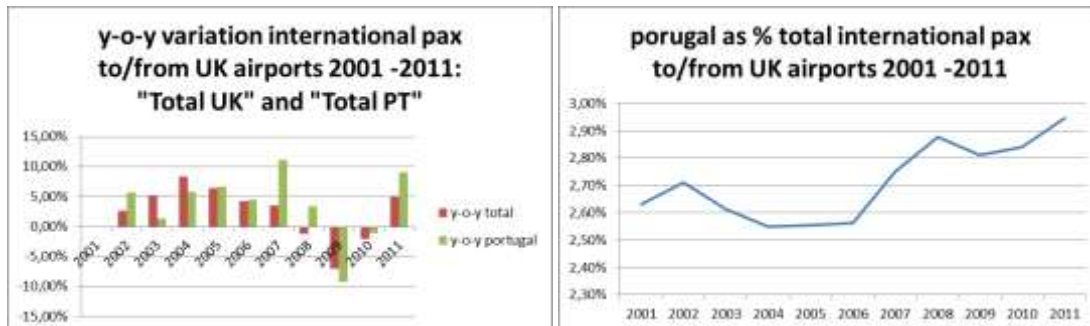


UK MARKET ANALYSIS – MADEIRA

JANURY – APRIL 2012

Over the years 2001 – 2011, we observe total international passengers to/from UK airports:

- As from 2005, Portugal outgrows “total to/from UK international passenger movements”
- A positive recovery is observed between 2010 to 2011, with a substantially larger growth of passengers to/from Portugal (+9%) compared to total growth to/from UK (+5%)

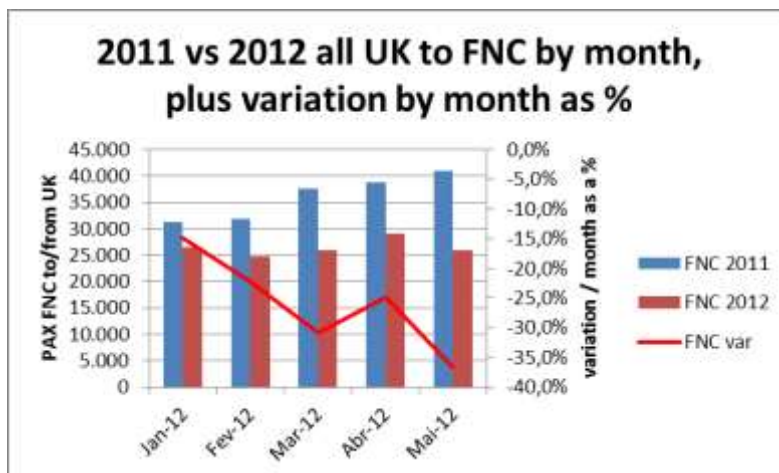


However, the analysis for the first five months of 2012, compared to 2011 show a very concerning trend for Portugal and especially Madeira where the **retraction is over 26%**.

JAN – MAY 2012

International passengers to/from UK airportsⁱ

- total international passengers to/from UK airports = **growth of 684,488 (1,03%)**
- total Europeⁱⁱ = **growth of 535,490 (1,15%)**
- Portugal, including Madeira and Porto santo = **retraction 107.302 (-6,1%)**
- FUNCHAL = **retraction 47.945 (-26,6%)**
- PORTO SANTO = **growth of 227 (12,1%) – flights only in May**



It this growing negative trend observed from January to May 2012 compared to 2011 for the same period (-15% for January down to -37% in May), suggests that Madeira, as a destination, is not being sought after by the UK market.

ⁱ Data Source - Civil Aviation Authority. There is a slight variation with data from ANAM, but minimal.

ⁱⁱ "Europe"

Western Europe EU

Western Europe –other (Croatia, Faroe Islands, Iceland, Kosovo, Macedonia, Norway, Rep. Serbia, Rep. Montenegro, Switzerland, Turkey)

Eastern Europe EU

Eastern Europe –other (Albania, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Rep. Moldova, Russia, Turkmenistan, Ukraine, Uzbekistan)