

Columbus' Steady Employment Growth

The Columbus Metropolitan Statistical Area has enjoyed year-over-year employment growth, as illustrated by this chart. This trend can be attributed to the region's diversified economy.



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2008 Second Busiest Year at CMH

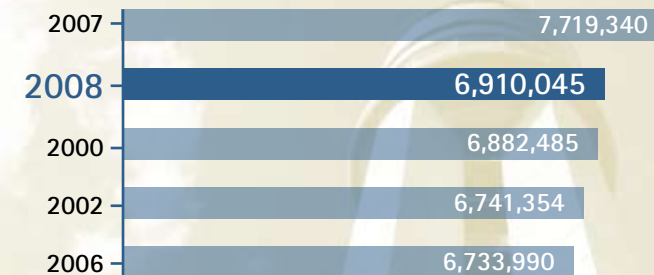
Despite declining passenger numbers last year – 10.5 percent less than 2007 – Port Columbus logged its second highest number of passengers. Considering the economic and industry factors that impacted airports across the U.S., CMH finished the year reasonably well.

The airport entered 2008 focused on an upswing in capacity. A sluggish national economy and high fuel costs ended 19 consecutive months of record growth, precipitating a persistent downward trend. In response to industry conditions, airlines at CMH and elsewhere streamlined and cut back air service.

Thankfully, Port Columbus weathers volatile trends and economies reasonably well because of our diverse carrier mix and the support of a local economy that has fared better than most U.S. cities. The chart below puts 2008 passenger statistics in perspective with previous CMH years.

It should be encouraging to understand that Columbus is a proven and successful air service market. Airlines should continue to perform well at CMH, even in a poor economic climate.

Top 5 Passenger Years



STAYING CONNECTED

Foremost on our minds is a deep sense of gratitude to our diverse mix of air carriers for their continued commitment to Columbus. We appreciate that our air service providers are working closely with us, especially during last year's pressing economic realities.

Despite a difficult year, positive traditions continue at CMH. Delta Air Lines and United Airlines recently celebrated 50 years of service at our airport. Southwest Airlines set a new CMH record in 2008 with nearly 900,000 enplanements. AirTran Airways initiated service in November and is already expanding in the CMH market. Each of our 11 carriers plays a crucial role in a mutual air service success story where millions of Columbus area travelers are transported annually to over 30 nonstop destinations.

We're all aware of the 2009 forecasts indicating that the recession will continue. However, the unique strengths of the Columbus economy and our solid base of carriers create a proven formula that seems to help insulate us from feeling the full effects of economic storms.

We will continue to build upon this formula by marketing Columbus and the high quality air service found at CMH while we keep a watchful eye on national air service and economic trends. Staying connected with Columbus stakeholders, recognizing the needs of leisure and corporate travelers, and respecting how airlines need to operate their business are key aspects of our 2009 strategy for success.

After reading the 2009 perspectives contained in this edition of *CMH Airspace*, we hope you'll share our sense of optimism. Best wishes to all in navigating this challenging year.

Sincerely,

David Whitaker, Vice President
Business Development
& Communications
DWhitaker@ColumbusAirports.com
(614) 239-5028

Todd Carter, Manager
Business Development
TCarter@ColumbusAirports.com
(614) 238-7812

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2009 Perspectives

National and local trends will impact decisions and initiatives related to air service development.

We're taking into account the following economic factors and forecasts for 2009.



2009 CMH Analysis



Airlines at CMH continue to focus on streamlining operations and creatively managing people and planes. We anticipate that many of our CMH carriers will focus on maximizing aircraft utilization methods like seasonality and flexible scheduling now more than ever before. Carriers will continue to monitor and adjust capacity to meet demand while taking advantage of new opportunities.

Although it's hard to predict how the year will unfold, substantial air service cutbacks are not expected at Port Columbus. However, based on current trends, 2009 estimates show an 8.5 percent decrease in CMH passengers over 2008. We are encouraged by recent airline announcements to increase air service, such as AirTran Airways who added Ft. Lauderdale effective March 5 and a third daily flight to Atlanta effective May 21. Additionally, USA3000 brought Cancun back on the schedule February 7.

We remain hopeful that the more optimistic industry scenarios play out this year, which will lead to a better than estimated performance for our family of carriers.

Columbus Business Focus

As previously mentioned, the Columbus economy weathers downturns relatively well thanks to the diversity of our business sector. In spite of the recession, good things are happening with our business and community partners as evidenced by these recent headlines:

- **NetJets stays and expands at Port Columbus**
2000 jobs saved, 800 on the way, \$200 million investment
- **Battelle to invest \$200 million in area, add 200 jobs**
3 Central Ohio locations part of expansion plan
- **Columbus makes top 10 "best for business" list**
The city rose from 14th to 7th place in this Wall Street Journal MarketWatch metro regions study
- **Delaware County high on job growth chart**
CNNMoney.com ranked this Central Ohio county 13th on a list of counties with the highest percentage job growth from 2000-2007.



National Air Service Outlook

Perspectives vary among airline and industry analysts, with forecasts ranging from dire to guarded optimism. All predictions revolve around the volatility of demand for the industry's product during this recession, as well as the unpredictability of its largest cost – fuel. Dire forecasts have airlines carrying 41 million fewer passengers this year and \$25 billion less revenue through 2011. The guarded optimists see airlines moving closer to break-even in the first quarter with a return to the black in 2009. Continued capacity disciplines, already down 10 percent this year, should keep airlines ahead of the slowdown in demand.

Columbus Travel & Tourism

While an uncertain economic climate has caused many leisure travelers to curtail trips, the greatest impact has and will continue to be on business travel. Experience Columbus, our convention and visitors bureau, will focus on building attendance at conventions and meetings booked for 2009 and on promoting a variety of experiential travel products that have been developed to appeal to leisure groups. In 2008, *Tradeshow Week* named Columbus among the top three most affordable U.S. cities in which to hold a tradeshow. Marketing efforts will capitalize on Columbus' reputation as a value destination along with its central and easily accessible location.

Photo by: D.G. Olshavsky



Columbus Chamber Economic Forecast

Several positive highlights in 2008 set the stage for the Columbus region's 2009 outlook. While both U.S. and overall Ohio employment figures were down over 2007, Columbus employment increased by more than one-half percent! This stronger-than-average performance is due largely to Columbus' diversified economy. The regional transportation and utilities sector increased 3.8 percent, and transportation and warehousing, which comprises more than 90 percent of this sector, added 1,600 jobs. Thanks to the consolidation of distribution operations in Columbus, transportation and warehousing reflects a 38 percent gain since 2001, compared to a 1 percent national loss for the same period. Notable gains in other sectors include private education and healthcare, and professional and business services, both of which grew 2.7 percent while the U.S. lost 0.6 percent. Overall, 2009 employment is predicted to be down 0.3 percent, a relatively strong position compared to the national average.

Columbus' Diverse Employment

Business Sector	Percent
Construction & Mining	4%
Educational & Health Services	11%
Financial Activities	8%
Government	17%
Information	2%
Leisure & Hospitality	10%
Manufacturing	8%
Other Services	4%
Professional & Business Services	16%
Retail Trade	11%
Transportation & Utilities	5%
Wholesale Trade	4%