

JOHN F. BROWN COMPANY EMAIL NEWSLETTER
Consultants to the Airport Industry

10 January 2002

✈ FINANCIAL STATE OF AVIATION INDUSTRY

ANALYSTS OPTIMISTIC ABOUT AIRLINE INDUSTRY

Summarized from Financial Times, 1-8-02:

Several airline analysts have made comments recently that they are optimistic about the airline industry in 2002. Although the passenger traffic decreased 20 percent after the September 11 terrorist attacks, airline analysts consider that airlines' restructuring efforts, falling interest rates, and declining oil prices will improve the financial status of major airlines.

BOEING 2001 JET ORDERS FALL 45 PERCENT

Summarized from Reuters, 1-10-02:

Boeing, the world's No. 1 manufacturer of airplanes, announced that its gross order for commercial jets fell 45 percent to 335 in 2001 compared with 608 received in 2000. Last week, Boeing announced it had delivered 527 jets in 2001. Once again, the most popular of Boeing's family of aircraft was the 737 narrow-body jet. Boeing has predicted 2002 jet deliveries of 350 to 400 and less than that in 2003.

UNITED MECHANICS DENIED TRO

Summarized from Reuters, 1-8-02:

A federal judge on Tuesday denied a request by mechanics at United Airlines to immediately block the work of a White House panel that has prevented the workers from striking, citing the reason that "the application for a temporary restraining order does not demonstrate that an immediate threat of irreparable injury exists."

✈ AIRPORT SECURITY

DOJ IG CRITICAL OF AIRPORT DESIGN

Summarized from the Associated Press, 1-9-02:

A Justice Department report says that international passenger areas at 42 major U.S. airports are very poorly designed, blaming inadequate oversight by the Immigration and Naturalization Service. The report concluded that three of the nation's busiest international airports -- in New York, Los Angeles and Miami -- need the most extensive work to improve monitoring of passenger inspection areas.

✈ HOTEL INDUSTRY

FITCH LOWERS HILTON HOTEL'S RATINGS

Summarized from Fitch Inc. press release, 1-9-02:

Fitch has lowered the rating on several bond issues of Hilton Hotel Corporation (HLT) and kept the rating outlook negative due to HLT's weakened financial position. The Negative Rating Outlook reflects the possibility that results could be weaker than expected due to a prolonged recession and the current negative operating environment. Declines in business travel have resulted in upscale and major metropolitan area hotels having significantly greater RevPAR

declines than the national average. Even with a gradual economic recovery, Fitch expects RevPAR will recover slowly, lagging behind economic improvement. HLT derives a majority of its earning from hotels in the upscale segment of the market, with more than one-third coming from its top ten hotels located in major metropolitan areas.