

A stylized map of North America in shades of blue, with a grid of latitude and longitude lines. A small black circle marks the location of Denver, Colorado, with the word "DENVER" written in a bold, sans-serif font to its right.

● DENVER

# United Agreement

Presented by  
DIA Senior Leadership  
May 2, 2012



DENVER INTERNATIONAL AIRPORT  
*TOGETHER WE SOAR*

# Aviation Industry Competitive Landscape

- Volatility
- Airline consolidation
- Hub consolidation
- Increasing focus on international service
- Importance of global alliances
- Airports as a competitive business

# Denver Competitive Landscape

- Three largest carriers in transition
- Three hub carriers at DIA is unique among US airports
- Consolidation of United and Continental means more airport hub competition
- United has significantly reduced Denver capacity in the last year



# Cost Competiveness Action Highlights

Year	DIA Action to Increase Competitiveness	Result
2011-2005	Completed plan to pay down bonds associated with original baggage system	Lowered airline costs on Concourse B and Concourse A, and for all airlines at DIA
2009	Acquired gates from United Airlines on Concourse B through 2015	Made gates available for airlines to expand operations on Concourse A and Concourse C
2003	Negotiated terms for United to assume its use and lease agreement, post-bankruptcy	Secured the continued commitment of United at DIA
2000	Paid down bonds associated with the Concourse A baggage system	Lowered the effective airline cost of operating on Concourse A
1995	Acquired gates from Continental Airlines on Concourse A	Made gates available for airlines to expand operations on Concourse A

# 2012 DIA Strategic Actions

- Pay off the debt associated with unused and un-needed baggage space on Concourse B, as well as maintenance space on Concourse A
- Deploy Passenger Facility Charges (PFC) to reduce rental rates for all airlines



# United Agreement Terms

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- United agrees to reimburse DIA for costs associated with paying off baggage system space debt
- DIA agrees to waive reimbursement if United meets proscribed activity levels
- Built-in protections allow DIA to terminate the agreement in certain circumstances to protect the Airport
- Agreement is in effect through 2025 with certain portions expiring in 2016

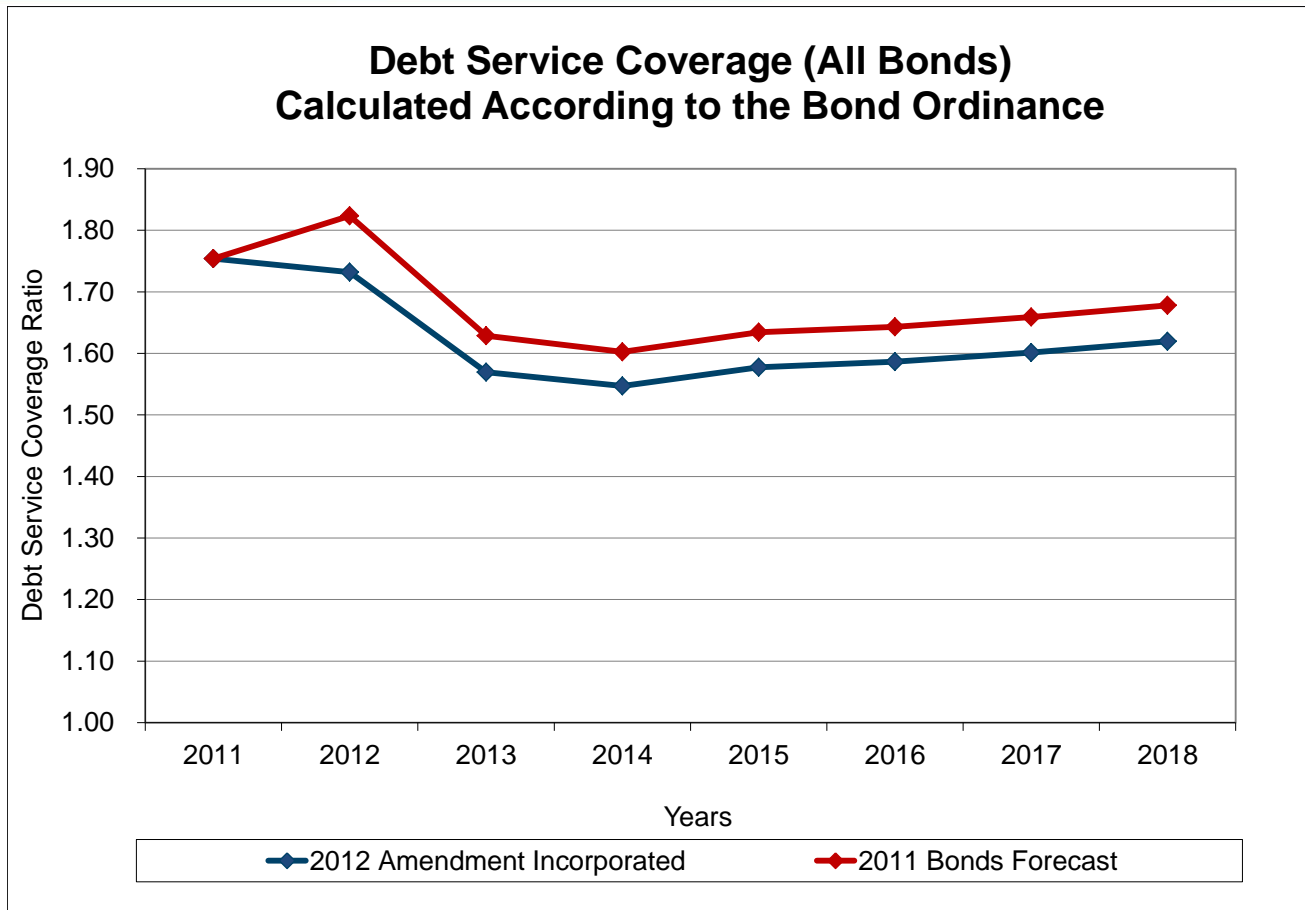


# DIA's 10-Year Financial Plan

- Fiscal stability and growth
- Competitive costs for carriers
- Optimization of resources
- More informed decision making



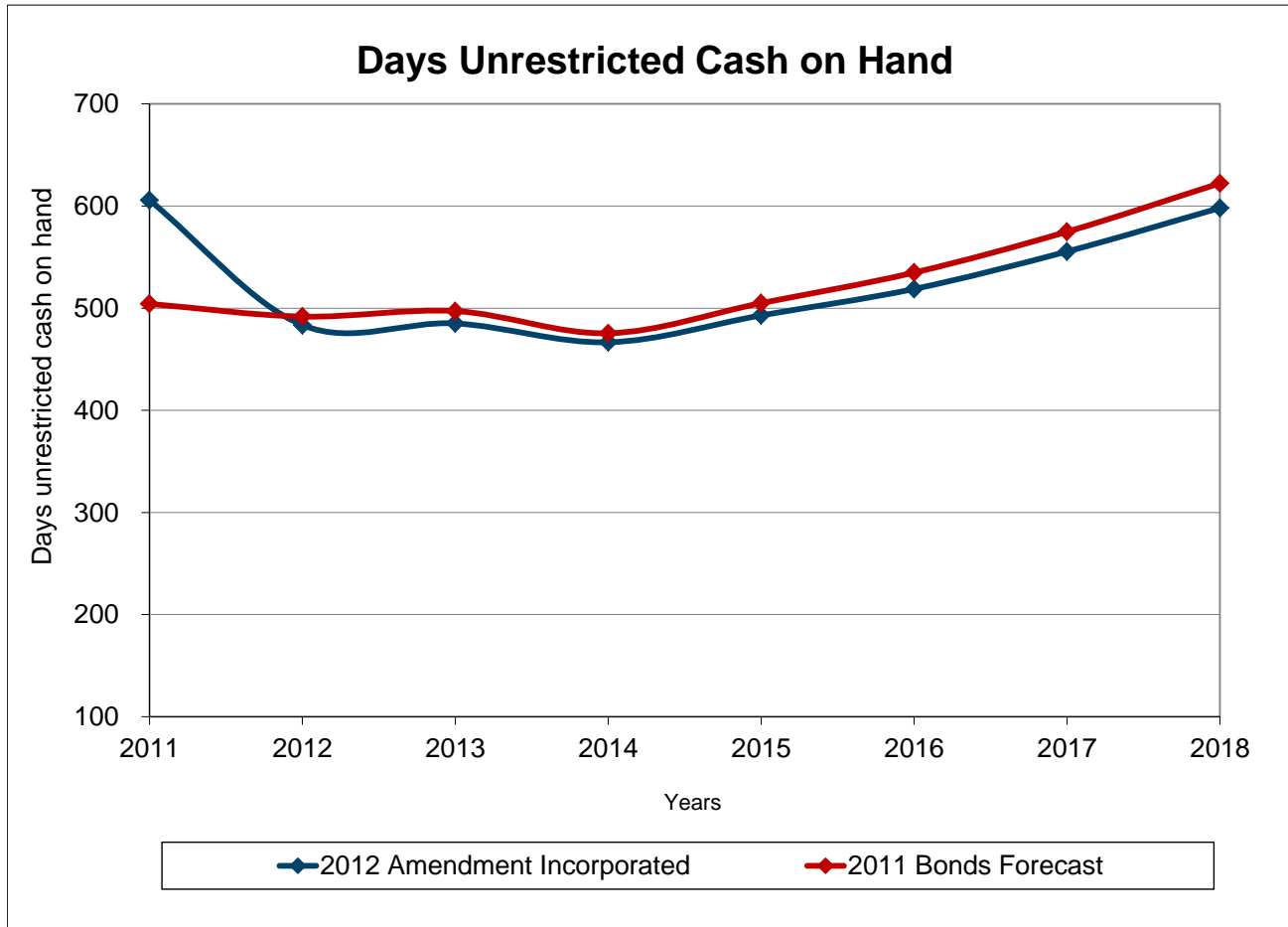
# DIA Financial Strategy and Results



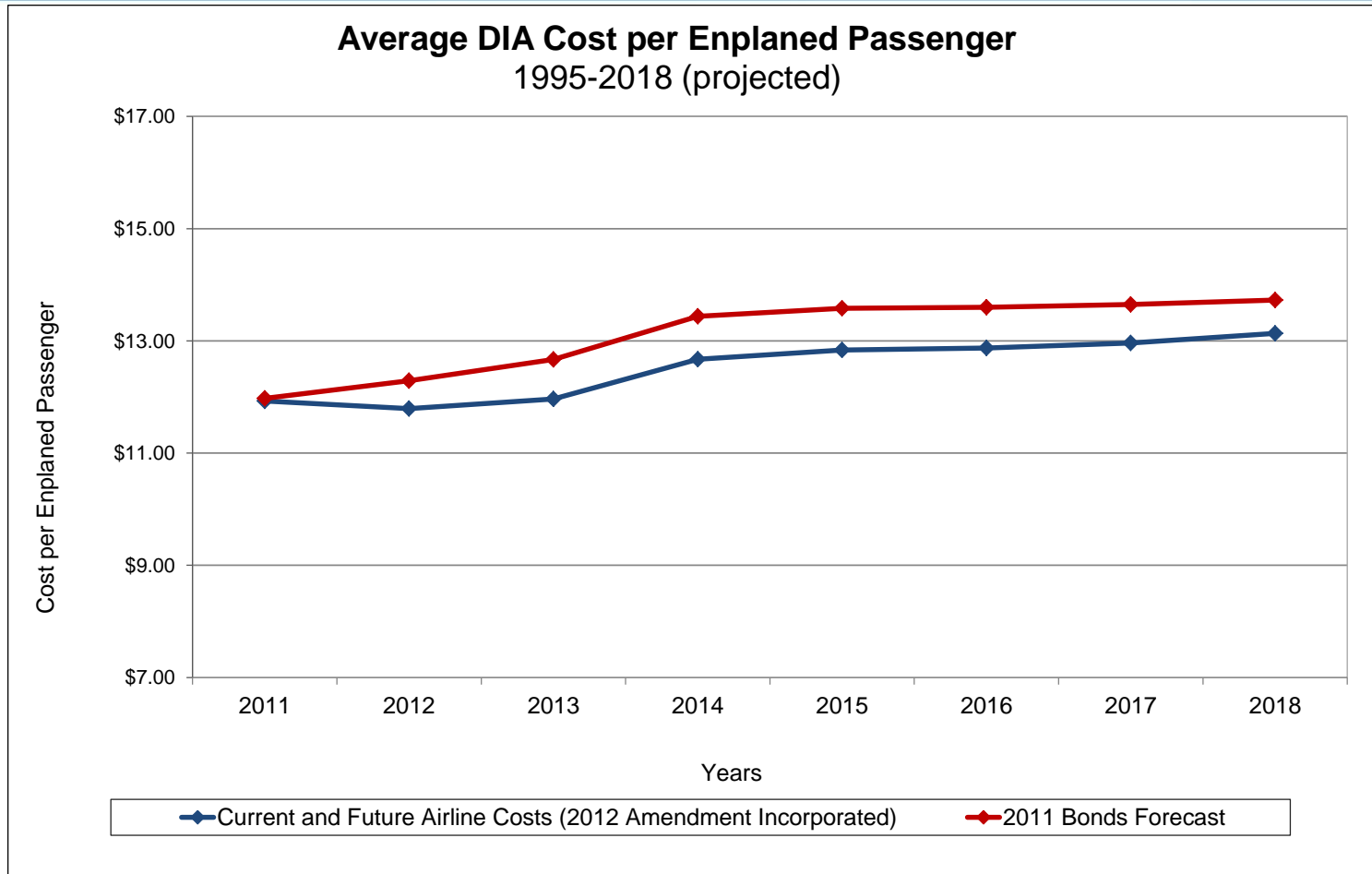


# DIA Financial Strategy and Results (continued)

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# Current and Projected CPE at Denver International Airport



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Source: DIA Affordability Model

Note: CPE at DIA is all-inclusive; we own and operate all facilities; Airline costs include O&M Expenses, existing debt service, and other costs

# Agreement Summary

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- Proactive continuation of DIA strategy to drive down costs for airline partners
- Pays off all debt associated with unused and un-needed baggage system
- Makes DIA more cost competitive
- Provides benefit to all airlines at DIA
- Prudent and strategic use of Airport's financial strength and flexibility

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