FINANCING ROUNDTABLE DISCUSSION
Forecasting in an Uncertain Time

Prepared for the
2010 ACI NA AIR CARGO CONFERENCE
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Volatility, Variability, Uncertainty:
Invest With Abundance of Caution!

Where are we going?

“The only function of economic forecasting is to make astrology look respectable.”

-- John Kenneth Galbraith, Economist
## Volatility

After Years of Double Digit Growth, US Cargo Market Got Pummeled

### U.S. Commercial Air Carriers: Air Cargo Revenue Ton Miles
(Average Annual Percent Change)

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2010-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>(17.7)</td>
<td>1.3</td>
<td>2.0</td>
<td>2.2</td>
</tr>
<tr>
<td>International</td>
<td>(23.0)</td>
<td>4.7</td>
<td>6.6</td>
<td>6.4</td>
</tr>
<tr>
<td>Total</td>
<td>(21.0)</td>
<td>3.4</td>
<td>4.9</td>
<td>5.1</td>
</tr>
</tbody>
</table>

China and India lead future world economic growth

Uncertainty – The Economy

Potential Road Blocks to Economic Recovery

- Unemployment
- Housing prices
- Consumer spending
- Tight credit
- Oil prices
- Inflation
- Government policy
Uncertainty – The Shape of Things to Come

Men’s ties are a leading indicator

Source: CFO.com, March 1, 2010.
Uncertainty – Cargo

- Inventory restocking bounce?
- Airline consolidation?
- Hub consolidation?
- Government policies (cap and trade, security)?
- Ability to lock in low interest rates
- Favorable construction bidding market
Pro Forma Financial Statements

- Air Traffic
- CapEx
- CapEx Funding
- Revenues
- OpEx
- Financial statements
- Key ratios