



Conditions improving but substantial risks remain

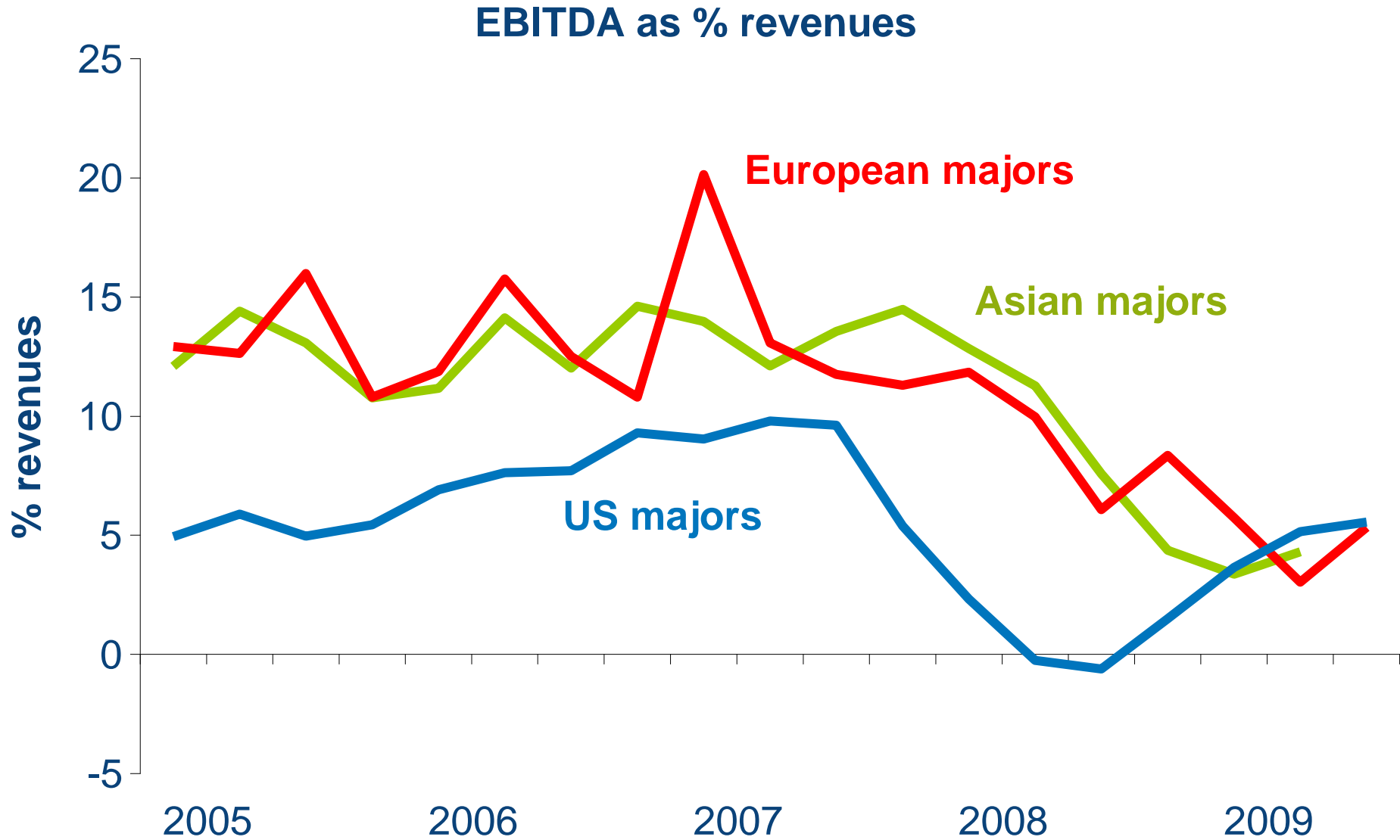
December 2009

www.iata.org/economics

To represent, lead and serve the airline industry

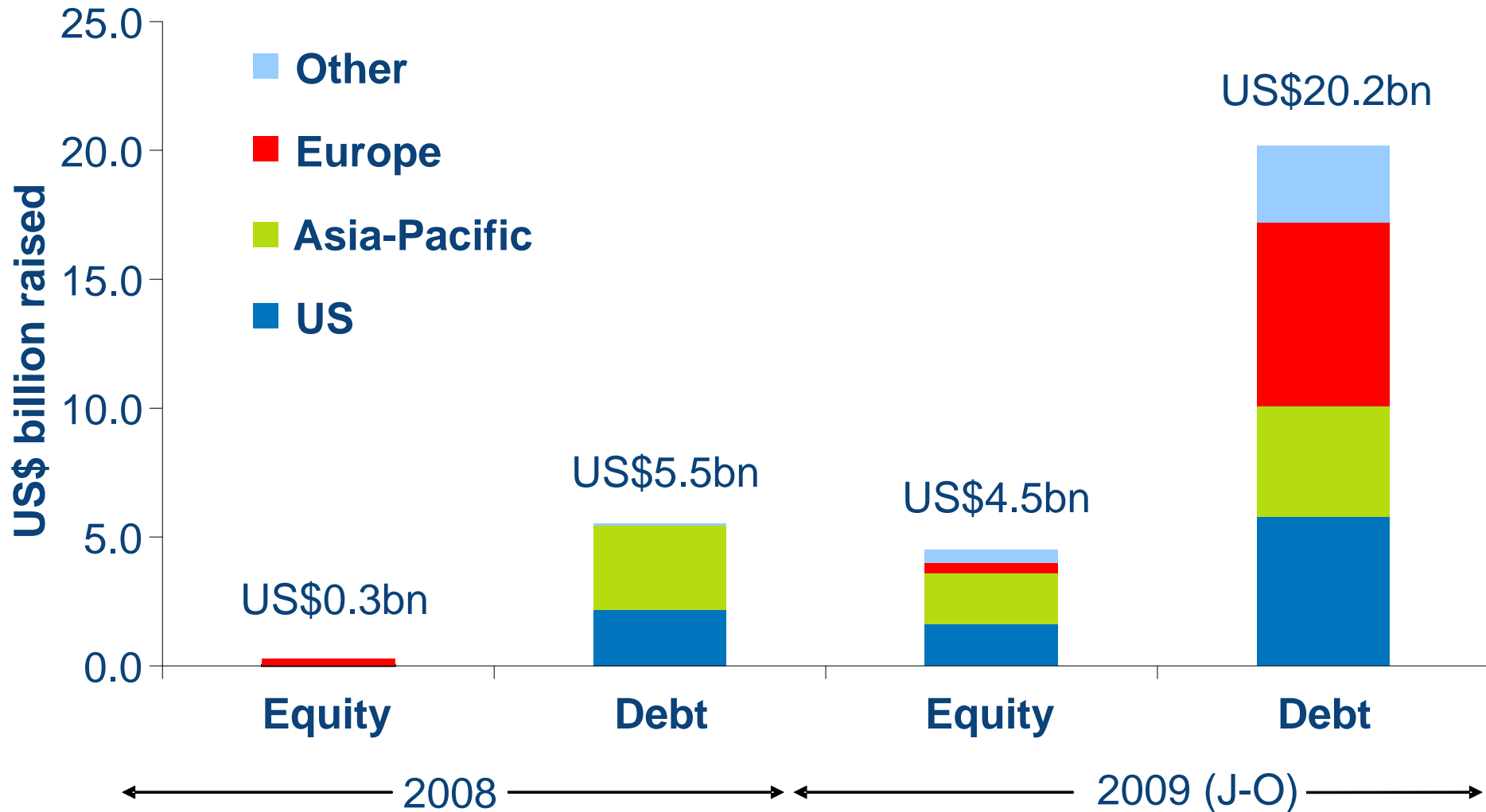


Operating cash flows still under pressure



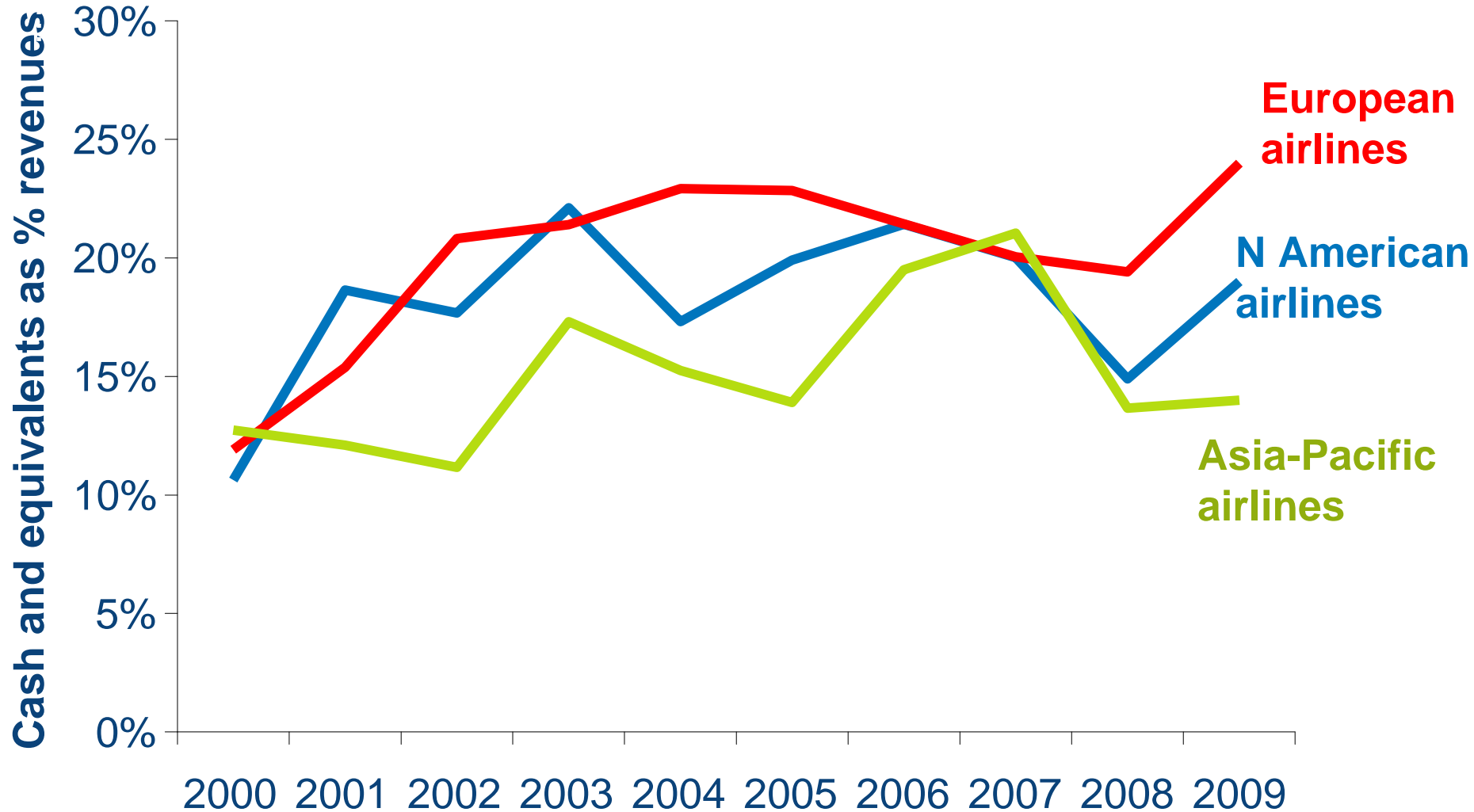
\$25 billion raised from capital markets

Capital market fund raising by airlines, US\$ billion



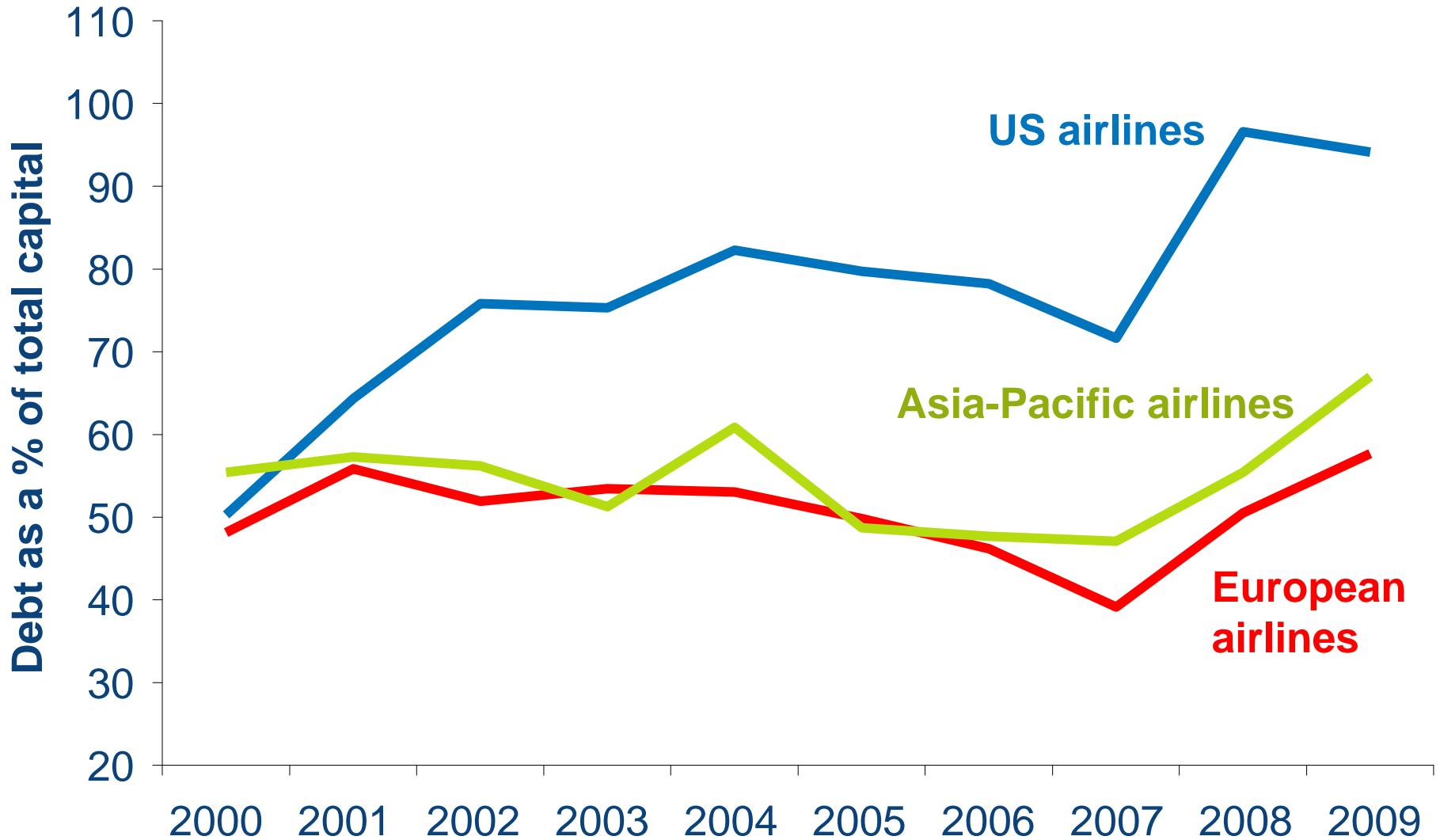
Cash balances look more comfortable

Cash and equivalent as a % of revenues - major airlines

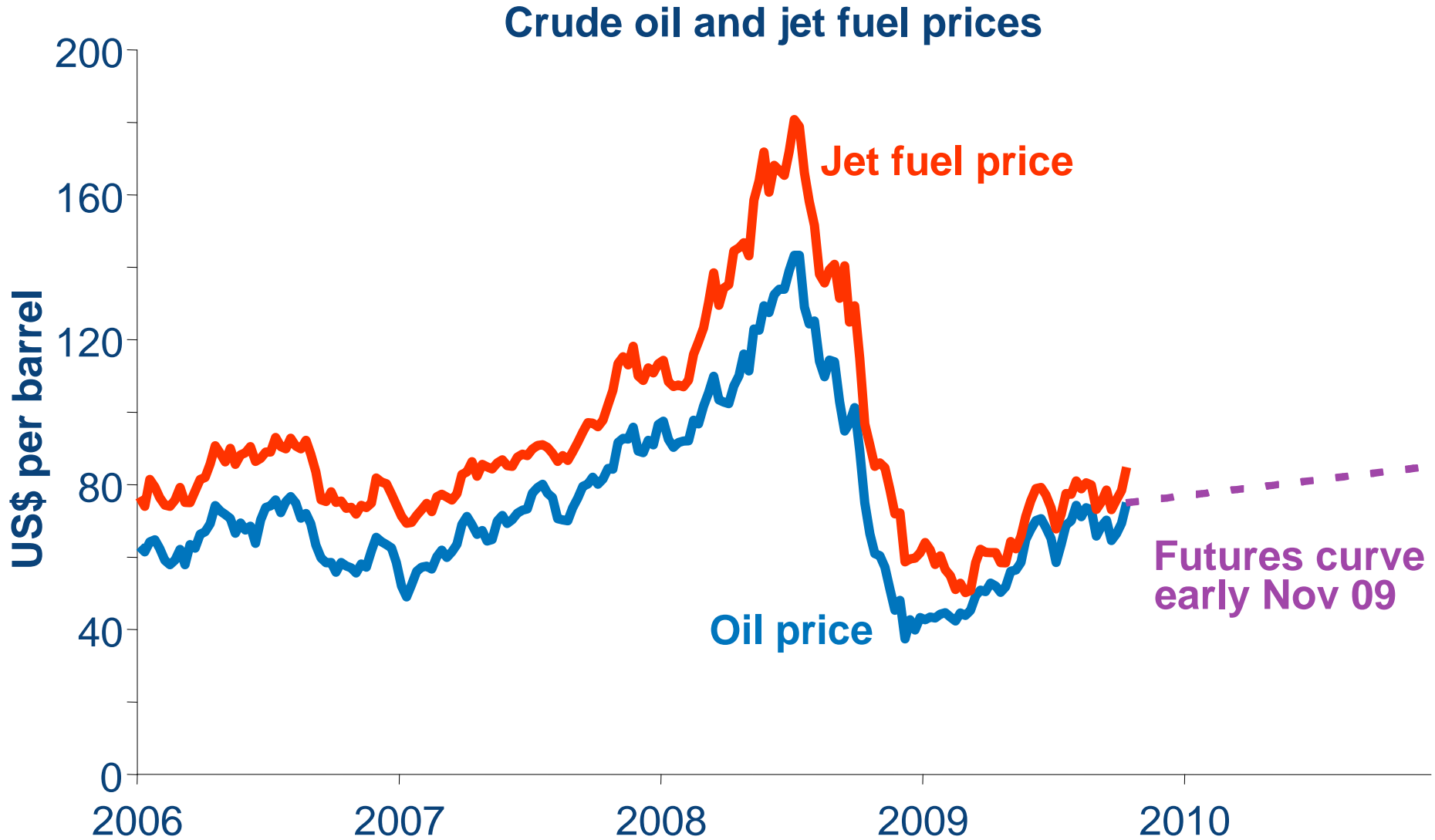


But at the expense of higher gearing

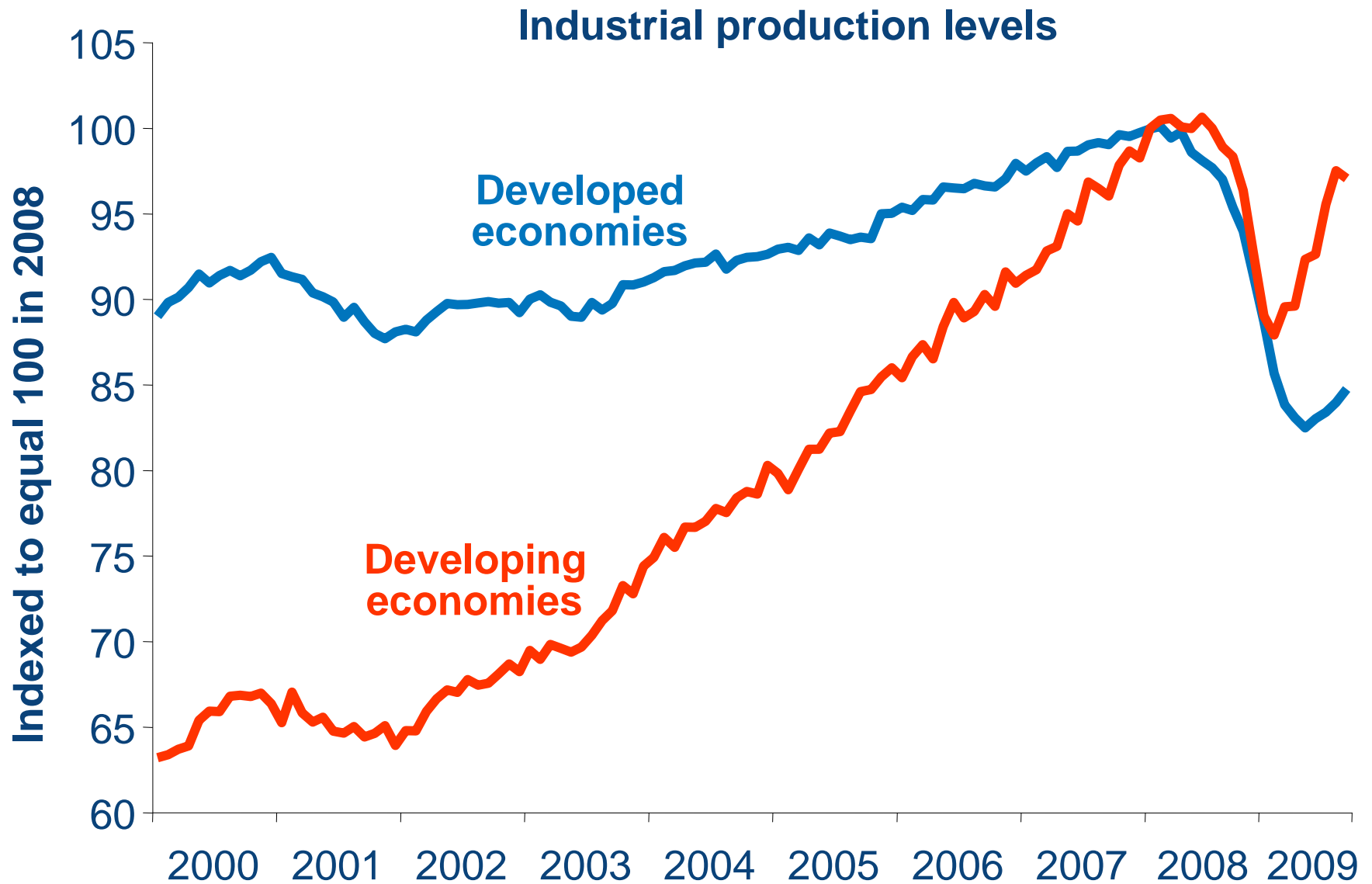
Balance sheet gearing, median airline



Fuel prices have continued to rise



But economic recovery now underway



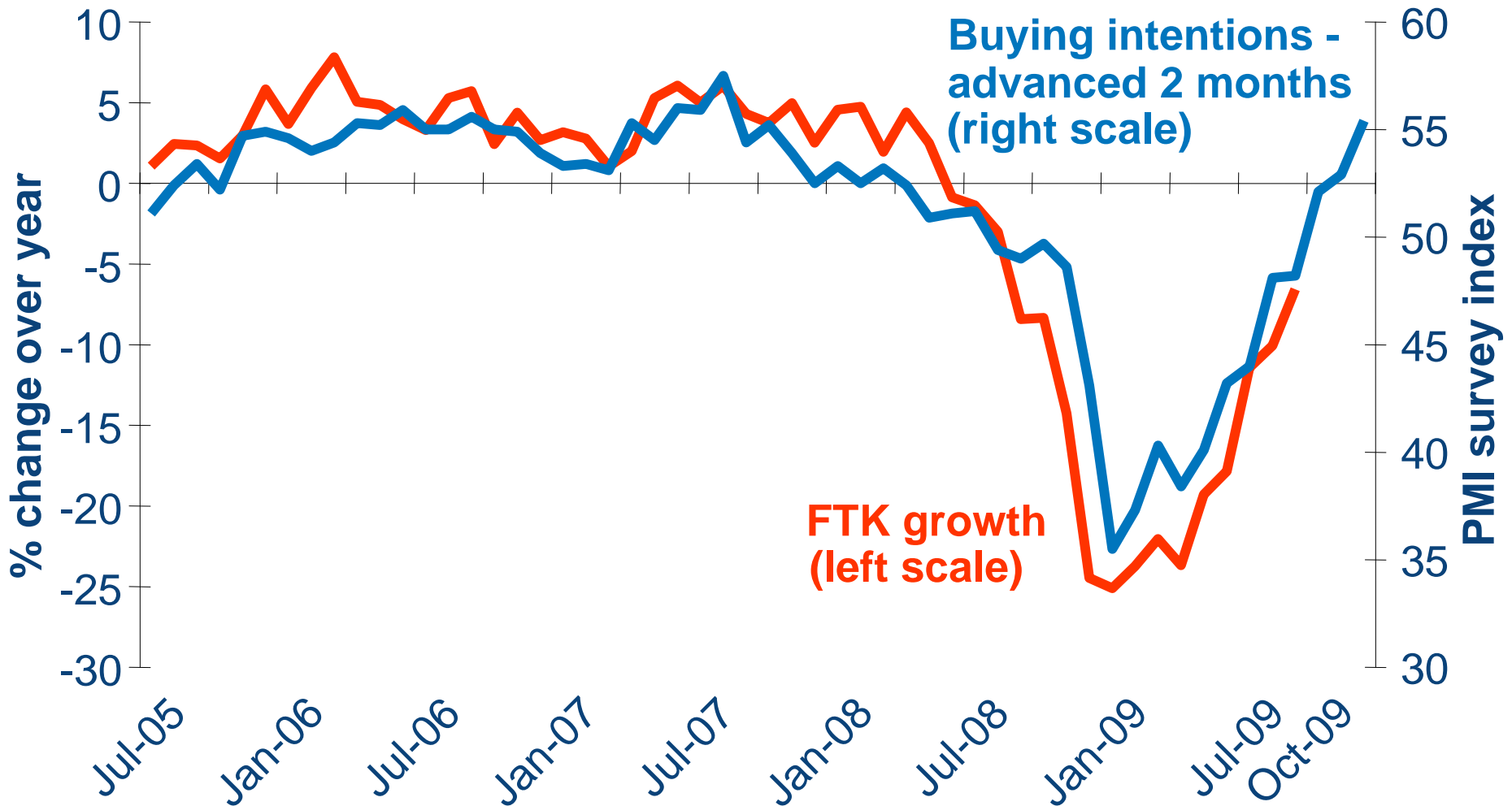
Travel back with consumer confidence

Economy travel growth and consumer confidence



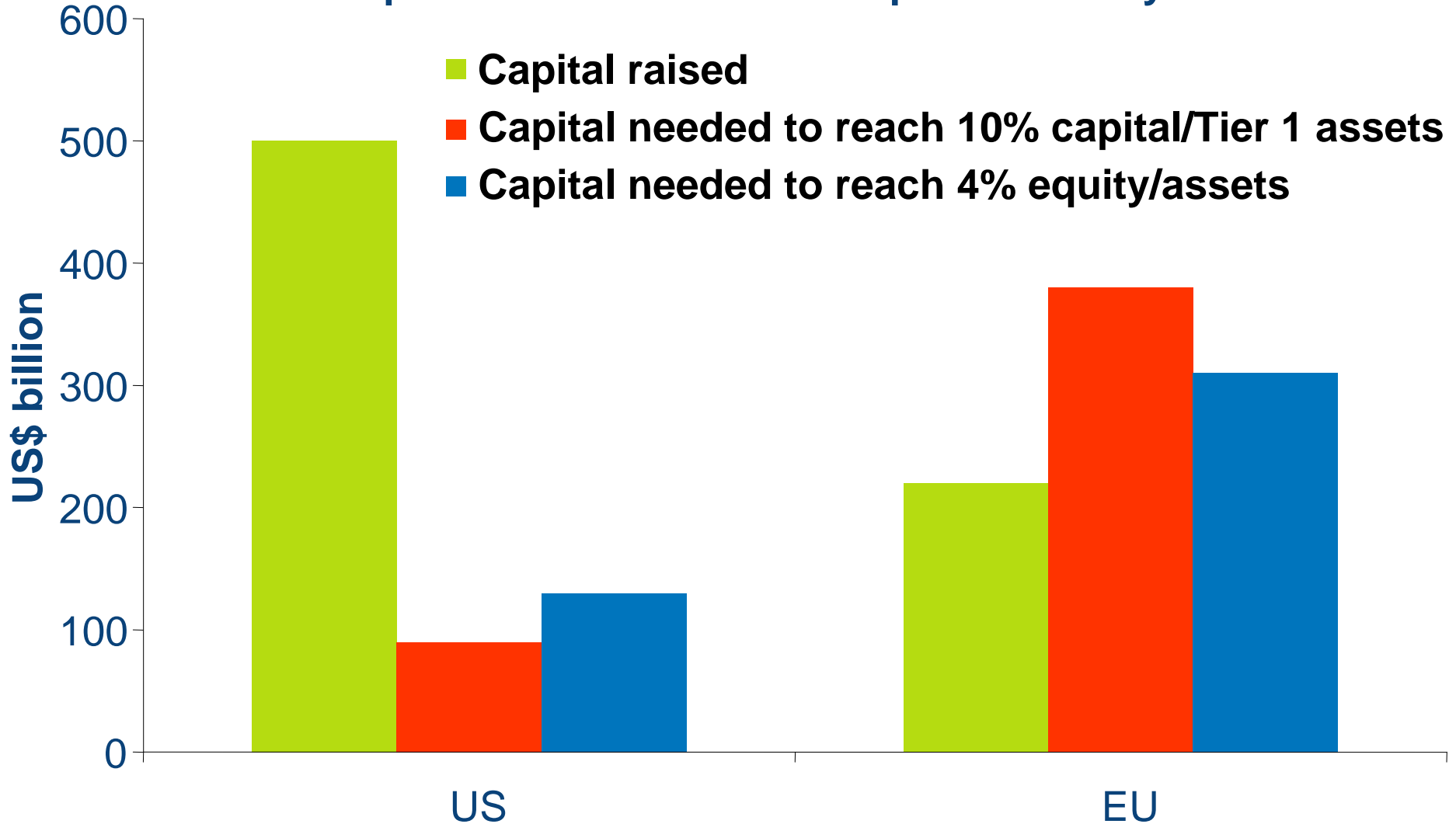
Shipper confidence boosting air freight

Air freight FTK growth and purchase managers buying intentions



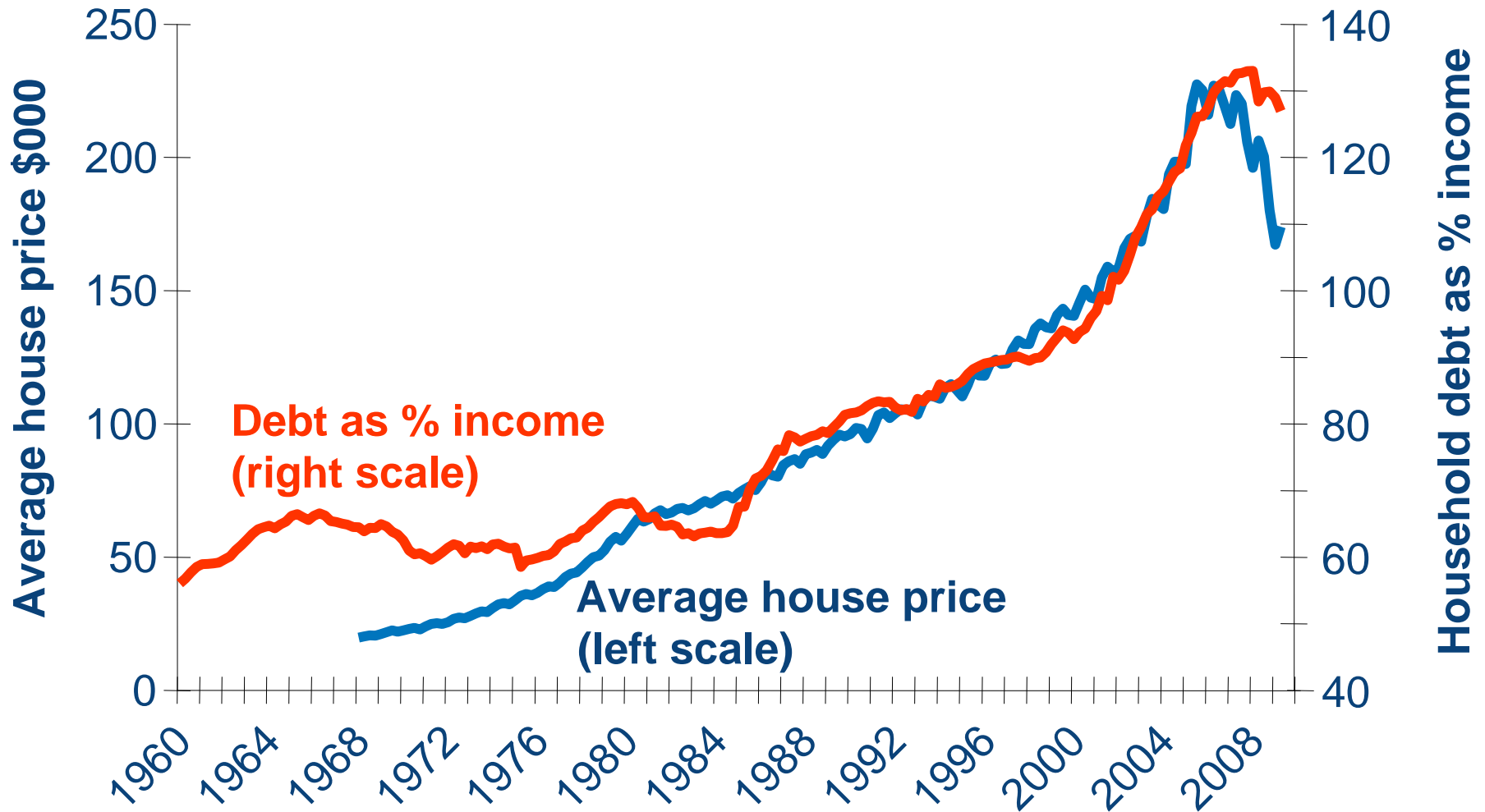
Banks are still short of capital

Bank capital raised and further capital needs by end-2010



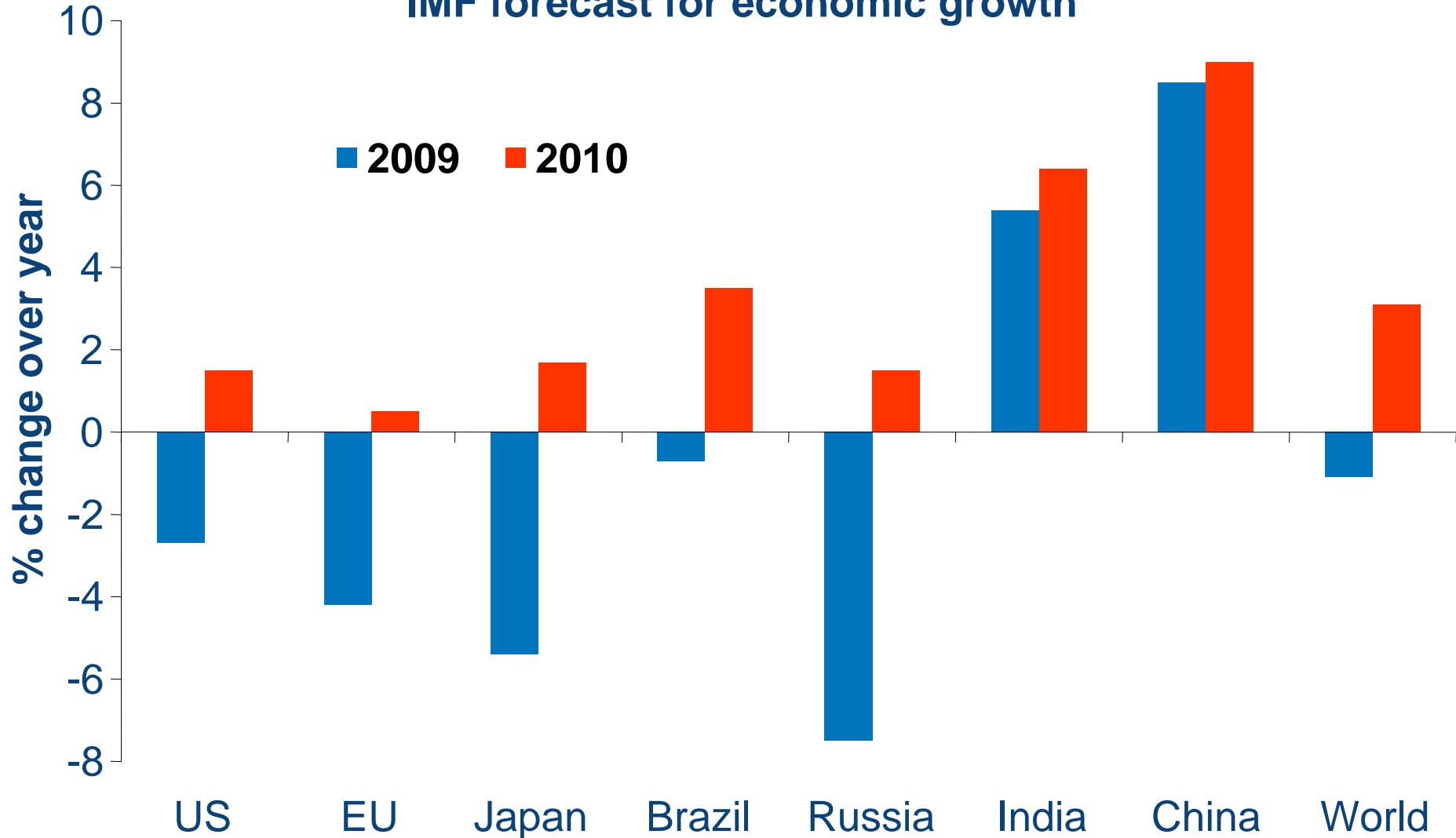
Consumers have large debts to clear

Household indebtedness and house prices in the US



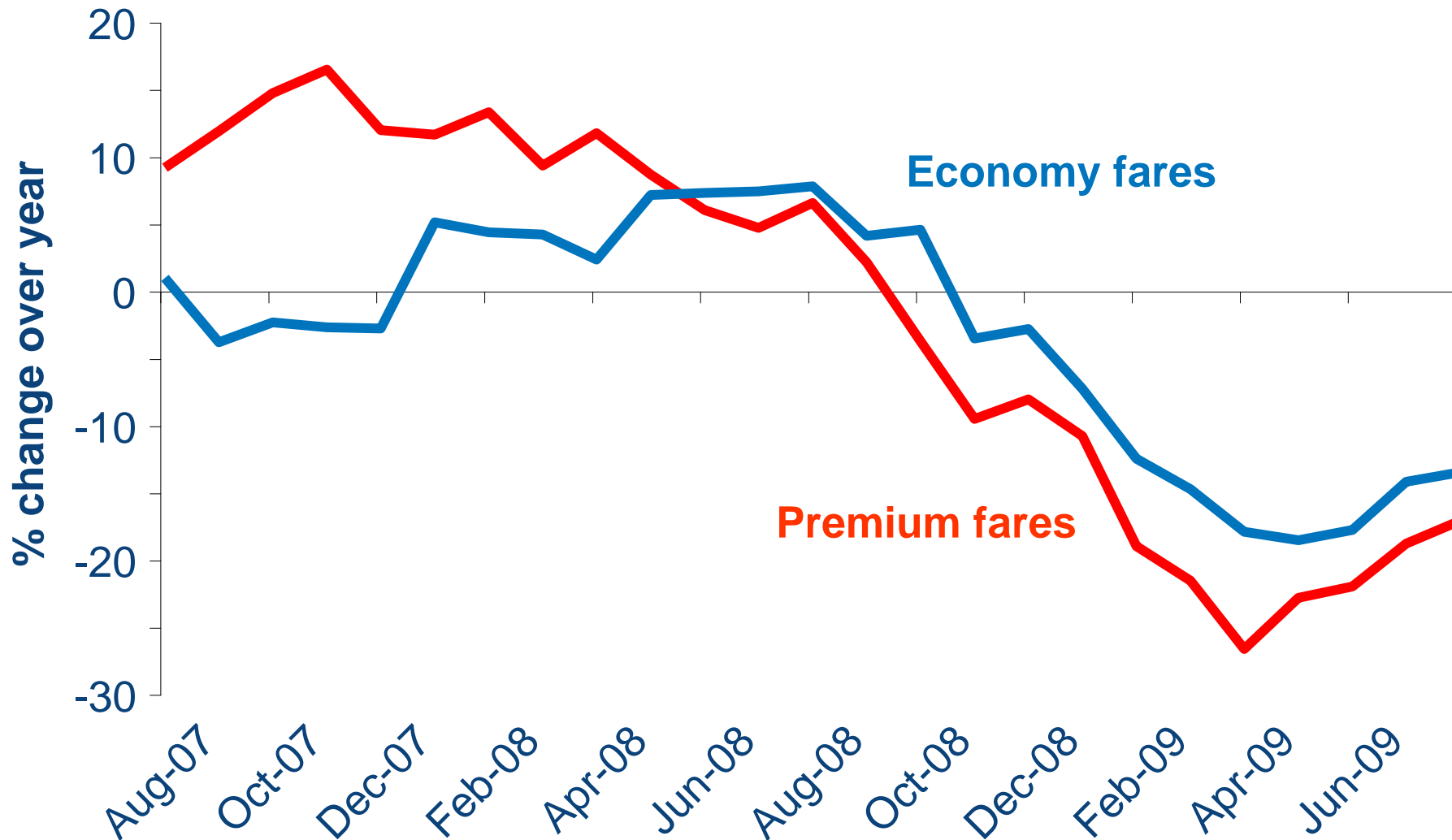
Economic growth in 2010 very uneven

IMF forecast for economic growth



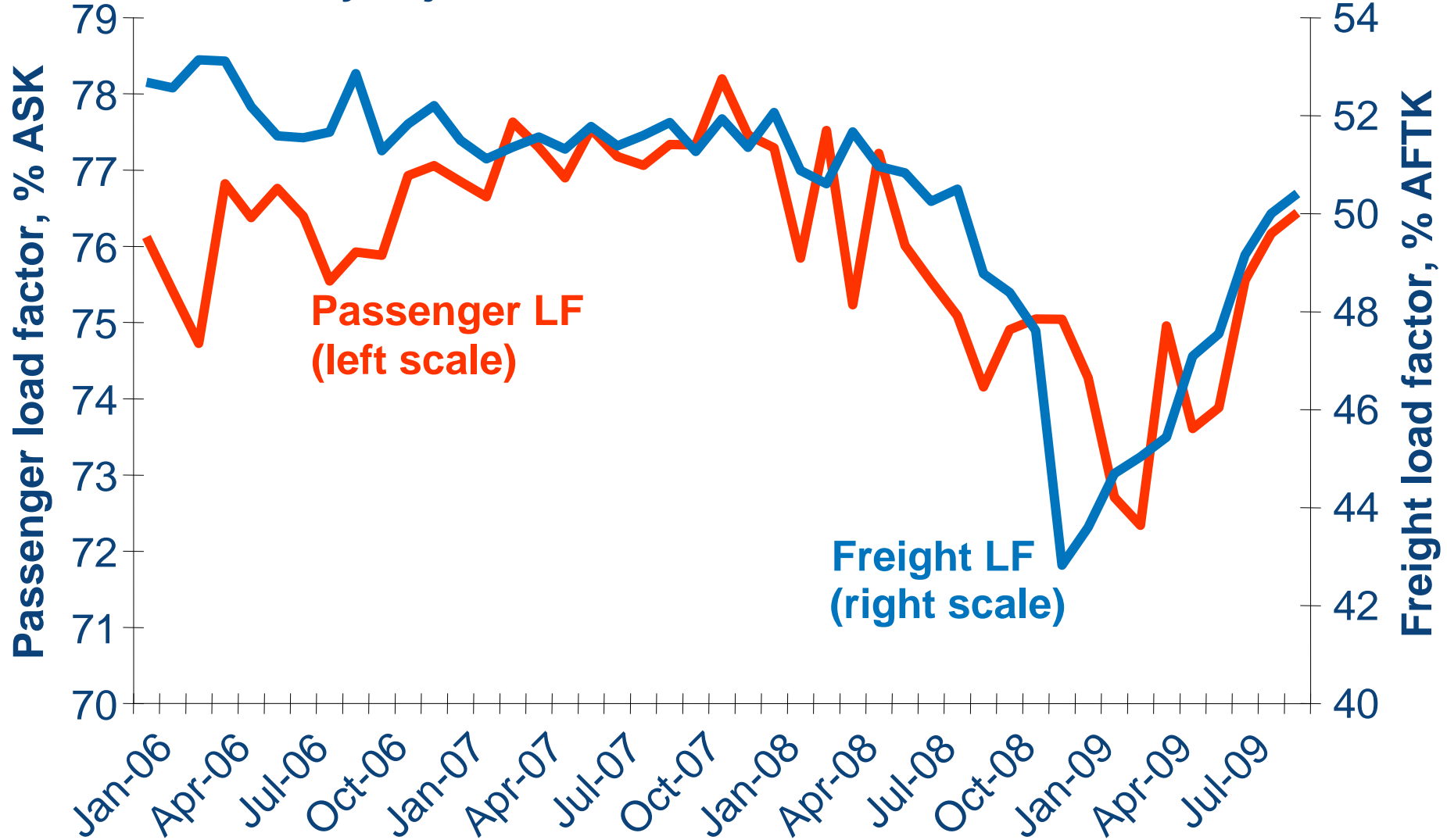
Yields starting to rise but from low levels

Fares on international markets



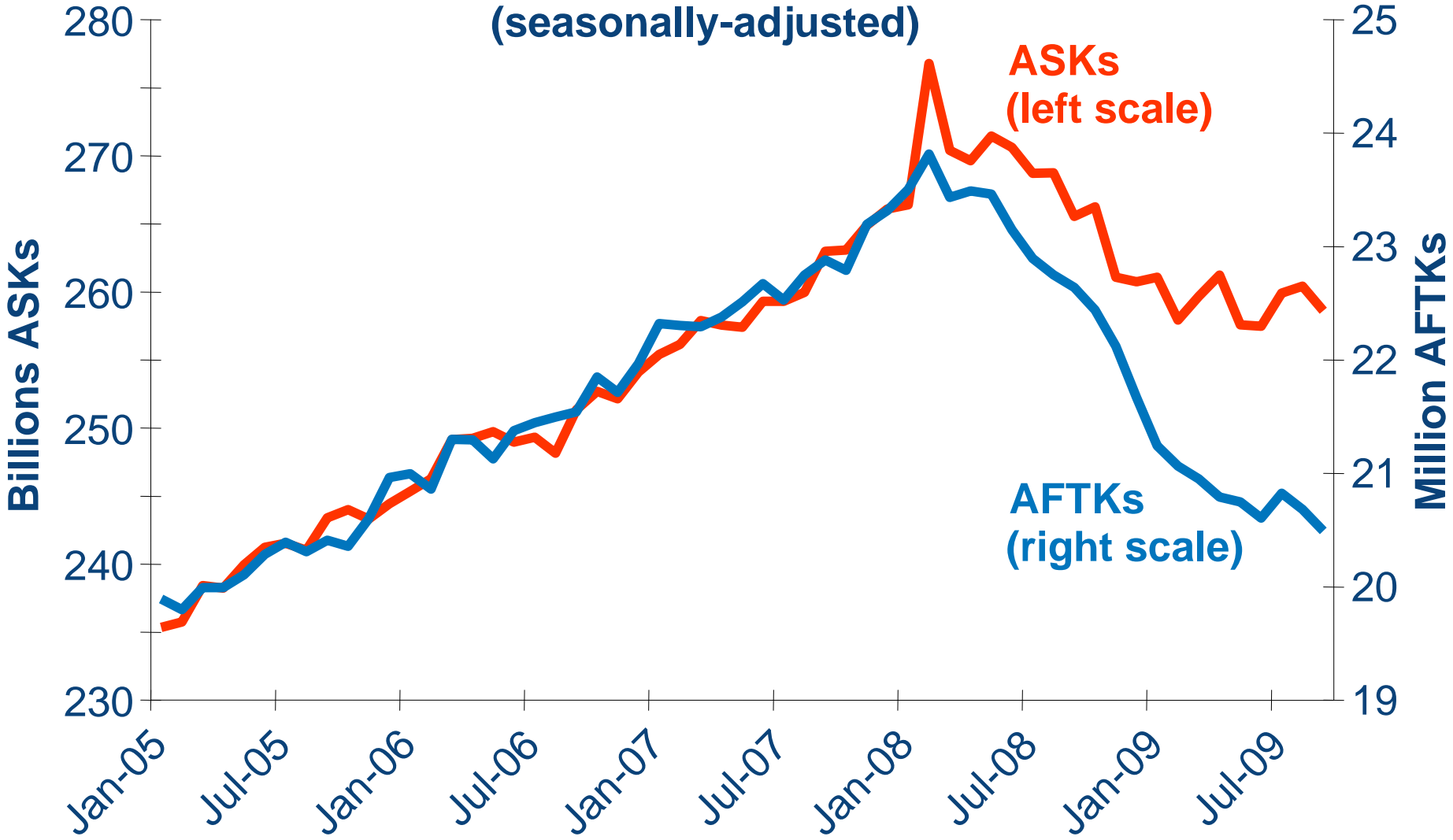
Load factors back to pre-recession levels

Seasonally adjusted load factors on international markets



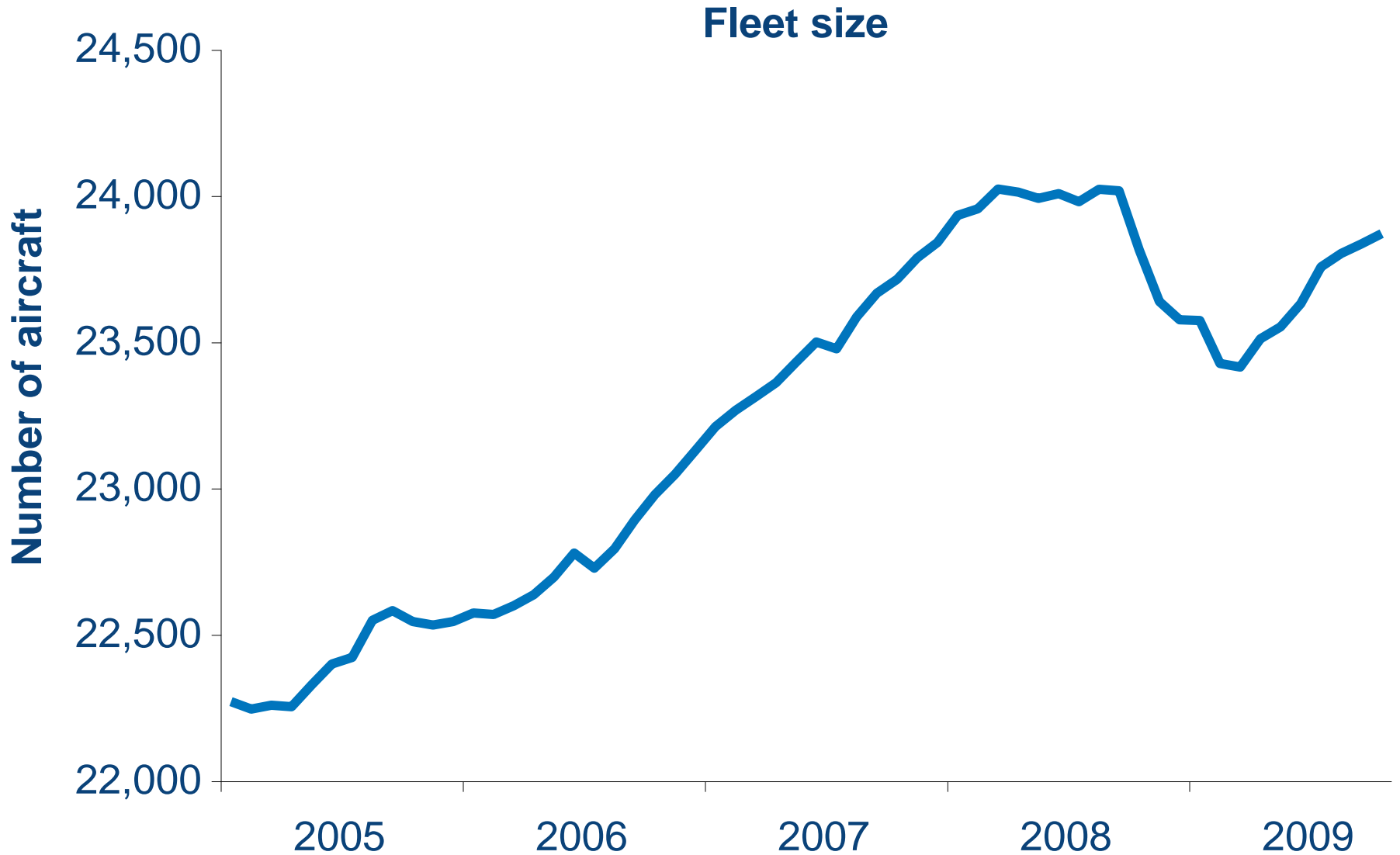
Airlines cut capacity to match demand

Passenger and Freight Capacity
(seasonally-adjusted)

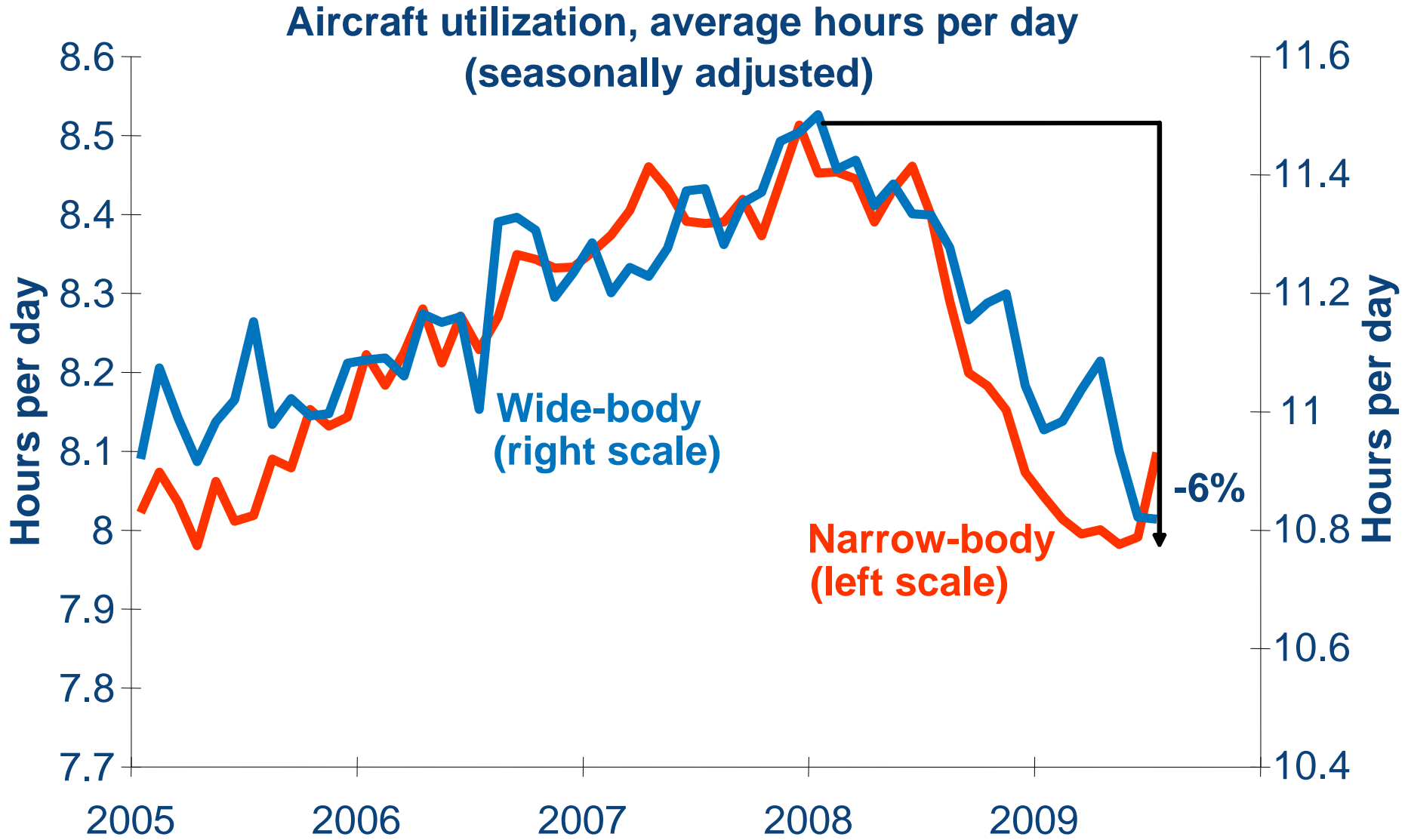


Source: IATA

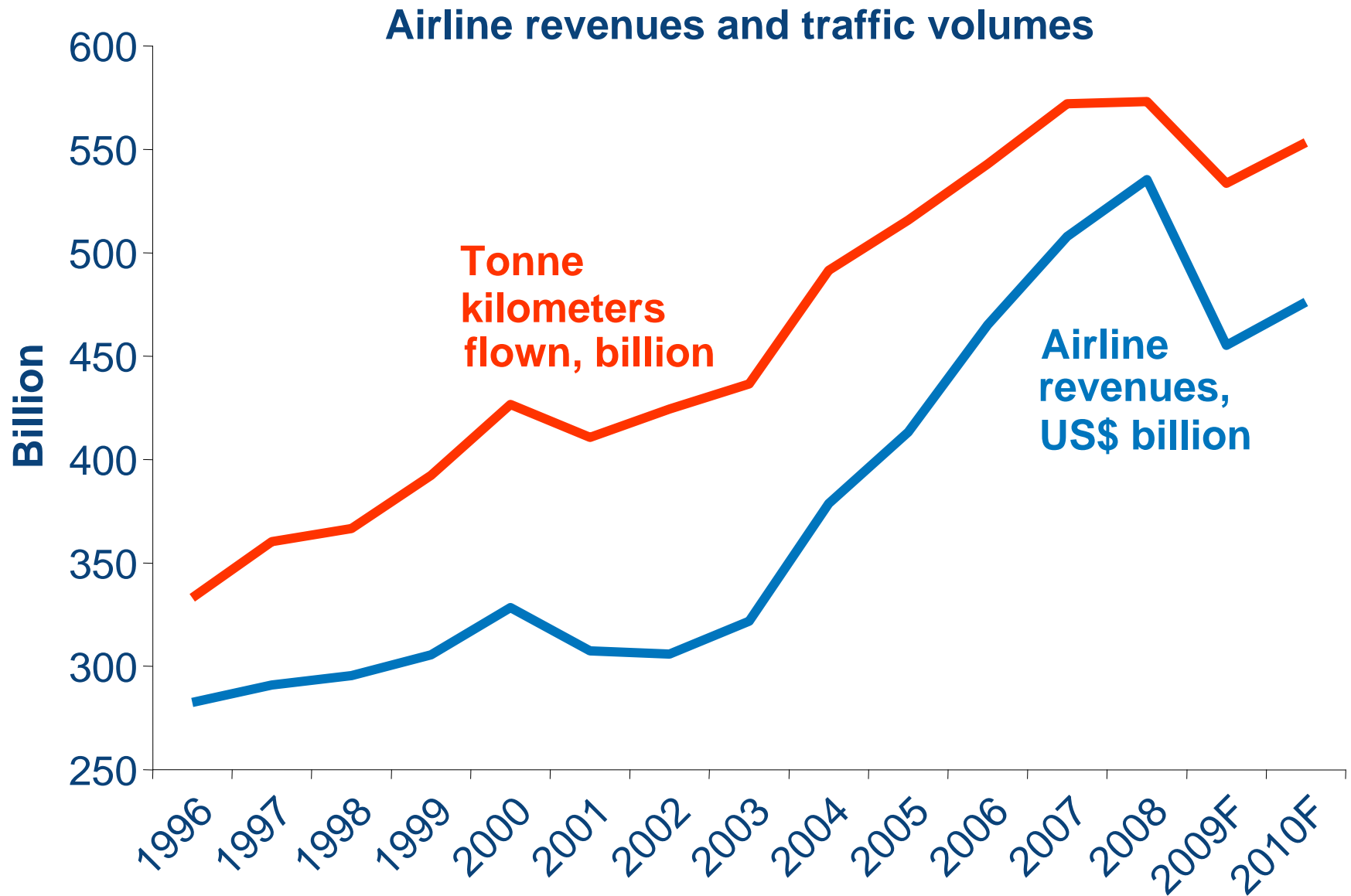
But fleet size growing again



So aircraft utilization is much lower

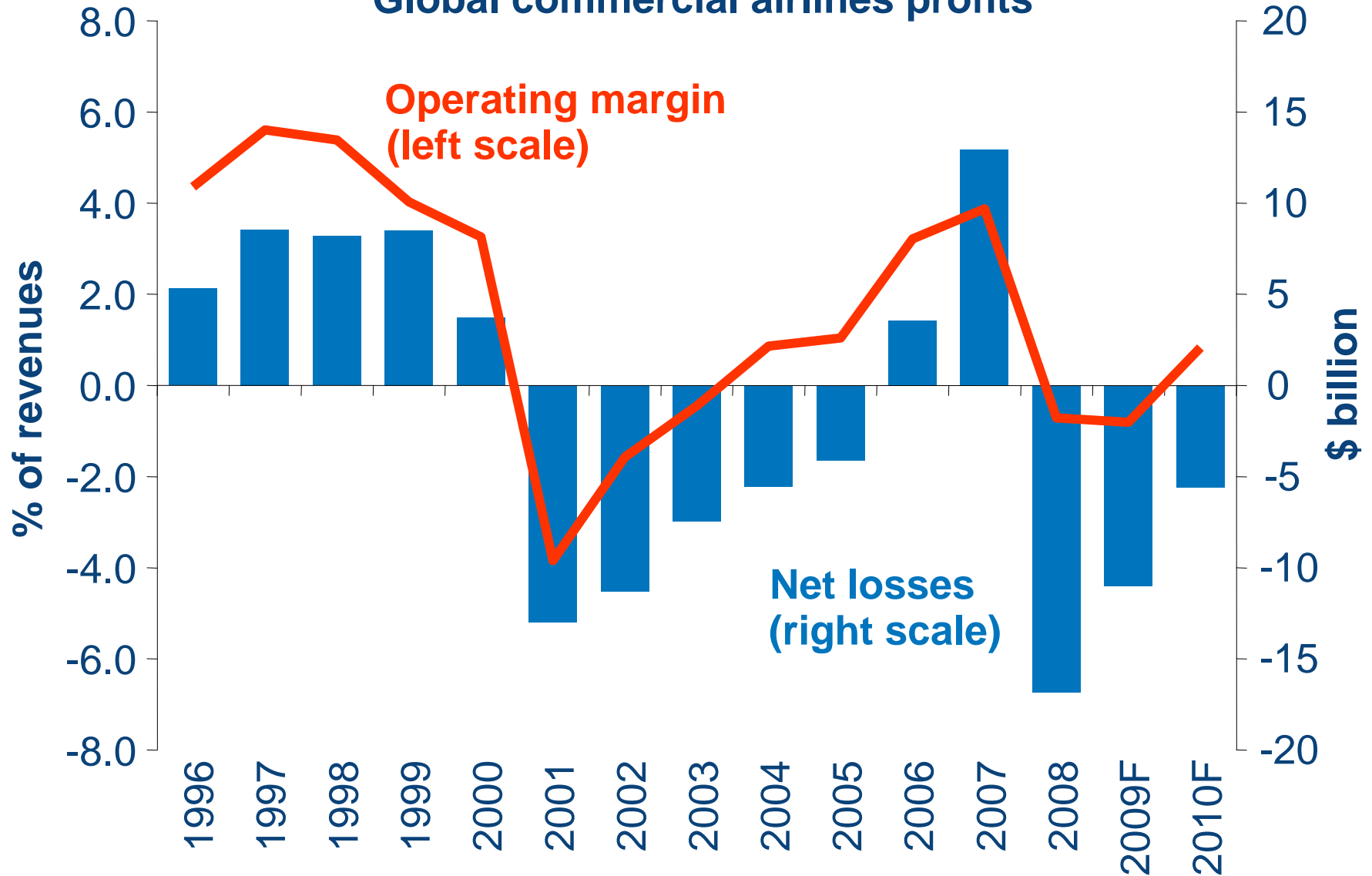


Revenues rising but far from recovered



Industry losses smaller but continuing

Global commercial airlines profits



Loss cut most where economies strongest

Airline net profits, US\$ billion

