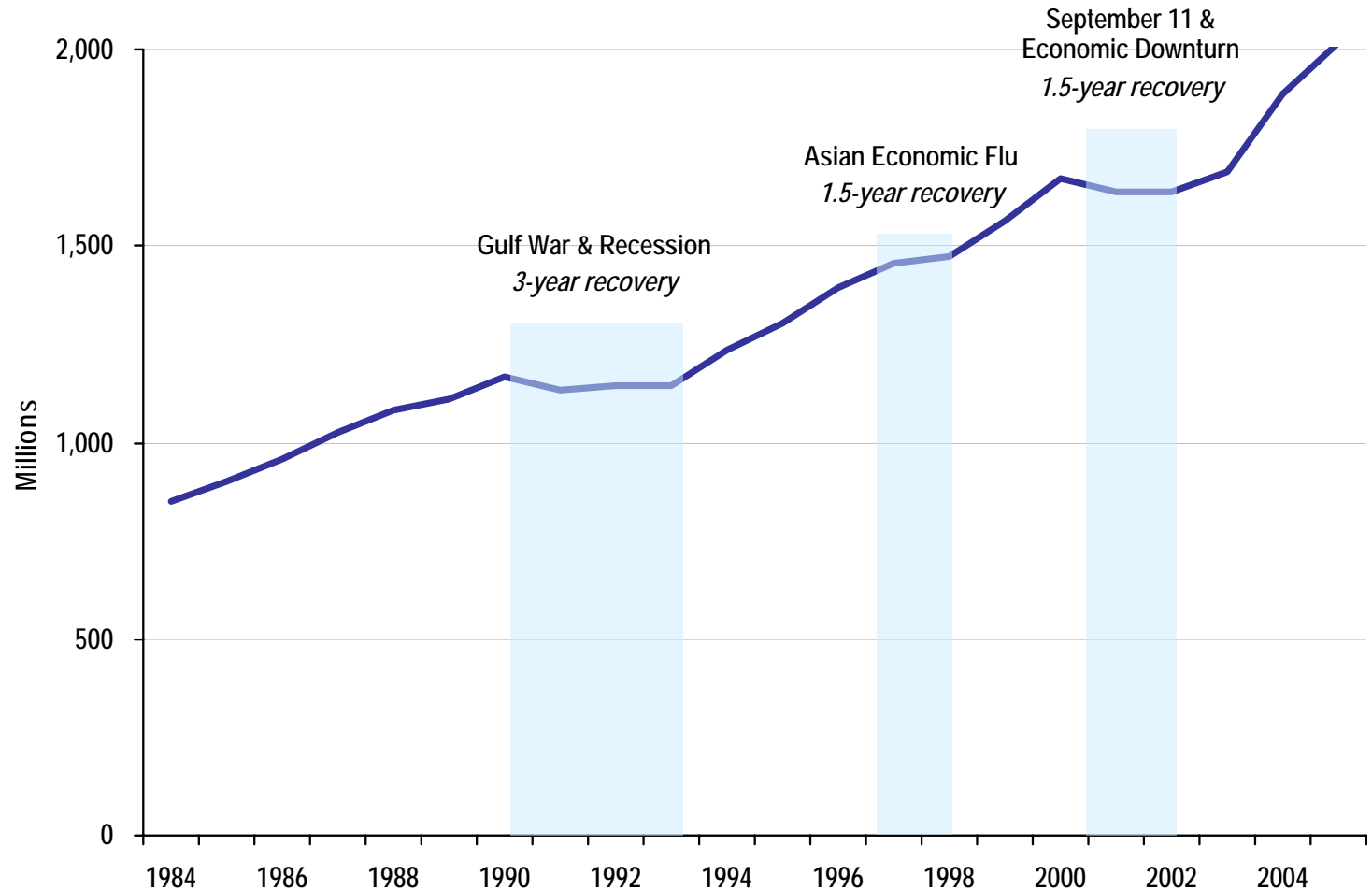


Aviation Industry Update



Global Air Traffic

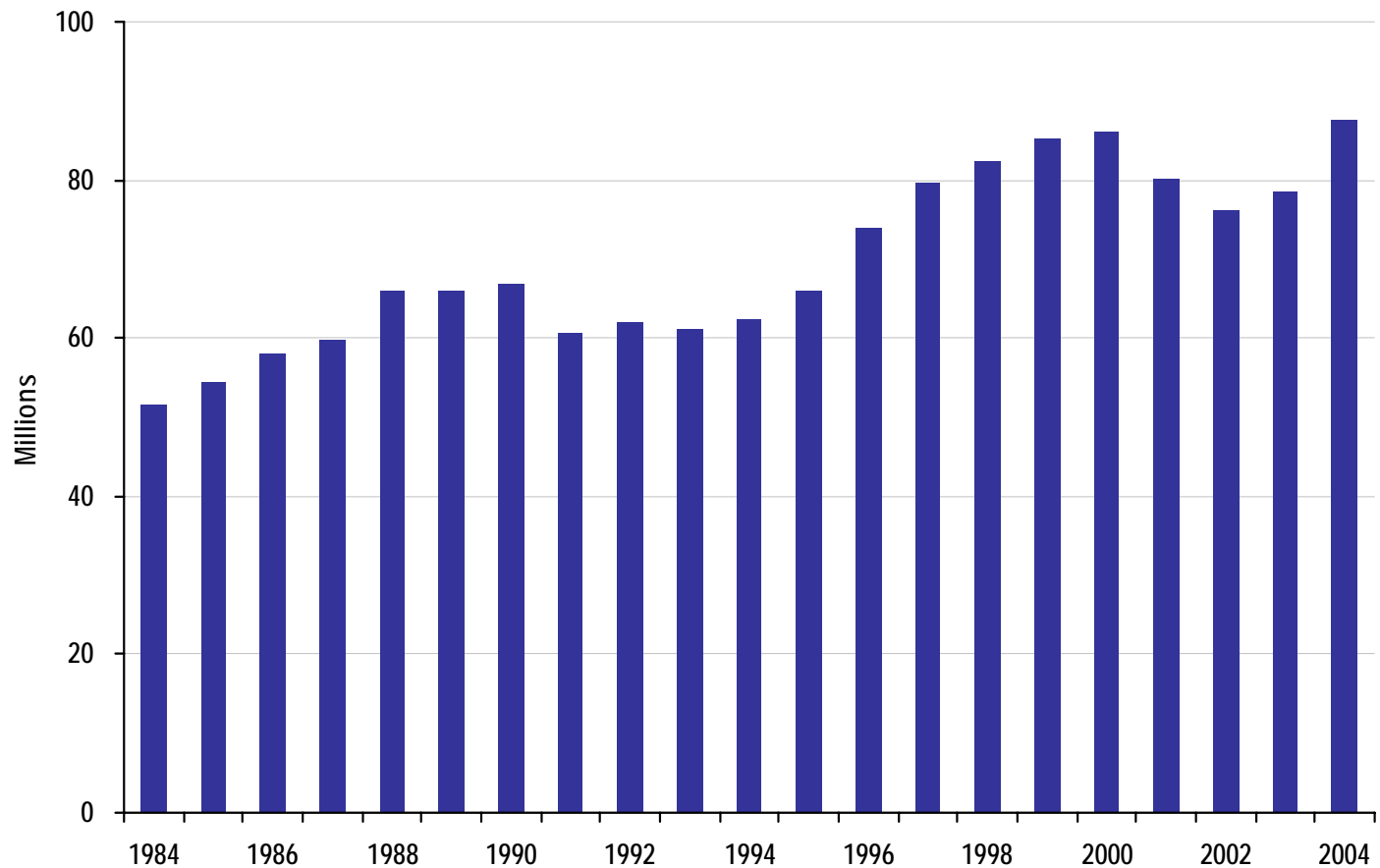
Passengers



Source: International Civil Aviation Organization.

Canadian Air Traffic

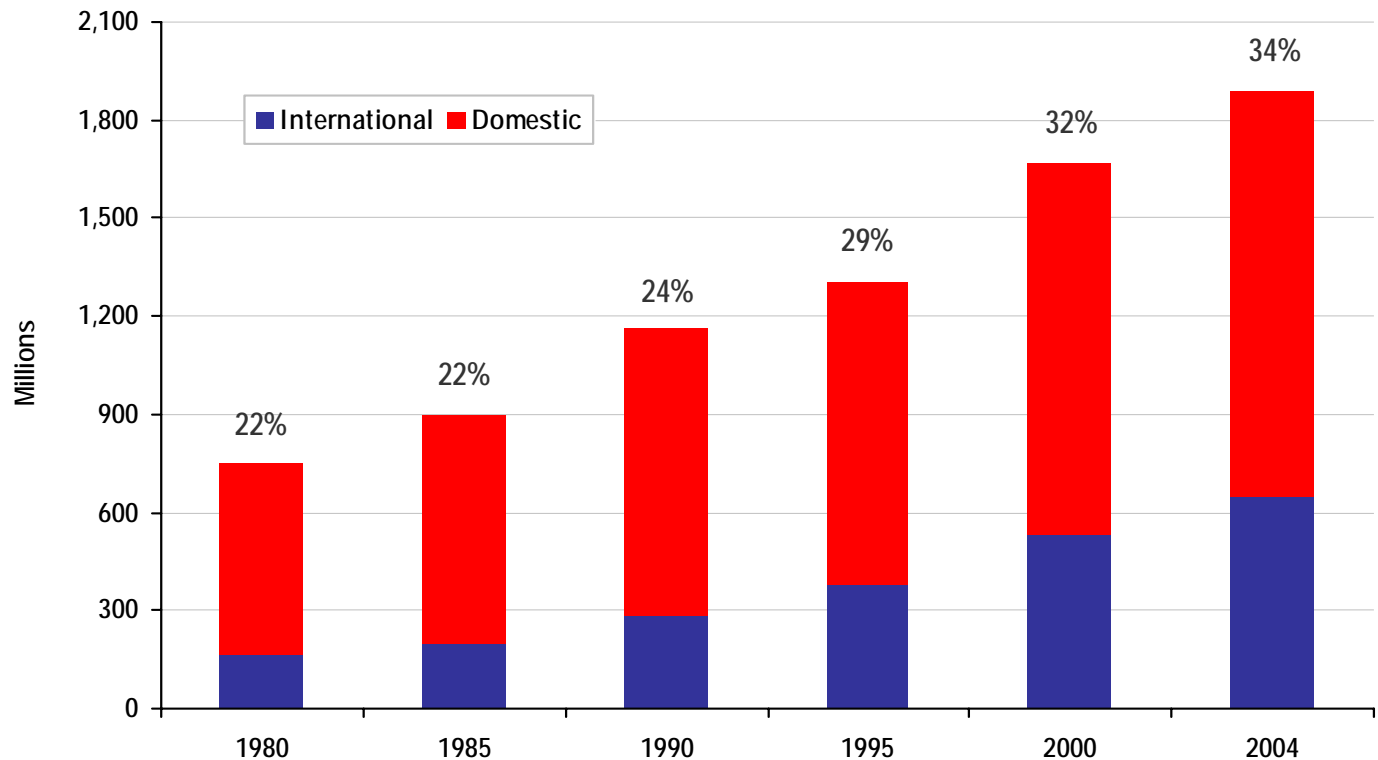
Passengers



Source: Statistics Canada.

Global International Air Traffic

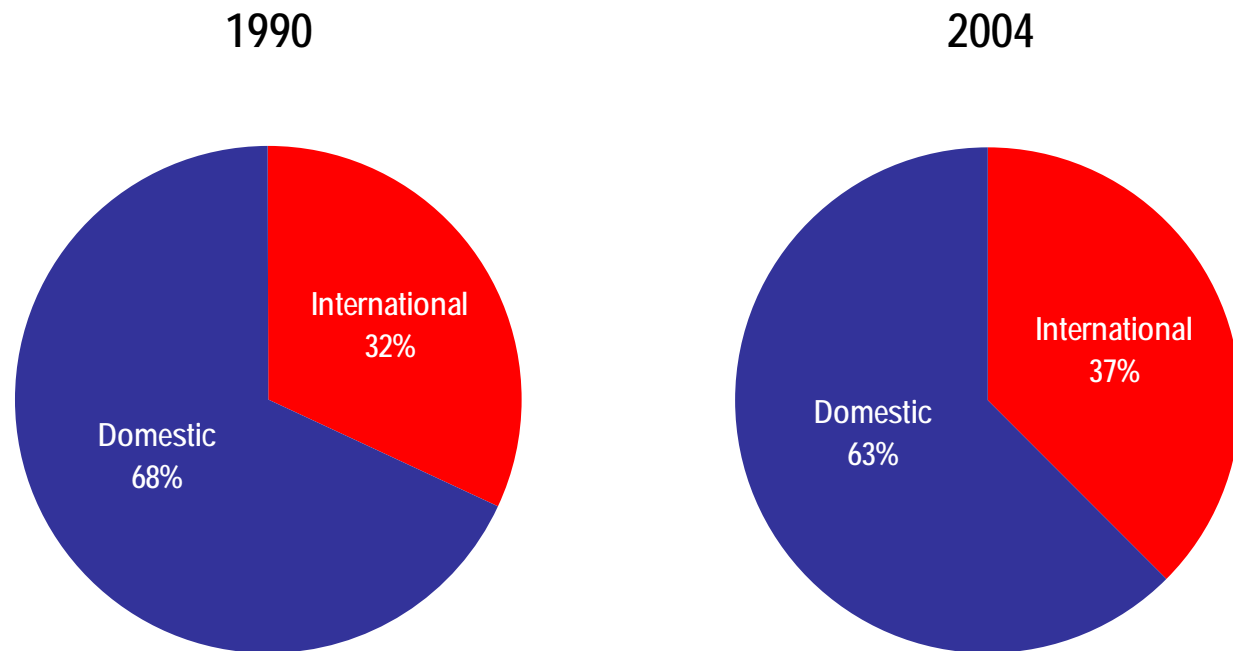
Passengers



InterVISTAS

Canadian International Air Traffic

Passengers



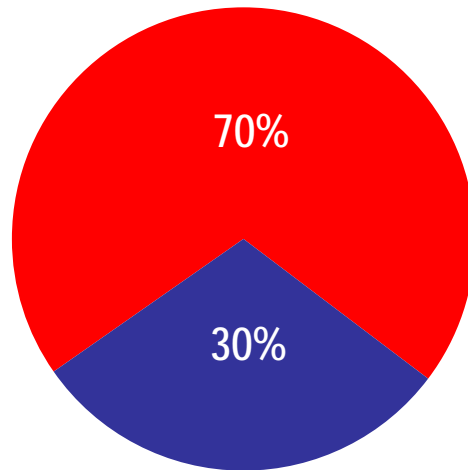
InterVISTAS

Changing Source Markets

International Tourism Expenditures

1990

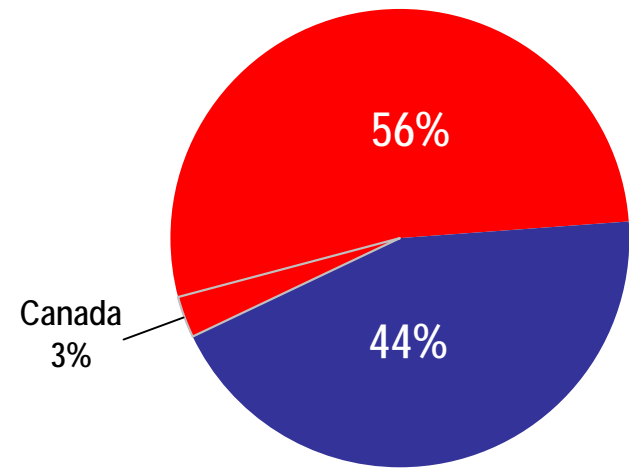
United States, Germany, Japan, United Kingdom,
Italy, France, Canada, Austria, Netherlands, Sweden



Other

2004

Germany, United States, United Kingdom, Japan,
France, Italy, Netherlands, Canada, Russia, China



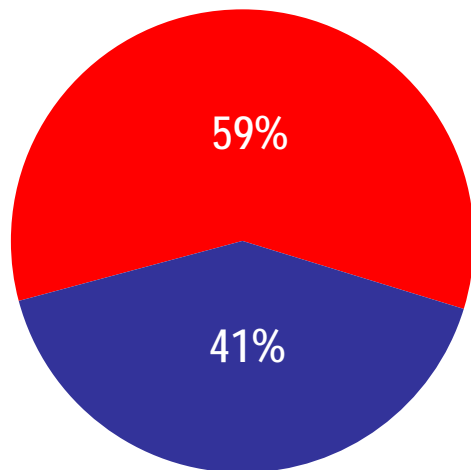
Other

Changing Destination Preferences

International Tourism Receipts

1990

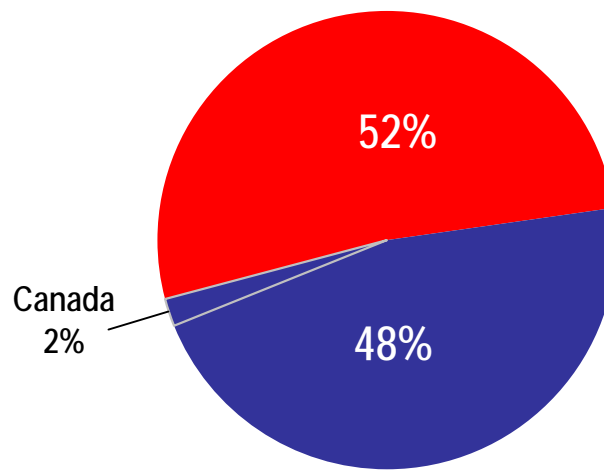
United States, France, Italy, Spain, United Kingdom,
Austria, Germany, Switzerland, Canada, Mexico



Other

2004

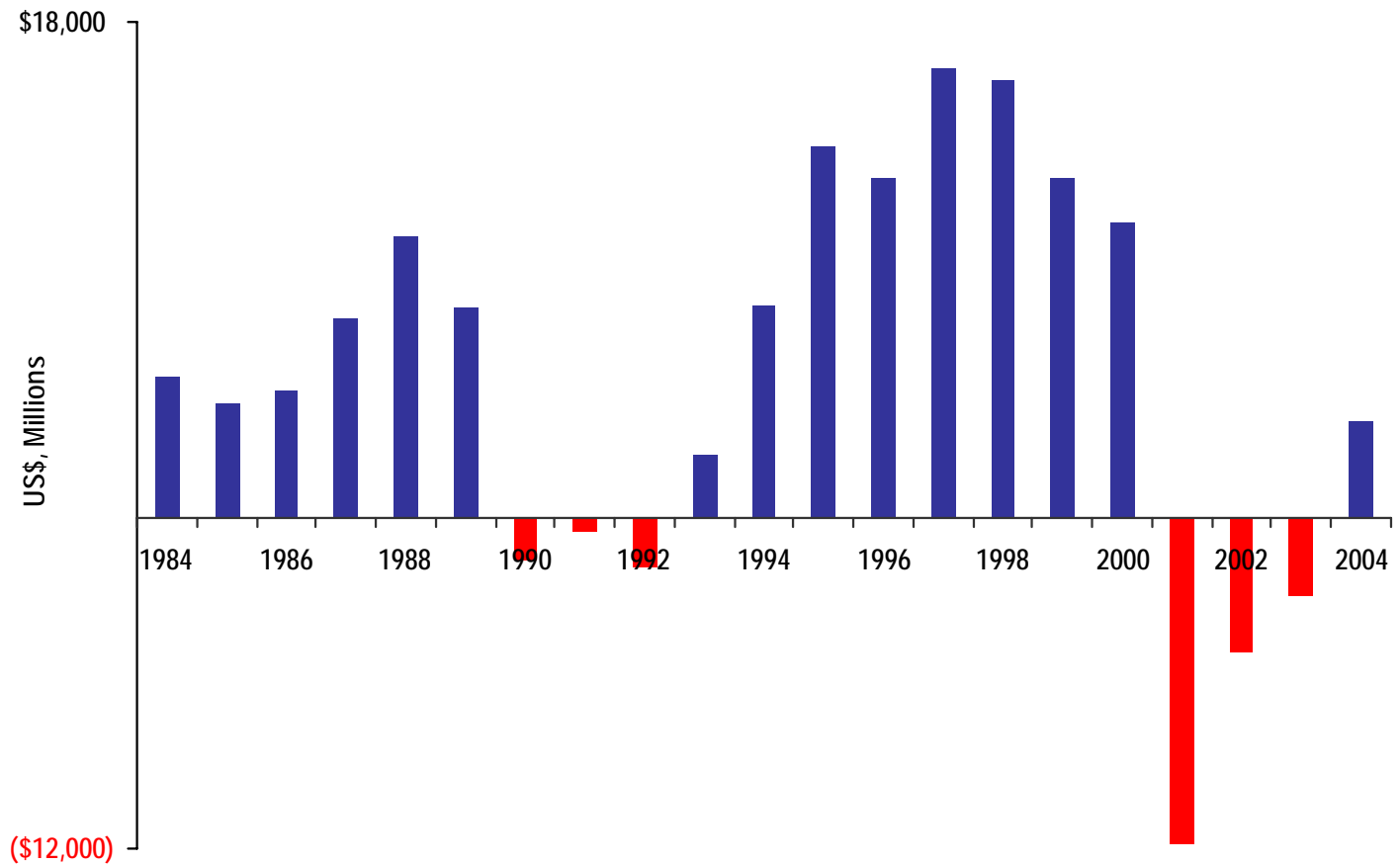
United States, Spain, France, Italy, Germany, United
Kingdom, China, Turkey, Austria, Australia



Other

Industry Financial Performance

Operating Profit/Loss










InterVISTAS

Source: International Civil Aviation Organization.

Industry Transformation

Network Carriers




Airline	Traffic (RPMs)	Capacity (ASMs)	Operating Income (US\$, Millions)	
	% Change 2005 vs. 2004	% Change 2005 vs. 2004	2004	2005
 AIR CANADA	8.0%	4.0%	\$103	\$398
 American Airlines	6.3%	1.2%	(\$355)	(\$384)
 Continental	8.4%	5.9%	(\$238)	(\$39)
 Delta	5.9%	3.4%	(\$3,308)	(\$2,001)
 nwa NORTHWEST AIRLINES	3.4%	0.4%	(\$505)	(\$919)
 UNITED	-0.6%	-3.3%	(\$854)	(\$219)
 U.S AIRWAYS	1.9%	0.9%	(\$20)	(\$217)

InterVISTAS

Source: Air carrier press releases and financial reports.

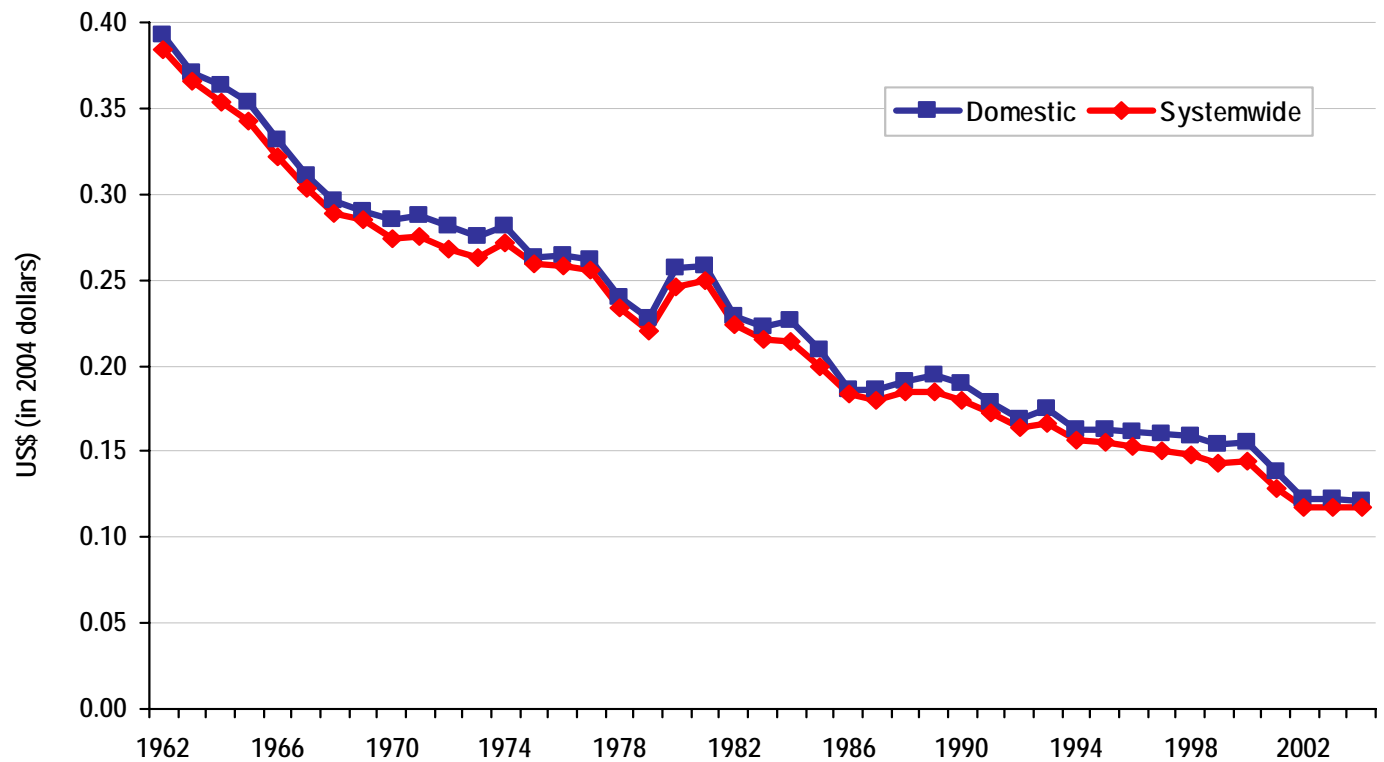
Industry Transformation

Low Cost Carriers

Airline	Traffic (RPMs)	Capacity (ASMs)	Operating Income (US\$, Millions)	
	% Change 2005 vs. 2004	% Change 2005 vs. 2004	2004	2005
	26.8%	19.0%	(\$8.7)	\$54
	12.7%	10.8%	\$554	\$820
jetBlue	28.4%	25.3%	\$111	\$48
	33.3%	28.3%	\$33	\$15

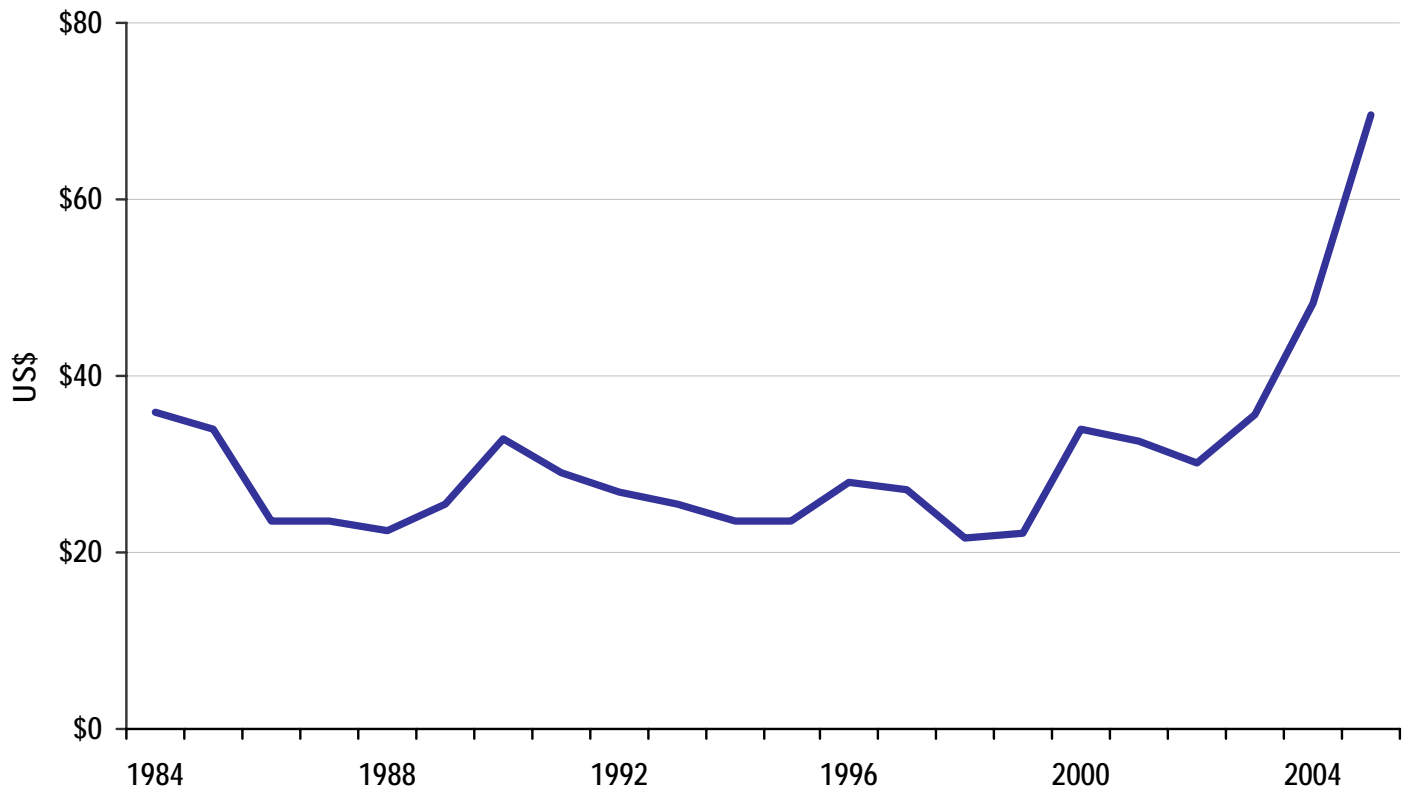
U.S. Airline Yields

Revenue Per RPM



Rising Jet Fuel Prices

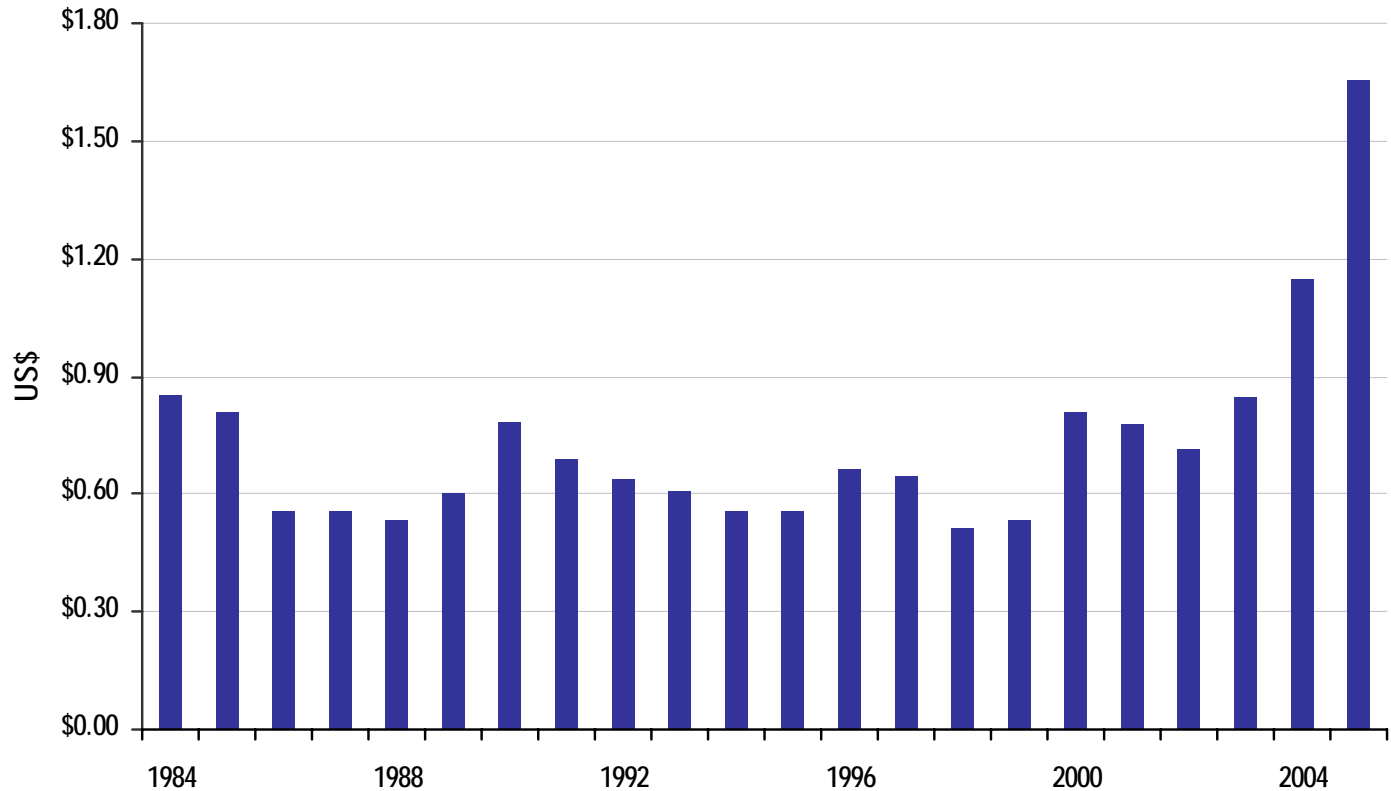
Price Per Barrel



InterVISTAS

Rising Jet Fuel Prices

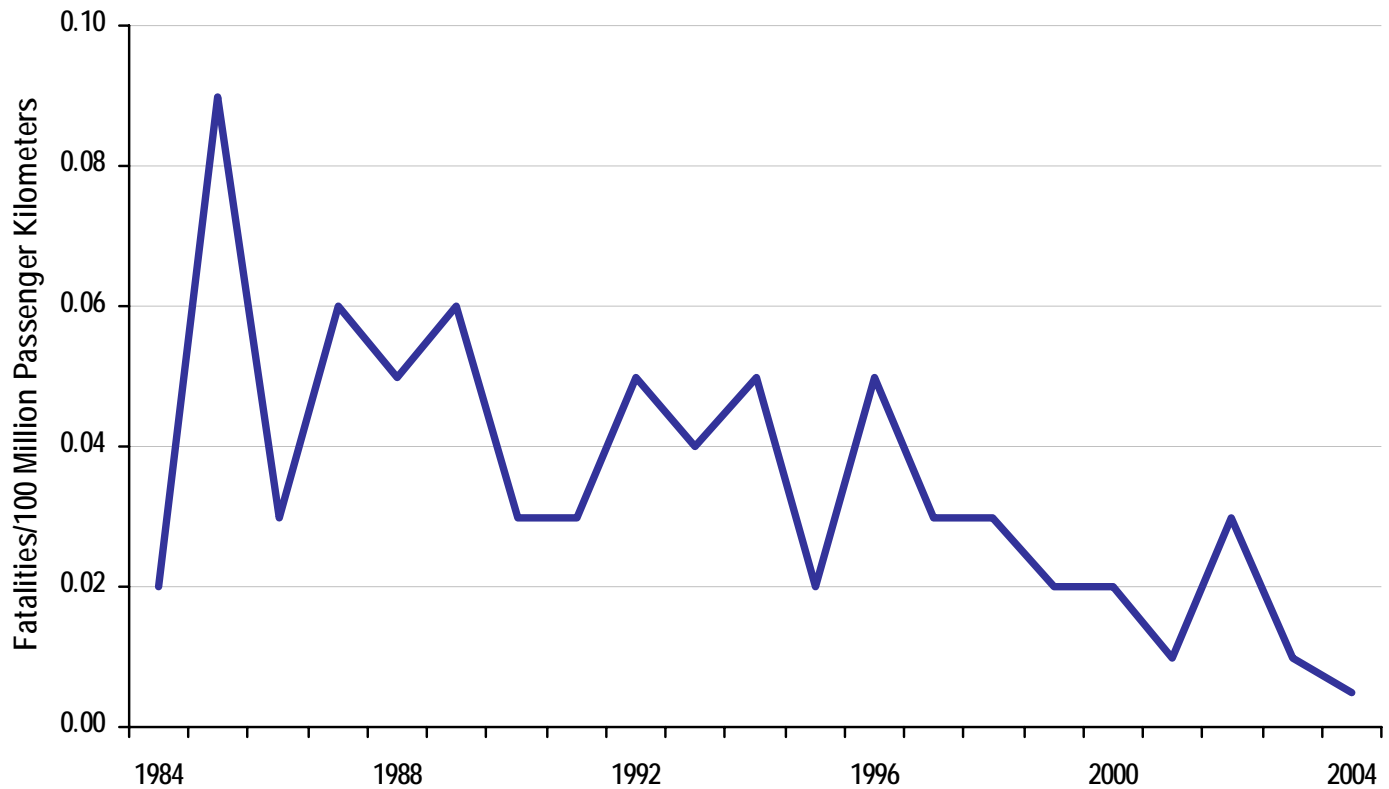
Price Per Gallon



InterVISTAS

Air Transport Safety

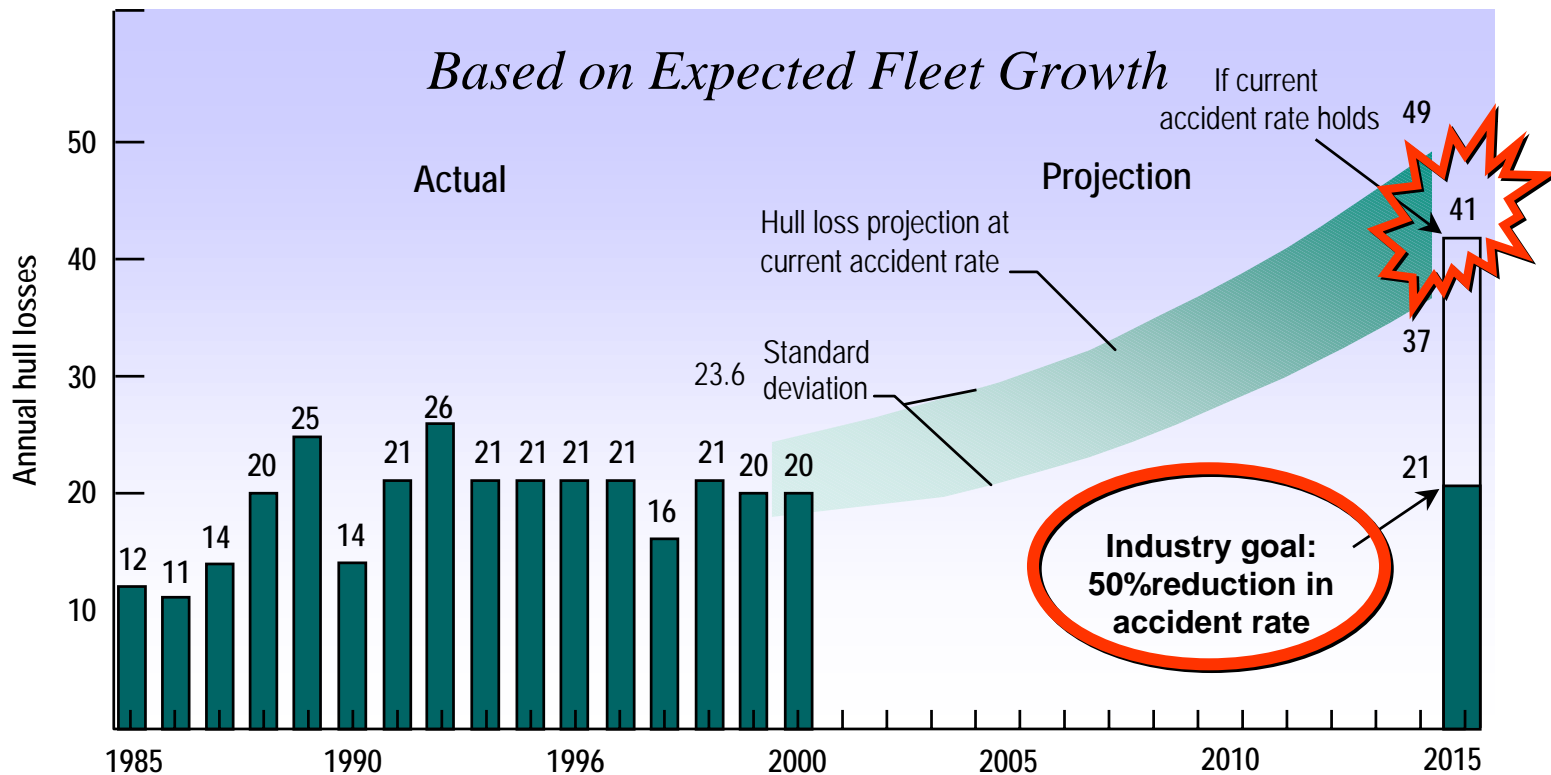
Passenger Fatalities on Scheduled Air Services



InterVISTAS

Air Transport Safety

Worldwide Hull Loss Projection



Global Security Challenges

September 1, 2004

BBC NEWS UK EDITION

 WATCH BBC NEWS IN VIDEO



Standoff

July 7, 2005

BBC NEWS

UK version International version

July 23, 2005

BBC NEWS

UK version International version [About the versions](#) | [Low graphics](#)

Last Updated: Saturday, 23 July, 2005, 18:10 GMT 19:10 UK

 [E-mail this to a friend](#)

 [Printable version](#)

Toll climbs in Egyptian attacks

At least 88 people have been killed in bomb attacks in the Egyptian resort of Sharm al-Sheikh, hospital staff say.



The attacks happened at the height of the tourist season

Some 200 more were injured in the overnight blasts. The first, in the Old Market, was followed by two more in Naama Bay, where a hotel was badly hit.

Egyptian President Hosni Mubarak vowed to continue the "battle with terrorism" as he visited the sites of the attacks, the worst in Egypt's recent history.

Most of the dead are Egyptians, but foreigners are among the victims too.

A 34-year-old Italian man on his honeymoon and a Czech citizen have been confirmed dead, and at least 20 of those injured are thought to be foreign.

Aftermath

On Saturday the full extent of what had taken place at the school became clear.

Emergency workers searched through the debris and uncovered the remains of some of the hundreds of children and adults. Many of the bodies were charred beyond recognition.

At least 326 people are thought to have died, but the toll could rise.

The identification process combined with the large number of injured victims were a major challenge. Mr Blair, who had visited the Gleneagles, condemned the attack as "a cowardly and resilient act of terrorism". Hours later hundreds of people do not know if their children and relatives are alive or dead.

London bombings

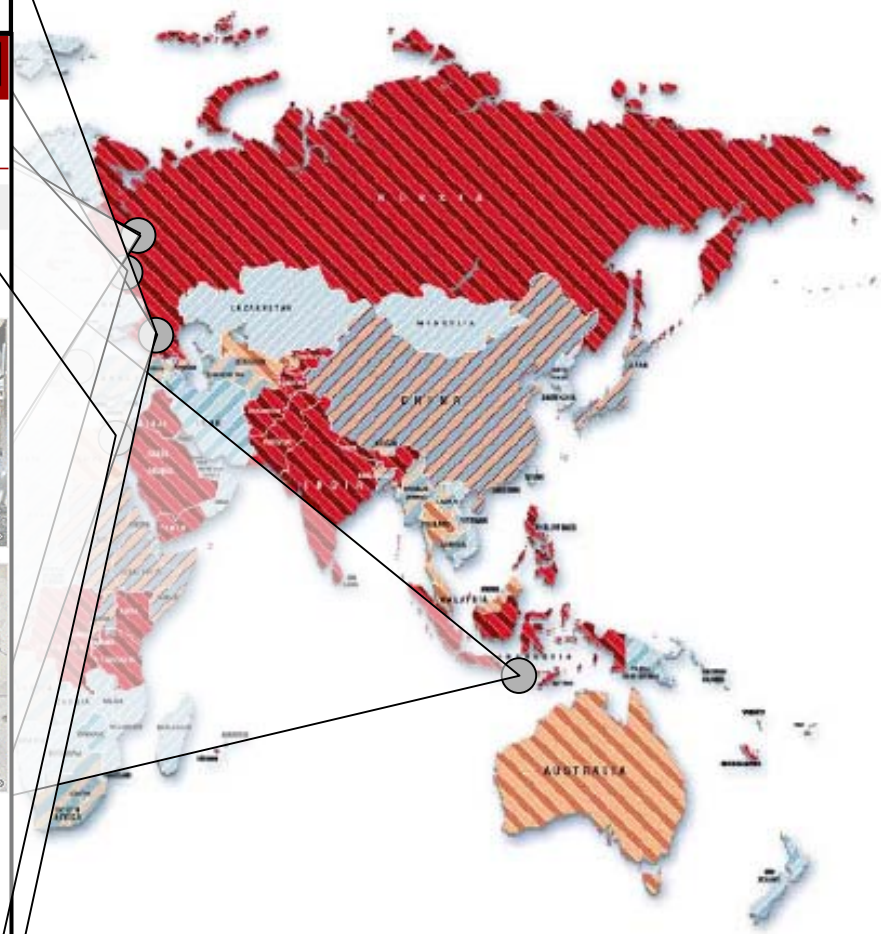
A series of bombings in London's transport system has killed more than 50 people and injured 700 others.

Three explosions on the London Underground left 30 people dead and 700 injured. Two died in a blast on a double-decker bus.

Foreign Secretary Jack Straw said the bombings were "hallmarks of an al-Qaeda-related attack".

Prime Minister Tony Blair said security services were responsible for justifying the attacks.

Mr Blair, who had visited the Gleneagles, condemned the attack as "a cowardly and resilient act of terrorism".



Health

Impact of Pandemic Influenza

Year	Estimated Canadian Deaths	Estimated U.S. Deaths	Estimated Global Deaths
1918-1919	50,000	500,000	40 million
1957-1958	7,000	70,000	1 to 2 million
1968-1969	4,000	34,000	700,000

Health

WHO Phases of Pandemic Alert

Inter-pandemic phase	Low risk of human cases	1
	Higher risk of human cases	2
Pandemic alert	No or very limited human-to-human transmission	3
	Evidence of increased human-to-human transmission	4
	Evidence of significant human-to-human transmission	5
Pandemic	Efficient and sustained human-to-human transmission	6

Regulatory Framework

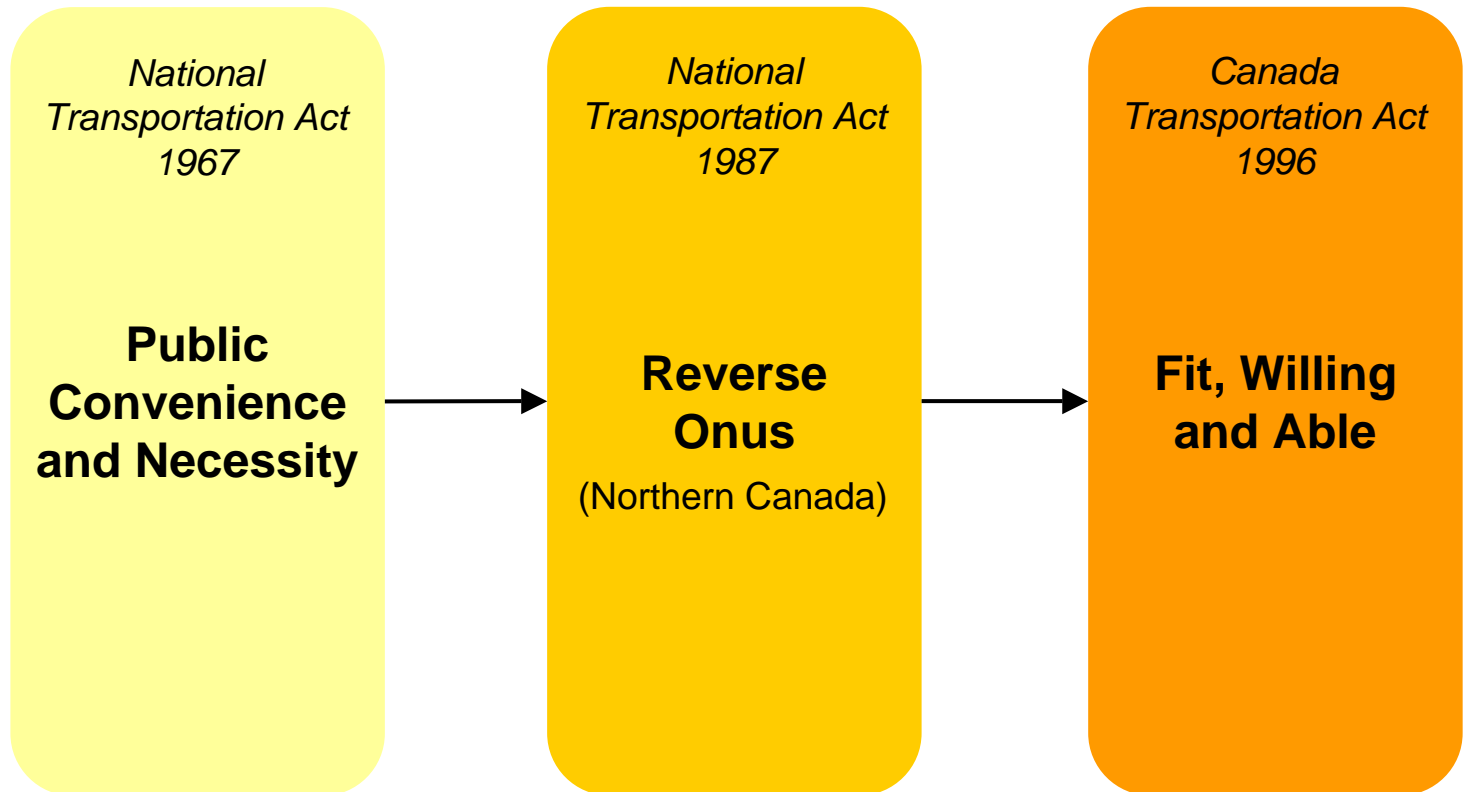


Regulatory Framework

- **Economic regulation**
 - Entry/exit
 - Service levels
 - Rates
 - Mergers and acquisitions
- **Transport regulation**
 - Technical standards
 - Safety standards
 - Work rules
- **Industry regulation**
 - Foreign ownership
 - Competition
 - Employment practice



Economic Regulation



Safety Regulation

Prescriptive regulations



Performance-based regulations

Highly specialized and trained inspectors with significant resource requirements



System auditors and analysts who focus on areas of greatest risk

Aviation industry that responds to regulatory requirements



Industry partner in safety with civilian aviation authorities