

Marketing Insights



Access to the Island of Ireland: Summer 2007



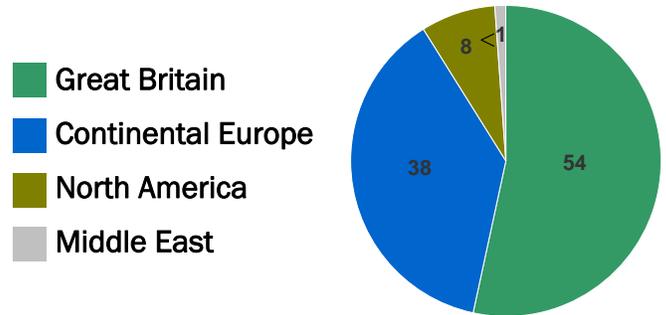
Crookhaven Harbour, Cork

Summer 2007 offers the island of Ireland the greatest opportunity for growth in overseas visitors to date with over **31,200** additional seats by air each week than in Summer 2006, representing a **7%** increase in total air capacity.

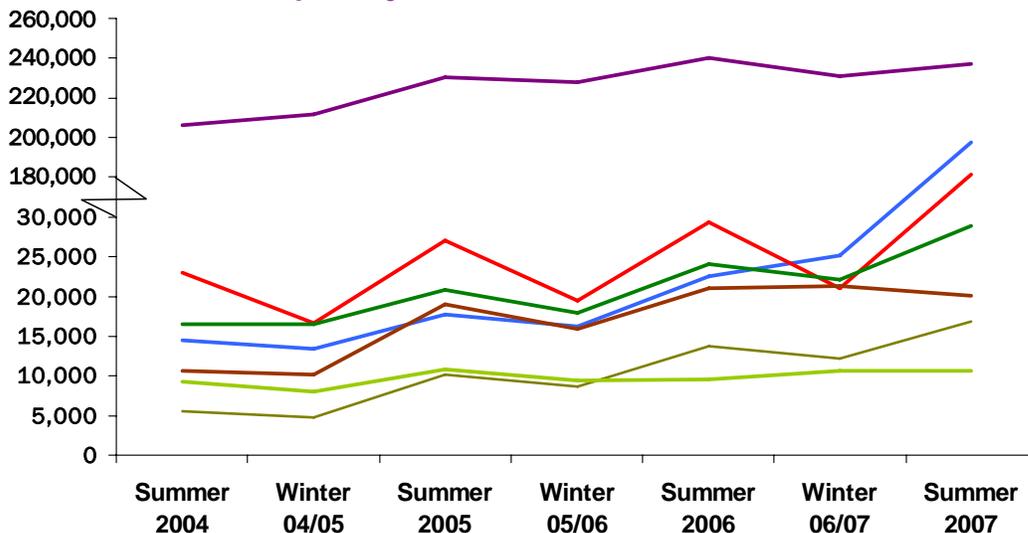
This Summer the largest growth in available seats will come from Continental Europe with an additional 29,400 seats each way per week. A further 5,900 additional seats will be available on routes from North America, while weekly capacity on Great Britain routes softened slightly following a long period of growth.

In addition to air access, a total of 266 ferry services will provide just under 58,400 car spaces per week, down on last summer due to cut backs on high speed ferry services.

The pie chart below highlights the dominance of Britain as a source of airline services to the island of Ireland.



Air Access Capacity To The Island of Ireland



	% Change vs. Summer '06
Great Britain	- 1.7%
Spain	+ 57.0%
USA	+ 20.0%
France	+ 13.1%
Germany	- 6.9%
Italy	+ 16.5%
Netherlands	NC

The graph to the left show the changes in air access capacity to the island of Ireland over the past 4 years with at least 10k weekly seats available.



Great Britain

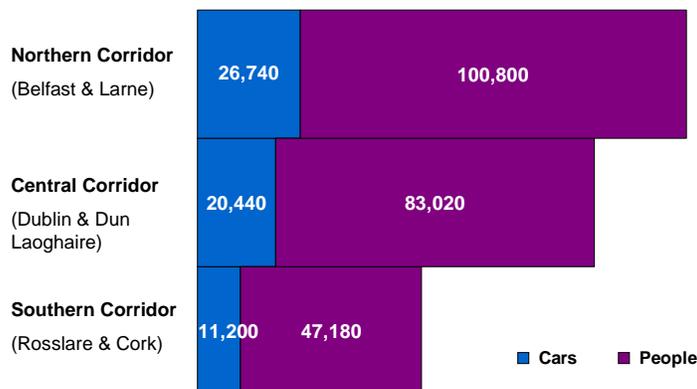
Great Britain represents the most important source market to the island of Ireland and has enjoyed continued growth in access capacity in the past few years, representing 54% of all air access (that is over 250,000 seats) and 96% of all sea capacity to the island of Ireland for Summer 2007.

Summer 2007 will see a slight softening in capacity however with a 1.7% decline in weekly seats since last summer.

Provincial Britain capacity (i.e. from airports outside of London) exceeds that on offer from London, and this gap is widening as provincial Britain is providing the engine of capacity growth to airports both North and South of the island. Conversely, capacity on routes from London have softened to both North and South of the island, though London routes continue to dominate in the South. The ratio of cross-channel available capacity to the South versus the North of Ireland currently stands at 2:1.

The island is also very well served by ferry routes with capacity for over 231,000 passengers per week, representing 48% of total passengers' access from Great Britain.

Sea Access Capacity Summer 2007



Changes in Air Access Capacity Summer 2007

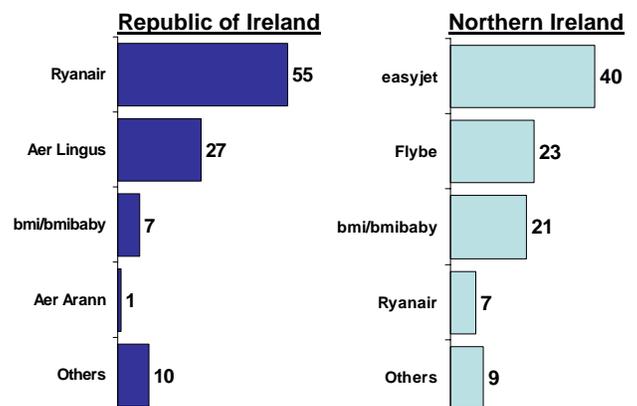
To	From Britain		
	London	Provincial	Total GB
Republic of Ireland	-6.8% -6,263 Seats = 85,598	+0.7% +580 Seats = 78,654	-3.3% -5,683 Seats = 164,252
Northern Ireland	-7.6% -2,322 Seats = 28,104	+6.8% +3,704 Seats = 57,969	+1.6% +1,382 Seats = 86,073
The Island of Ireland	-7.0% -8,585 Seats = 113,702	+3.2% +4,284 Seats = 136,623	-1.7% -4,301 Seats = 250,325

Capacity is measured as the number of direct, scheduled seats available one-way per week. Source: TTC.

However, air travel is increasingly the preferred means of travel for British visitors to the island of Ireland, driven mainly by increased air access capacity over the last few years, especially low cost airlines, and a growing number of short trips (1-3 nights).

Compared to other markets, access capacity from Great Britain is very well developed and therefore has proportionally less potential for future growth.

Airline Market Share Summer 2007



Continental Europe

Air capacity from Continental Europe for Summer 2007 continues to expand, though at a slower pace, with almost **177,000 seats** each way per week available this Summer, up 20% on last Summer and up **61%** on two years ago.

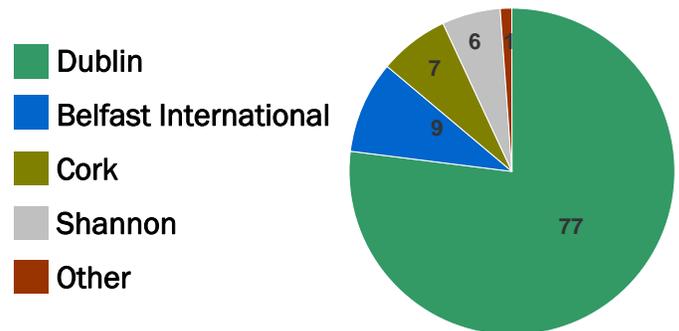
This Summer will see direct services between 147 'city pairs' (two cities, one on the island of Ireland and one in Europe with a direct air route connecting them), 53% more than the number offered in Summer 2005.

An additional 29,400 seats will be available each way each week over 2006. The growth has been most marked on routes from Spain and Poland, offering almost 20,300 extra seats per week between them, while 1,500 fewer seats will operate from Germany. While the South of the island will benefit most from these additional seats, capacity between Mainland Europe and the North of Ireland almost doubled representing an additional 7,000 seats per week, driven by increased capacity to Spain and Italy and the introduction of services to Poland.



While routes into Dublin still dominate, Shannon and Belfast International airports will see the greatest proportional capacity increases this Summer, although the majority of the additional seats will still fly direct to Dublin.

Airport Share of European Access



Air Capacity Growth From European Countries to the Island of Ireland

Country	Summer 2006 Capacity	Summer 2007 Capacity	% Change
Spain	25,088	39,422	+ 57%
France	25,571	28,916	+13%
Germany	21,624	20,123	-7%
Italy	14,486	16,871	+16%
Poland	10,327	16,291	+58%
Netherlands	10,636	10,636	NC
All Europe Total	147,074	176,518	+20%

Capacity is measured as the number of direct, scheduled seats available one-way per week. Source: TTC

North America

Summer 2007 will see a record number of direct flights from the USA with 145 departures bringing an additional 5,900 seats per week. This represents a 20% increase in capacity compared to last year.

Future growth is expected as a result of the EU-US open skies treaty which will create a less restricted environment on transatlantic routes generating lower airfares for passengers.

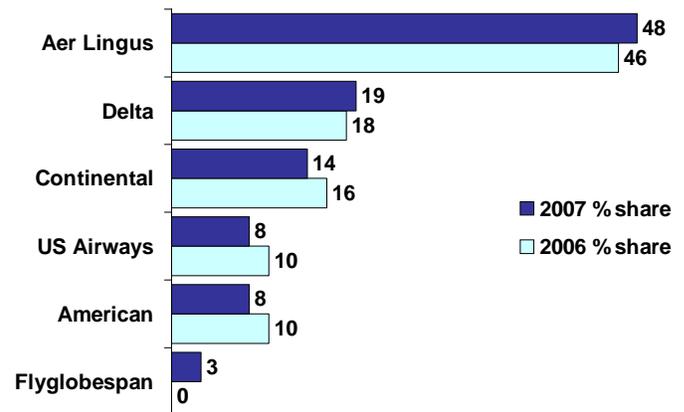
Though seasonal in nature, the United States represents the second largest market to the island of Ireland, with a total air capacity of 35,000 seats to the island each week.

Additional capacity in 2007 is driven by Aer Lingus, Delta Air Lines and Flyglobespan, which will see their share of all USA capacity increase to 48%, 19% and 3% respectively, as shown in the graph on the right.

This increase is limited to the South, with Continental Airlines remaining the sole provider to Northern Ireland.

Canadian access also shows modest growth over last year from 1,054 to 1,322 seats per week owing to the launch of the Scottish budget airline flyglobespan service from Toronto Hamilton airport to Belfast.

Airline Market Share on USA Routes

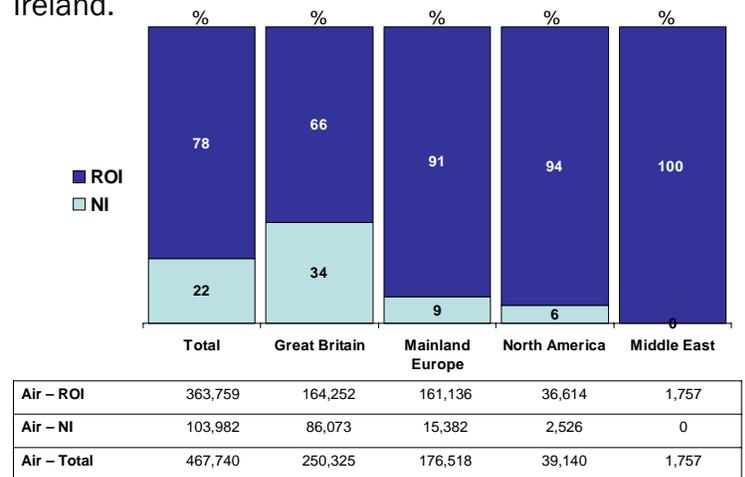


Air Access Overview – Republic of Ireland/Northern Ireland

An additional 31,200 seats will be available by air each week over Summer 2006 and the ratio of seats destined for the North versus the South of the island remains unchanged at 1:4.



The graph below shows how this ratio varies by market area where for instance one-third of the capacity from Great Britain is destined for Northern Ireland.



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