUR2009)	**151 966 363**	**135 518 209**	**150 144 986**	**126 544 416**	**127 541 160**	**127 779 161**
Share of en-route costs in gate-to-gate ANS costs	**81.1%**	**80.3%**	**79.8%**	**80.4%**	**80.7%**	**80.6%**

Portugal - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	123 220 317	108 817 207	114 632 036	109 324 017	7 564 894	7.4%
Real terminal ANS costs - (in EUR2009)	28 746 046	26 701 001	29 726 660	27 389 120	2 603 827	10.5%
Real gate-to-gate ANS costs - (in EUR2009)	**151 966 363**	**135 518 209**	**144 358 696**	**136 713 137**	**10 168 721**	**8.0%**
Share of en-route costs in gate-to-gate ANS costs	**81.1%**	**80.3%**	**79.4%**	**80.0%**	**-0.4%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual 2012 gate-to-gate costs are +8.0% higher than planned as a result of higher en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable overall the RP1 and did not change significantly with respect to the plans made in the NPP.

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PRB Annual monitoring Report 2012

Romania

Edition 1.0
Edition date: 15/08/2013

ROMANIA **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Romania	2012	2013	2014
State level	69		
ANSP	80		

EASA observations

95% of the replies were reviewed, 25% were considered "H" (high level of confidence), 20% "M"(medium level of confidence) and the rest as "L" (low level of confidence). The remaining 5% was assessed as not implemented hence not subject to sampling.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	11	100%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	6	100%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	408	100%		%		%

The Romanian Monitoring Report gives the same numbers of reported SMIs, RIs, and ATM specific technical events, as via AST reporting mechanism.

Also, the indication of how many reports were assessed with RAT corresponds exactly with the ratio according to the AST, for all types of occurrences.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (NAV)	
	YES	NO	YES	NO
Policy and its implementation	8	2	11	2
Legal/Judiciary	2	6	2	1
Occurrence reporting and Investigation	1	1	6	2
TOTAL	**11**	**9**	**19**	**5**

ROMANIA **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.00	0.00	0.00	
National Target	0.00	0.00	0.00	
Actual performance	0.00	--	--	

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Romania did not contain any description of how FUA would be applied to increase capacity.

Assessment

- With the excellent capacity performance in 2012, Romania has met both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB is confident that Romania can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 41%
- The above indicator was calculated from data provided on the following areas: LRD06; LRD08; LRR6; LRR10; LRR11; LRR12; LRR15; LRR16; LRR20; LRR24; LRR30; LRR31; LRR32; LRR33; LRR34; LRR40; LRR41; LRR52; LRR53; LRR56; LRR57; LRR58; LRR70; LRR71; LRR72; LRR73; LRR74; LRR75; LRR84; TSA1A; TSA1B; TSA1C & TSA1D
- No information was provided on other areas, including: LRR7; LRR17; LRR18; LRR21; LRR22: LRR23; LRR60; LRR61; LRR62; LRR63; LRR83.
- The national report on capacity states that, according to the civil military collaboration procedures, the crossing of the restricted areas is permitted with certain specified conditions for GAT flights even if the area is in use for military activities.

Recommendations

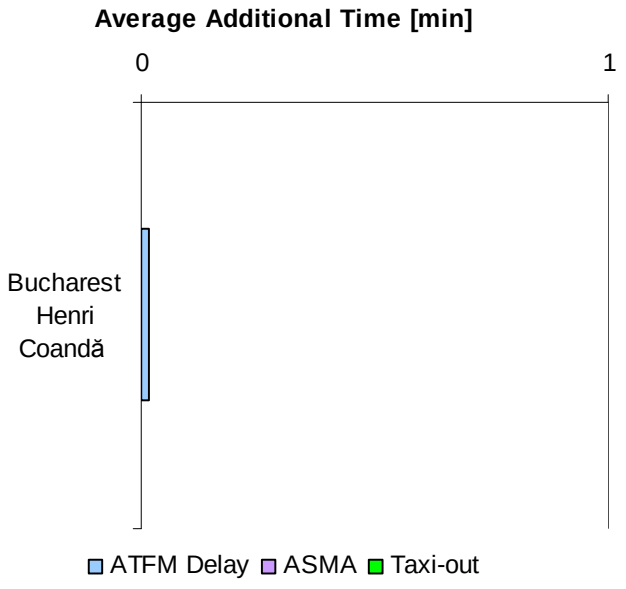
none

ROMANIA **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Bucharest Henri Coandă	LROP	0.0	672	Not applicable		Missing data		672
Weighted average		**0.0**						
Grand Total			**672**					**672**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Missing AOBT data for the calculation of unimpeded taxi out time.
- Mandatory data items partially missing (STATUS C.R., AIBT).

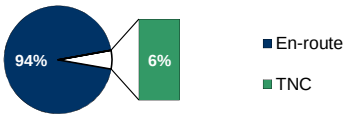
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring;
- Traffic demand increase by 16.0% in 2012 compared to 2011.

1. - Contextual economic information

- Romania represents 2.1% of the SES en-route ANS determined costs in 2012.
- ATSP : ROMATSA
- FAB : Danube
- National currency : RON
- Exchange rate 2009: 1 EUR= 4.23303

Share of en-route and terminal in gate-to-gate ANS costs

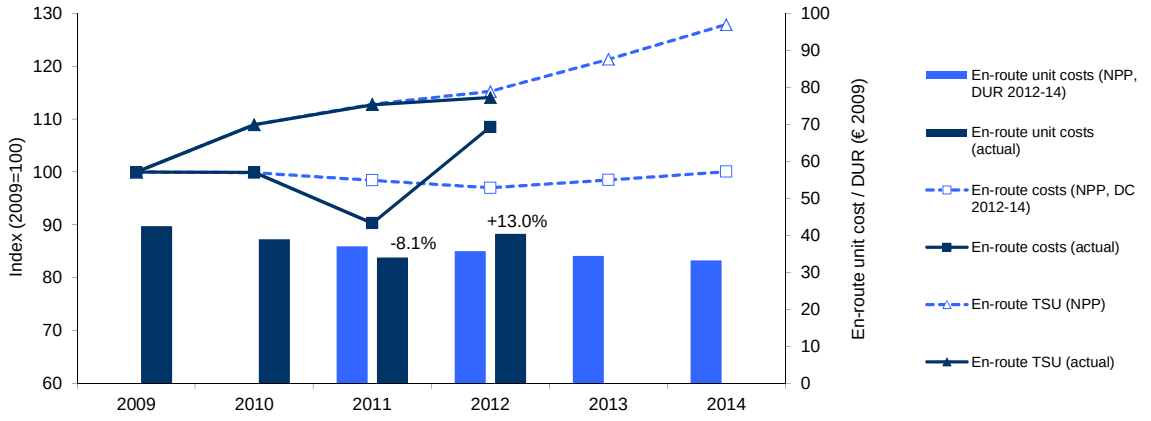


2. - En-route DUR monitoring (2012)

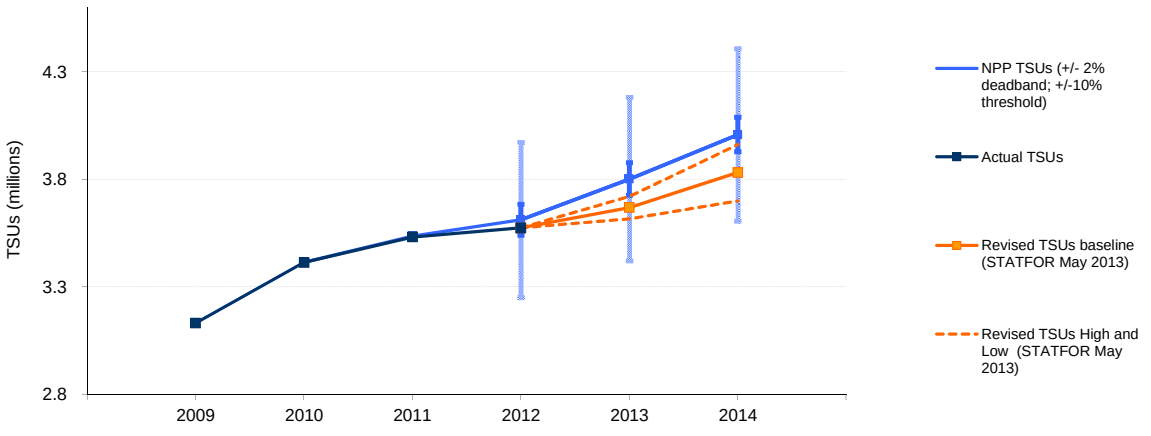
En-route Determined Unit Rate (DUR) 2012 Romania (in RON2009)	151.44	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Romania (in RON2009)	171.17	In 2012, the RON depreciated by 5.2% compared to 2011.
Difference (in RON2009)	19.73	Exchange rate 2011: 1 EUR= 4.23574
Difference in percent	13.0%	Exchange rate 2012: 1 EUR= 4.45407

Romania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal RON)	563 745 065	597 674 629	627 846 218	646 508 472	676 701 094	706 950 096
Inflation %		6.1%	6.6%	4.5%	3.1%	2.8%
Inflation index (100 in 2009)	100.0	106.1	113.1	118.2	121.9	125.3
Real en-route costs (determined costs 2012-2014) - (in RON2009)	563 745 065	563 312 562	555 112 100	546 997 499	555 327 696	564 349 440
Total en-route Service Units	3 132 895	3 414 282	3 537 000	3 612 000	3 802 000	4 008 000
Real en-route unit costs per Service Units - (in RON2009)	**179.94**	**164.99**	**156.94**	**151.44**	**146.06**	**140.81**
Real en-route unit costs per Service Units - (in EUR2009)	**42.51**	**38.98**	**37.08**	**35.78**	**34.51**	**33.26**

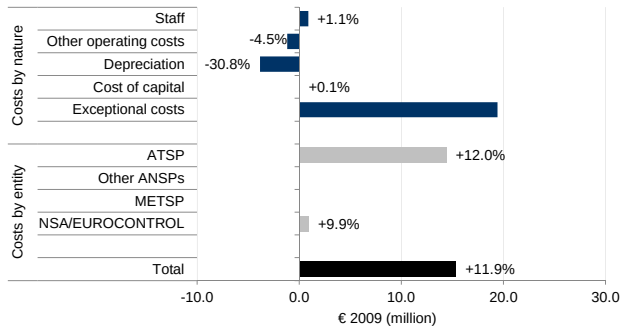
Romania - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal RON)	563 745 065	597 831 159	571 676 524	710 305 485	63 797 014	9.9%
Inflation %		6.1%	5.8%	3.4%	-1.1 p.p.	
Inflation index (100 in 2009)	100.0	106.1	112.3	116.1	-2.1 p.p.	
Real en-route costs - (in RON2009)	563 745 065	563 460 093	509 271 423	611 960 764	64 963 265	11.9%
Total en-route Service Units	3 132 895	3 414 282	3 532 683	3 575 195	-36 805	-1.0%
Real en-route unit costs per Service Units - (in RON2009)	**179.94**	**164.99**	**144.16**	**171.17**	**19.73**	**13.0%**
Real en-route unit costs per Service Units - (in EUR2009)	**42.51**	**38.98**	**34.06**	**40.44**	**4.66**	**13.0%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	913
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	913
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**913**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

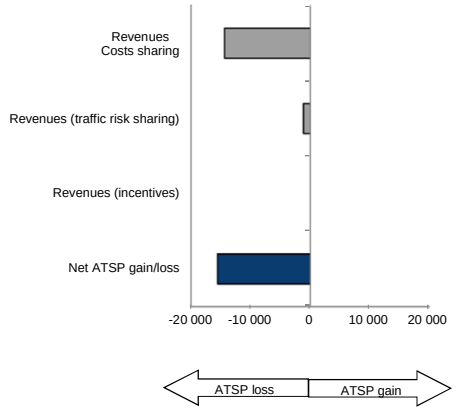
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	119 685
Actual costs for the ATSP	134 087
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-14 403
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**-14 403**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-1.02%
Determined costs after deduction of costs for exempted VFR flights	114 632
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-1 168
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 168**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

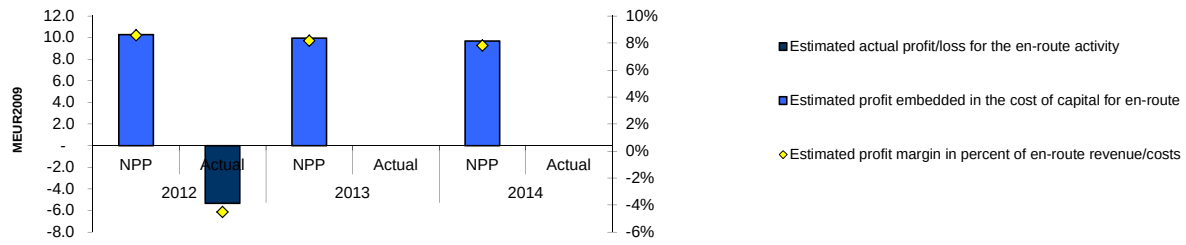
Net ATSP gain(+)/loss(-) on en-route activity	-15 571

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	128 325	127 966	124 467		121 076	
Estimated proportion of financing through equity (in %)	100%	100%	100%		100%	
Estimated proportion of financing through equity (in value)	128 325	127 966	124 467		121 076	
Estimated proportion of financing through debt (in %)	0%	0%	0%		0%	
Estimated proportion of financing through debt (in value)	-	-	-		-	
Cost of capital	10 256	10 237	9 947		9 677	
Average interest on debt	0.0%	0.0%	0.0%		0.0%	
Interest on debt	-	-	-		-	
Ex-ante RoE	8.0%	8.0%	8.0%		8.0%	
Estimated profit embedded in the cost of capital for en-route	10 266	10 237	9 957		9 686	
Net ATSP gain(+)/loss(-) on en-route activity		-15 571				
Estimated profit/loss for the en-route activity	**10 266**	**-5 334**	**9 957**		**9 686**	
Revenue/costs for the en-route activity	**119 685**	**118 517**	**121 811**		**123 974**	
Estimated profit margin in percent of en-route revenue/costs	**8.6%**	**-4.5%**	**8.2%**		**7.8%**	
Estimated ex-post RoE	**8.0%**	**-4.2%**	**8.0%**		**8.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

The actual 2012 traffic measured in en-route total service units (TSU) is slightly lower (by -1.0%) than the traffic planned in Romania's National Performance Plan for RP1 (NPP). On the other hand, the actual real en-route costs at State level for the year are +11.9% above the determined costs published in the NPP. As a result, Romania's actual real en-route unit cost is +13% higher than the determined unit rate (DUR) for 2012 (in €2009).

The actual TSU for 2012 is -1.0% lower than in the NPP, i.e. within the ±2% dead band foreseen in the traffic risk sharing mechanism for the ANSP costs. The outlook for the rest of RP1 based on STATFOR latest forecast (May 2013) is for lower traffic than forecasted in the NPP but the difference does not exceed the -10% threshold.

The large increase in en-route costs (compared to the NPP) is entirely explained by "*a net increase in the provisions for employee benefits for ROMATSA of 106.1 MRON, of which 95.5 MRON are allocated to en-route*". This increase represents 19.4 M€2009 (see Exceptional costs on Graph in item 4) or 15% of Romania's 2012 en-route determined costs. The PRB understands that this is not related to pension costs but that it corresponds to a provision to better recognise future liabilities for bonus/rewards for ROMATSA staff as per contract (e.g. jubilee reward) and that it is not financed from users. It does not represent a cost per se in respect of the activities in 2012. In fact without the impact of this increase in provisions, the actual costs for Romania would have been lower than planned by -3.2%. In such case, Romania's actual real en-route unit cost would have been -2.2% lower than the determined unit rate (DUR) for 2012.

Costs exempt from cost sharing are reported for a total amount of +0.9 M€2009 to be passed on to users for the en-route activity, corresponding to unforeseen change in the Eurocontrol costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Taken at face value, ROMATSA's actual 2012 real en-route costs are some +12.0% higher than planned, which would mean a loss of 14.4 M€2009 for ROMATSA. However, as identified above, this increase is entirely related to an increase in the provisions for employee benefits, which does not constitute a cost per se for ROMATSA. Without the effects from this increase in provisions, the actual costs for ROMATSA would have in fact been lower than planned by -4.2% and ROMATSA would have retained a gain of 5.0 M€2009 (i.e. the difference between the determined and the actual costs).

The total capex for ROMATSA is -63% lower than planned (or 76.6 MRON below the National Performance Plan – hereinafter the NPP). The main reason for this is that the major investment so-called ATM system "ROMATSA 2015+", a system expected to remain 15 years+ (representing 60% of the CAPEX over RP1 or some 80 M€), initially foreseen to be commissioned in 2014, and depreciated over just 4 years, has been postponed to 2015 for Phase I, 2017 for Phase II and 2020 for Phase III and the amounts of capex foreseen for this project in 2012 (72.4 MRON) did not materialise. The PRB understands that this postponement does not impact the capital-related costs (cost of capital and depreciation) for 2012, as the asset base for 2012-2014 was capped at the level of 2010 for the establishment of the determined costs for RP1. It should be noted that Romania has no debt and therefore the cost of capital and the return on equity are one and the same. The actual level of ROMATSA asset base for 2012 is similar to that presented in the NPP. However, the depreciation costs for 2012 are significantly lower than planned (-31%).

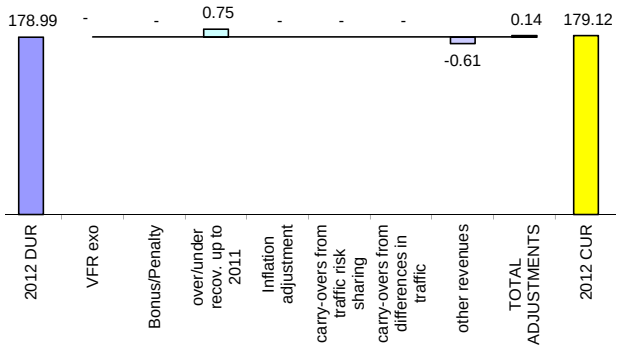
As far as the results of the traffic risk sharing mechanism are concerned, ROMATSA retains a loss of -1.2 M€2009 (i.e. the difference between actual and planned TSU for 2012). Again, taken at face value, the net result for ROMATSA in respect of the en-route activity in 2012 is a loss of -15.6 M€2009. This exceeds the +10.3 M€2009 profit embedded in the cost of capital and results in a net loss of -5.3 M€2009 or -5.1% of the en-route activity turnover. However, without the increase in the provisions, the net result would have been a gain of +3.9 M€2009 and would have resulted in an estimated profit of +14.1 M€2009 or an estimated 11.4% profit margin for the en-route activity. This represents an ex-post actual RoE of 11.0% for ROMATSA in 2012, compared to the 8.0% RoE presented in the NPP.

Conclusion

ROMATSA's financial results in 2012 were significantly affected by one exceptional item resulting in a loss in respect of the 2012 en-route activities. Excluding the effect of this one-time item ROMATSA was able to reduce costs by -4.2% compared to the plan. Assuming that these cost reductions are sustainable ROMATSA is in a good position to regain profitability in 2013 and 2014 in spite of traffic forecasts having been revised down.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Romania 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - RON



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The unit rate charged to airspace users in 2012 was 179.12 RON. This is very similar to the nominal DUR (178.99 RON), as the amount of under-recovery carried over to 2012 from the legacy prior to RP1 were largely compensated by a deduction of other revenues.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^		0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)		1	1	1	2	2
of which, number of airports over 50 000 movements		1	1	1	1	1

Romania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in RON)	35 409 481	32 977 000	34 677 547	38 465 138	41 139 249	42 637 910
Inflation index (100 in 2009)	100.0	106.1	113.1	118.2	121.9	125.3
Real terminal ANS costs - (in RON2009)	**35 409 481**	**31 081 056**	**30 660 256**	**32 544 560**	**33 760 496**	**34 037 312**
Real terminal ANS costs - (in EUR2009)	**8 365 044**	**7 342 508**	**7 243 099**	**7 688 242**	**7 975 492**	**8 040 886**

Romania - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in RON)	35 409 481	33 038 248	35 281 391	41 611 302	3 146 165	7.6%
Inflation index (100 in 2009)	100.0	106.1	112.3	116.1	-2.1 p.p.	
Real terminal ANS costs - (in RON2009)	**35 409 481**	**31 138 782**	**31 430 019**	**35 850 046**	**3 305 485**	**10.2%**
Real terminal ANS costs - (in EUR2009)	8 365 044	7 356 145	7 424 946	8 469 122	780 879	10.2%
Total terminal service units	36 715	38 697	37 480	45 377		
Actual real unit costs - (in RON2009)	964.4	804.7	838.6	790.0		
Unit rate applied - (in RON)				**931.51**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

For the period 2009-2012, the terminal charging zone comprises one airport, Bucharest Henri Coandă International Airport. From 2013 onwards, it will also comprise Bucharest Aurel Vlaicu International Airport.

The harmonised SES formula (MTOW/50)^0.7 already applies in Romania Terminal Charging Zone.

The actual 2012 terminal ANS costs are +10.2% higher (in real terms) than the forecast presented in the NPP in June 2011. As for en-route, this increase is due to the increase in provisions for employee benefit in ROMATSA which logically impacts both en-route and terminal ANS activities. Without the effects of this increase in provision, the actual 2012 terminal ANS costs would have been -17.9% lower than the NPP forecast (-1.4 M€2009).

The actual TNSU increased by +21% in 2012 compared to 2011. As reported by Romania, it is also "*+17% above the forecast used for the unit rate. This increase is due to an administrative decision taken by state in 2012 when an important part of the traffic was moved from Bucharest Aurel Vlaicu (LRBS) to Bucharest Henri Coanda (LROP)*".

11. - Monitoring of gate-to-gate costs (2012)

Romania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in RON2009	563 745 065	563 312 562	555 112 100	546 997 499	555 327 696	564 349 440
Real terminal ANS costs - (in RON2009)	35 409 481	31 081 056	30 660 256	32 544 560	33 760 496	34 037 312
Real gate-to-gate ANS costs - (in RON2009)	**599 154 545**	**594 393 618**	**585 772 356**	**579 542 060**	**589 088 192**	**598 386 752**
Real gate-to-gate ANS costs - (in EUR2009)	**141 542 712**	**140 418 003**	**138 381 338**	**136 909 509**	**139 164 663**	**141 361 330**
Share of en-route costs in gate-to-gate ANS costs	**94.1%**	**94.8%**	**94.8%**	**94.4%**	**94.3%**	**94.3%**

Romania - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in RON2009)	563 745 065	563 460 093	509 271 423	611 960 764	64 963 265	11.9%
Real terminal ANS costs - (in RON2009)	35 409 481	31 138 782	31 430 019	35 850 046	3 305 485	10.2%
Real gate-to-gate ANS costs - (in RON2009)	**599 154 545**	**594 598 875**	**540 701 442**	**647 810 810**	**68 268 750**	**11.8%**
Real gate-to-gate ANS costs - (in EUR2009)	**141 542 712**	**140 466 492**	**127 733 903**	**153 037 141**	**16 127 632**	**11.8%**
Share of en-route costs in gate-to-gate ANS costs	**94.1%**	**94.8%**	**94.2%**	**94.5%**	**0.1%**	

12 - General conclusions on the gate-to-gate ANS costs

Altogether, Romania's gate-to-gate 2012 actual ANS costs (in €2009) are +11.8% higher than the costs presented in the NPP. Without the effects of the increase in provisions for employee benefits, they would have been lower by -4%.

When considering only the Terminal ANS costs subject to the charging regulation (the two airports forming Romania's TCZ), the relative share of en-route costs remains fairly constant at 94%.

Performance Review Body
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the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Slovak Republic

Edition 1.0
Edition date: 15/08/2013

SLOVAK REPUBLIC **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Slovakia	2012	2013	2014
State level	55		
ANSP 1	70		
ANSP 2	70		

EASA observations

Over 85% of the replies were reviewed: 65% were considered as "L"(low level of confidence), 10% as "H"(high level of confidence) and the rest as "M"(medium level of confidence). The remaining replies were self-assessed as not yet implemented hence no subject to sampling.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	5	0%		%		%
	ATM overall		40%		%		%
Reporting Runway Incursions (RIs)	ATM ground	2	0%		%		%
	ATM overall		100%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	223	0%		%		%

Just Culture

Number of questions answered with Yes or No.	State		ANSP 1 (LPS SRATS)	
	YES	NO	YES	NO
Policy and its implementation	5	5	12	1
Legal/Judiciary	5	3	2	1
Occurrence reporting and Investigation	2	0	6	2
TOTAL	**12**	**8**	**20**	**4**

SLOVAK REPUBLIC **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.24	0.22	0.19	
National Target	0.30	0.32	0.19	
Actual performance	0.00	--	--	

Capacity

The national performance plan for the Slovak Republic gave details of how FUA would be applied to increase capacity, including:

- the definition of TSA/TRA affecting the achievement of the capacity targets;
- annual analysis of the utilisation of airspace managed by the AMC;
- specific action in case problems were identified by the State Annual Report of the Application of FUA;
- the evaluation of all these activities regularly at Inter-ministerial Commission meetings.

Assessment

- The national annual performance report describes the capacity performance for 2012 as very satisfactory. It explains that in spite of demanding preparation for a movement to a new ACC premises in early 2013 there were no en-route delays recorded, thanks to well-prepared transition process to the new administrative operational building APB in early 2012. During 2012 the ANSP, LPS, provided air traffic services in line with the Operational Plan and without serious limitations. Within the period from January to December 2012 en route movements increased by 0,4 % over 2011.
- With the excellent capacity performance in 2012, the Slovak Republic has met both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB is confident that the Slovak Republic can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

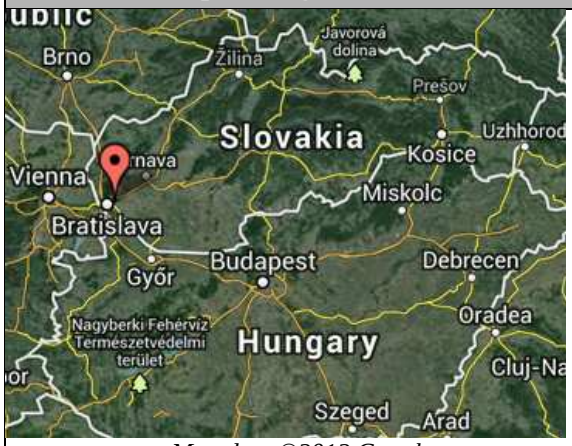
- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 25%
- The above indicator was calculated from data provided on the following areas:
- LZR 20A; LZR 20B; LZR 20C; LZR 60A; LZR 60B; LZR 80C; LZR 90; LZR 100A; LZR 100B; LZR 225A; LZR 225B; LZR 313A; LZR 313B; TSA 02A; TSA 02B; TSA 02C; TSA 02D; TSA 05A; TSA 05B; TSA 06A; TSA 06B; TSA 06C; TSA 06D; TSA 09A; TSA 09W ; TSA 10 ; TRA 07 ; TRA 07Y & TRA 65

Recommendations

- none

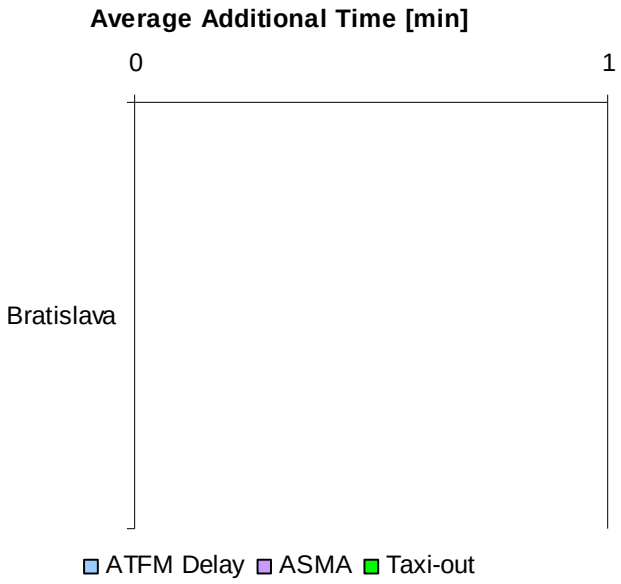
SLOVAK REPUBLIC **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1



Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Bratislava	LZIB	0.0	0	Not applicable		Missing data		0
Weighted average		**0.0**						
Grand Total			**0**					**0**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Missing AOBT and STND data for the calculation of unimpeded taxi out time.
- Mandatory data items partially missing (STATUS C.R., AIBT).

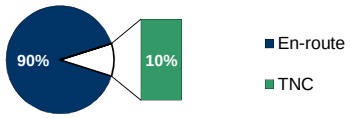
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Slovakia represents 0.8% of the SES en-route ANS determined costs in 2012.
- ATSP : LPS
- FAB : FAB CE
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

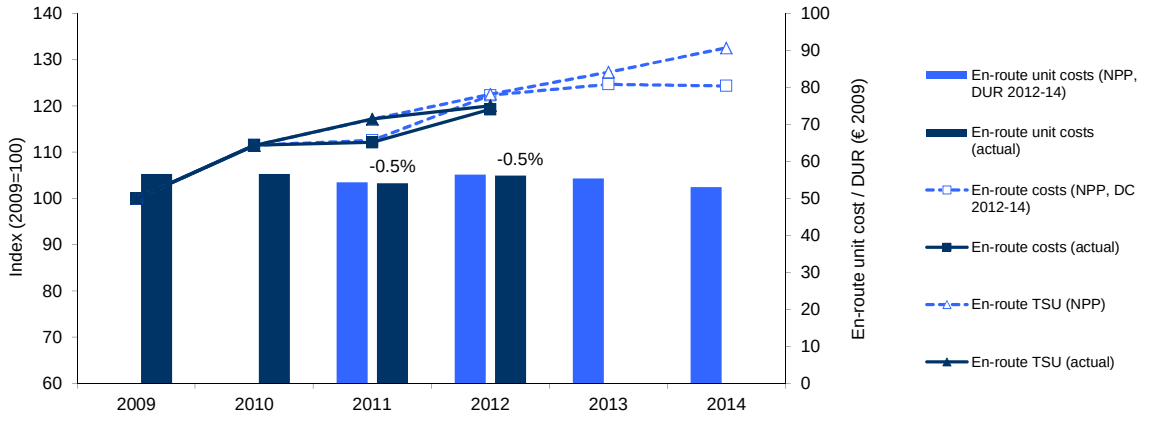


2. - En-route DUR monitoring (2012)

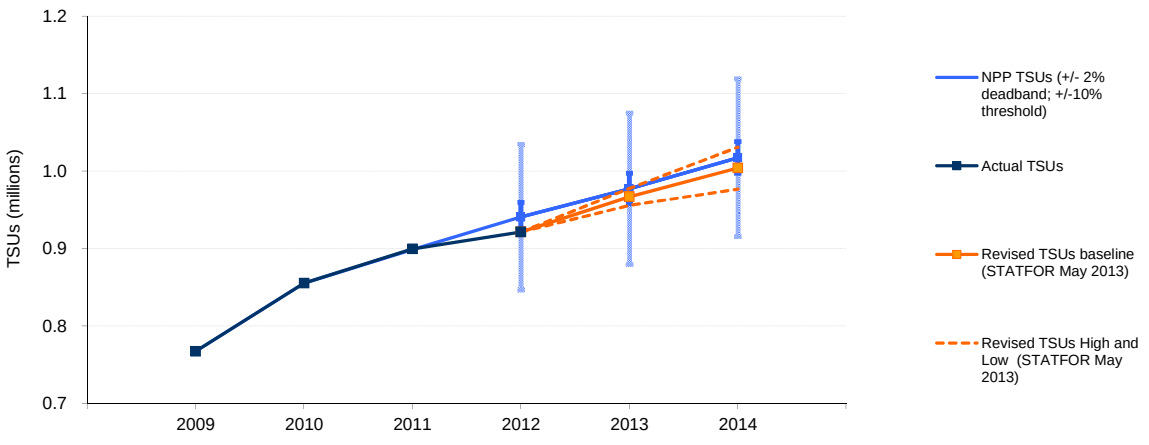
En-route Determined Unit Rate (DUR) 2012 Slovakia (in EUR2009)	56.51
Monitoring - Actual en-route unit cost 2012 Slovakia (in EUR2009)	56.25
Difference (in EUR2009)	-0.26
Difference in percent	-0.5%

Slovakia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	43 454 247	48 820 000	50 953 000	56 840 978	59 611 000	61 113 092
Inflation %		0.7%	3.4%	2.7%	2.9%	2.8%
Inflation index (100 in 2009)	100.0	100.7	104.1	106.9	110.0	113.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 454 247	48 480 636	48 939 751	53 164 947	54 205 547	54 057 812
Total en-route Service Units	767 550	855 572	899 074	940 852	977 545	1 017 625
Real en-route unit costs per Service Units - (in EUR2009)	**56.61**	**56.66**	**54.43**	**56.51**	**55.45**	**53.12**

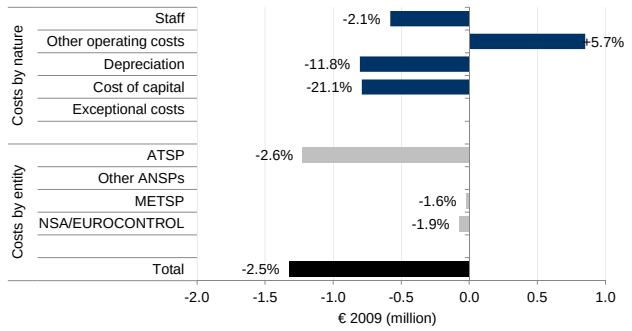
Slovakia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	43 454 247	48 820 000	51 087 000	56 355 263	-485 715	-0.9%
Inflation %		0.7%	4.1%	3.7%	1.0 p.p.	
Inflation index (100 in 2009)	100.0	100.7	104.8	108.7	1.8 p.p.	
Real en-route costs - (in EUR2009)	43 454 247	48 480 636	48 733 791	51 841 258	-1 323 689	-2.5%
Total en-route Service Units	767 550	855 572	899 810	921 643	-19 209	-2.0%
Real en-route unit costs per Service Units - (in EUR2009)	**56.61**	**56.66**	**54.16**	**56.25**	**-0.26**	**-0.5%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-391
National taxation law	-
New cost item required by law	-50
International agreements	-11
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-441
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-11
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-452

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

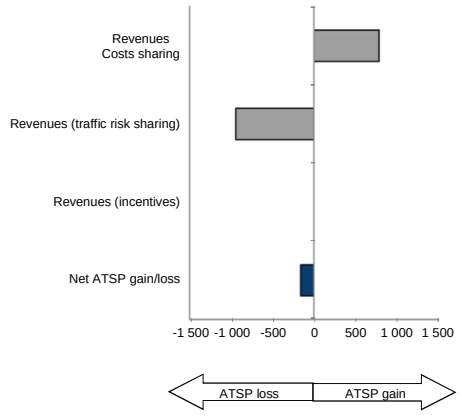
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	47 690
Actual costs for the ATSP	46 465
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	1 224
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-441
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	784

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-2.04%
Determined costs after deduction of costs for exempted VFR flights	46 847
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-937
ATSP loss (traffic between -2% and -10% below NPP)	-6
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-943

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-

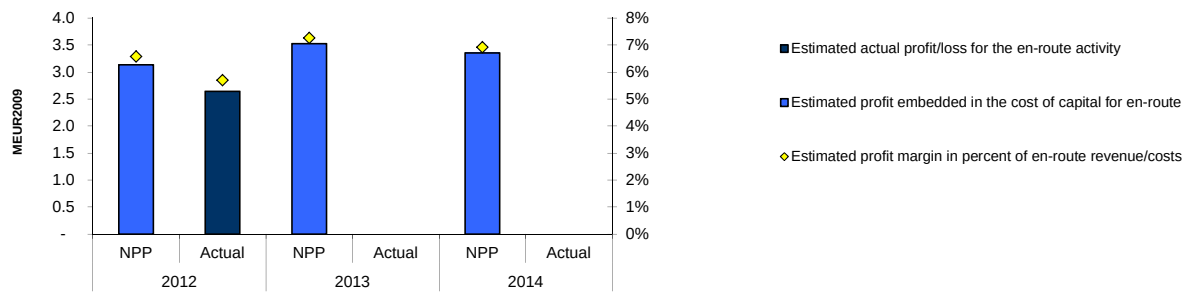
Net ATSP gain(+)/loss(-) on en-route activity	-159

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	52 244	46 663	63 513		59 707	
Estimated proportion of financing through equity (in %)	83%	83%	73%		75%	
Estimated proportion of financing through equity (in value)	43 530	38 889	46 135		44 561	
Estimated proportion of financing through debt (in %)	17%	17%	27%		25%	
Estimated proportion of financing through debt (in value)	8 714	7 774	17 378		15 146	
Cost of capital	3 744	2 954	4 741		4 416	
Average interest on debt	7.0%	2.0%	7.0%		7.0%	
Interest on debt	610	154	1 216		1 060	
Ex-ante RoE	7.2%	7.2%	7.6%		7.5%	
Estimated profit embedded in the cost of capital for en-route	3 134	2 800	3 525		3 355	
Net ATSP gain(+)/loss(-) on en-route activity		-159				
Estimated profit/loss for the en-route activity	**3 134**	**2 641**	**3 525**		**3 355**	
Revenue/costs for the en-route activity	**47 690**	**46 306**	**48 555**		**48 487**	
Estimated profit margin in percent of en-route revenue/costs	**6.6%**	**5.7%**	**7.3%**		**6.9%**	
Estimated ex-post RoE	**7.2%**	**6.8%**	**7.6%**		**7.5%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

In 2012, Slovak Republic real en-route unit cost (56.25 €2009) is -0.5% lower than planned in the NPP for RP1 (56.51 €2009). This difference is due to the fact that 2012 actual en-route costs are -2.5% lower than the determined costs, while the actual number of total service units (TSUs) is -2.04% lower than planned.

Looking forward, based on STATFOR May 2013 forecasts, the number of TSUs in 2013 and 2014 is expected to be slightly lower than the forecast provided in the Slovak Republic NPP for RP1 (-1.1% and -1.3% respectively), which is within the -/+2% deadband.

The Slovak Republic en-route cost-base includes costs relating to: the ATSP (LPS), the METSP, the Slovak Republic NSA and the EUROCONTROL Agency. For all these entities actual en-route costs are lower than the amounts planned in the NPP for 2012: LPS (-2.6%), the METSP (-1.6%), and the NSA/EUROCONTROL (-1.9%). The latter reflects lower actual costs than planned for the EUROCONTROL Agency but also lower actual costs for the NSA.

Real en-route costs for Slovak Republic are -2.5% lower than planned for 2012 as a combination of -0.9% lower nominal total costs and 1.8 percentage points higher inflation index (the annual inflation recorded for 2012 is higher as compared to the NPP (difference of 1.0 p.p.). Significant savings were made in the depreciation costs (-11.8%) and cost of capital (-21.1%), while other operating costs are higher than planned (+5.7%). Lower depreciation costs are mainly attributable to LPS and according to the Slovak Republic Annual Monitoring Report for 2012 reflect the delays in the procurement process. The cost of capital was affected by the lower actual asset base for LPS (-10.7%), as well as lower average interest on debt (2.0%) as compared to the forecast provided in the NPP (7.0%). Other operating costs are higher than planned, which is mainly driven by LPS. According to the Annual Monitoring Report this is due to the receivables write-offs, which was not included in the determined costs but is reported in 2012 actual costs .

Costs exempt from cost sharing are reported for a total of -0.5 M€2009 to be reimbursed to users for the en-route activity, corresponding to lower costs arising from a lower than expected loan interest rate for the new ACC building, lower than planned insurance covers for potential loss or damage caused by ATSP, and slightly lower EUROCONTROL costs. These amounts will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

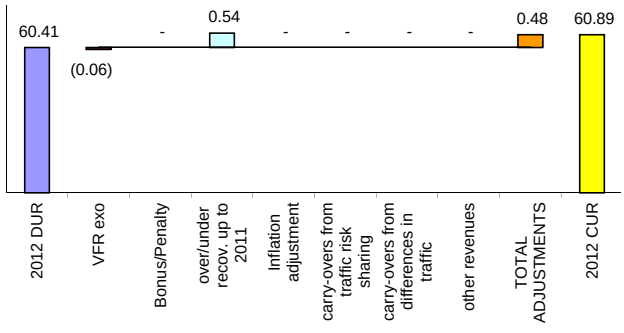
At ATSP level

Taking into account the costs exempt from cost sharing, LPS actual en-route costs are some -0.8 M€2009 lower than the determined costs reported for the year 2012. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned in 2012 translated into losses of en-route revenues which amounted to -0.9 M€2009 for LPS. The combination of these two elements contributes to a net loss of some -0.2 M€2009 on the en-route activity in 2012.

When estimating the profit margin for LPS for the year 2012, it is important to account for the profit embedded in the cost of capital through the return on equity (some 2.8 M€2009). As a result, the estimated profit for the en-route activity in 2012 amounts to 2.6 M€2009 (2.8 M€2009 - 0.2 M€2009), which implies an actual estimated profit margin of 5.7% (against an estimated planned profit margin of 6.6%) and an ex-post rate of return on equity of 6.8% (compared to 7.2% as initially planned in the NPP). This indicates that in 2012, Slovak Republic was in a position to cover losses arising from the lower traffic than planned in 2012 and to retain the part of profit embedded in the cost of capital.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Slovakia 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to users in 2012 was 60.89€. This is close to the DUR expressed in nominal terms (60.41€). The difference observed between these two figures (0.48€) mainly reflects the net amount of under-recovery carried over to 2012 in the context of the full cost-recovery regime in place before RP1.

Slovak Republic revised the chargeable UR from 60.82€ to 60.89€ on 1st September 2012 in order to align it with the NPP. Note that considering the relatively low amount of *"loss of income"* due to the application of lower unit rate (i.e. 60.82€) for the period from January to August 2012, Slovak Republic decided to not apply the relating adjustment in 2013.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula MTOW						
Number of airports in the terminal charging zone(s)		5	6	6	6	6
of which, number of airports over 50 000 movements						

Slovakia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	7 438 000	5 530 000	5 268 000	6 145 312	6 390 300	6 579 897
Inflation index (100 in 2009)	100.0	100.7	104.1	106.9	110.0	113.1
Real terminal ANS costs - (in EUR2009)	**7 438 000**	**5 491 559**	**5 059 851**	**5 747 881**	**5 810 835**	**5 820 272**

Slovakia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	7 438 000	5 528 000	5 625 000	5 878 567	-266 745	-4.3%
Inflation index (100 in 2009)	100.0	100.7	104.8	108.7	1.8 p.p.	
Real terminal ANS costs - (in EUR2009)	**7 438 000**	**5 489 573**	**5 365 897**	**5 407 699**	**-340 182**	**-5.9%**
Total terminal service units		682 657	654 041	581 137		
Actual real unit costs - (in EUR2009)		8.0	8.2	9.3		
Unit rate applied - (in EUR)				**6.47**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Slovak Republic comprises 6 airports. As all airports are below 50 000 movements, Slovak Republic is not bound to apply the common formula (MTOW/50)^X where 0.5<X<0.9 in RP1.

Actual terminal ANS 2012 costs are -5.9% lower than the forecast provided in the NPP for 2012 (some -0.3 M€2009). The main drivers for this difference are lower cost of capital (-31.4%), lower other operating costs (-13.3%), and lower depreciation costs (-6.6%), while staff costs were slightly higher than planned (+0.7%). The Annual Monitoring Report does not comprise detailed information on the main drivers underlying these changes.

11. - Monitoring of gate-to-gate costs (2012)

Slovakia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 454 247	48 480 636	48 939 751	53 164 947	54 205 547	54 057 812
Real terminal ANS costs - (in EUR2009)	7 438 000	5 491 559	5 059 851	5 747 881	5 810 835	5 820 272
Real gate-to-gate ANS costs - (in EUR2009)	**50 892 247**	**53 972 195**	**53 999 602**	**58 912 828**	**60 016 382**	**59 878 084**
Share of en-route costs in gate-to-gate ANS costs	**85.4%**	**89.8%**	**90.6%**	**90.2%**	**90.3%**	**90.3%**

Slovakia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	43 454 247	48 480 636	48 733 791	51 841 258	-1 323 689	-2.5%
Real terminal ANS costs - (in EUR2009)	7 438 000	5 489 573	5 365 897	5 407 699	-340 182	-5.9%
Real gate-to-gate ANS costs - (in EUR2009)	**50 892 247**	**53 970 209**	**54 099 688**	**57 248 956**	**-1 663 871**	**-2.8%**
Share of en-route costs in gate-to-gate ANS costs	**85.4%**	**89.8%**	**90.1%**	**90.6%**	**0.3%**	

12 - General conclusions on the gate-to-gate ANS costs

In 2012, Slovak Republic actual gate-to-gate ANS costs (57.2 M€2009) are -2.8% lower than planned in the NPP (58.9 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs has gradually increased over time from 85.4% in 2009 to 90.6% in 2012. It is in line with the proportion planned in the NPP for 2012.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Slovenia

Edition 1.0
Edition date: 15/08/2013

SLOVENIA **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Slovenia	2012	2013	2014
State level	50		
ANSP	72		

EASA observations

75% of the replies were sampled, from which all of them, were marked as "l" (low level of confidence). The rest of the replies (25%) were self-assessed as not implemented yet, therefore they were not subject to sampling.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	6	0%		%		%
	ATM overall		100%		%		%
Reporting Runway Incursions (RIs)	ATM ground	6	0%		%		%
	ATM overall		100%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	11	100%		%		%

In the Slovenian Monitoring Report, the numbers of reported SMIs, RIs and reported ATM specific technical events were 7 for SMI, 6 for RI and 37 for ATM specific technical events. These are only assessed by ATM Ground at the ANSP level.

The values reported through AST reporting mechanism are different, 6, 6 and 11 respectively.

The indication of how many reports were assessed with RAT corresponds exactly with the ratio according to the AST reporting mechanism, for all types of occurrences.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (Slovenia Control)	
	YES	NO	YES	NO
Policy and its implementation	4	6	13	0
Legal/Judiciary	6	2	2	1
Occurrence reporting and Investigation	1	1	6	2
TOTAL	**11**	**9**	**21**	**3**

SLOVENIA **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.31	0.26	0.22	
National Target	0.31	0.03	0.03	
Actual performance	0.00	--	--	

Capacity

- The national performance plan for Slovenia stated that whilst FUA legislation had not already been transposed into national legislation, Slovenia would implement Airspace Management measures in accordance with the FUA legislation during the first reference period.
- The national performance plan states that "…military activity in Slovenian airspace has no impact on the en route capacity target..."

Assessment

- With the excellent capacity performance in 2012, Slovenia has exceeded both the level of performance required to be consistent with the EU wide target for 2012 and the national target. The PRB welcomes the commitment from Slovenia to provide good capacity performance and is confident that Slovenia can provide an adequate contribution to capacity performance in RP1.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 72%
- The above indicator was calculated using data provided on the following areas: LJR2; LJR4; LJR5; LJR6A; LJR6B; LJR6C; SKUNK; TSA; TSA1; TSA2 & TSA3.

Recommendations

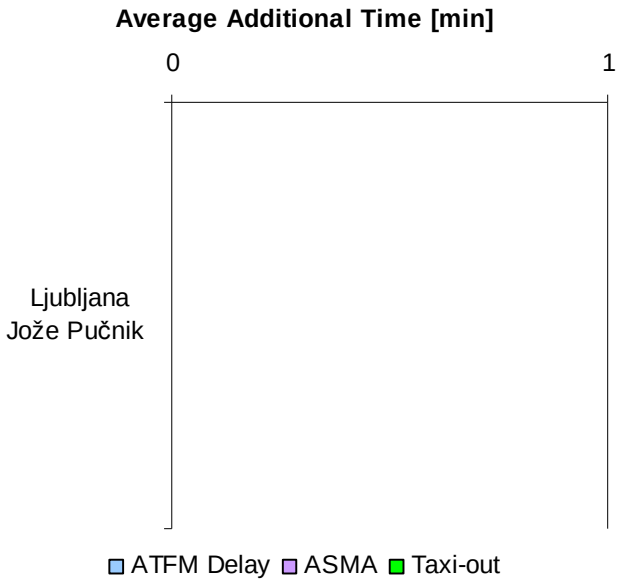
- No recommendations for Slovenia

SLOVENIA **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Ljubljana Jože Pučnik	LJLJ	0.0	0	Not applicable		Missing data		0
Weighted average		**0.0**						
Grand Total			**0**					**0**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Missing DRWY data for the calculation of unimpeded taxi out time.
- Mandatory data items partially missing (STATUS C.R.).

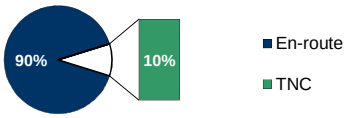
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Slovenia represents 0.5% of the SES en-route ANS determined costs in 2012.
- ATSP : Slovenia Control
- FAB : FAB CE
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

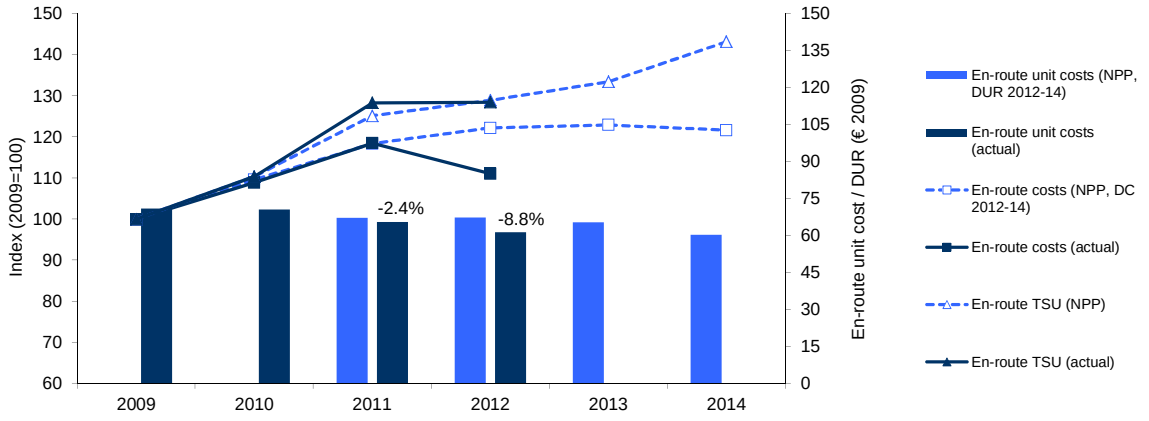


2. - En-route DUR monitoring (2012)

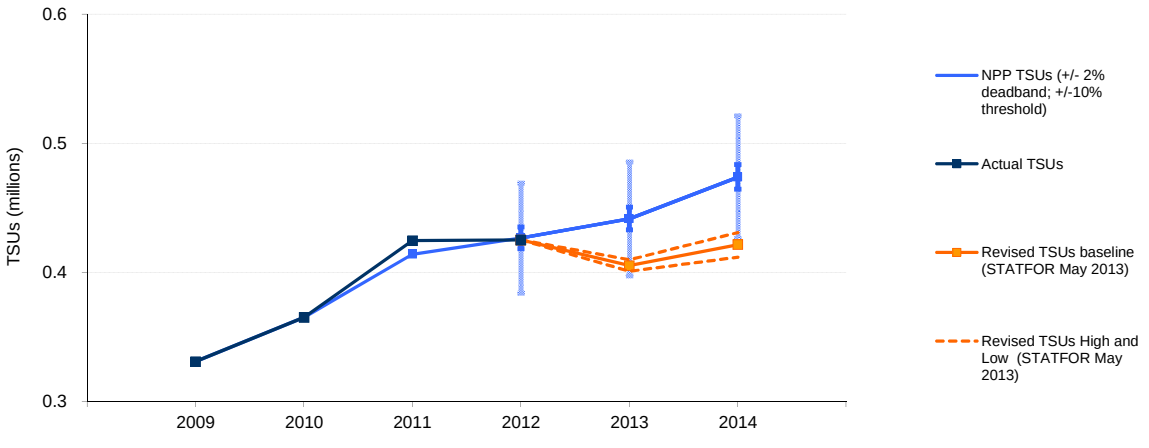
En-route Determined Unit Rate (DUR) 2012 Slovenia (in EUR2009)	67.26
Monitoring - Actual en-route unit cost 2012 Slovenia (in EUR2009)	61.36
Difference (in EUR2009)	-5.90
Difference in percent	-8.8%

Slovenia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	23 493 772	26 211 708	28 930 090	30 790 503	31 687 890	32 084 460
Inflation %		1.8%	2.2%	3.1%	2.3%	2.3%
Inflation index (100 in 2009)	100.0	101.8	104.0	107.3	109.7	112.3
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	23 493 772	25 748 240	27 806 806	28 705 125	28 877 550	28 581 573
Total en-route Service Units	330 983	365 201	414 180	426 792	441 730	473 976
Real en-route unit costs per Service Units - (in EUR2009)	**70.98**	**70.50**	**67.14**	**67.26**	**65.37**	**60.30**

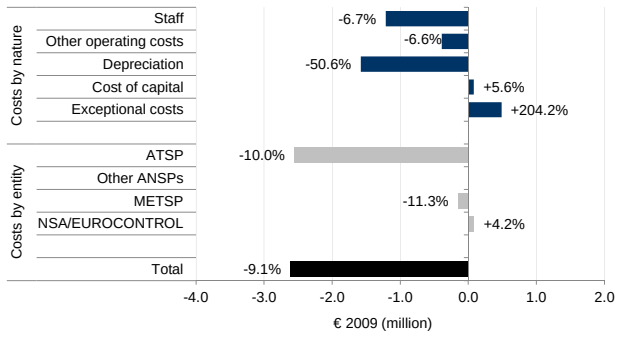
Slovenia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	23 493 772	26 032 613	28 929 420	27 878 188	-2 912 315	-9.5%
Inflation %		1.8%	2.1%	2.8%	-0.3 p.p.	
Inflation index (100 in 2009)	100.0	101.8	103.9	106.8	-0.4 p.p.	
Real en-route costs - (in EUR2009)	23 493 772	25 572 312	27 833 397	26 091 432	-2 613 693	-9.1%
Total en-route Service Units	330 983	365 201	424 670	425 205	-1 587	-0.4%
Real en-route unit costs per Service Units - (in EUR2009)	**70.98**	**70.50**	**65.54**	**61.36**	**-5.90**	**-8.8%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-6
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-6
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-6

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

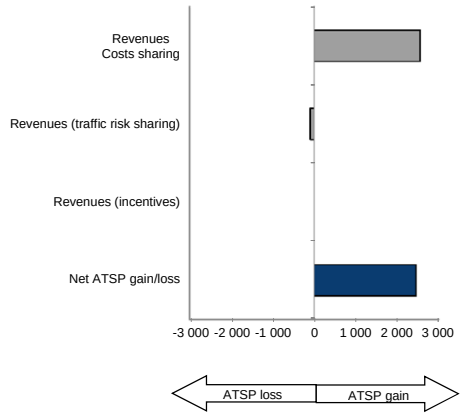
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	25 328
Actual costs for the ATSP	22 776
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	2 552
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	2 552

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-0.37%
Determined costs after deduction of costs for exempted VFR flights	25 536
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-95
ATSP loss (traffic between -2% and -10% below NPP)	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-95

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-

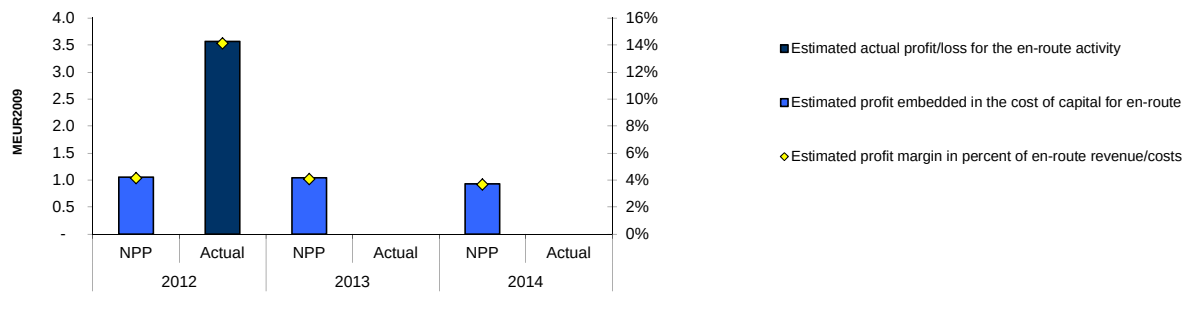
Net ATSP gain(+)/loss(-) on en-route activity	2 457

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	24 147	25 504	23 957		21 358	
Estimated proportion of financing through equity (in %)	63%	63%	63%		63%	
Estimated proportion of financing through equity (in value)	15 141	15 992	15 022		13 393	
Estimated proportion of financing through debt (in %)	37%	37%	37%		37%	
Estimated proportion of financing through debt (in value)	9 006	9 512	8 935		7 966	
Cost of capital	1 456	1 538	1 445		1 288	
Average interest on debt	4.5%	4.5%	4.5%		4.5%	
Interest on debt	405	428	402		358	
Ex-ante RoE	6.9%	6.9%	6.9%		6.9%	
Estimated profit embedded in the cost of capital for en-route	1 051	1 110	1 043		929	
Net ATSP gain(+)/loss(-) on en-route activity		2 457				
Estimated profit/loss for the en-route activity	**1 051**	**3 567**	**1 043**		**929**	
Revenue/costs for the en-route activity	**25 328**	**25 233**	**25 639**		**25 319**	
Estimated profit margin in percent of en-route revenue/costs	**4.1%**	**14.1%**	**4.1%**		**3.7%**	
Estimated ex-post RoE	**6.9%**	**22.3%**	**6.9%**		**6.9%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

At State / Charging Area level

Slovenia's actual 2012 real en-route unit cost is -8.8% lower than planned as real en-route costs are -9.1% below the NPP figures while the number of total en-route service units is in line with the plan (-0.4%).

With the -0.4% lower than planned traffic Slovenia is within the ±2% dead band in 2012. However, according to the revised May 2013 STATFOR forecast the traffic will be significantly lower than planned in the NPP for 2013 and 2014. For 2013, the traffic is still expected to stay above the -10% threshold but for 2014 the difference might exceed -10%.

Real en-route costs for Slovenia are -9.1 % lower in 2012 than planned. Significant savings are made in staff costs (-6.7%) and depreciation (-50.6%), while exceptional costs turned out to be much higher than planned (+204.2%). According to Slovenia's NSA monitoring report, the savings in staff costs compared to the plan are due to "*overall cuts in public sector (MET, NSA) and agreements reached for 2012 in Slovenia Control*", while depreciation costs are significantly affected by the postponement of the commissioning of a new ACC (building, general equipment and technical systems worth a total of 17.9 M€) to 2013. In 2012 the actual asset base for Slovenia Control is +5.6% higher than planned. Information about planned and actual capex separately for 2012 is not provided in the NSA monitoring report. It is reported that exceptional costs are higher than planned due to a provision for expenses of potential legal obligation.

Costs exempt from cost sharing are reported for a total amount of -0.006 M€2009 to be reimbursed to users for the en-route activity, corresponding to unforeseen change in the Eurocontrol costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

Note that the determined costs presented in the NPP and the actual costs presented in item 2 above are net of other income (i.e. income from commercial activities, amounting to 0.1 M€ in 2012).

At ATSP level

In 2012 Slovenia Control has a gain of +2.5 M€2009 from cost sharing due to lower than planned costs. On the other hand, the -0.4% lower than planned traffic results in a -0.09 M€2009 loss for the ATSP in 2012. As a result, the combined effect on profitability of these two deviations is a +2.5 M€2009 gain.

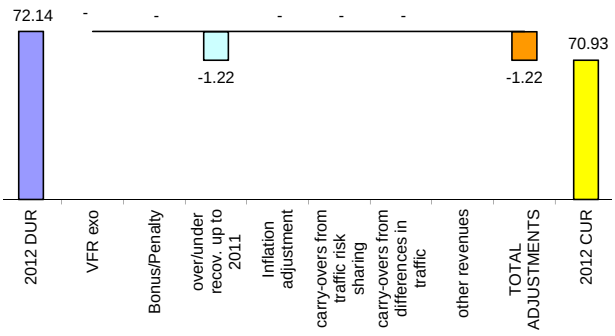
The calculated actual embedded profit margin for the ATSP in 2012 is +1.11 M€2009 which is slightly higher than planned in the NPP (i.e. +1.05 M€2009). After adding the +2.5 M€2009 net gain resulting from the cost and traffic sharing mechanism, the estimated actual profit relating to the 2012 en-route activities of the ATSP amounts to +3.6 M€2009 or +14.1% of the en-route activity turnover. The estimated actual return on equity for Slovenia Control in respect of the 2012 en-route activities is 22.3%.

Conclusion

The combination of traffic being in line with the plan and significantly lower than planned costs ensured a high profitability for Slovenia Control for 2012 as shown by the elevated estimated profit margin and ex-post return on equity figures. On the other hand, the latest traffic forecasts for Slovenia for 2013 and 2014 show significantly lower figures compared to the NPP. Therefore Slovenia Control will need to keep its actual costs below the plans in order to maintain the planned profitability.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Slovenia 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to users in 2012 (70.93€) was lower than the nominal DUR (72.14€) due to some over-recoveries up to 2011.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in the terminal charging zone(s)	3	3	3	3	3	3
of which, number of airports over 50 000 movements						

Slovenia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	3 420 816	2 962 000	3 204 000	3 272 000	3 496 000	3 620 000
Inflation index (100 in 2009)	100.0	101.8	104.0	107.3	109.7	112.3
Real terminal ANS costs - (in EUR2009)	**3 420 816**	**2 909 627**	**3 079 597**	**3 050 394**	**3 185 946**	**3 224 779**

Slovenia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	3 420 816	2 962 125	3 227 622	3 037 742	-234 258	-6.7%
Inflation index (100 in 2009)	100.0	101.8	103.9	106.8	-0.4 p.p.	
Real terminal ANS costs - (in EUR2009)	**3 420 816**	**2 909 749**	**3 105 340**	**2 843 048**	**-207 346**	**-6.8%**
Total terminal service units	13 327	12 519	12 555	11 198		
Actual real unit costs - (in EUR2009)	256.7	232.4	247.3	253.9		
Unit rate applied - (in EUR)				**256.74**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Slovenia comprises three airports (Ljubljana, Maribor and Portoroz). The harmonised SES formula (MTOW/50)^0.7 is applied in the charging zone.

The actual real 2012 terminal ANS costs are -6.8% lower than the forecast presented in the NPP which is comparable with the cost reduction observed for the en-route activities.

Note that the terminal ANS costs presented in the NPP and the actual costs presented in item 9 above are net of other income.

11. - Monitoring of gate-to-gate costs (2012)

Slovenia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009	23 493 772	25 748 240	27 806 806	28 705 125	28 877 550	28 581 573
Real terminal ANS costs - (in EUR2009)	3 420 816	2 909 627	3 079 597	3 050 394	3 185 946	3 224 779
Real gate-to-gate ANS costs - (in EUR2009)	**26 914 589**	**28 657 867**	**30 886 403**	**31 755 519**	**32 063 496**	**31 806 352**
Share of en-route costs in gate-to-gate ANS costs	**87.3%**	**89.8%**	**90.0%**	**90.4%**	**90.1%**	**89.9%**

Slovenia - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	23 493 772	25 572 312	27 833 397	26 091 432	-2 613 693	-9.1%
Real terminal ANS costs - (in EUR2009)	3 420 816	2 909 749	3 105 340	2 843 048	-207 346	-6.8%
Real gate-to-gate ANS costs - (in EUR2009)	**26 914 589**	**28 482 061**	**30 938 737**	**28 934 480**	**-2 821 039**	**-8.9%**
Share of en-route costs in gate-to-gate ANS costs	**87.3%**	**89.8%**	**90.0%**	**90.2%**	**-0.2%**	

12 - General conclusions on the gate-to-gate ANS costs

The actual real 2012 gate-to-gate ANS costs are -8.9% lower than the forecast presented in the NPP.

The relative share of en-route costs within the total cost base has been relatively stable at 90% since 2010 and is in line with that forecasted in the National Performance Plan.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Spain

Edition 1.0
Edition date: 15/08/2013

SPAIN **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Spain	2012	2013	2014
State level	59		
ANSP	69		

EASA observations

100% of the replies were assessed, from which 35% were found to be overrated. The rest of the replies were found to correspond to the situation encountered at the time of the standardisation visit.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	122	0%		%		%
	ATM overall		16%		%		%
Reporting Runway Incursions (RIs)	ATM ground	123	0%		%		%
	ATM overall		1%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	738	3%		%		%

The figures in the 2012 Spanish Monitoring Report differ from data available through AST reporting mechanism:

- 127 reported SMIs vs. 122 in AST;
- 142 reported RIs vs.123 in AST;
- 1232 reported ATM special technical events vs. 738 according to the AST.

In addition, the use of the RAT methodology is reported differently in the Monitoring Report:

- for SMIs 56% assessment with RAT (AST reports 16%);
- for RIs 4% assessment with RAT(AST report gives 1% severity assessment with RAT).
- 0% for the ATM technical event assessed with RAT in the Monitoring Report and 3% in the AST Report.

Just Culture

Number of questions answered with Yes or No.	**State**		**ANSP (AENA)**	
	YES	**NO**	**YES**	**NO**
Policy and its implementation	8	8	5	8
Legal/Judiciary	5	3	2	1
Occurrence reporting and Investigation	2	0	5	3
TOTAL	**15**	**5**	**12**	**12**

The Spanish State Report gives different scoring at State level for Legal/Judiciary: YES: 5; NO: 2; and indicating that one question it "not applicable". However, as the published questionnaire does not envisage the possibility for a N/A answers (which in effect means not answering a question), EASA has counted this as "No".

SPAIN **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.52	0.42	0.31	
National Target	0.80	0.75	0.50	
Actual performance	0.48	--	--	

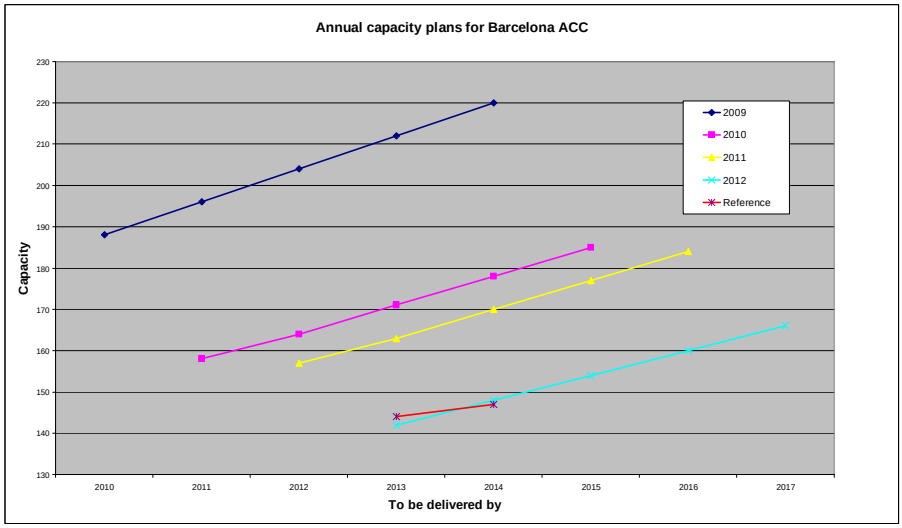
Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Spain did not contain any description of how FUA would be applied to increase capacity.

Extract from notification letter from EC July 2012: The Commission considers that the capacity target could have been further improved. Spain's revised performance plan is assessed on the understanding that Spain will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.31 minute of average delay per flight to be met at the earliest possible date in the second reference period, with the assistance of the Network Manager.

Annual capacity plans for ACCs in Spain (2009- 2012)

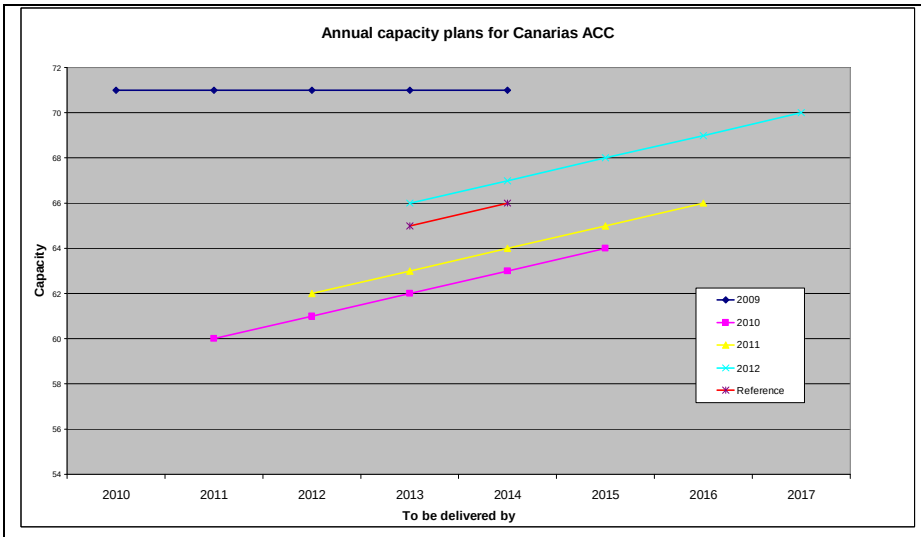
(Data is taken from LSSIP 2010-2014, LSSIP 2011-2015, NOP 2012-2016, NOP 2013-2017.)



The capacity plans for Barcelona ACC have been downgraded each year since 2009. Despite this, because of the drop in forecasted traffic, there should be sufficient capacity to be consistent with the EU wide capacity target for 2013 and 2014.

The plan for 2012 shows deterioration in capacity plans from 2011 in spite of the recommendation from the EC.

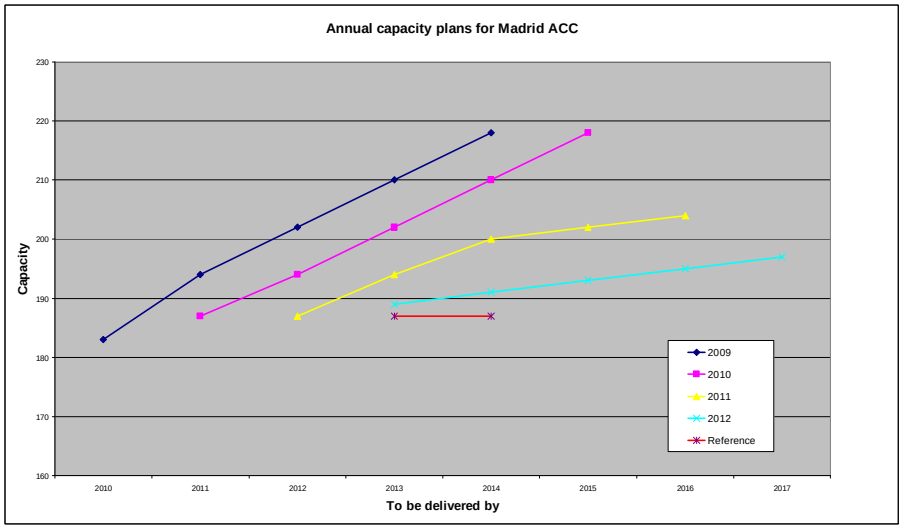
SPAIN **Monitoring of CAPACITY indicators for 2012**



Canarias ACC was already providing a capacity of 71 aircraft back in 2009, with no need for additional capacity enhancements.

Since then, the capacity plans showed a downgrade in capacity levels,although the latest capacity plan for 2012 shows sufficient capacity to meet the EU wide capacity target in 2013 & 2014.

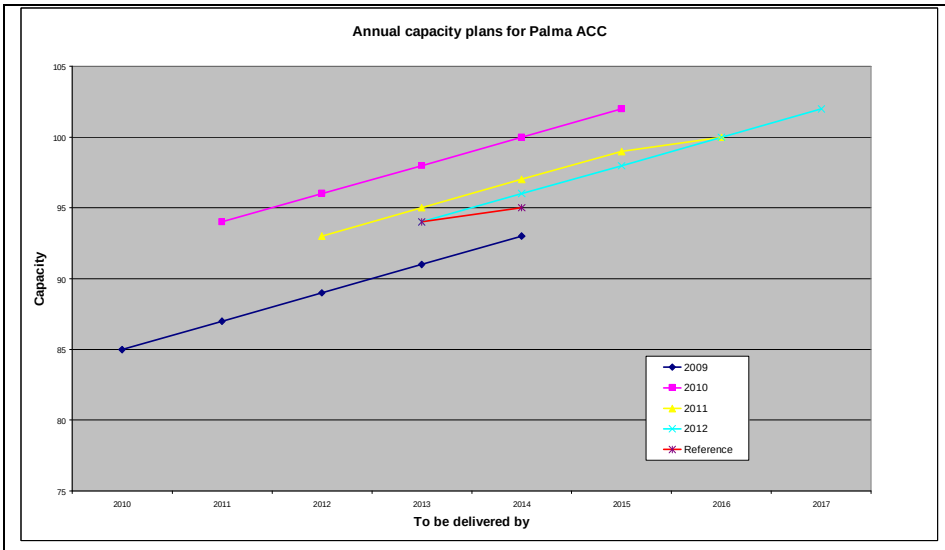
The 2012 plan is an improvement on 2011, perhaps following the recommendation of the EC.



The capacity plans for Madrid ACC have been downgraded each year since 2009. Despite this, because of the drop in forecasted traffic, there should be sufficient capacity to be consistent with the EU wide capacity target for 2013 and 2014.

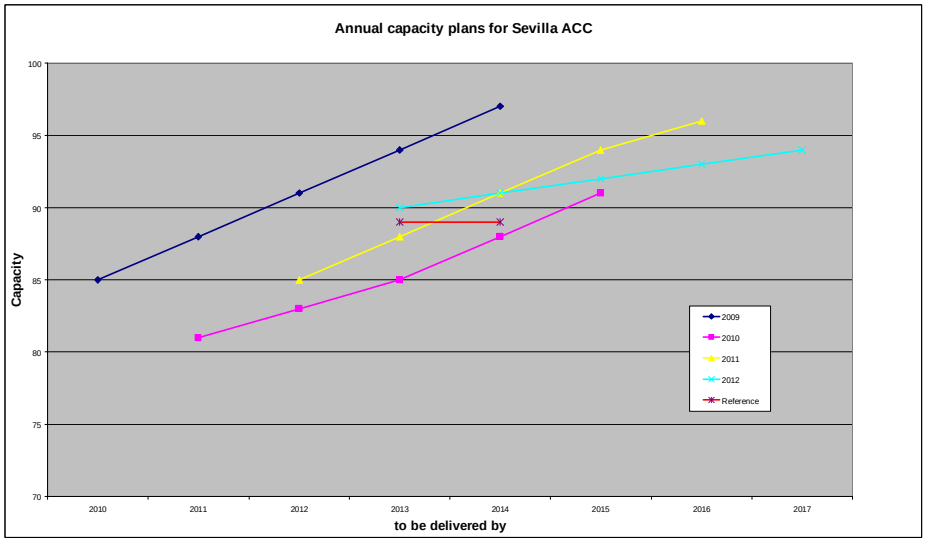
The plan for 2012 shows deterioration in capacity plans from 2011 in spite of the recommendation from the EC.

SPAIN **Monitoring of CAPACITY indicators for 2012**



The capacity plans for Palma ACC have been downgraded each year since 2010. Despite this, because of the drop in predicted traffic, there should be sufficient capacity to be consistent with the EU wide capacity target in 2013 & 2014.

The plan for 2012 shows deterioration in capacity plans from 2011 in spite of the recommendation from the EC.



The capacity plans for Sevilla ACC show a downgrade from the capacity plans produced in 2009, however due to the drop in predicted traffic, there should be sufficient capacity to be consistent with the EU wide capacity target in 2013 & 2014.

The capacity plans for 2012 show a small improvement over the plans from 2011, perhaps following the recommendation from the EC.

SPAIN **Monitoring of CAPACITY indicators for 2012**

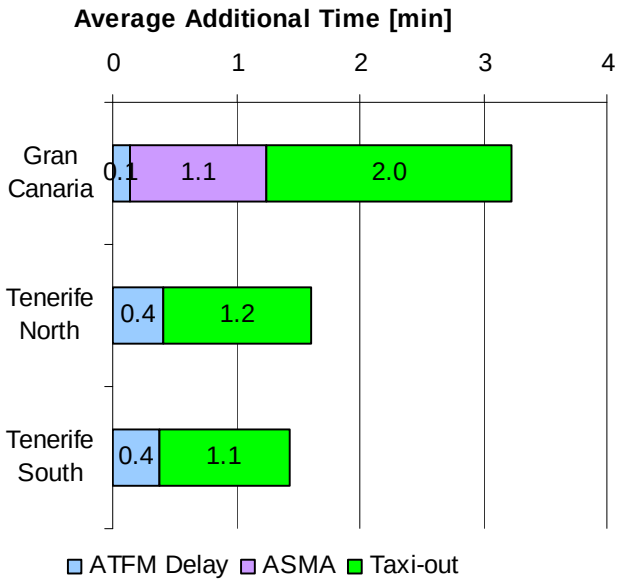
Assessment
Capacity performance in Spain exceeded both the national target for 2012 and the effort required to be consistent with the EU wide target of 0.7 minutes delay per flight in 2012. The latest capacity plans show that Spain could meet the performance level required to be consistent with the EU wide capacity target for 2013 & 2014 provided they are implemented as planned and as importantly provided that the available capacity is deployed to meet the traffic demand.
Effective booking procedures
• Spain did not provide any information on the allocation or actual use of airspace, therefore the calculation on effective booking procedures could not be performed.
Recommendations
• Spain is invited to provide specific details on how the FUA concept will be applied to provide additional capacity for GAT. • Spain is invited to ensure that information on the allocation and use of airspace structures is made available to the Commission in accordance with IR 691/2010, and IR 2150/2005.

SPAIN Canaria **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Gran Canaria	GCLP	0.1	6 815	1.1	41 452	2.0	89 446	137 713
Tenerife North	GCXO	0.4	10 685	Not applicable		1.2	32 543	43 228
Tenerife South	GCTS	0.4	10 061	Not applicable		1.1	28 294	38 355
Weighted average		**0.3**		**1.1**		**1.5**		
Grand Total			**27 561**		**41 452**		**150 283**	**219 296**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- None

Specific Analysis

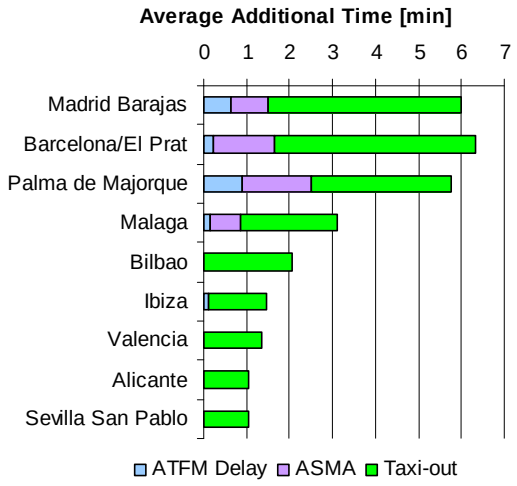
- No specific operational concern regarding RP1 performance monitoring.

SPAIN Continental **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Madrid Barajas	LEMD	0.6	118 951	0.9	153 225	4.5	814 684	**1 086 860**
Barcelona/El Prat	LEBL	0.2	32 382	1.4	198 878	4.7	647 442	**878 702**
Palma de Majorque	LEPA	0.9	77 724	1.6	121 955	3.3	274 386	**474 065**
Malaga	LEMG	0.1	6 976	0.7	33 068	2.3	109 981	**150 025**
Bilbao	LEBB	0.0	0	Not applicable		2.0	48 399	**48 399**
Ibiza	LEIB	0.1	3 465	Not applicable		1.3	36 850	**40 315**
Valencia	LEVC	0.0	0	Not applicable		1.3	38 207	**38 207**
Alicante	LEAL	0.0	32	Not applicable		1.1	32 836	**32 868**
Sevilla San Pablo	LEZL	0.0	0	Not applicable		1.0	23 121	**23 121**
Weighted average		**0.4**		**1.2**		**3.5**		
Grand Total			**239 530**		**507 126**		**2 025 906**	**2 772 562**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

SPAIN Continental **Monitoring of CAPACITY indicators for 2012**

- Mandatory data items partially missing (STATUS C.R.) for Madrid, Barcelona, Palma, Malaga, Bilbao and Ibiza.

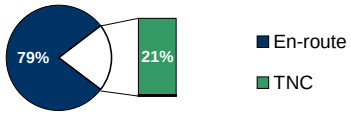
Specific Analysis

- The performance improvement at Spanish airports is mainly due to traffic decrease, at Madrid and Barcelona Airports in particular.
- In the case of Madrid, the substantial decrease of IFR traffic in 2012 (-13.3% compared to 2011) resulted in discernible reductions of ATFM regulations for the arrival flow and a higher taxi-out efficiency.
- No specific operational concern at other Spanish airports regarding RP1 performance monitoring.

1. - Contextual economic information

- Spain Continental represents 10.5% of the SES en-route ANS determined costs in 2012.
- ATSP : Aena
- FAB : SW
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS costs

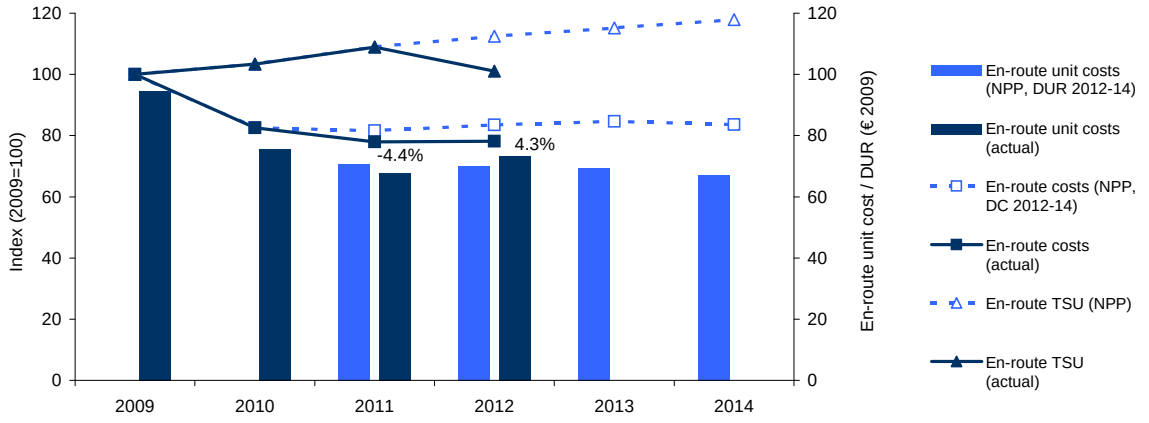


2. - En-route DUR monitoring (2012)

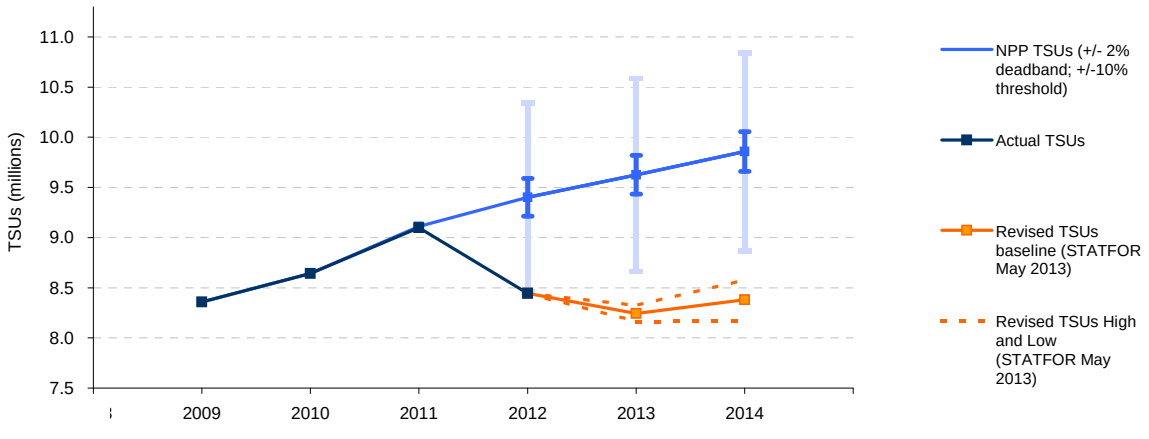
En-route Determined Unit Rate (DUR) 2012 Spain Continental (in EUR2009)	70.08
Monitoring - Actual en-route unit cost 2012 Spain Continental (in EUR2009)	73.08
Difference (in EUR2009)	3.00
Difference in percent	4.3%

Spain Continental - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	789 446 433	665 210 698	674 583 170	700 300 162	720 236 750	721 590 771
Inflation %		2.0%	2.6%	1.5%	1.4%	1.5%
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	789 446 433	651 894 700	644 352 174	658 817 012	668 421 934	659 664 833
Total en-route Service Units	8 358 173	8 641 861	9 110 035	9 400 616	9 626 232	9 857 260
Real en-route unit costs per Service Units - (in EUR2009)	**94.45**	**75.43**	**70.73**	**70.08**	**69.44**	**66.92**

Spain Continental - Actual data from June 2013 Reporting Table	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	789 446 433	665 224 115	647 349 290	664 818 640	-35 481 523	-5.1%
Inflation %		2.0%	3.1%	2.4%	0.9 p.p.	
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	1.4 p.p.	
Real en-route costs - (in EUR2009)	789 446 433	651 907 848	615 316 039	617 110 293	-41 706 718	-6.3%
Total en-route Service Units	8 358 173	8 641 861	9 099 189	8 443 969	-956 647	-10.2%
Real en-route unit costs per Service Units - (in EUR2009)	**94.45**	**75.43**	**67.62**	**73.08**	**3.00**	**4.3%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



1. - Contextual economic information

- Spain Canarias represents 1.7% of the SES en-route ANS determined costs in 2012.
- ATSP : Aena
- FAB : SW
- National currency: EUR

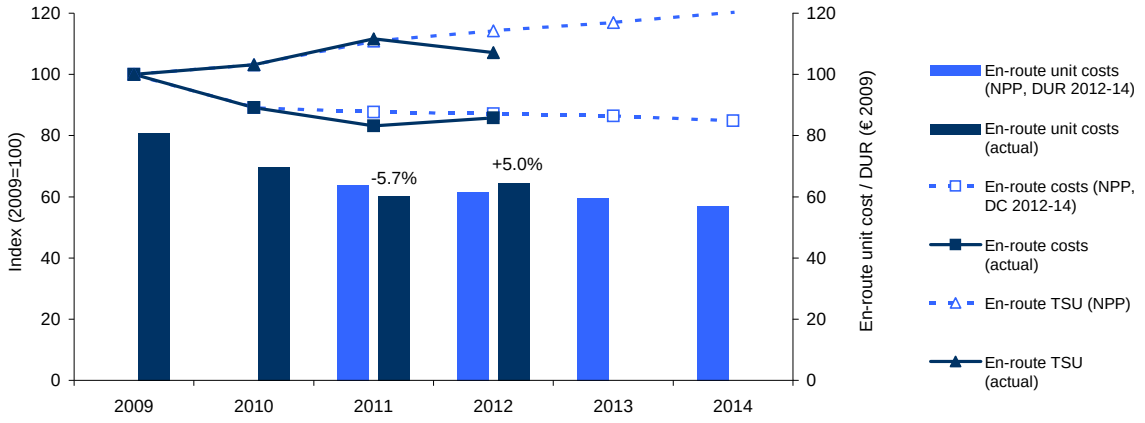
Share of en-route and terminal in gate-to-gate ANS costs

2. - En-route DUR monitoring (2012)

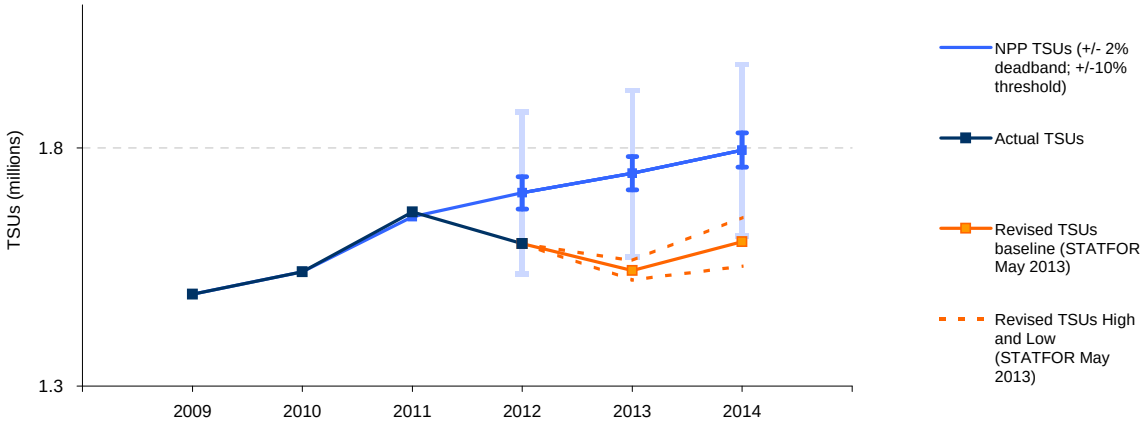
En-route Determined Unit Rate (DUR) 2012 Spain Canarias (in EUR2009)	61.48
Monitoring - Actual en-route unit cost 2012 Spain Canarias (in EUR2009)	64.54
Difference (in EUR2009)	3.06
Difference in percent	5.0%

Spain Canarias - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	120 326 752	109 449 714	110 443 775	111 451 532	112 037 851	111 614 238
Inflation %		2.0%	2.6%	1.5%	1.4%	1.5%
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	120 326 752	107 258 781	105 494 311	104 849 562	103 977 695	102 035 656
Total en-route Service Units	1 492 498	1 539 855	1 655 554	1 705 420	1 746 350	1 795 248
Real en-route unit costs per Service Units - (in EUR2009)	**80.62**	**69.66**	**63.72**	**61.48**	**59.54**	**56.84**

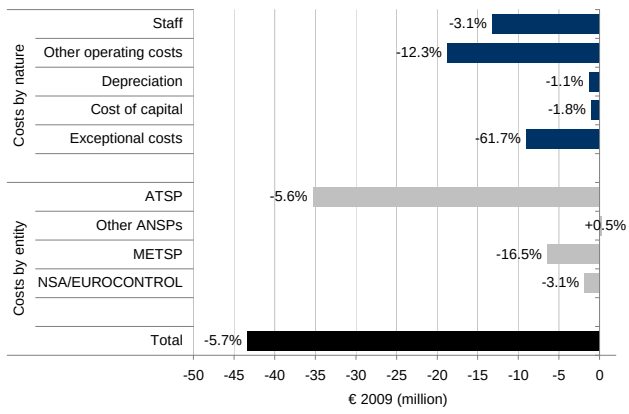
Spain Canarias - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal EUR)	120 326 752	109 450 125	105 288 074	111 197 098	-254 434	-0.2%
Inflation %		2.0%	3.1%	2.4%	0.9 p.p.	
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	1.4 p.p.	
Real en-route costs - (in EUR2009)	120 326 752	107 259 184	100 078 029	103 217 433	-1 632 129	-1.6%
Total en-route Service Units	1 492 498	1 539 855	1 665 737	1 599 207	-106 213	-6.2%
Real en-route unit costs per Service Units - (in EUR2009)	**80.62**	**69.66**	**60.08**	**64.54**	**3.06**	**5.0%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	563
National taxation law	546
New cost item required by law	-
International agreements	-175
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	546
Other ANSP	563
METSP	-
NSA/EUROCONTROL	-174
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**934**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

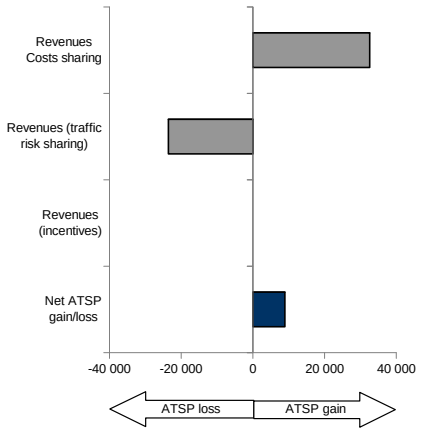
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	633 019
Actual costs for the ATSP (See Note 1)	603 942
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	29 076
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	546
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**29 622**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-9.6%
Determined costs after deduction of costs for exempted VFR flights	622 045
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP) - See Note 3	
ATSP loss (traffic between -2% and -10% below NPP)	-13 960
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-13 960**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

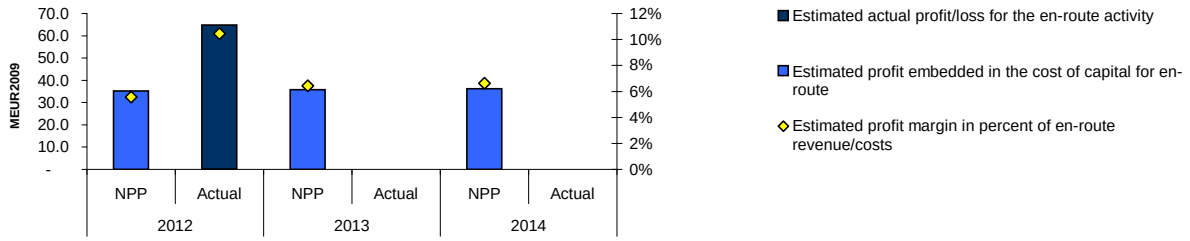
Net ATSP gain(+)/loss(-) on en-route activity	15 662

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	748 099	616 550	763 231		776 998	
Estimated proportion of financing through equity (in %)	42%	71%	42%		41%	
Estimated proportion of financing through equity (in value)	312 441	435 284	316 944		321 301	
Estimated proportion of financing through debt (in %)	58%	29%	58%		59%	
Estimated proportion of financing through debt (in value)	435 658	181 266	446 288		455 698	
Cost of capital pre-tax (in value) - See Note 1	52 597	57 871	53 440		54 746	
Average interest on debt (in %)	3.98%	4.84%	4.0%		4.1%	
Interest on debt (in value)	17 354	8 771	17 689		18 504	
Ex-ante RoE pre-tax rate (in %) - See Note 1	11.28%	11.28%	11.28%		11.28%	
Estimated profit embedded in the cost of capital for en-route (in value)	35 243	49 100	35 751		36 243	
Net ATSP gain(+)/loss(-) on en-route activity		15 662				
Estimated profit/loss for the en-route activity	**35 243**	**64 762**	**35 751**		**36 243**	
Revenue/costs for the en-route activity	**633 019**	**619 604**	**555 373**		**546 807**	
Estimated profit margin in percent of en-route revenue/costs	**5.6%**	**10.5%**	**6.4%**		**6.6%**	
Estimated ex-post RoE pre-taxe rate (in %)	**11.3%**	**14.9%**	**11.3%**		**11.3%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by Spain

Note 1: "Correction" to the actual cost of capital reported for AENA
For the purpose of the analysis in items 5 and 6 above, a "correction" to the data provided by Spain in respect of the reporting of AENA's actual cost of capital was made. Indeed, it appears that the rate of return on equity (RoE) presented by Spain is the RoE post-tax (7.89% for 2012), whereas it should be the RoE pre-tax which was used to calculate the determined cost of capital relating to equity (i.e. 11.28%). As a result, AENA's actual cost of capital relating to equity would be some +5.52 M€ higher than presented (or +5.13 M€2009) for Spain Continental and +1.13 M€ (+1.06 M€2009) for Spain Canarias. The total actual costs for AENA, taking account of this "correction" would be 603.9 M€2009 instead of 597.8 M€2009.

Note 2: AENA restructuring costs
The Spanish 2012 NSA monitoring report indicates in items 1.8.8.4 and 1.8.3.3 that *"Costs relating to the allocation for the provision of Social Plan of Voluntary Layoffs (VLSP), amounting to 32.1 M€ in operating costs (around 20.3 M€ assigned to en-route), could be considered as restructuring costs, as defined in Article 2 (14) of the new Charging Regulation EU 391/2013 and therefore might be transferable to future air navigation charges, once it has been demonstrated through a business case analysis that a net benefit to users is generated over time."*

Note 3: Exemption from the application of the dead-band in traffic risk sharing
The Additional information to the June 2013 Reporting Tables (see A.I.3 d) indicates that Spain has invoked the application of Article 2 of EU Regulation 1191/2010 amending the Charging Regulation 1794/2006 and has applied the exemption of the dead-band on AENA traffic risk sharing.

Note 4: Traffic threshold
The Spanish 2012 NSA monitoring report indicates in items 1.8.1 that Spain considers that the difference in traffic in Spain Continental (-10.2% vs. NPP) *"allows the possibility of implementing an alert mechanism and perform a revision of the NPP objectives."* It is noted that at State level (Spain Continental and Spain Canarias) the difference in traffic compared to the NPP amounts to -9.6%.

At State / Charging Area level

Actual unit cost vs DUR in 2012

The actual real en-route unit cost for Spain Continental is +4.3% higher than the DUR presented in the NPP, as the downwards adjustment of costs, although considerable (-6.3% below the determined costs provided in the NPP) was not sufficient to cover the significant decrease in traffic (-10.2% below the forecast in the NPP).

For Spain Canarias, the actual real en-route unit cost is +5.0% higher than the DUR, as the difference in traffic (lower by -6.2% compared to the NPP) was not matched by a similar decrease in costs (-0.2% vs. NPP).

It should be noted that the reduction in actual real en-route costs is lower when taking into account the "correction" to the reporting in AENA actual cost of capital (see Note 1 above), and therefore the actual real en-route unit costs for both Spain Continental and Spain Canarias would be slightly higher than those presented in the tables in items 2 above.

Difference in traffic

The difference in traffic was significant in both Spain Continental (-10.2%) and Spain Canarias (-6.2%), resulting in an overall difference of -9.6% at State level. Based on STATFOR latest forecast (May 2013), the outlook for the rest of RP1 is for significantly lower traffic than planned for both charging zones and likely to exceed the -10% threshold for the year 2013.

Difference in costs

Overall costs are lower by -43.3 M€2009 (-37.1 M€2009 with the "correction" to the reporting in AENA actual cost of capital - see Note 1 above).

The main contributors to this reduction in costs compared to the NPP are AENA, -35.3 M€2009 (-29.1 M€2009 with the "correction"), principally through lower operating costs and exceptional items (see details at ATSP level below); and the METSP -6.4 M€2009 (mainly in staff costs due to reduction in staff and lower wages).

Costs exempt from cost sharing are reported for a total of 0.9 M€2009 relating mainly to AENA (VAT increase) and to EA-ANSP (change in interest on loans). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Difference in AENA costs

As shown in the table in item 5 above, AENA costs are lower by some -29.1 M€2009 compared to the NPP (with the "correction"). The largest differences are observed in the other operating costs (-15.7 M€2009), the exceptional items comprising the amounts deriving from the impact of the adaptation to IAS which is spread over 15 years starting from the 2008 cost-base (-9.0 M€2009), and staff costs (-7.1 M€2009).

AENA's cost of capital (taking account of the "correction") is higher by +5.3 M€2009 than planned in the NPP. This arises since the proportion of the en-route activity which is financed through equity has changed significantly from the 42% foreseen in the NPP for RP1 to 71%, due to the restructuring and corporate reorganisation. As a result, although the total asset base is -18% lower than in the NPP, the part of the asset base financed through equity increased from 314.9 M€2009 to 435.2 M€2009 (i.e. an increase of +38%) and the cost of capital relating to equity went from 35.5 M€2009 in the NPP to 49.1 M€2009 (i.e. +13.67 M€2009). On the other hand, the interest on debt is lower than in the NPP by some 8.48 M€2009, in spite of the increase in the weighted average interest rate on loans (from 3.98% in the NPP to 4.84%).

7. - General conclusions on the monitoring of the 2012 en-route DUR (continued)

It is understood that the decrease in the actual 2012 asset base for the en-route activity compared to the NPP is due to two factors: 1) the process of restructuring as a result of the separation between AENA Airports and Air Navigation and the transfer of aerodrome related assets to AENA Airports in 2011, and 2) the postponement of ATM/CNS strategic projects in view of reducing costs. Similarly, it is also understood that these two reasons also explain that the actual capex for 2012 (covering both en-route and terminal activities) is lower by -45.5% compared to the amounts planned in the NPP. This decrease is likely to have a significant impact on the actual depreciation for 2013 and 2014, which should be much lower than planned in 2013 and 2014, even more so if the capex foreseen for the rest of RP1 also does not materialise.

Net AENA gain/loss on en-route activity in 2012

As a result of the cost-sharing mechanism, AENA can retain the amounts generated by cost savings (i.e. 29.1 M€2009), thus realising an implicit income. If the costs exempted from cost sharing filed for AENA are eligible, this implicit income in respect of the en-route activity in 2012 will be increased to 29.6 M€2009.

As far as the results of the traffic risk sharing mechanism are concerned, AENA bears a loss of -14.0 M€2009 in respect of the difference between actual and planned traffic for 2012. It should be noted that, as a result of the exemption from the dead-band (see Note 3 above), AENA transfers the 2% loss relating to the dead-band (i.e. -12.4 M€2009) to the airspace users (as part of future chargeable unit rates).

Based on the above assumptions, AENA made a net gain from the en-route activity in 2012 of 15.7 M€2009. Note that this figure could be increased by an additional amount of +18.8 M€2009 related to potential restructuring costs allocated to en-route (see Note 2 above), should those be eligible as per Article 7(4) of EU Charging Regulation 391/2013.

Estimated profit margin for AENA in respect of the 2012 en-route activity

On the profitability side, the ex-ante estimated profit embedded in the cost of capital for the en-route activity (Spain Continental and Canarias) planned in the NPP amounted to 35.5 M€2009, corresponding to an estimated profit margin of 5.6% of the en-route costs/revenues for the activities in 2012.

Ex-post, the estimated profit for the year computed by adding the cost of capital (+49.1 M€2009) and the net gain from the en-route activity in 2012 (+15.7 M€2009), gives a total of +64.8 M€2009 for 2012, corresponding to a profit margin of +10.5% of the en-route revenues in respect of the activities in 2012 (+13.1% if the restructuring costs are eligible).

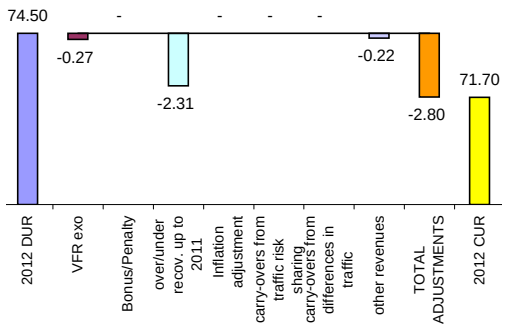
Conclusion: In spite of the lower than expected traffic volumes, the en-route activity for the year 2012 generated a net gain of +15.7 M€2009 for Aena, which raised the estimated profit margin for the en-route activity from the 5.6% planned to 10.5% in 2012.

8. - Remark: En-route DURs 2012 vs. 2012 unit rates charged to users

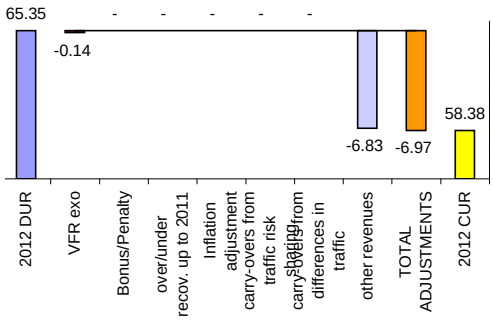
The DUR expressed in nominal terms differs from the actual en route unit rate charged to users (CUR), which for RP1 also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing);
» a deduction of other revenues.

Spain Continental 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



Spain Canarias 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - EUR



For Spain Continental

The CUR charged to airspace users in 2012 was €71.70. This is lower than the nominal DUR (€68.70), mainly due to over-recoveries carried over to 2012 from the legacy prior to RP1.

For Spain Canarias

The CUR charged to airspace users in 2012 was €58.38, i.e. lower than the nominal DUR (€65.35), due to a deduction of other revenues of 11.6 M€.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^		0.9	0.9	0.9	0.9	0.9
Number of airports in the terminal charging zone(s)		12	12	12	12	12
of which, number of airports over 50 000 movements		11	11	11	11	11

Spain Continental - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in EUR)	296 699 042	207 969 277	197 696 761	182 534 898	170 362 749	169 074 168
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real terminal ANS costs - (in EUR2009)	**296 699 042**	**203 806 207**	**188 837 112**	**171 722 217**	**158 106 620**	**154 564 453**

Spain Continental - Actual data from June 2013 Reporting Ta	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in EUR)	296 699 042	207 969 277	193 055 358	171 080 232	-11 454 666	-6.7%
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	1.4 p.p.	
Real terminal ANS costs - (in EUR2009)	**296 699 042**	**203 806 207**	**183 502 261**	**158 803 267**	**-12 918 949**	**-7.5%**
Total terminal service units	953 954	966 720	1 008 085	935 578		
Actual real unit costs - (in EUR2009)	311.0	210.8	182.0	169.7		
Unit rate applied - (in EUR)				**17.12**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Spain counts one terminal charging zone comprising twelve airports of which eleven above 50 000 movements per year.

The harmonised SES formula (MTOW/50)^0.7 is not applied yet.

The actual terminal ANS 2012 costs are -7.5% lower in real terms (or some -12.9 M€2009) than planned in the NPP. In relative terms the reduction of terminal ANS related costs is larger than that observed for en-route.

It should be noted that the actual unit rate applied in the Spain terminal charging zone is much lower, as 90% of the total terminal cost-base is financed through income from other sources, corresponding mainly to revenues derived from agreements with the airport manager regarding aerodrome services provision.

11. - Monitoring of gate-to-gate costs (2012)

Spain Continental - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009	909 773 184	759 153 481	749 846 485	763 666 574	772 399 629	761 700 489
Real terminal ANS costs - (in EUR2009)	296 699 042	203 806 207	188 837 112	171 722 217	158 106 620	154 564 453
Real gate-to-gate ANS costs - (in EUR2009)	**1 206 472 226**	**962 959 688**	**938 683 597**	**935 388 790**	**930 506 250**	**916 264 942**
Share of en-route costs in gate-to-gate ANS costs	**75.4%**	**78.8%**	**79.9%**	**81.6%**	**83.0%**	**83.1%**

Spain Continental - Actual data from June 2013 Reporting Ta	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in EUR2009)	909 773 184	759 167 032	715 394 068	720 327 727	-43 338 847	-5.7%
Real terminal ANS costs - (in EUR2009)	296 699 042	203 806 207	183 502 261	158 803 267	-12 918 949	-7.5%
Real gate-to-gate ANS costs - (in EUR2009)	**1 206 472 226**	**962 973 239**	**898 896 329**	**879 130 994**	**-56 257 796**	**-6.0%**
Share of en-route costs in gate-to-gate ANS costs	**75.4%**	**78.8%**	**79.6%**	**81.9%**	**0.3%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual 2012 gate-to-gate costs are -6.0% lower than planned as a result of both lower en-route and terminal ANS costs.

The relative share of en-route costs in the gate-to-gate has gradually increased over time from 75% in 2009 to 82% in 2012. It is in line with the proportion planned in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Sweden

Edition 1.0
Edition date: 15/08/2013

SWEDEN **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Sweden	2012	2013	2014
State level	52		
ANSP 1 - LFV	76		
ANSP 2 - ESNX	65		
ANSP 3 - ACR	67		

EASA observations

75% of the replies were reviewed, from which 35% were considered as "H"(high level of confidence), 40% as "M"(medium level of confidence) and 25% as "L"(low level of confidence). The remaining replies were self-assessed as not yet implemented hence not subject to sampling.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	2	100%		%		%
	ATM overall		0%		%		%
Reporting Runway Incursions (RIs)	ATM ground	95	12%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	2264	1%		%		%

The figures in the Swedish Monitoring Report differ from the AST report:

- 26 reported SMIs vs. 2 in AST;
- 11 reported RIs vs. 95 in AST;
- 2 reported vs. 2264 according to the AST.

Also the use of the RAT methodology is reported differently in the Monitoring Report:

- for SMIs 76% assessment with RAT (AST reports '100%');
- for RIs 13% assessment with RAT (AST report gives 12% severity assessment with RAT);
- for ATM 0% assessment in the Monitoring Report and 1% in the AST Report.

Just Culture

Number of questions answered with Yes or No.	**State**		**ANSP (LFV NUAC)**		**ANSP (ACR)**		**ANSP (ESNX)**	
	YES	**NO**	**YES**	**YES**	**NO**	**NO**	**YES**	**NO**
Policy and its implementation	2	8	7	6	7	6	8	5
Legal/Judiciary	1	7	2	1	1	2	2	1
Occurrence reporting and Investigation	2	0	5	3	5	3	4	4
TOTAL	**5**	**15**	**14**	**10**	**13**	**11**	**14**	**10**

SWEDEN **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay

Year	2012	2013	2014
Reference value	0.02	0.03	0.06
National Target			
Actual performance	0.04	--	--

Observations

Sweden did not set a national capacity target for 2012 but, together with Denmark, adopted a Denmark-Sweden FAB target.

Capacity

- Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Denmark Sweden FAB, in the part relating to FUA implementation in Sweden did not contain any specific details of how FUA would be applied to increase capacity.
- The national monitoring report for Sweden does not monitor capacity performance against a national capacity target. Instead it compares the DK-SE FAB performance against the FAB target.

Assessment

- The national capacity performance in Sweden in 2012 was not consistent with the effort required to meet the EU wide target of 0.7 minutes per flight in 2012.
- Whilst it is recognised that civil military cooperation and coordination is relatively advanced in Sweden, the value of 100% for airspace actually used compared to the amount of time that it was booked represents a considerable outlier from the other States.

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 100%
- The indicator above was calculated using data provided by Sweden on the following areas as published in the AIP Sweden: TRA11; TRA12; TRA13; TRA21 & TRA22. In addition, Sweden provided information on other areas that were established for a limited duration as follows: TRALEO; TRAFVO; ESNOAMC; ESNOAMO; ESNOAMS; ESNOAMN and ESTRAAAR.
- No information was provided on the allocation or actual use of other areas.
- According to the Swedish authorities, the restriction of airspace does not necessarily impact the availability of route options within the affected airspace. If an ATS route crosses a restricted area the en route clearance is valid to cross the area if there is no activity, otherwise vectors will be provided to circumnavigate the relevant area.

Recommendations

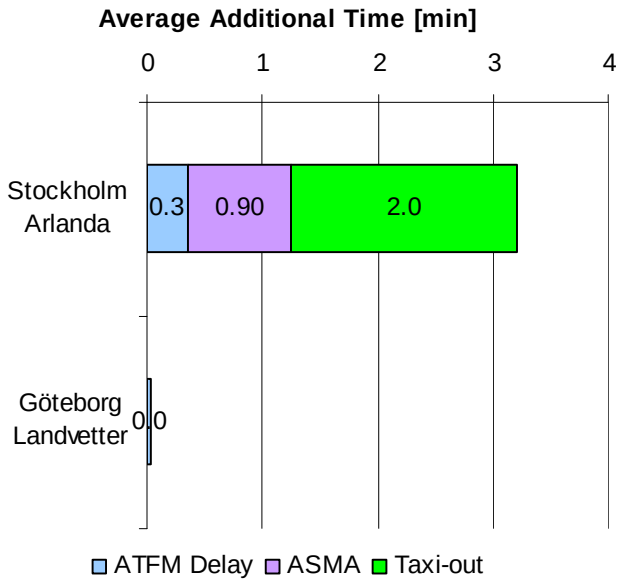
- Sweden is invited to review those areas which have an impact o available ATC capacity, or on available route options, and to ensure that the requested data is provided on those areas..

SWEDEN **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Stockholm Arlanda	ESSA	0.3	36 551	0.90	91530	2.0	190 116	318 197
Göteborg Landvetter	ESGG	0.0	897	Not applicable		Missing Data		897
Weighted average		**0.3**		**0.9**		**2.0**		
Grand Total			**37 448**		**91 530**		**190 116**	**319 094**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Missing DRWY data used to calculate unimpeded taxi time at Göteborg Landvetter Airport.

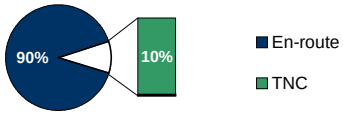
Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

1. - Contextual economic information

- Sweden represents 2.9% of the SES en-route ANS determined costs in 2012.
- ATSP : LFV
- FAB : DK-SE
- National currency: SEK
- Exchange rate 2009: 1 EUR= 10.6102

Share of en-route and terminal in gate-to-gate ANS costs

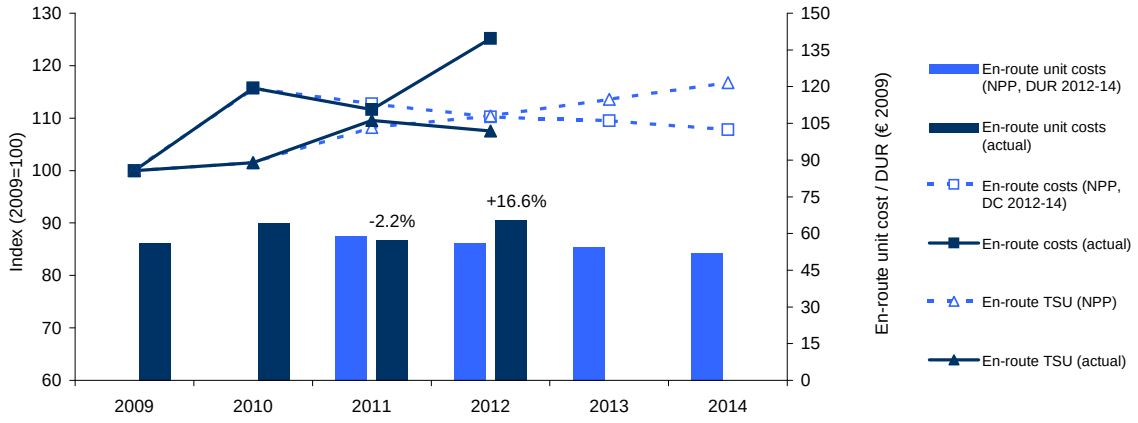


2. - En-route DUR monitoring (2012)

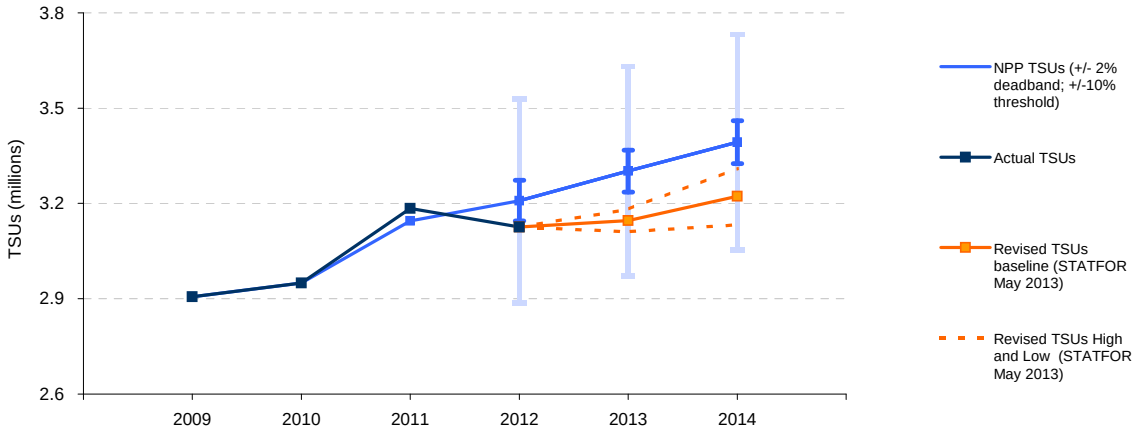
En-route Determined Unit Rate (DUR) 2012 Sweden (in SEK2009)	596.32	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Sweden (in SEK2009)	695.17	In 2012, the SEK appreciated by 3.6% compared to 2011.
Difference (in SEK2009)	98.85	Exchange rate 2011: 1 EUR= 9.0224
Difference in percent	16.6%	Exchange rate 2012: 1 EUR= 8.6998

Sweden - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal SEK)	1 735 916 574	2 033 375 950	2 044 177 679	2 042 492 483	2 081 867 340	2 100 445 080
Inflation %		1.2%	3.2%	2.2%	2.6%	2.5%
Inflation index (100 in 2009)	100.0	101.2	104.4	106.7	109.5	112.2
Real en-route costs (determined costs 2012-2014) - (in SEK2009)	1 735 916 574	2 009 264 773	1 957 304 669	1 913 592 064	1 901 054 579	1 871 237 873
Total en-route Service Units	2 906 484	2 950 000	3 145 000	3 209 000	3 302 000	3 393 000
Real en-route unit costs per Service Units - (in SEK2009)	**597.26**	**681.11**	**622.35**	**596.32**	**575.73**	**551.50**
Real en-route unit costs per Service Units - (in EUR2009)	**56.29**	**64.19**	**58.66**	**56.20**	**54.26**	**51.98**

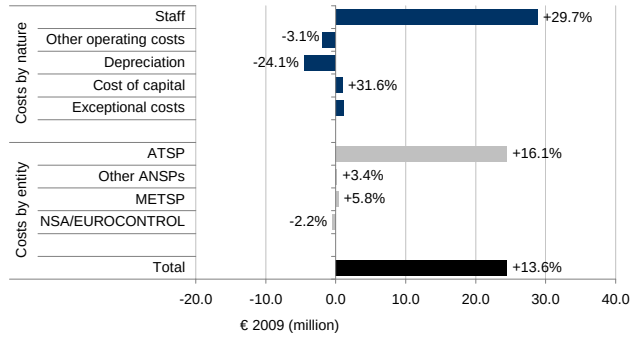
Sweden - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal SEK)	1 735 916 574	2 033 398 394	1 988 440 902	2 250 173 609	207 681 126	10.2%
Inflation %		1.2%	1.4%	0.9%	-1.3 p.p.	
Inflation index (100 in 2009)	100.0	101.2	102.6	103.5	-3.2 p.p.	
Real en-route costs - (in SEK2009)	1 735 916 574	2 009 286 950	1 937 734 271	2 173 233 510	259 641 446	13.6%
Total en-route Service Units	2 906 484	2 950 000	3 184 522	3 126 197	-82 803	-2.6%
Real en-route unit costs per Service Units - (in SEK2009)	**597.26**	**681.11**	**608.49**	**695.17**	**98.85**	**16.6%**
Real en-route unit costs per Service Units - (in EUR2009)	**56.29**	**64.19**	**57.35**	**65.52**	**9.32**	**16.6%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



See Note 1

Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	26 652
Interest rates on loans	-
National taxation law	-
New cost item required by law	126
International agreements	-965
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	26 778
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-965
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**25 813**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

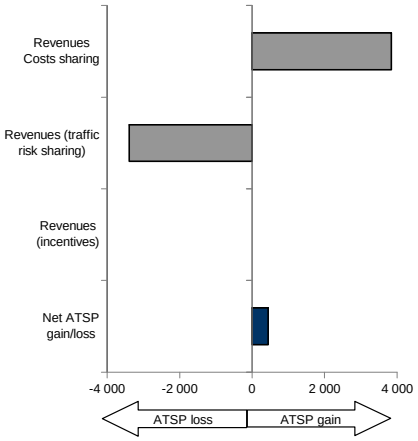
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	151 608
Actual costs for the ATSP - See Note 2	174 542
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-22 934
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	26 778
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**3 844**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-2.58%
Determined costs after deduction of costs for exempted VFR flights	156 287
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-3 126
ATSP loss (traffic between -2% and -10% below NPP)	-272
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-3 398**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

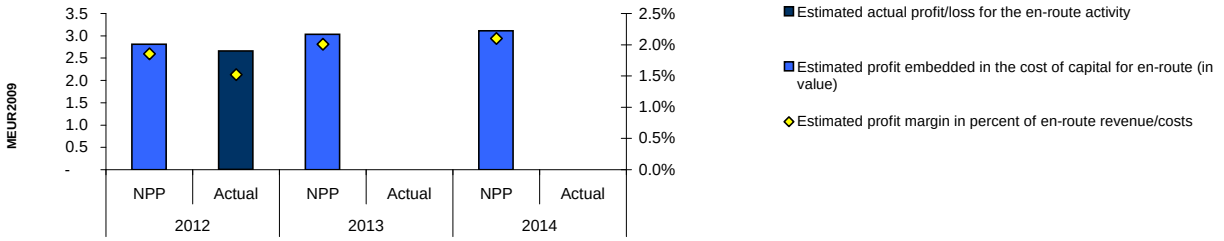
Net ATSP gain(+)/loss(-) on en-route activity	446

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	332 060	293 367	354 745		415 088	
Estimated proportion of financing through equity (in %) - See Note 2	16%	14%	16%		14%	
Estimated proportion of financing through equity (in value)	52 063	41 071	56 115		57 656	
Estimated proportion of financing through debt (in %)	84%	86%	84%		86%	
Estimated proportion of financing through debt (in value)	279 997	252 296	298 630		357 432	
Cost of capital pre-tax (in value) - See Note 2	2 811	2 218	3 030		3 113	
Average interest on debt (in %)	-	-	-		-	
Interest on debt (in value) - See Note 2	-	-	-		-	
Ex-ante RoE pre-tax rate (in %) - See Note 2	5.4%	5.4%	5.4%		5.4%	
Estimated profit embedded in the cost of capital for en-route (in value)	2 811	2 218	3 030		3 113	
Net ATSP gain(+)/loss(-) on en-route activity		446				
Estimated profit/loss for the en-route activity	**2 811**	**2 664**	**3 030**		**3 113**	
Revenue/costs for the en-route activity	**151 608**	**174 988**	**150 814**		**148 286**	
Estimated profit margin in percent of en-route revenue/costs	**1.9%**	**1.5%**	**2.0%**		**2.1%**	
Estimated ex-post RoE pre-taxe rate (in %)	**5.4%**	**6.5%**	**5.4%**		**5.4%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on information provided by Sweden

Note 1: Allocation of determined costs to the different ANSPs

It should be noted that the determined costs have been reallocated by Sweden to the different ANSPs. The following explanations are given in the Additional Information to the June 2013 Reporting Tables. "*The ANSP at a specific airport can change during a reference period. This can impact the system for route charges as some of the costs for ANS provided at airports are allocated to the en route charging zone. The Swedish Transport Agency (STA), in its role as NSA, needs to ensure that each party in Sweden contributes towards the objective for cost-efficiency. To ensure this, the STA has decided on a breakdown of the Swedish cost efficiency objective for each party, i.e. for Luftfartsverket, ACR AB, Arvidsjaur airport, Sjöfartsverket and the STA. When an airport changes its ANSP, the STA transfer the corresponding determined costs between the relevant ANSPs. Therefore, the amounts for determined costs at ANSP level can diverge from what was communicated as part of the performance plan, but the overall amount for Sweden will not change. The sole reason for this is to ensure that Sweden contributes to the objective of cost efficiency*".

Note 2: Assumptions for the RoE and adjustment to LFV's actual cost of capital

For the purpose of the analysis in items 5 and 6 above, some "adjustments" were made to the data provided by Sweden in respect of the reporting of LFV's actual cost of capital, based on assumptions detailed below.

- It is understood that the RoE rate (4.0%) indicated in LFV's June 2013 Reporting Tables is the post-tax rate instead of the RoE pre-tax rate (5.4%). It is also understood that the equity ratio used for the calculation of the determined cost of capital in the NPP is 16% (which is consistent with the information published in LFV's 2012 annual report, i.e. 15%) and that the determined cost of capital for RP1 does not include any interest on debt.
- As far as actual costs for LFV are concerned, the return on equity has been recalculated using the following parametres: RoE pre-tax of 5.4% and equity ratio of 14% (average between the equity ratio as of 31 December 2011 of 15% and as of 31 December 2013 of 13%, as indicated in LFV annual report 2012). As a result, LFV's actual cost of capital relating to equity would be some 24.4 MSEK (2.2 M€2009) instead of 40.9 MSEK (3.7 M€2009) as presented in the June 2013 reporting tables, i.e. -1.5 M€2009 lower than presented. The total actual costs for LFV, taking account of this "adjustment" would be 174.5 M€2009 instead of 176.1 M€2009.

At State / Charging Area level

Sweden's actual 2012 real en-route unit cost is +16.6% higher than planned as real en-route costs are +13.6% above the NPP figure while the number of total en-route service units is lower than the plan (-2.6%). With the -2.6% lower than planned traffic Sweden is slightly below the ±2% dead band in 2012. According to the revised May 2013 STATFOR plan the traffic for 2013 and 2014 is also expected to be lower than planned in the NPP, most probably below the ±2% dead band but above the -10% threshold for each year. Real en-route costs for Sweden are +13.6% higher in 2012 than planned as a combination of +10.2% higher nominal en-route costs and -3.2 percentage points lower inflation index. The excess costs are almost entirely related to LFV (see details below). For the other reported entities (including ACR AB and Arvidsjaur airport presented under "Other ANSPs") the deviations compared to the plan are marginal in absolute terms.

As reported in LFV's 2012 Annual Report, staff costs are affected by an increase in pension liabilities at LFV as a result of a large decrease in the discount rate set by the Swedish Pension Authority. Costs exempt from cost sharing are reported for a significant total amount of +25.8 M€2009 (which equals +14.7% of the actual 2012 en-route costs) to be passed on to users for the en-route activity, corresponding mainly to the increase in pension liabilities (+26.7 M€2009) which is slightly compensated by an unforeseen change in Eurocontrol costs (-1.0 M€2009) and to a new cost item required by the law (+0.1 M€2009). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

LFV's actual en-route costs are higher by +24.4 M€2009 compared to the NPP (+22.9 with the "adjustment" to the reported LFV actual cost of capital – See Notes 1 and 2 above). The higher costs are mostly attributable to staff costs (+27.9 M€2009 compared to the plan, of which +26.8 M€2009 reported as costs exempt from cost sharing as described above). The other operating costs are close to the NPP (-0.03 M€2009).

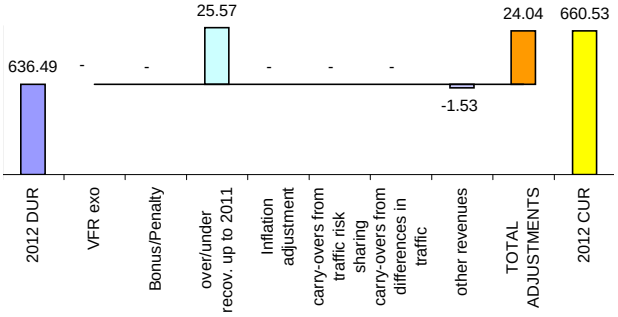
As far as investment costs are concerned, it is understood that the difference recorded for depreciation (-4.5 M€2009, or -24.1%) compared to the plan is due to the lower actual 2012 capex than planned (-2.9 M€2009, or -24.2%), due to the fact that COOPANS investments were lower than originally foreseen (mainly a result of an additional member in COOPANS as well as having a better picture of the activities needed) and to the fact that other investments have also been lower than planned in 2012 as a result of cost savings as a reaction to lower traffic.

In 2012 LFV has a gain of +3.8 M€2009 from cost sharing, under the hypothesis that the costs exempt from cost sharing (+26.8 M€2009) are deemed allowed by the European Commission (see above), or a loss of -22.9 M€2009 if these are not allowed. As far as traffic risk sharing is concerned, the -2.6% lower than planned traffic results in a -3.4 M€2009 loss for the ATSP in 2012. Based on the above assumptions, the net result for LFV's en-route activity in 2012 is a net gain of +0.4 M€2009 if the exemptions from cost sharing are allowed, or a net loss of -26.3 M€2009 if the exemptions are not found eligible.

Based on the assumptions detailed in Note 2 above, the actual calculated embedded profit margin for LFV in 2012 is +2.2 M€2009 which is -21.1% lower than planned in the NPP (i.e. +2.8 M€2009). After adding the +0.4 M€2009 net gain resulting from the cost and traffic sharing mechanisms, the actual profit relating to the 2012 en-route activities of the ATSP amounts to +2.7 M€2009 or +1.5% of the en-route activity turnover. However, in case the above-mentioned "costs exempt from cost sharing" are not allowed by the EC, the 2012 en-route activities of the ATSP would result in a loss of -24.1 M€2009 or -16.3% of the en-route activity turnover.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Sweden 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - SEK



The DUR expressed in nominal terms differs from the actual en route unit rate charged to users (CUR), which for RP1 also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing);
» a deduction of other revenues.

The UR charged to users in 2012 (660.53 SEK) was higher than the nominal DUR (636.49 SEK) due to some under-recoveries accumulated up to 2011.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone Arlanda		1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1
Number of airports in terminal charging zone Landvetter		1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1

Sweden - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in SEK)	202 043 813	222 209 064	212 883 782	219 860 656	226 192 945	231 619 470
Inflation index (100 in 2009)	100.0	101.2	104.4	106.7	109.5	112.2
Real terminal ANS costs - (in SEK2009)	**202 043 813**	**219 574 173**	**203 836 694**	**205 985 388**	**206 547 807**	**206 344 421**
Real terminal ANS costs - (in EUR2009)	**19 042 413**	**20 694 631**	**19 211 390**	**19 413 902**	**19 466 910**	**19 447 741**

Sweden - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs for the charging zones - (in SEK)	202 043 813	222 209 064	200 976 100	234 971 052	15 110 396	6.9%
Inflation index (100 in 2009)	100.0	101.2	102.6	103.5	-3.2 p.p.	
Real terminal ANS costs - (in SEK2009)	**202 043 813**	**219 574 173**	**195 851 069**	**226 936 696**	**20 951 308**	**10.2%**
Real terminal ANS costs - (in EUR2009)	**19 042 413**	**20 694 631**	**18 458 754**	**21 388 541**	**1 974 638**	**10.2%**
Total terminal service units	133 935	136 580	155 208	153 000		
Actual real unit costs - (in SEK2009)	1 508.5	1 607.7	1 261.9	1 483.2		
Unit rate applied - (in SEK) - Charging zone Arlanda				**1 847.13**		
Unit rate applied - (in SEK) - Charging zone Landvetter				**913.91**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

Sweden has two terminal charging zones (Sweden - Arlanda and Sweden - Landvetter) and two separate ATSP entitities reported in the reporting tables (LFV and Swedavia). Both charging zones comprise one airport (Stockholm-Arlanda and Göteborg Landvetter, respectively) with more than 50 000 airport movements per year. The harmonised SES formula (MTOW/50)^0.7 is used by Sweden to determine the number of terminal service units.

The actual real 2012 terminal ANS costs are +10.2% higher than the forecast presented in the NPP which is slightly less than the +13.6% deviation observed for the en-route activities. The terminal ANS costs in 2012 are also significantly influenced by the increase in pension liabilities at LFV.

Sweden notes that "*Air Navigation Services (ANS) provided at airports are provided under market conditions in Sweden since 2010. That is, the airport operator is free to choose the operator, or to self-supply. As a consequence the ANSP at a specific airport can change during a reference period*".

11. - Monitoring of gate-to-gate costs (2012)

Sweden - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in SEK2009)	1 735 916 574	2 009 264 773	1 957 304 669	1 913 592 064	1 901 054 579	1 871 237 873
Real terminal ANS costs - (in SEK2009)	202 043 813	219 574 173	203 836 694	205 985 388	206 547 807	206 344 421
Real gate-to-gate ANS costs - (in SEK2009)	**1 937 960 388**	**2 228 838 946**	**2 161 141 363**	**2 119 577 452**	**2 107 602 387**	**2 077 582 294**
Real gate-to-gate ANS costs - (in EUR2009)	**182 650 693**	**210 065 686**	**203 685 262**	**199 767 908**	**198 639 270**	**195 809 909**
Share of en-route costs in gate-to-gate ANS costs	**89.6%**	**90.1%**	**90.6%**	**90.3%**	**90.2%**	**90.1%**

Sweden - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in SEK2009)	1 735 916 574	2 009 286 950	1 937 734 271	2 173 233 510	259 641 446	13.6%
Real terminal ANS costs - (in SEK2009)	202 043 813	219 574 173	195 851 069	226 936 696	20 951 308	10.2%
Real gate-to-gate ANS costs - (in SEK2009)	**1 937 960 388**	**2 228 861 124**	**2 133 585 341**	**2 400 170 206**	**280 592 754**	**13.2%**
Real gate-to-gate ANS costs - (in EUR2009)	**182 650 693**	**210 067 777**	**201 088 136**	**226 213 474**	**26 445 567**	**13.2%**
Share of en-route costs in gate-to-gate ANS costs	**89.6%**	**90.1%**	**90.8%**	**90.5%**	**0.3%**	

12 - General conclusions on the gate-to-gate ANS costs

The actual real 2012 gate-to-gate ANS costs are +13.2% higher than the forecast presented in the NPP.

The relative share of en-route costs within the total cost base has been relatively stable at around 90-91% since 2009 and is in line with that forecasted in the National Performance Plan.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

Switzerland

Edition 1.0
Edition date: 15/08/2013

SWITZERLAND **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

Switzerland	2012	2013	2014
State level	60		
ANSP	82		

EASA observations

Overall score seems to be correct

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	90	0%		%		%
	ATM overall		3%		%		%
Reporting Runway Incursions (RIs)	ATM ground	50	0%		%		%
	ATM overall		0%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	36	0%		%		%

No figures were given in the individual State report. Reference was made to the FABEC report without detailed numbers of reporting, or mentioning the use of the severity assessment with RAT.

Just Culture

Number of questions answered with Yes or No.	State		ANSP (Skyguide)	
	YES	NO	YES	NO
Policy and its implementation	7	3	12	1
Legal/Judiciary	5	3	2	1
Occurrence reporting and Investigation	2	0	7	1
TOTAL	**14**	**6**	**21**	**3**

SWITZERLAND **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.22	0.18	0.14	
National Target				
Actual performance	0.15	--	--	

Capacity

Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: neither the performance plan for Switzerland, nor Annex D of the FABEC performance contained any specific details of how FUA would be applied in Switzerland to increase capacity.

Extract from notification letter from EC July 2012:

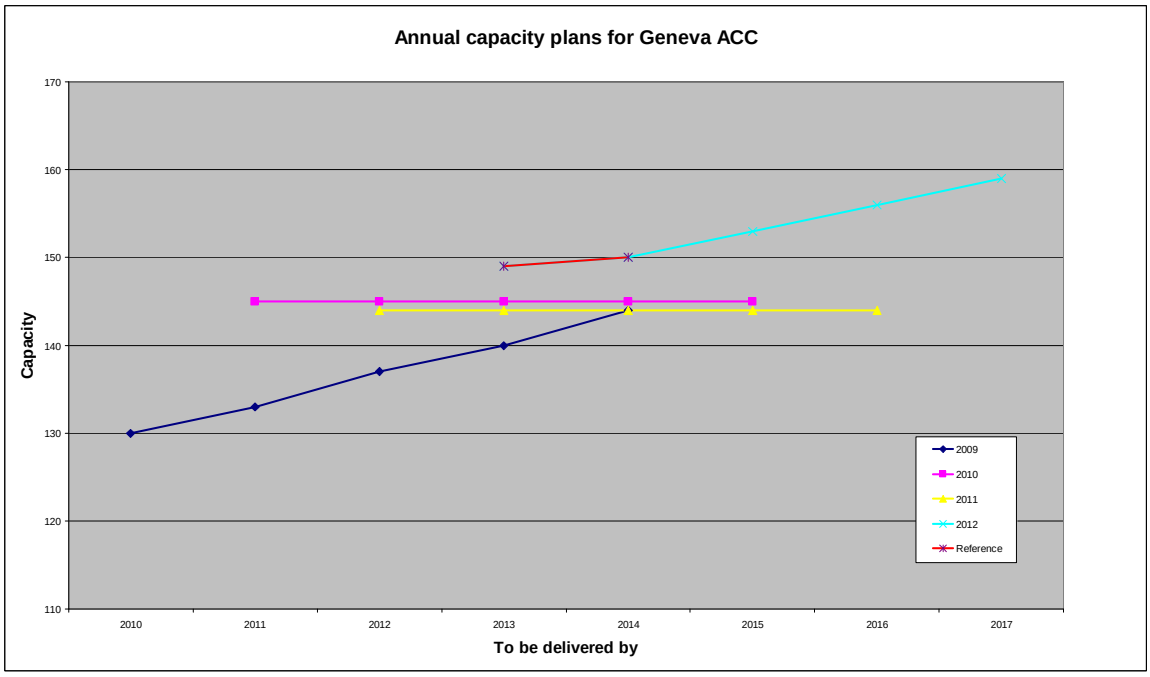
FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;

b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest;

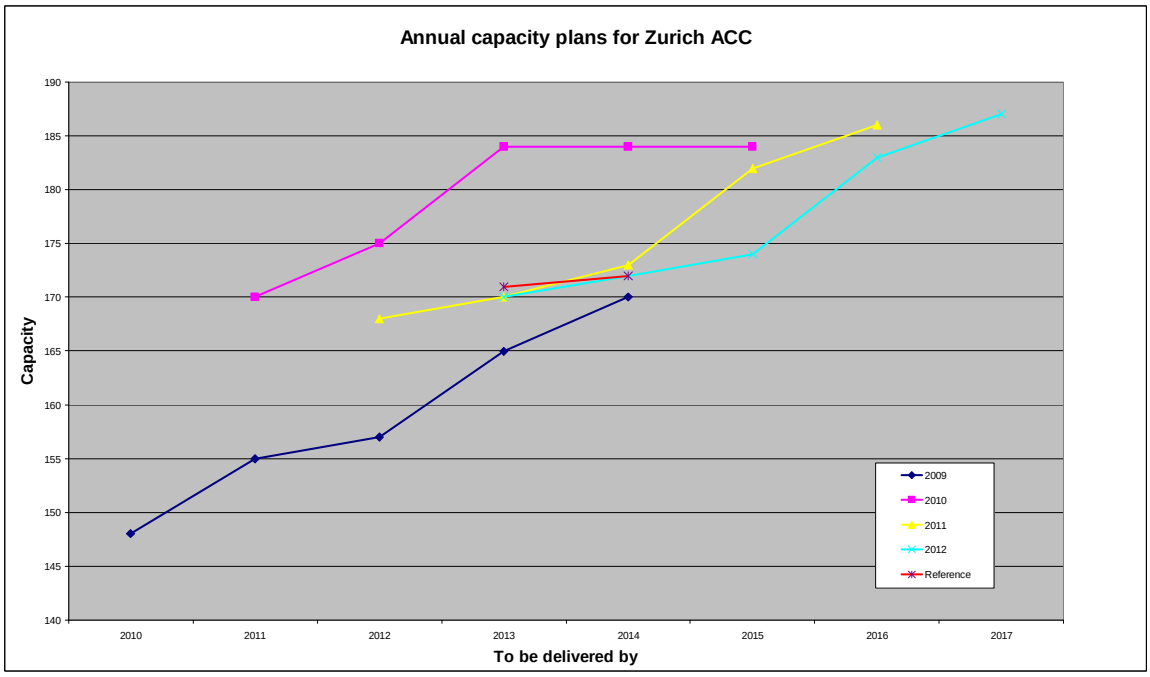
Annual capacity plans for ACCs in Switzerland from 2009 to 2012.

(Data is taken from LSSIP 2010-2014, LSSIP 2011-2015, NOP 2012-2016, NOP 2013-2017.)



There is sufficient capacity planned to meet expected traffic in 2013 & 2014 and to be consistent with the EU capacity targets.

Geneva ACC has increased capacity plans from the previous year, possibly as a result of the EC recommendation.



There is sufficient capacity planned to meet expected traffic in 2013 & 2014 and to be consistent with the EU wide capacity targets.

Despite the EC recommendation, Zurich ACC has downgraded the capacity plans for 2013-2017 from what was planned in 2011, particularly in 2015.

Assessment

- Capacity performance in Switzerland for 2012 exceeded the effort required to meet the EU wide target of 0.7 minutes per flight. The PRB is optimistic that Switzerland can deliver sufficient capacity performance in 2014 to be consistent with the EU wide target of 0.5 minutes per flight.

Effective booking procedures

- The calculation on effective booking procedures could not be performed since Switzerland did not provide any information on the actual use of airspace, despite stating in the national FUA report (LSSIP 2011-2015) that Switzerland had established mechanisms to archive data on the requests, allocation and actual use of airspace structures in accordance with Art 4.1.n of the FUA Regulation 2150/2005.

Recommendations

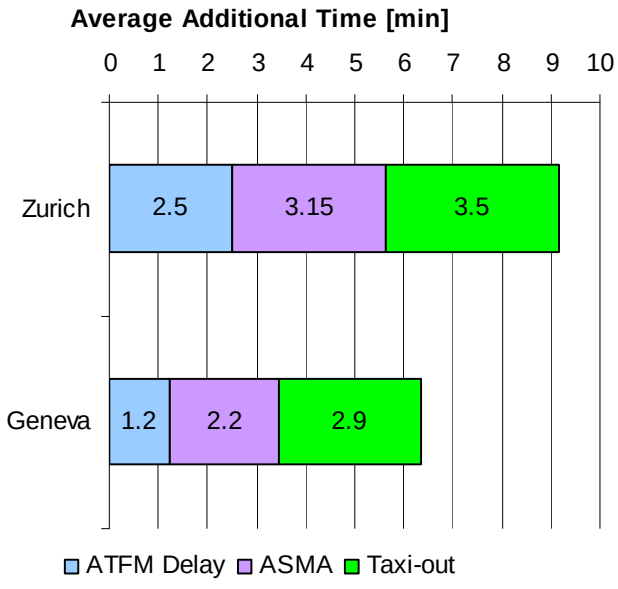
- Switzerland is invited to ensure that information on the allocation and use of airspace structures is made available to the Commission in accordance with IR 691/2010, and IR 2150/2005.

SWITZERLAND **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Zurich	LSZH	2.5	325 850	3.15	384848	3.5	443 106	**1 153 804**
Geneva	LSGG	1.2	111 341	2.2	192 128	2.9	249 320	**552 789**
Weighted average		**2.0**		**2.8**		**3.3**		
Grand Total			**437 191**		**576 976**		**692 426**	**1 706 593**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.) at both Zurich and Geneva Airports.

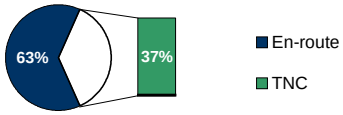
Specific Analysis

- With an average of 2.5 min/arr, ATFM delay at Zurich Airport remains relatively high, and above the European average. ATFM delay increased by 0.5 min/arr compared to 2011. Additional ASMA time also remains relatively critical. Pre-dominant causal factors seem to be weather and ATC capacity/staffing.
- No specific operational concern regarding RP1 performance monitoring at Geneva Airport.

1. - Contextual economic information

- Switzerland represents 1.7% of the SES en-route ANS determined costs in 2012.
- ATSP : Skyguide
- FAB : FABEC
- National currency: CHF
- Exchange rate 2009: 1 EUR= 1.50898

Share of en-route and terminal in gate-to-gate ANS costs

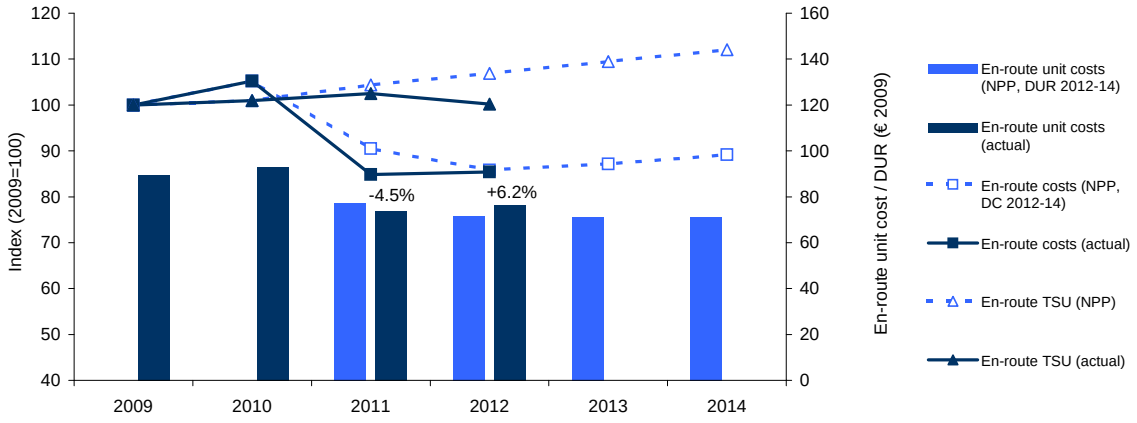


2. - En-route DUR monitoring (2012)

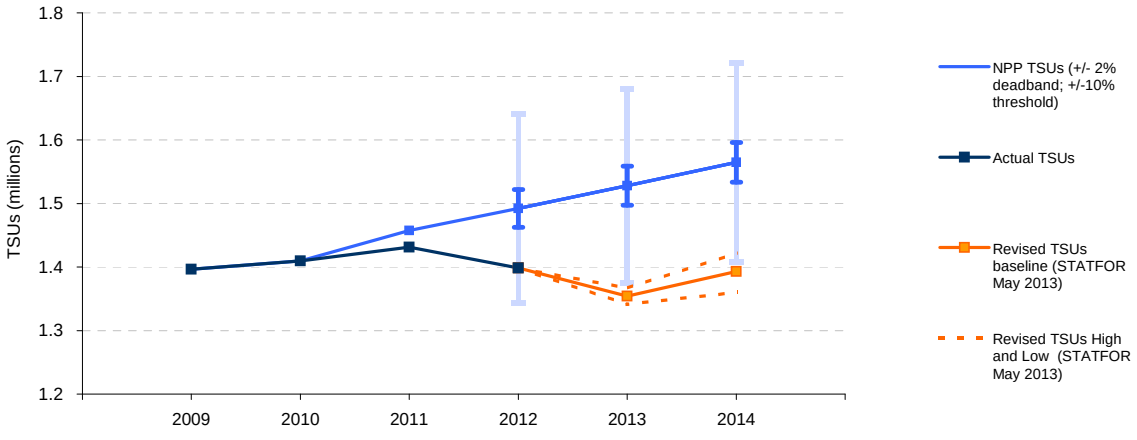
En-route Determined Unit Rate (DUR) 2012 Switzerland (in CHF2009)	108.17	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 Switzerland (in CHF2009)	114.89	In 2012, the CHF appreciated by 2.3% compared to 2011.
Difference (in CHF2009)	6.73	Exchange rate 2011: 1 EUR= 1.23327
Difference in percent	6.2%	Exchange rate 2012: 1 EUR= 1.20483

Switzerland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal CHF)	188 135 299	198 786 732	172 099 050	164 351 664	168 083 853	173 182 957
Inflation %		0.4%	0.7%	0.7%	0.7%	0.7%
Inflation index (100 in 2009)	100.0	100.4	101.1	101.8	102.5	103.3
Real en-route costs (determined costs 2012-2014) - (in CHF2009)	188 135 299	197 981 307	170 244 052	161 412 115	163 926 965	167 717 106
Total en-route Service Units	1 396 243	1 409 356	1 457 433	1 492 274	1 527 979	1 564 541
Real en-route unit costs per Service Units - (in CHF2009)	**134.74**	**140.48**	**116.81**	**108.17**	**107.28**	**107.20**
Real en-route unit costs per Service Units - (in EUR2009)	**89.29**	**93.09**	**77.41**	**71.68**	**71.10**	**71.04**

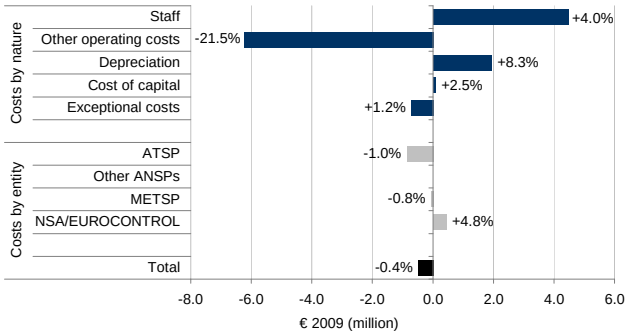
Switzerland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal CHF)	188 135 299	198 786 732	160 444 633	160 372 890	-3 978 774	-2.4%
Inflation %		0.4%	0.1%	-0.7%	-1.4 p.p.	
Inflation index (100 in 2009)	100.0	100.4	100.5	99.8	-2.0 p.p.	
Real en-route costs - (in CHF2009)	188 135 299	197 981 307	159 634 924	160 688 361	-723 753	-0.4%
Total en-route Service Units	1 396 243	1 409 356	1 431 092	1 398 574	-93 700	-6.3%
Real en-route unit costs per Service Units - (in CHF2009)	**134.74**	**140.48**	**111.55**	**114.89**	**6.73**	**6.2%**
Real en-route unit costs per Service Units - (in EUR2009)	**89.29**	**93.09**	**73.92**	**76.14**	**4.46**	**6.2%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-220
International agreements	843
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	583
Other ANSP	-
METSP	-220
NSA/EUROCONTROL	260
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	**623**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

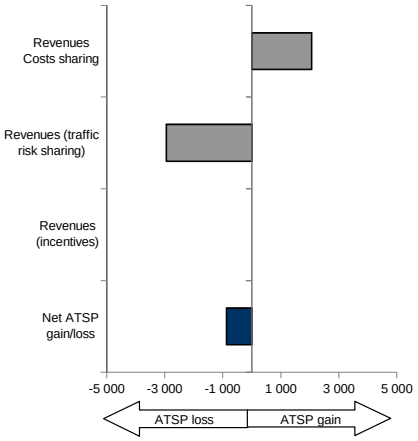
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	89 915
Actual costs for the ATSP	88 429
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	1 486
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	583
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**2 068**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-6.28%
Determined costs after deduction of costs for exempted VFR flights	89 700
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-1 794
ATSP loss (traffic between -2% and -10% below NPP)	-1 151
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-2 945**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penallty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

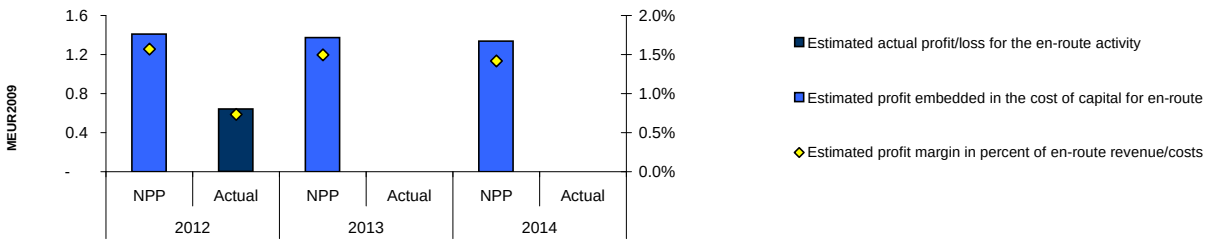
Net ATSP gain(+)/loss(-) on en-route activity	**-877**

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	149 663	152 610	145 851		141 944	
Estimated proportion of financing through equity (in %)	48%	51%	48%		48%	
Estimated proportion of financing through equity (in value)	71 953	77 582	70 121		68 242	
Estimated proportion of financing through debt (in %)	52%	49%	52%		52%	
Estimated proportion of financing through debt (in value)	77 710	75 028	75 730		73 702	
Cost of capital	3 742	3 815	3 646		3 549	
Average interest on debt	3.0%	2.2%	3.0%		3.0%	
Interest on debt	2 331	1 674	2 272		2 211	
Ex-ante RoE	1.96%	1.96%	1.96%		1.96%	
Estimated profit embedded in the cost of capital for en-route	1 410	1 521	1 374		1 338	
Net ATSP gain(+)/loss(-) on en-route activity		-877				
Estimated profit/loss for the en-route activity	**1 410**	**643**	**1 374**		**1 338**	
Revenue/costs for the en-route activity	**89 915**	**87 552**	**91 766**		**94 209**	
Estimated profit margin in percent of en-route revenue/costs	**1.6%**	**0.7%**	**1.5%**		**1.4%**	
Estimated ex-post RoE	**2.0%**	**0.8%**	**2.0%**		**2.0%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by Switzerland

Note 1: Planned and actual inflation index
According to Switzerland Performance Plan for RP1, different inflation assumptions (and inflation indexes) were used by different entities participating to the overall Switzerland en-route cost base, resulting in the calculation of a weighted forecast inflation rate for Switzerland. For the purpose of this analysis, the same forecast inflation index as presented for the calculation of the en-route DUR at national level was applied to all determined costs for all entities. In addition, the same actual inflation index (based on the actual inflation recorded by the Commission in the Eurostat HICP for 2011 and 2012) was applied to all actual costs for all entities. It is noteworthy that in 2012 a negative inflation rate (-0.7%) was recorded for Switzerland, resulting in the overall negative cumulative inflation (-0.2%) since 2009.

Note 2: Cost of capital considered for the ATSP entity (Skyguide) over RP1
To calculate the ATSP (Skyguide) determined costs of capital set in the NPP, Switzerland considered the application of a (weighted) cost of capital (pre-tax) rate capped at 2.50%, which resulted in a lower ex-ante RoE (1.96%) for 2012 than the figure disclosed in June 2013 Reporting Tables (5.15%). According to the Charging regulation, the ex-ante RoE should be applied for the calculation of the actual cost of capital related to equity. Therefore, for consistency purposes, the analysis presented in item 6 is based on a RoE of 1.96%. It should be noted that even though this slightly increases the difference between actual and determined costs, it decreases the actual cost of capital related to equity by the same amount, with no effect on the computation (see below) of the actual estimated profit for the en-route activity in 2012.

Note 3: Cost breakdowns for the ATSP entity (Skyguide) over RP1
In the Switzerland NPP for RP1, it is stated that, "*as relates to the cost efficiency target, the calculations included in the Performance Plan are based on the FIR only and do not include the delegated airspace outside the FIR*". However, the data provided for Skyguide presents the total en-route costs for Skyguide detailed by nature, i.e. including the costs for delegated services provided outside the Swiss FIR, while a deduction (corresponding to the sum of the compensation received from the State to cover part of revenue losses linked to cross-border services and the revenues from France) is recorded in the exceptional costs and amounting to 40% of the total en-route costs for Skyguide. This impairs the analysis of the costs by nature in Item 4 below.

At State / Charging Area level

In 2012, Switzerland's actual real en-route unit cost (76.14 €2009) is +6.2% higher than the DUR planned in the NPP for RP1 (71.68 €2009). This difference is due to the fact that the actual number of total service units (TSUs) is -6.3% lower than planned, while actual en-route costs are slightly lower than the determined costs (-0.4% in real terms, or -2.4% in nominal terms in CHF).

Looking forward, based on STATFOR May 2013 forecasts, the number of SUs in 2013 and 2014 is expected to be substantially lower than the figures planned in the adopted Switzerland NPP for RP1 (-11.4% and -11.0%, respectively), and therefore likely to exceed the -10% threshold.

Switzerland's en-route costs include costs relating to the Switzerland ATSP (Skyguide), the METSP, the Switzerland NSA and the EUROCONTROL Agency. While for Skyguide (-1.0%) and the METSP (-0.8%) 2012 en-route costs are slightly lower than planned, the costs of the NSA/EUROCONTROL are higher than the amount planned in the adopted NPP (+4.8%). The latter reflects higher actual costs than planned for the EUROCONTROL Agency, but also higher actual costs for the NSA.

In 2012, Switzerland actual other operating costs are substantially lower than planned in the NPP for RP1 (-6.2 M€2009, or -21.5%). This mainly reflects lower actual operating costs than planned for Skyguide (-38.1% or some -6.8 M€2009). Information provided in the Switzerland NSA Monitoring Report for 2012 indicates that this difference reflects the cost-containment/reduction measures implemented to compensate the decrease in the traffic. On the other hand, actual staff costs are +4.5 M€2009 (+4.0%) higher than planned in the NPP, which is also attributable mainly to Skyguide (some +4.4 M€2009). More details for the ATSP are provided below.

As far as the investments are concerned, the NSA Monitoring Report indicates that the capex for 2012 was reduced to 49.6 MCHF compared to 54.9 MCHF planned (i.e. a difference in real terms of -2.8 M€2009, or -7.9%). This mainly reflects the postponement of capex associated with the implementation of the stripless technology and savings related to "other capex". On the other hand, it is noted that the actual asset base is almost the same in nominal terms as in the NPP (corresponding to a +2.0% increase in real terms), which does not seem consistent with the difference in capex. Similarly, actual depreciation costs are higher than planned (+8.3%), which is mainly due to higher depreciation costs than planned for Skyguide (+9.6% or +2.2 M€2009). The Switzerland NSA Monitoring Report for 2012 does not comprise detailed information on the drivers for this significant difference. Actual cost of capital reported for Skyguide is higher than planned by +2%. However, when computed using the ex-ante RoE for Skyguide (see Note 2) is lower -13.9% than planned solely due to the lower average interest on debt (2.2%) as compared to the forecast provided in the NPP for Skyguide (3.0%).

Costs exempt from cost sharing are reported for a total of +0.6 M€2009 to be recovered from airspace users for the en-route activity, corresponding to the combination of positive amounts to be recovered from users (differences linked to costs relating to international agreements mainly due to differences in exchange rates) and negative amounts to be reimbursed to users (related to the new cost item required by Law). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

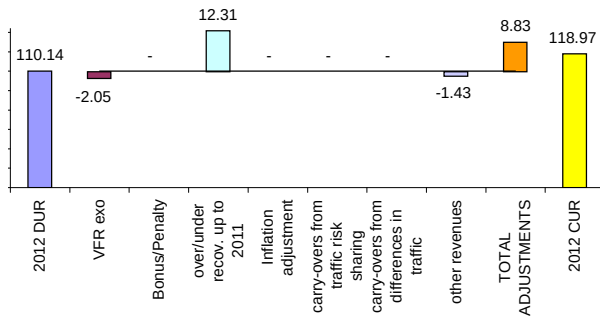
Taking into account the costs exempt from cost sharing and the adaptation to the cost of capital as per Note 2 above, Skyguide actual en-route costs are some -2.1 M€2009 lower than the determined costs reported for the year 2012 in the NPP. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned for 2012 translated into net losses in en-route revenues which amounted to some -2.9 M€2009 for Skyguide. The combination of these two elements results in a net loss of -0.9 M€2009 on the en-route activity in 2012.

As far as profitability is concerned, the planned ex-ante profit margin for the en-route activity in 2012 was 1.6% (or 1.4 M€2009, corresponding to the return on equity). Ex-post, the profit margin has been reduced to 0.7% for the en-route activity (or 0.6 M€2009, corresponding to the sum of the estimated profit embedded in the cost of capital of +1.5 M€2009 and the net loss of -0.9 M€2009 on the en-route activity in 2012). The estimated resulting ex-post RoE is a mere 0.8%.

Conclusion:This analysis indicates that in a context of much lower actual traffic than planned in 2012, Skyguide was only able to marginally reduce its actual costs compared to plans. The loss of revenues could be absorbed by the profit embedded in the cost of capital, but the ex-post profit margin has been reduced to less than 1%. Looking forward given the latest traffic outlook for 2013 and 2014, it would be important to closely monitor the evolution of the situation and to understand the impact of likely losses of revenues on Skyguide financial strength.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

Switzerland 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - CHF



The DUR expressed in nominal terms differs from the actual en route unit rate charged to users (CUR), which for RP1 also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing);
» a deduction of other revenues.

The unit rate charged to airspace users (CUR) in 2012 was 118.97CHF. This is higher than the DUR expressed in nominal terms (110.14), mainly due to under-recoveries carried over to 2012 in the context of the full cost-recovery regime in place before RP1.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW)^			0.65	0.65	0.65	0.65
Number of airports in the terminal charging zone(s)			2	2	2	2
of which, number of airports over 50 000 movements			2	2	2	2

Switzerland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs - (in CHF)	98 530 979	101 115 151	96 719 058	95 611 321	97 513 657	99 122 799
Inflation index (100 in 2009)	100.0	100.4	101.1	101.8	102.5	103.3
Real terminal ANS costs - (in CHF2009)	**98 530 979**	**100 705 462**	**95 676 555**	**93 901 243**	**95 102 043**	**95 994 371**
Real terminal ANS costs - (in EUR2009)	**65 296 411**	**66 737 440**	**63 404 787**	**62 228 289**	**63 024 058**	**63 615 403**

Switzerland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs - (in CHF)	98 530 979	101 115 151	96 165 176	91 940 956	-3 670 365	-3.8%
Inflation index (100 in 2009)	100.0	100.4	100.5	99.8	-2.0 p.p.	
Real terminal ANS costs - (in CHF2009)	**98 530 979**	**100 705 462**	**95 679 863**	**92 121 814**	**-1 779 429**	**-1.9%**
Real terminal ANS costs - (in EUR2009)	**65 296 411**	**66 737 440**	**63 406 979**	**61 049 062**	**-1 179 226**	**-1.9%**
Total terminal service units			255 896	256 502		
Actual real unit costs - (in CHF2009)			373.9	359.1		
Unit rate applied - (in CHF)				**372.10**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

In 2012, the terminal charging zone of Switzerland comprises two airports (Zurich and Geneva), which both handle more than 50 000 airport movements per year.

The formula applied in RP1 is (MTOW/50)^0.65. It differs from the harmonised formula, which will be mandatory for all SES terminal charging zones from 2015 (MTOW/50)^0.7.

Actual terminal ANS costs are lower than planned in the Switzerland NPP (-1.9% or -1.2 M€2009).

11. - Monitoring of gate-to-gate costs (2012)

Switzerland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in CHF2009)	188 135 299	197 981 307	170 244 052	161 412 115	163 926 965	167 717 106
Real terminal ANS costs - (in CHF2009)	98 530 979	100 705 462	95 676 555	93 901 243	95 102 043	95 994 371
Real gate-to-gate ANS costs - (in CHF2009)	**286 666 278**	**298 686 769**	**265 920 607**	**255 313 358**	**259 029 008**	**263 711 477**
Real gate-to-gate ANS costs - (in EUR2009)	**189 973 544**	**197 939 515**	**176 225 402**	**169 195 985**	**171 658 344**	**174 761 413**
Share of en-route costs in gate-to-gate ANS costs	**65.6%**	**66.3%**	**64.0%**	**63.2%**	**63.3%**	**63.6%**

Switzerland - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in CHF2009)	188 135 299	197 981 307	159 634 924	160 688 361	-723 753	-0.4%
Real terminal ANS costs - (in CHF2009)	98 530 979	100 705 462	95 679 863	92 121 814	-1 779 429	-1.9%
Real gate-to-gate ANS costs - (in CHF2009)	**286 666 278**	**298 686 769**	**255 314 787**	**252 810 175**	**-2 503 182**	**-1.0%**
Real gate-to-gate ANS costs - (in EUR2009)	**189 973 544**	**197 939 515**	**169 196 932**	**167 537 128**	**-1 658 857**	**-1.0%**
Share of en-route costs in gate-to-gate ANS costs	**65.6%**	**66.3%**	**62.5%**	**63.6%**	**0.3%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual gate-to-gate 2012 costs (167.5 M€2009) are -1.0% lower than the sum of en-route determined costs and terminal ANS costs provided in the NPP for RP1 (169.2 M€2009).

The relative share of en-route costs in 2012 amounts to (63.6%), which is fairly similar to the previous years. It is in line with the share planned for 2012.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring Report 2012

United Kingdom

Edition 1.0
Edition date: 15/08/2013

UNITED KINGDOM **Monitoring of SAFETY indicators for 2012**

Effectiveness of Safety Management

United Kingdom	2012	2013	2014
State level	84		
ANSP 1	84		
ANSP 2	84		
ANSP 3	62		
ANSP 4	73		

EASA observations

Overall the scores are very high but all of them have been well justified in terms of explanation, reference to documentation and examples.

Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
	ATM value	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT	No of reported	% severity assessed with RAT
Separation Minima Infringements (SMIs)	ATM ground	294	0%		%		%
	ATM overall		25%		%		%
Reporting Runway Incursions (RIs)	ATM ground	200	0%		%		%
	ATM overall		7%		%		%
Reporting ATM specific technical events (ATMs)	ATM overall	139	35%		%		%

In the UK Monitoring Report, the numbers of reported SMIs, RIs and ATM specific technical events are not given.

Nevertheless, the indication of how many reports were assessed with RAT corresponds exactly with the ratio according to the AST, for all types of occurrences

Just Culture

Number of questions answered with Yes or No.	**State**		**ANSP (NATS NERL)**		**ANSP (NATS NSL)**		**ANSP (New-castle airport)**		**ANSP (East Midlands airport)**	
	Y	**N**	**Y**	**N**	**Y**	**N**	**Y**	**N**	**Y**	**N**
Policy and its implementation	8	2	11	2	11	2	7	6	4	9
Legal/Judiciary	7	1	2	1	2	1	3	0	1	2
Occurrence reporting and Investigation	2	0	7	1	7	1	1	7	2	6
TOTAL	**17**	**3**	**20**	**4**	**20**	**4**	**11**	**13**	**7**	**17**

UNITED KINGDOM **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.31	0.28	0.27	
National Target	0.31	0.26	0.26	
Actual performance	0.07	--	--	

Capacity

- The national performance plan for the United Kingdom described how the implementation of FUA would provide increased capacity, in particular:
- "The delivery and evolution of more advanced airspace management tools during RP1 will allow civil and military ATS to receive and display dynamic changes of airspace availability and take account of this information when making traffic management plans. Use of the tools is expected to generate increases in capacity, impacting average delays per flight, and enable more direct routes, enhancing horizontal – and possibly vertical – flight efficiency."
- The national performance monitoring report explains the significant improvement in capacity performance as being due to lower than expected traffic levels; additional capacity as a result of the iFACTS system implementation, and enhanced post operations analysis enabling matching of staffing levels with demand.

Assessment

- With the capacity performance in 2012, the United Kingdom has met both the national target and the level of performance required to be consistent with the EU wide target for 2012. The PRB welcomes the commitment of the United Kingdom to improve capacity performance and is confident that the United Kingdom can provide an adequate contribution to capacity performance in RP1

Effective booking procedures

- Ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day before operations: 30%
- The above indicator was calculated using data provided on the following areas: EGD064; EGD323; EGD513; EGD613; EGD712 & EGD809.
- No information was provided on other areas, including: TRA001; TRA002; TRA003; TRA004; TRA005; TRA006; TRA007A/B; TRA008A/B/C; East Anglia MTA area; North Wales MTA Area; D036; D037; D038; D039; D040; D701; D003; D004; D008; D009: D013; D017.

Recommendations

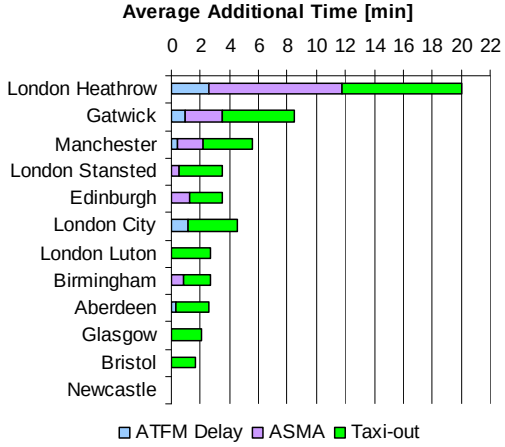
- The United Kingdom is invited to review the impact of the allocation or activation of restricted or segregated areas on the available ATC capacity and or available route profiles. The United Kingdom is invited to report information on the allocation and actual use of those areas which affect available ATC capacity and or available route options.

UNITED KINGDOM **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
London Heathrow	EGLL	2.6	611 700	9.2	2 104 568	8.3	1 944 368	**4 660 635**
Gatwick	EGKK	0.9	114 686	2.6	305 255	5.0	564 943	**984 884**
Manchester	EGCC	0.4	30 969	1.8	144 644	3.4	269 653	**445 266**
London Stansted	EGSS	0.0	2 372	0.5	33 089	3.0	192 265	**227 725**
Edinburgh	EGPH	0.1	2 736	1.2	64 834	2.2	115 795	**183 366**
London City	EGLC	1.2	41 362	Not applicable		3.4	119 473	**160 835**
London Luton	EGGW	0.0	2 380	Not applicable		2.7	128 787	**131 167**
Birmingham	EGBB	0.0	1 296	0.8	35 551	1.8	75 949	**112 796**
Aberdeen	EGPD	0.3	9 718	Not applicable		2.3	74 978	**84 696**
Glasgow	EGPF	0.0	174	Not applicable		2.0	77 173	**77 347**
Bristol	EGGD	0.0	296	Not applicable		1.6	47 946	**48 242**
Newcastle	EGNT	0.0	0	Not applicable		Data Quality Issue		**0**
Weighted average		**1.0**		**4.5**		**4.7**		
Grand Total			**817 689**		**2 687 941**		**3 611 327**	**7 116 957**

UNITED KINGDOM **Monitoring of CAPACITY indicators for 2012**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.) at Heathrow, Gatwick, Edinburgh, Luton, Aberdeen and Galsgow airports.
- Data quality issue (AOBT), and missing data (DRWY, STATUS C.R.) at Newcastle airport.

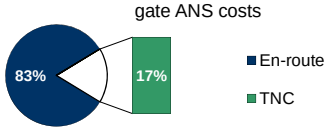
Specific Analysis

- With an increase of 0.8 minutes per arrival compared to 2011, London Heathrow (LHR) recorded an average ATFM delay of 2.6 minutes per arrival in 2012. Compared to other European airports, London Heathrow has by far the highest level of additional time within the last 40NM (ASMA), with 9.2 minutes per arrival. Although it also remains high (8.3 min/dep), additional taxi-out time decreased by 0.8 min/dep compared to 2011.
- The high demand and associated economic value of slots at London Heathrow result in a high level of traffic saturation. This leaves little head-room to respond to differences between the demand scheduling and actual capacity. Consequently, non-nominal situations (i.e. adverse weather effects on the operational capacity) can significantly contribute to ATFM delay. From a strategic ANS perspective, this is managed with rigid operational paradigms. The high value for the additional ASMA time at Heathrow is influenced by decisions taken during the airport scheduling process regarding the inbound demand and associated average holding time (i.e. management of the pressure on the runway). The susceptibility of changes to the operational capacity (i.e. high saturation, little headroom) can be directly derived from the share of ATFM regulations linked to adverse weather.
- At Gatwick, additional taxi-out also remains relatively high, with 5.0 min/dep, although some improvement has been discernibly recorded compared to 2011.

1. - Contextual economic information

- United Kingdom represents 11.4% of the SES en-route ANS determined costs in 2012.
- ATSP : NATS
- FAB : UK-IR
- National currency: GBP
- Exchange rate 2009: 1 EUR= 0.890647

Share of en-route and terminal in gate-to-gate ANS costs

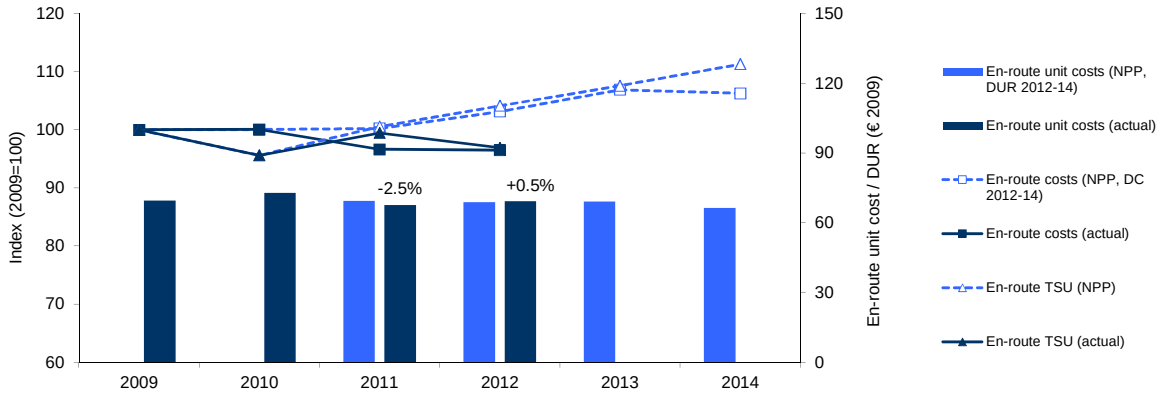


2. - En-route DUR monitoring (2012)

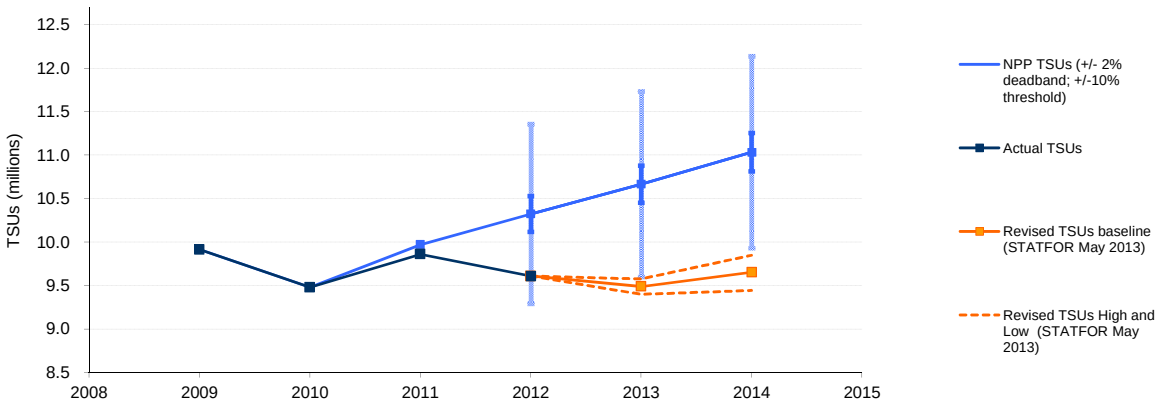
En-route Determined Unit Rate (DUR) 2012 United Kingdom (in GBP2009)	61.44	Note on the actual exchange rate 2012
Monitoring - Actual en-route unit cost 2012 United Kingdom (in GBP2009)	61.76	In 2012, the GBP appreciated by 6.5% compared to 2011.
Difference (in GBP2009)	0.32	Exchange rate 2011: 1 EUR= 0.867626
Difference in percent	0.5%	Exchange rate 2012: 1 EUR= 0.811235
		(See also Note 1)

United Kingdom - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal GBP) (See Note 2)	614 961 027	635 819 000	653 245 588	683 622 576	720 979 536	730 178 295
Inflation %		3.3%	2.5%	1.7%	1.8%	1.9%
Inflation index (100 in 2009)	100.0	103.3	106.0	107.8	109.7	111.7
Real en-route costs (determined costs 2012-2014) - (in GBP2009)	614 961 027	615 272 884	616 521 390	634 383 429	657 485 865	653 503 676
Total en-route Service Units	9 914 403	9 480 262	9 971 189	10 324 932	10 667 227	11 034 647
Real en-route unit costs per Service Units - (in GBP2009)	**62.03**	**64.90**	**61.83**	**61.44**	**61.64**	**59.22**
Real en-route unit costs per Service Units - (in EUR2009)	**69.64**	**72.87**	**69.42**	**68.99**	**69.20**	**66.49**

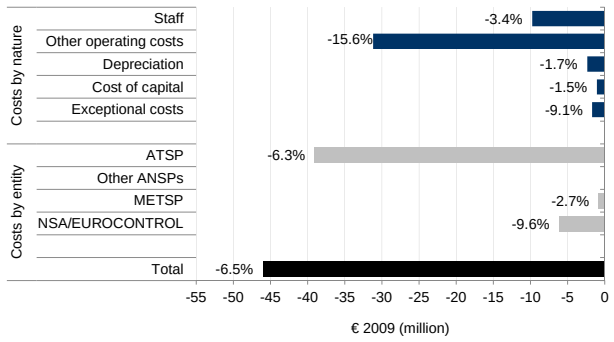
United Kingdom - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
En-route costs - (in nominal GBP)	614 961 027	635 819 108	641 778 915	658 740 665	-24 881 910	-3.6%
Inflation %		3.3%	4.5%	2.8%	1.1 p.p.	
Inflation index (100 in 2009) (see Note 3)	100.0	103.3	108.0	111.0	3.3 p.p.	
Real en-route costs - (in GBP2009)	614 961 027	615 269 119	594 293 113	593 385 066	-40 998 363	-6.5%
Total en-route Service Units	9 914 403	9 480 262	9 860 804	9 607 878	-717 054	-6.9%
Real en-route unit costs per Service Units - (in GBP2009)	**62.03**	**64.90**	**60.27**	**61.76**	**0.32**	**0.5%**
Real en-route unit costs per Service Units - (in EUR2009)	**69.64**	**72.87**	**67.67**	**69.34**	**0.36**	**0.5%**



3. - En-route traffic monitoring (Actual 2012 TSU compared to NPP and STATFOR 2013-2014 May 2013 TSU forecasts compared to NPP)



4. - En-route costs monitoring (2012 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2012 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-3 739
Costs exempted from cost sharing (by entity)	**2012 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-3 739
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users	-3 739

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2012

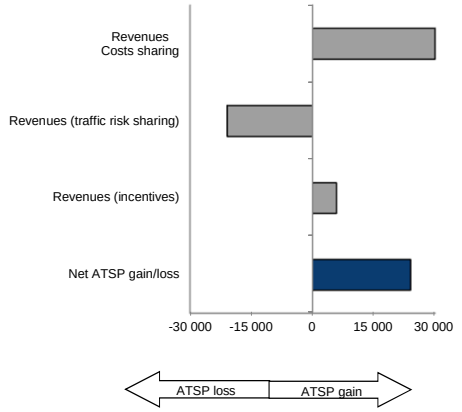
Cost sharing ('000€2009)	2012 A
Determined costs for the ATSP (NPP)	618 268
Actual costs for the ATSP	579 213
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	39 056
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**39 056**

Traffic risk sharing ('000€2009)	2012 A
Difference in total service units (actual vs NPP)	-6.94%
Determined costs after deduction of costs for exempted VFR flights	600 155
ATSP gain (traffic between 0 and +2% higher than NPP)	
ATSP gain (traffic between +2% and +10% higher than NPP)	
ATSP loss (traffic between 0 and -2% below NPP)	-12 003
ATSP loss (traffic between -2% and -10% below NPP)	-8 903
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-20 906**

Incentives ('000€2009)	2012 A
ATSP bonus (+) / penalty (-)	5 866
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**5 866**

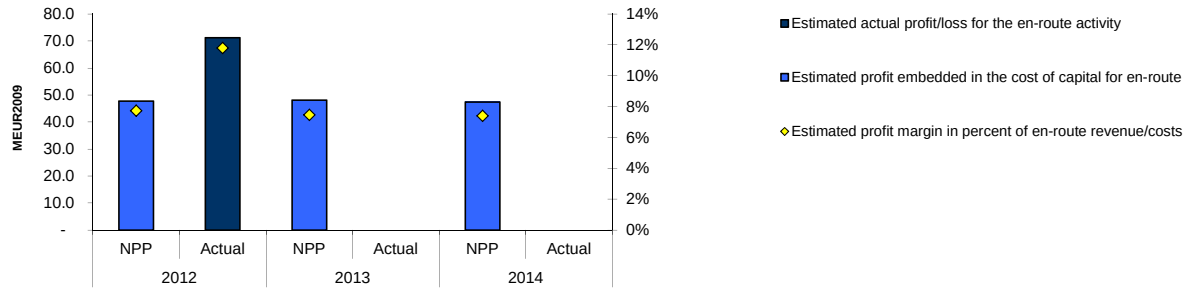
Net ATSP gain(+)/loss(-) on en-route activity	24 015

Combined effect of variations in costs and revenue for 2012 ('000€2009)



6. - En-route ATSP estimated profit margin (2012)

ATSP estimated profit margin ('000€2009)	2012 P	2012 A	2013 P	2013 A	2014 P	2014 A
Total asset base	1 034 824	1 016 745	1 042 024		1 026 584	
Estimated proportion of financing through equity (in %)	40%	40%	40%		40%	
Estimated proportion of financing through equity (in value)	413 843	408 742	416 706		410 554	
Estimated proportion of financing through debt (in %)	60%	60%	60%		60%	
Estimated proportion of financing through debt (in value)	620 982	608 003	625 318		616 030	
Cost of capital	69 989	68 935	70 474		69 432	
Average interest on debt	3.6%	3.6%	3.6%		3.6%	
Interest on debt	22 231	21 767	22 386		22 054	
Ex-ante RoE	11.5%	11.5%	11.5%		11.5%	
Estimated profit embedded in the cost of capital for en-route	47 757	47 169	48 088		47 378	
Net ATSP gain(+)/loss(-) on en-route activity		24 015				
Estimated profit/loss for the en-route activity	**47 757**	**71 184**	**48 088**		**47 378**	
Revenue/costs for the en-route activity	**618 268**	**603 228**	**645 146**		**640 583**	
Estimated profit margin in percent of en-route revenue/costs	**7.7%**	**11.8%**	**7.5%**		**7.4%**	
Estimated ex-post RoE	**11.5%**	**17.4%**	**11.5%**		**11.5%**	



7. - General conclusions on the monitoring of the 2012 en-route DUR

Notes on the information provided by the UK

Note 1: between 2011 and 2012, the British Pound appreciated by 6.5% against the Euro. This issue does not affect the monitoring analysis provided in this document since the UK financial data expressed in Pounds (both actual and determined costs) were converted into Euros using the actual 2009 exchange rate.
Note 2: In the UK, the actual cumulative inflation for the period 2009-2012 (11.0%) was 3.3 percentage points higher than planned in the NPP (7.8%). For this reason, while in nominal terms actual 2012 en-route costs are -3.6% lower than the determined costs, a larger difference is observed when the en-route costs and determined costs are expressed in real terms (-6.5%).
Note 3: the determined costs (DCs) provided by the UK in the Reporting Tables submitted in the context of the June session of the Enlarged Committee for Route Charges slightly differ from the information reported in the NPP for the years 2013 and 2014. This discrepancy is mainly due to the fact that the DCs of the METSP (UK MET Office) were revised downwards after the adoption of the NPP. This mainly reflects the reallocation of MET costs from the en-route to the terminal cost-base. This issue which was flagged and documented in the UK NPP for RP1 does not affect the monitoring analysis of the UK 2012 DUR and DCs.

At State / Charging Area level

In 2012, the UK's real en-route unit cost (69.34 €2009) is +0.5% higher than planned in the NPP (68.99 €2009). This small difference is mainly due to the fact that in 2012, both actual traffic (-6.9%) and actual en-route costs (-6.5%) are significantly lower than the figures reported in the NPP for RP1.
Looking forward, based on STATFOR May 2013 forecasts, the number of TSUs in 2013 and 2014 is expected to be substantially lower than the figures provided in the UK NPP for RP1 (-11.0% and -12.5%). If these forecasts materialise, the UK will incur losses in en-route revenues in 2013 and 2014. In addition, these forecasts indicate that there is a risk that the alert threshold on traffic be already reached for the year 2013.
The UK en-route cost-base includes costs relating to: the main en-route ATSP (NERL), the METSP, the UK NSA and the EUROCONTROL Agency. For all these entities actual en-route costs are lower than planned in the NPP for 2012: NERL (-6.3%), the METSP (-2.7%) and the NSA/EUROCONTROL (-9.6%). The latter reflects lower costs than planned for the EUROCONTROL Agency but also lower costs for the NSA (UK CAA).
In 2012, the UK actual en-route staff costs are -3.4% lower than planned in the NPP for RP1. This is mainly due to lower staff costs for NERL driven by less support staff than expected in particular in the engineering and corporate areas (FTEs reduction of 2% compared to Dec. 2011). The actual staff costs reported by NERL for the year 2012 do not include the accounting pension contributions as reported in the Annual Accounts (44.2 M£) but comprise the regulatory pension allowances (cash pension contributions, 80.4 M£) given to NERL by the UK CAA as part of the economic regulation regime (UK CAA Decision for CP3 in December 2010).). As a result, taking into account the accounting pension costs instead of the UK CAA allowances would lead to much lower actual staff costs for NERL in 2012.
Other operating costs are -15.6% lower than planned in the NPP for 2012. According to information provided in the UK NSA Monitoring Report for 2012, this significant difference mainly reflects the costs reduction measures implemented by NERL and in particular the renegotiation of third party supply contracts, facilities consolidations and energy costs savings.
In 2012, actual depreciation costs are in real terms -1.7% lower than the determined costs reported in the NPP for RP1. As for the staff costs, the actual depreciation costs provided for NERL comprise the regulatory depreciation allowances (126.3 M£) which differ from the accounting depreciation costs (76.8 M£). Taking into account the accounting depreciation costs instead of the UK CAA allowances would lead to much lower actual depreciation costs in 2012.
The actual cost of capital is in real terms -1.5% lower than the figure reported in the NPP for the year 2012. This difference mainly reflects the use of a slightly lower asset base (-1.7% when expressed in Euro 2009) to compute the actual cost of capital for NERL. Information provided in the UK NSA Monitoring Report shows that NERL actual 2012 capex are -16% lower than planned in the NPP (119 M£ compared to 141 M£). The UK indicates on p.24 of the Report that the significant underspent compared to the plan is mainly due to the postponement of capex associated with the "New Common Workstation" project (some 20 M£) following a change in investment strategy.
The UK reported a negative amount for the costs exempt from cost sharing in 2012 (-3.7 M €2009). This amount mainly relates to lower EUROCONTROL Agency costs than planned, mainly due to differences in exchange rates. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these assumptions.

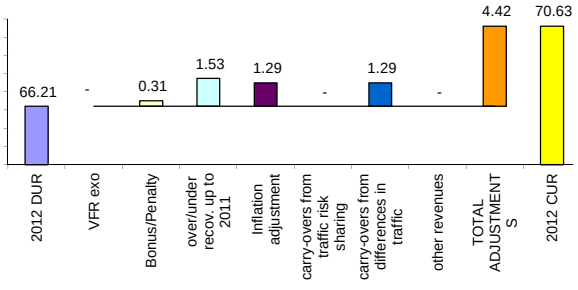
At ATSP level

NERL actual en-route costs are some -39.1 M€2009 lower than the determined costs reported for the year 2012 in the NPP. On the other hand, following the traffic risk sharing arrangements, the lower traffic than planned for 2012 translated into net losses in en-route revenues which amounted to -20.9 M €2009 for NERL.
According to the incentive scheme associated with quality of service performance, NERL is eligible for the payment of a bonus for outperforming the capacity target. In 2012, the actual value of en-route ATFM delays per flight (0.07 minutes) is significantly lower than the target provided in the NPP (0.31 minutes). Information provided in the NSA Monitoring Report indicates that NERL received a bonus amounting to €5.9M in 2012 which will be recovered from airspace users during the remainder of RP1.
The combination of all these elements results in net gains of 24.0 M €2009 on the 2012 en-route activity for NERL.
When estimating the profit margin of NERL for the year 2012, it is important to account for the profit embedded in the cost of capital through the return on equity (ROE, some 47.2 M€2009) along with the gains generated by NERL on the en-route activity (€24.0M). As a result, NERL estimated profit on the en-route activity amounts to 71.2 M€2009 which implies a profit margin of 11.8% and an ex-post ROE of 17.4% for the year 2012 (compared to 11.5% as initially planned).
It is noteworthy that if NERL accounting pension contributions and depreciation costs were used instead of the UK CAA allowances to compute the actual en-route cost base in 2012 then NERL profit margin would be substantially higher than that obtained from this monitoring analysis. Information provided in NERL Annual Report shows that for the company as a whole, a profit before taxes amounting to 151.4 M£ was realised in 2012/2013 (or some 167.3 M €2009 using an exchange rate of 1 € = 0.8152 £ and the actual inflation index for 2009-2012). The difference between this amount and the profit estimated in this monitoring analysis (71.2 M€2009) is mainly due to the fact that (1) the data provided in the Reporting Tables relates to the calendar year while in NERL Annual Report the information is provided on a financial year basis (April 2012 – March 2013), (2) NERL Annual Report comprises information relating to revenues and costs which are not included in the figures provided for NERL in the en-route Reporting Tables (e.g. London approach, services and infrastructure provided to the Military, etc.) and (3) the staff costs and depreciation costs reported in NERL Profit and Loss statement include the accounting pension contributions and depreciation costs and not the UK CAA regulatory allowances as it is the case in the en-route Reporting Tables.

Conclusion: In 2012 despite a much lower actual traffic than planned and associated revenue losses (-20.9 M €2009), NERL was in a position to reduce its cost base compared to plans by a significantly greater amount (-39.1 M €2009), while also outperforming the capacity target and securing a financial reward. The profit embedded in the cost of capital (47.2 M €2009) together with the additional net gains (24.0 M€2009) result in an estimated profit on the en-route activity for NERL of 71.2 M€2009 in 2012, implying a profit margin of 11.8%.

8. - Remark: En-route DUR 2012 vs. 2012 unit rate charged to users

United Kingdom 2012 Chargeable Unit Rate (CUR) vs. 2012 DUR in national currency in nominal terms - GBP



For RP1, the DUR expressed in nominal terms differs from the actual en route unit rate charged to users, which also takes account, where applicable, of:

» a deduction of the costs for services to exempted VFR;
» a deduction of other revenues;
» bonuses or penalties resulting from the financial incentives to the achievement of capacity performance targets;
» over or under recoveries incurred by Member States up to the year 2011 included;
» carry-overs resulting from the inflation adjustment;
» carry-overs resulting from the implementation of the traffic risk-sharing (ATSP);
» carry-overs resulting from the difference in traffic (for costs not subject to traffic risk sharing)

In principle, the 3 latter are not yet applicable to the unit rate of 2012.

The UR charged to airspace users (CUR) in 2012 was 70.63 €. This is higher than the DUR expressed in nominal terms (66.21 €). The difference observed between these two figures (4.42 €) reflects the combination of several elements including the bonus received by the ATSP for exceeding the capacity target in the previous year (0.31 €), under-recoveries carried over to 2012 (1.53 €), the adjustment for inflation (1.29 €) and an adjustment resulting from lower traffic than planned (1.29 €). All these adjustments were made in the context of NERL economic regulation regime.

9. - Terminal costs and unit rates monitoring (2012)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in the terminal charging zone A	10	10	9	9	9	9
of which, number of airports over 50 000 movements		10	9	9	9	9
Number of airports in the terminal charging zone B	4	4	4	4	4	4
of which, number of airports over 50 000 movements		4	4	4	4	4

United Kingdom - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for charging zones A and B - (in GBP)	136 840 188	138 348 599	141 025 438	143 959 593	148 462 679	153 777 405
Inflation index (100 in 2009)	100.0	103.3	106.0	107.8	109.7	111.7
Real terminal ANS costs - (in GBP2009)	**136 840 188**	**133 877 946**	**133 097 261**	**133 590 644**	**135 388 188**	**137 629 536**
Real terminal ANS costs - (in EUR2009)	**153 641 328**	**150 315 384**	**149 438 848**	**149 992 807**	**152 011 053**	**154 527 591**

United Kingdom - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	in %
Terminal ANS costs for charging zones A and B - (in GBP)	136 840 188	130 232 458	126 651 472	129 685 562	-14 274 031	-9.9%
Inflation index (100 in 2009)	100.0	103.3	108.0	111.0	3.3 p.p.	
Real terminal ANS costs - (in GBP2009)	**136 840 188**	**126 023 280**	**117 280 415**	**116 819 076**	**-16 771 568**	**-12.6%**
Real terminal ANS costs - (in EUR2009)	**153 641 328**	**141 496 328**	**131 680 020**	**131 162 038**	**-18 830 769**	**-12.6%**
Total terminal service units						
Actual real unit costs - (in GBP2009)						
Unit rate applied - (in GBP)				**n/appl**		

10. - General conclusions on the Terminal ANS costs and unit rates monitoring

In 2012, the two UK terminal charging zones comprise 13 airports (9 in zone A and 4 in zone B). No changes are foreseen over the 2013-2014 period. Zone A includes airports handling between 50 000 and 150 000 commercial air transport movements per year. Zone B comprises airports with more than 150 000 commercial air transport movements per year. In the UK, terminal ANS costs are not recovered through a Terminal Navigation Charge (TNC) but through revenues arising from contractual arrangements with airports operators.

Actual terminal ANS costs are significantly lower than planned in the UK NPP (-12.6%). The UK NSA Monitoring Report for 2012 does not comprise detailed information on the drivers for this difference.

11. - Monitoring of gate-to-gate costs (2012)

United Kingdom - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in GBP2009)	614 961 027	615 272 884	616 521 390	634 383 429	657 485 865	653 503 676
Real terminal ANS costs - (in GBP2009)	136 840 188	133 877 946	133 097 261	133 590 644	135 388 188	137 629 536
Real gate-to-gate ANS costs - (in GBP2009)	**751 801 215**	**749 150 830**	**749 618 651**	**767 974 073**	**792 874 053**	**791 133 212**
Real gate-to-gate ANS costs - (in EUR2009)	**844 106 829**	**841 131 031**	**841 656 292**	**862 265 379**	**890 222 561**	**888 267 980**
Share of en-route costs in gate-to-gate ANS costs	**81.8%**	**82.1%**	**82.2%**	**82.6%**	**82.9%**	**82.6%**

United Kingdom - Actual data from June 2013 Reporting Tables	2009A	2010A	2011A	2012A	2012A vs NPP	In %
Real en-route costs - (in GBP2009)	614 961 027	615 269 119	594 293 113	593 385 066	-40 998 363	-6.5%
Real terminal ANS costs - (in GBP2009)	136 840 188	126 023 280	117 280 415	116 819 076	-16 771 568	-12.6%
Real gate-to-gate ANS costs - (in GBP2009)	**751 801 215**	**741 292 399**	**711 573 527**	**710 204 142**	**-57 769 931**	**-7.5%**
Real gate-to-gate ANS costs - (in EUR2009)	**844 106 829**	**832 307 749**	**798 940 015**	**797 402 497**	**-64 862 881**	**-7.5%**
Share of en-route costs in gate-to-gate ANS costs	**81.8%**	**83.0%**	**83.5%**	**83.6%**	**0.9%**	

12 - General conclusions on the gate-to-gate ANS costs

Actual gate-to-gate 2012 costs (797.4 M€2009) are -7.5% lower than the sum of en-route determined costs and terminal ANS costs provided in the NPP for RP1 (862.3 M€2009). The relative share of en-route costs amounts to 83.6% in 2012 which is fairly similar to the previous years.

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PRB Annual monitoring Report 2012

FAB DK-SE

Edition 1.0
Edition date: 15/08/2013

DK-SE FAB **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.04	0.05	0.08	
National Target	0.20	0.15	0.08	
Actual performance	0.03	--	--	

Capacity

- No specific details were provided on how the FUA concept would be applied to provide additional capacity.

Assessment

- The Denmark Sweden FAB exceeded the FAB target for capacity performance in 2012. The level of capacity performance was also consistent with the level required to meet the EU wide target of 0.7 minutes per flight in 2012. The PRB is confident that the Denmark Sweden FAB can provide sufficient capacity to be consistent with the EU wide targets for the first reference period

Effective booking procedures

- See the national reports for Sweden and Denmark.

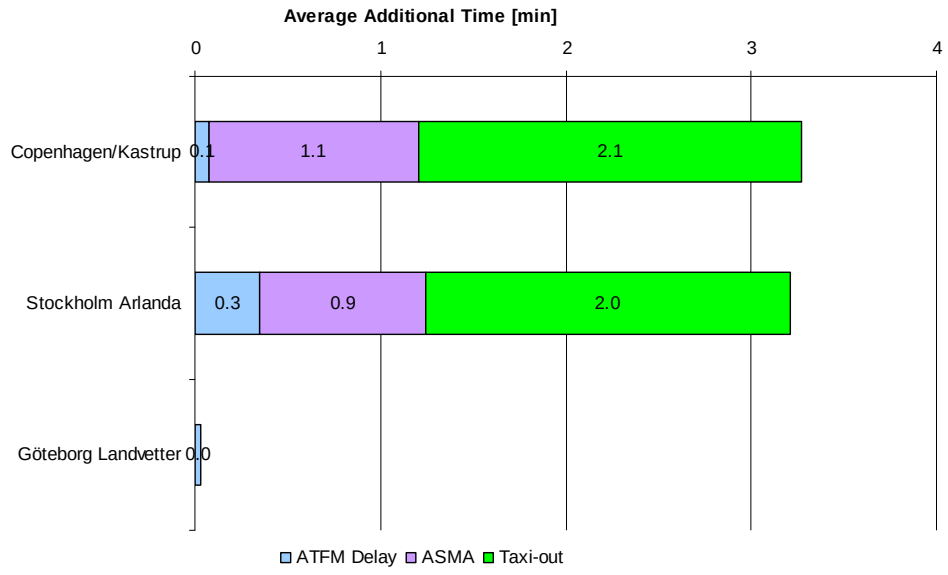
Recommendations

- No recommendations for Denmark-Sweden FAB

DK-SE FAB **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1 & Observations

Map data ©2012 Google



Airport Performance Monitoring

DK-SE FAB **Monitoring of CAPACITY indicators for 2012**

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Copenhagen/Kastrup	EKCH	0.1	9 549	1.1	130 268	2.1	235 868	**375 685**
Stockholm Arlanda	ESSA	0.3	36 551	0.9	91 530	2.0	190 116	**318 197**
Göteborg Landvetter	ESGG	0.0	897	Not applicable		Missing Data		**897**
Weighted average		**0.2**		**1.0**		**2.0**		
Grand Total			**46 997**		**221 798**		**425 984**	**694 779**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory data items partially missing (STATUS C.R.) at Copenhagen airport.
- Missing DRWY data used to calculate unimpeded taxi time at Göteborg airport.

Assessment

- No specific operational concern regarding RP1 performance monitoring.

Performance Review Body
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EUROCONTROL

PRB Annual monitoring Report 2012

FABEC

Edition 1.0
Edition date: 15/08/2013

FABEC **Monitoring of CAPACITY indicators for 2012**

Minutes of ATFM en-route delay				Observations
Year	**2012**	**2013**	**2014**	
Reference value	0.52	0.47	0.40	
National Target	0.77	0.68	0.50	
Actual performance	0.60	--	--	

Capacity

The FABEC performance plan, Annex D contained information from some of the FABEC states on how they would implement the FUA concept to provide additional capacity. See the national reports for details.

FABEC performance assessment

The FABEC performance report states: "Even though the 2012 intermediate value is achieved at FABEC level, the individual 2012 achievements show that three ACCs attained results above their 2012 indicative value … the results of the ACCs Marseille and Bordeaux have been deteriorated by industrial actions in April 2012 (regarding a DSNA national terminal areas reorganization project), and Langen, which is still facing staffing issues.

In the first case, French DGAC has included the DSNA terminal areas reorganization in its 2013 social agreement agenda; in the second case, the DFS staffing policy is addressing the issue (in this regard 2012 Langen results were better than the 2011 ones), mainly by increased training efforts. A linear improvement of the staffing induced delay can be expected until 2015, when the desired number of ATCOs will be available."

Extract from the EC Notification letter to FABEC States 19/07/2012:

The Commission considers that …the capacity target of FABEC could have been further improved.

… FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;

b) where these revised capacity plans shall also improve the 2014 national or functional

airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest;

Assessment

Although the FABEC capacity performance exceeded the FAB target, it was not sufficient to be consistent with the effort required to meet the EU-wide target of 0.7 minutes per flight in 2012.

As previously indicated in the assessment of the revised FABEC performance plan, the PRB considers that FABEC will not meet the required performance necessary to be consistent with the EU wide target of 0.5

minutes delay per flight for 2014.

Despite the EC recommendation to the contrary, in the latest capacity plans from NOP 2013-2017, the FABEC ANSPs appear to be reducing capacity plans instead of increasing them from the plans in 2011, to meet the reference value of 0.4 minutes average delay per flight.

Effective booking procedures

- No comments for FABEC

Recommendations

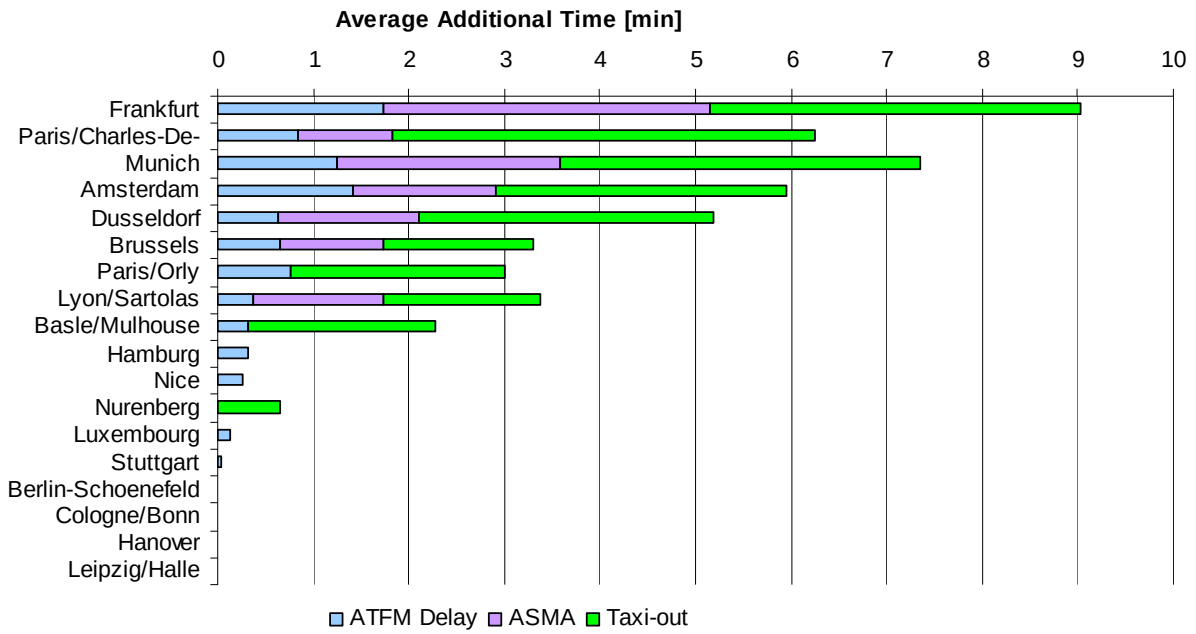
The FABEC Member States are requested to implement remedial capacity measures at ACCs where capacity problems are expected, either due to a lack of existing capacity or an inability to deploy existing capacity according to traffic demand, to ensure that a suitable contribution can be made to network performance within the timeframe of RP1.

The FABEC Member States are invited to provide the Commission with information on how the FABEC capacity plans have been increased in an effort to be consistent with the EU wide capacity target for RP1, or as close as possible thereafter.

FABEC **Monitoring of CAPACITY indicators for 2012**

Airport subject to RP1 & Observations

Map data ©2012 Google



Airport Performance Monitoring

(Airport Operator Cancellation, ARWY, DRWY, STND).

- Mandatory data items partially missing (STATUS C.R.) at Brussels and Amsterdam airports.
- Data quality issue for the calculation of unimpeded taxi-out at Luxembourg Airport.
- Remedial Action Plan maintained by PRU with the aforementioned airports.

Assessment

- Compared to 2011, performance considerably improved at Frankfurt Airport (FRA). Local restrictions (i.e. night curfew) resulted in a re-scheduling of the Lufthansa flights in order to depart well before 11 pm local time. Furthermore, construction works impacted the taxiing and manoeuvring of aircraft for a significant part of 2012. The newly operated 4th runway for arrivals was favourable to performance for inbound traffic. This resulted in an increase in the inbound arrival rate and capacity, with a substantial reduction of both ATFM delay and additional ASMA time. However, performance for outbound traffic slightly degraded in 2012 at Frankfurt Airport, with an increase in additional taxi-out time.
- Despite a decrease of traffic demand of 3.4%, additional taxi-out time remains in the top 10 in Europe at Paris/Charles-De-Gaulle. Paris/Charles-De-Gaulle is operated above the peak arrival declared capacity.
- At Munich airport, there is a strong correlation between the moderate traffic decrease in 2012 and the improvements in terms of the management of the arrival and departure flow. These improvements were further supported by operational/procedural refinements of the management of the arrival flow (e.g. re-sectorisation, route design, and collaboration with adjacent Austrian airspace).
- Amsterdam recorded a marginal increase of air traffic in 2012 of 0.3% and demonstrated a stable performance in 2012. The improvement in ATFM arrival delay can be attributed to continued close collaboration of all stakeholders (i.e. Schiphol airport, LVNL, and KLM) and the refinement of local procedures.
- Discernible reduction in taxi-out time was observed at BRU Airport in 2012 compared to 2011.

FABEC **Monitoring of CAPACITY indicators for 2012**

Airport Name	ICAO Code	Average of Apt ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Frankfurt	EDDF	1.7	419 448	3.4	808 812	3.9	897 133	**2 125 392**
Paris/Charles-De-Gaulle	LFPG	0.8	208 023	1.0	207 926	4.4	1 059 188	**1 475 137**
Munich	EDDM	1.2	246 297	2.3	448 930	3.8	714 192	**1 409 419**
Amsterdam	EHAM	1.4	306 466	1.5	317 130	3.0	651 006	**1 274 602**
Dusseldorf	EDDL	0.6	68 474	1.5	156 011	3.1	330 190	**554 675**
Brussels	EBBR	0.6	70 692	1.1	116 249	1.6	161 736	**348 677**
Paris/Orly	LFPO	0.8	90 123	Missing Data		2.2	253 679	**343 802**
Lyon/Sartolas	LFLL	0.4	22 614	1.4	77 996	1.6	97 745	**198 355**
Basle/Mulhouse	LFSB	0.3	11 484	Not applicable		2.0	75 512	**86 996**
Hamburg	EDDH	0.3	23 425	Missing Data		Missing Data		**23 425**
Nice	LFMN	0.3	18 783	Missing Data		Missing Data		**18 783**
Nurenberg	EDDN	0.0	0	Not applicable		0.7	18 023	**18 023**
Luxembourg	ELLX	0.1	3 710	Not applicable		Missing Data		**3 710**
Stuttgart	EDDS	0.0	1 805	Missing Data		Missing Data		**1 805**
Berlin-Schoenefeld	EDDB	0.0	633	Not applicable		Missing Data		**633**
Cologne/Bonn	EDDK	0.0	184	Missing Data		Missing Data		**184**
Hanover	EDDV	0.0	0	Not applicable		Missing Data		**0**
Leipzig/Halle	EDDP	0.0	0	Not applicable		Missing Data		**0**
Weighted average		**0.9**		**1.9**		**3.2**		
Grand Total			**1 492 161**		**2 133 055**		**4 258 403**	**7 883 619**

These statistics are based on the SES Dashboard released on 15/07/2013. Please connect to the SES dashboard for updated figures if required.

Critical Issues

- Mandatory items missing for several German Airports (Hamburg, Stuttgart, Cologne/Bonn, Berlin-Shoenefeld, Hanover and Leipzig).
- Mandatory data missing for Paris/Orly, Lyon/Sartolas (Airport Operator Cancellation), and Nice