



26th January 2016

Cardiff Airport, Vale of Glamorgan, Wales CF62 3BD
Maes Awyr Caerdydd, Bro Morgannwg, Cymru CF62 3BD

Mr Darren Miller AM
The National Assembly for Wales
Cardiff Bay
Cardiff
CF99 INA

RECEIVED

27 JAN 2016

Dear Mr Miller

Please find enclosed a report of my first 100 days as Chairman of Cardiff Airport, which I hope is of interest to you.

I am hugely encouraged by what I have learnt so far and I am confident that by working together with all of our partners in Wales, the UK and internationally, we can create an Airport which we are all proud of.

I welcome any comment, question or observation you may have relating to this report and Cardiff Airport in general.

Thank you for your time.

Yours sincerely

Roger Lewis
Chairman



The First 100 Days - Roger Lewis, Chairman, Cardiff Airport

Introduction

I am fast approaching my 100th day as Chairman of Cardiff Airport and so I would like to take this opportunity to report to you on our work since I officially joined the company on November 1st 2015.

First and foremost, I would like to thank and congratulate my predecessor Lord David Rowe-Beddoe for the outstanding job he did in building a strong company so adeptly. Lord Rowe-Beddoe, along with the Directors, the Executive and the Airport staff, and a wide range of colleagues have worked hard to deliver the success already achieved and highlighted in the numbers below.

Cardiff Airport is now well positioned to serve once more its passengers with ambition.

We have and are developing an outstanding group of people across all aspects of the Airport to deliver a great aviation service which will contribute significantly to Wales, the United Kingdom and all of our partners.

Having spent the past year listening, studying and talking to a wide range of experts in the world of aerospace, aviation and airports, both in the UK and internationally, I am firmly of the opinion that Cardiff Airport can play a pivotal role in this sector in our locality as a strategic resource for Wales and as a driver of prosperity and economic growth in the region.

Cardiff Airport is already helping power Wales economically, assisting Wales to play its part in the world and most importantly is striving to deliver an exceptional experience for our passengers and our airline customers. For Cardiff Airport to achieve its full potential and to benefit all involved, we need a unity of purpose across the various political and business agendas to align our respective strategies both in Wales and the UK, and I will do all I can to assist this.

I sincerely thank all of the political parties in the Welsh Assembly, along with the Welsh Government and their officials, the UK Government and all of their colleagues and agencies for the goodwill and encouragement they have shown to the Airport. I also thank the representatives of foreign governments and business leaders whom I have had the pleasure to meet to outline our thinking and for their time and encouragement. I sincerely thank the support received from the UK Foreign and Commonwealth Office and the UKTI for facilitating such meetings. In particular, I thank the private sector in Wales, the UK and further afield for the support and the belief they have shown in Cardiff Airport and the recognition of the unique position it occupies within Wales and the UK.

We have much more to do to achieve long term sustainability for the enterprise, however, I am confident that we can deliver an Airport in Cardiff which is loved by its passengers, is welcomed by its partners, is profitable, recognised by all as being committed to delivering an exceptional service and is a model for a new kind of Airport in Britain, agile, innovative and aspiring to play its part in as wide an agenda as possible.



The Current Performance - 2015

Before looking to the future it is important to recognise and highlight the success achieved by Cardiff Airport over the past 12 calendar months:

- 13% year on year growth in passenger numbers to 1.16 million
- 52% year on year growth in passenger numbers in December alone
- Voted best airport in the UK for Environmental Achievements by the AOA (Heathrow was second)
- Flybe (Europe's largest regional airline and voted Best Short-Haul airline at the Business Travel Awards) opened a new base at the Airport with a 14 direct route network
- Our busiest route was with KLM to Amsterdam, linking Wales to the world via their Schiphol hub
- 50+ direct destinations available across the UK and Europe
- Links to 7 major hubs which can connect our passengers to well over 900 destinations worldwide
- 17 airlines regularly making use of our facilities.

This Year – 2016

In 2016 we are:

- Targeting significant year on year growth in passenger numbers
- Offering new destinations and increased services with Flybe
- Working with Vueling to increase capacity by 31% (30,000 extra seats) to its key Spanish destinations over the summer period
- Offering a new flight to Cancun with Thomas Cook
- Offering new Dubai cruise flights with Thomson
- Developing the P&O cruise flights to the Caribbean
- Refurbishing our Departure Lounge with a new coffee shop, restaurant bar and duty free store
- Continuing to improve all aspects of our financial practices and performance.

2016 and beyond

Our priorities for the coming 5 plus years include:

- Continuing our growth in passenger numbers
- Enhancing the passenger experience
- Supporting our existing partners
- Investing in our people
- Offering more destinations, at competitive prices with greater frequency
- Improving the retail, food and beverage, and car parking facilities
- Understanding our passengers better
- Improving our external and internal communications and marketing
- Using digital technology to transform our business
- Exploring all the opportunities which the Airport can offer its partners, including Maintenance, Repair and Overhaul (MRO), fuel, freight and aviation related training
- Reviewing with Government, Air Passenger Duty and its impact on our growth
- Working with new partners for certain aspects of the enterprise
- Growing all of our revenues whilst maintaining tight control of our costs
- Building value in the Airport.



The Importance of Cardiff Airport

In addition to currently carrying in 2015, 1.16 million passengers in and out of Wales, the wider economic importance of Cardiff Airport to Wales is significant.

- Cardiff Airport will directly employ 218 people from March 2016 onwards
- British Airways currently employs over 600 highly skilled people in its on-site facility at Cardiff Airport (BAMC)
- British Airways has recently announced that this facility at Cardiff Airport will now be the primary maintenance base for its entire Boeing fleet including the new 787 Dreamliner
- Cardiff Airport supports 1750 jobs
- Adding a million passengers over the coming years will create at least an extra thousand jobs locally

- 24% of our passengers in 2015 were visitors to Wales
- Air passengers spend more per head in Wales than those travelling by surface modes
- International visitors to the UK are forecast to grow in the coming years
- Cardiff Airport is of fundamental strategic importance to the on-going success of tourism in Wales
- Cardiff Airport proved to be the international gateway to Wales for high profile international guests at the Nato Summit, Ryder Cup and Rugby World Cup
- The Wales major events strategy with future high profile events already planned such as World Half Marathon and UEFA Champions League Final 2017 makes the role of the Airport critical for the international brand reputation of Wales
- The Airport can facilitate the travel for the 12,000 international students currently attending the eight tertiary educational establishments in South Wales

- The Airport is part of the Wales connectivity strategy, and enhanced access to the Airport by road and by the future metro is now being planned
- Cardiff Airport will play a closer role in support of the Cardiff Capital Region and the Enterprise Zone strategies
- The UK is the second largest player in the aerospace sector in the world. Wales has at least a 20% share of this UK activity with many distinguished global companies working in Wales. The opportunity for Cardiff Airport, as shown with BAMC, can be enhanced
- Cardiff Airport has a special relationship with the base at St Athan, sharing certain facilities. These can be developed when required
- The opportunity to develop the area around the Airport for the benefit of the prosperity of the people of the Vale of Glamorgan and the wider Wales is considerable and is being reviewed.



The Future

As a Board, we met at the end of 2015 to discuss how we enhance and develop our strategies for growth and sustainability, to identify our priorities, agree our objectives, and set clear goals and metrics for success. At the heart of our debate is the wellbeing of our passengers, our staff and our partners in terms of security and safety.

Our future will be secured by supporting and investing in the people who work at Cardiff Airport and empowering them to fulfil their potential.

I am pleased to report:

- Debra Barber was appointed Chief Operating Officer and Managing Director in January 2016, having been interim MD since 2014 achieving great success, and following a 28 year career in the RAF, culminating as a Group Captain
- Spencer Birns was appointed Commercial Director in January 2016, having joined in 2006, with particular expertise in our relationship with airlines and with a wealth of experience in the airline and travel sector
- Huw Lewis was announced as the new Financial Director in January 2016, having worked for over 20 years in the private sector with a particular focus upon strategy, delivery and stakeholder development.

The three Executives are part of the six member Board of the company, Cardiff Airport International Limited.

The Executives have now created an Executive Support Team, drawing upon the expertise within the Airport, and they are now putting the final touches together of our two year and five year strategic plan, led by Debra Barber. They are reviewing the systems, structures within the company and the skills and needs of our teams.

Moreover, we will be holding sessions with all of our staff, our stakeholders and partners to help shape our future thinking to ensure we deliver on our plans over the coming months and years. We will share our thinking with our partners and seek their views and opinions.

The Board and Executive have also begun working on a longer term view of the Airport, focussed upon creating a healthy and profitable business of significant value to Wales. I am greatly encouraged by this work.

The three Non-Executive Directors are Margaret Llewellyn, Chair of Visit Wales, with a breadth of experience in the economic development of Wales, as well as being a successful business leader in the ports and shipping sector, Geraint Davies, the former Senior Partner of Grant Thornton in Wales, also with a breadth of experience in the financial sector both in Wales and internationally, and myself. I sincerely thank them for their support and sheer hard work and dedication. It is a privilege and joy to work alongside them and the Executive. As Chairman my priority is to ensure the Board is a driver of change which positively enhances the Airports performance, reputation and standing.



What is important to me above all else, is that all of us who work and are associated with Cardiff Airport take full responsibility to serve all of our passengers and our partners to the highest standards possible.

We are determined to build a dynamic gateway between Wales and the world for people and business, and to create a welcoming entrance fit for our nation.

This is an ambition I believe we all share.

I will take nothing for granted and we will call upon all of our past experiences, contacts and friends in Wales, the UK and internationally to ensure we deliver on our promises.

And so I end my first report with an invitation to those who wish to join us, to help make Cardiff Airport a great Airport which we are all proud of.

Working with our partners across Wales, the UK and the world, we will succeed.

I look forward to discussing our plans with you over the coming year and I would welcome any comment, question or observation you may have relating to this report, and so please do not hesitate to contact me.

I thank you for your time.

Kind regards

A handwritten signature in black ink, appearing to read "Roger Lewis". The signature is stylized with a large initial 'R' and a long horizontal stroke at the end.

Roger Lewis
Chairman, Cardiff Airport

February 2016