



LFV meets deficit with streamlining programme

Swedish Air Navigation Services Provider LFVs operating profit for the first nine months was SEK 15 million. The en route segment however has drawn a significant loss.

The considerable decrease in traffic during the recession and escalating costs over the past few years coupled with the increased demands in pension–premium payments, have contributed to the expected deficit of en route operations amounting to SEK 575 million by the end of this year.

In order for LFV to achieve economic balance, we must combine our strategic fee increases with effective streamlining. The savings programme has involved an annual savings of SEK 100 million for 2010, with the same amount for another SEK 100 million forecast during 2011, explains LFVs Director General Thomas Allard.

The total number of flight operations in Swedish airspace has increased by over 5 per cent each consecutive month since the ash cloud crisis in April. The accumulated increase since the beginning of the year is approximately one per cent compared to the same period last year. En route flights and international traffic increased whilst domestic traffic has seen an overall decline.

For the remaining quarter of 2010, we believe in a continued recovery for the flight traffic industry. On a yearly basis, we are expecting a growth of around one and a half per cent compared to 2009 which means a total traffic volume of 654 000 operations in Swedish airspace during 2010. It will not be until 2015 that we see a return to flight operation levels similar to those before the recession, says Thomas Allard.

On 1 September the market for local tower services was deregulated. A joint purchase for three airports resulted in one of LFVs competitors winning a three–year contract. Competition accentuates the demands on us to further increase effectivity. A crucial part of this is that we have a local collective agreement which supports the business and gives opportunities for streamlining our operations, adds Thomas Allard.

LFVs investments during the period amounted to SEK 186 million. The largest investment involves the continued development of air traffic control systems in cooperation with air traffic control suppliers in Denmark, Ireland, Austria and Croatia. For further information, please contact Thomas Allard, on +46 (0)768–992014.

LFV
Group Communication and Markets

Facts

LFVs finances include one quarter of 2010 comprising airport maintenance and operations such as air traffic control services. Since 1st April airport operations and LFVs air traffic control services are now two separate enterprises. Comparisons with the previous year are therefore irrelevant since the new LFV has had significantly fewer operations in the second and third quarters than the previous LFV organisation during 2009.

LFV is a public enterprise with 1,400 employees that operates air navigation services for civil and military customers at over 40 locations in Sweden. We have sales of over SEK 2 billion. LFV is one of Europe's leading actors in air navigation services. Our solutions for even safer and more cost–effective air navigation are being noticed.