

Introduction



Thank you Jose and good afternoon everyone.

2008 was a successful but challenging year for MIA and our GA airports. We could not have come this far without the contributions of so many.

Mayor Alvarez, members of the Board of County Commissioners, County Manager George Burgess and Assistant County Manager Ysela Llort – your leadership and support are invaluable. Thank you.

Vice-Chair Pepe Diaz, the Aviation Department is a better place because of your leadership as ATC Chairman during the last two years.

Chairman Moss and Airport and Seaport Committee Chair Rolle, I know we can count on you as we move forward.

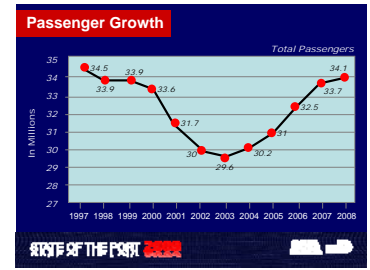
And I would be remiss if I did not thank the County team, especially our Aviation Department staff, consultants and contractors.

Lastly, thank you Charlotte and the World Trade Center for hosting us today.

Of course, we can't talk about 2008 without first discussing the effects of the global financial crisis.

I'm happy to report that despite the struggling economy and record-high gas prices during early 2008, MIA weathered the storm and our traffic numbers fared well, considering the circumstances.

Passengers



Like most U.S. airports, our domestic traffic suffered. But our international passengers grew nearly four percent, resulting in total growth of one percent.

MIA’s year-end total reached 34 million passengers, just shy of our all-time record of 34.5 million. We closed the year out strong with a Thanksgiving travel week that was much better than expected, as well as a solid December.

International visitors and increased demand for cruises have helped us stay on the positive column.



We appreciate each of our 88 airlines – certainly, our hub carrier American Airlines - for their part in making Miami such a successful market. Between passenger and all-cargo flights, MIA now provides service to nearly 150 cities on four continents.


NEW SERVICE	EXPANDED SERVICE
Antigua (Daily)	Montevideo (5x/week)
Belo Horizonte (3x/week)	Montego Bay (2x/day)
Recife (Daily)	Santo Domingo (4x/day)
Salvador (Daily)	Santiago (10x/week)
Grenada (Daily)	Sao Paulo (4x/day)
	St. Kitts (Daily)
	St. Maarten (2x/day)

When you combine domestic and international traffic, MIA is now American Airline’s second busiest hub after DFW, surpassing Chicago O’Hare.

Passengers (cont.)

American added or increased service to 12 cities in Latin America and the Caribbean in November and December while decreasing capacity at other airports.

Unfortunately, further decline is projected for the aviation industry worldwide, and that includes us with a four-percent drop expected this year.

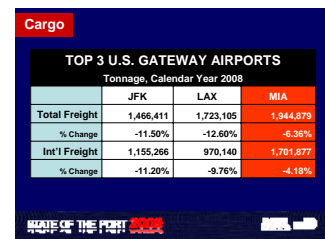


Start Date	Type of Service
April '08	Cargo (Luxembourg)
August '08	Passenger/Cargo (Suriname)
November '08	Passenger/Cargo (Curaçao)
November '08	Passenger/Cargo (UK)
December '08	Passenger/Cargo (Ecuador)

On the bright side, MIA has defied forecasts the last two years and we hope to do the same in 2009.

In 2008, these five carriers commenced new service at MIA and we are working hard to attract more.

[Pause]



	JFK	LAX	MIA
Total Freight	1,466,411	1,723,105	1,944,879
% Change	-11.50%	-12.60%	-6.96%
Int'l Freight	1,155,266	970,140	1,701,877
% Change	-11.20%	-9.76%	-4.18%

Cargo

In cargo, worldwide traffic had the largest decline since 2001. Latin America, our number one market, was hit hardest.

Thankfully, our international cargo only fell four percent while total cargo dropped six percent.

We still did better than our counterparts and remained the number-one airport in the U.S. for international cargo.

JFK and LAX, the two other leading international cargo gateways in the U.S., suffered far greater losses – both down twelve percent.

Cargo (cont.)



Our sustained activity earned us the prestigious Cargo Airport of the Year Award from Air Cargo News, based on votes from more than 19,000 professionals in the cargo industry.



The strength of our market continues to attract new cargo service. On March 6, Cathay Pacific Airways will begin freighter service three times a week from Hong Kong, the world's busiest air cargo hub.

Connecting Asia's World City to Miami will create new synergies between Latin America, the Caribbean and Asia.

GA Airports



Our General Aviation airports are on their way to becoming major revenue generators.

Traffic at Kendall-Tamiami continues to boom, increasing by 15 percent last year to more than 300,000 operations.

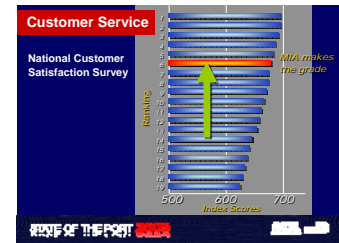
GA Airports (cont.)

Operations at our four general aviation airports grew six percent combined.

Even more exciting are the 11 lease development projects in motion at Kendall-Tamiami, Opa-locka and Homestead General.

They are all in the design, permitting or construction phase and will add an investment of more than \$360 million in the next 15 years.

Frank Nero and the Beacon Council, thank you for supporting us in this effort.



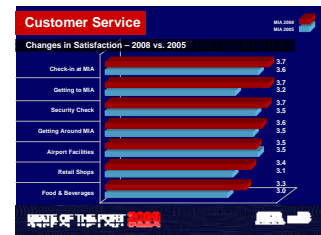
Customer Service

The customer service improvements we've made in the last few years are enhancing the public's perception of MIA.

In last year's J.D. Power customer satisfaction study, we jumped from 14th to sixth place among large airports in North America.

In fact, MIA was the only large airport to improve its overall score!

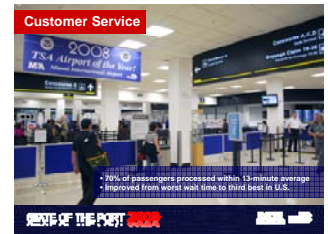
Customer Service (cont.)



J.D. Power's results were confirmed by another independent survey conducted with a larger sample of our passengers last May. As you can see, we improved in just about every area.



In another recent survey of more than 31,000 readers of *Global Traveler* magazine, MIA was ranked among the top ten best airports in North America.



Finally, thanks to TSA's Miami Operations team, the agency named MIA the TSA Airport of the Year for exceptional customer service and efficiency. Seventy percent of our travelers now get through the security lines in 13 minutes or less on average, including peak times – one of the best wait times in the country.

Federal Security Director Mark Hatfield, thank you for an outstanding job.

Central Terminal Improvements



We're happy with the customer feedback but we know there is still a lot of work to do.

First of all, every aspect of the airport must communicate quality, starting with its physical appearance.

Central Terminal Improvements (cont.)

For example, low-cost renovations are making a big difference in the Central Terminal.

We've replaced carpet with terrazzo floor, installed brighter lights, added more modern seats and signs, and at the top of our customers' requests – cleaner restrooms.



Employee Development

Our employees must also communicate quality.

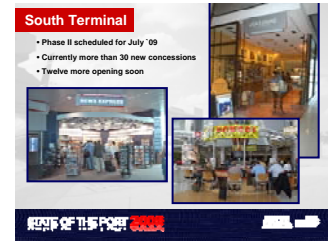
To that end, the customer service training program we began in 2007 with the Disney Institute will be expanded to all employees beginning this year.

We are partnering with the Miami Beach Convention Visitors Association and FIU's School of Hospitality on this expanded training.

Additionally, the Greater Miami Convention and Visitors Bureau will assist us in providing "Miami 101" and "Miami Begins With Me" courses designed to make our employees better community ambassadors.

Bill Talbert, thank you as always.

South Terminal



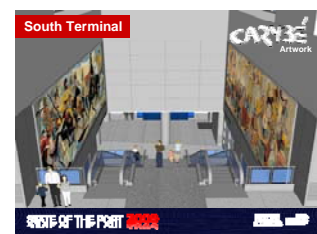
Our Capital Improvement Program is about two years away from completion, with one major expansion project completed and the other with 70 percent of the work in place.

The South Terminal expansion, completed in 2007, handles 25 percent of MIA's traffic, is running smoothly and is a source of pride for our community.

Phase II will entirely connect Central Terminal with South Terminal on all levels and should be completed this Summer.

Finishing Phase II will improve passenger flows into the areas where concessions are located. Further adjustments are necessary to steer more traffic to these businesses and increase sales.

We have opened more than 30 shops and restaurants in South Terminal and 12 more are scheduled to open before the summer.



Also coming soon are two art murals by Brazilian artist Carybé.

Thanks to Odebrecht Construction, these art treasures were salvaged and restored at their cost. When the JFK terminal was demolished, American Airlines donated the artwork to MIA. We are obviously grateful to both companies.

South Terminal



Bottom line, South Terminal is amazing. In 2008, it received:

- » **an award for design excellence from the Florida Chapter of the American Institute of Architects; and,**
- » **the “Project of the Year” award from the Miami-Dade chapter of the American Society of Civil Engineers, as well as the Cuban-American Association of Civil Engineers.**

North Terminal



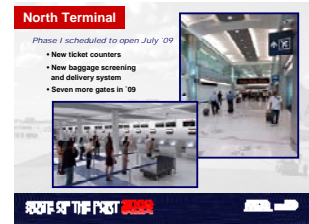
Construction at North Terminal is moving at a rapid pace and we remain on schedule to finish the project in 2011.

Milestones are being reached on time and in some cases ahead of schedule.

Our most recent achievement was the C-D section, completed in November.

It includes new gates, four levels for international and domestic passengers and the first of four people mover stations.

North Terminal (cont.)



The next major milestone is the completion of North Terminal's Phase I this summer.

Phase I will include the transition of American Airlines to new ticket counters and a new baggage screening and delivery system.

Five aircraft gates opened in 2008 and seven more are scheduled to open this year.

We all know the beginning of this project got it off to a rough start, the cost escalated and it has been painful to stay within our current budget.

Yet even with the financial conditions we are facing now, we are too close to the finish line to look back.

You may be aware that the current bond market has forced some airports to postpone their capital projects.

Given the investment and progress that have been made to North Terminal, it would be more costly for us to stop construction than to finish it. Trust me – we have looked into it!

I think that after you see the upcoming video, with the music I so masterfully chose, you will agree that we simply can't stop.

[PLAY VIDEO]

Construction Financing



Was that impressive or what?! Now the big question is, “Where will we find the money to finish it?”

I thought about passing around a collection plate today...but instead we may have some relief on the way from Washington.

President Obama’s economic stimulus plan contains unprecedented legislation that would eliminate the Alternate Minimum Tax, or AMT, on airport private activity bonds issued in the next two years.

Repeal of the AMT for 2009 and 2010 would save us approximately \$167 million over 30 years.

Just on the \$600 million bond issue we hope to take to market in the near future, we would save about \$5 million per year for 30 years.

This is money that we could spend on actual construction and job creation instead of paying debt service.

Security Partners



Thanks to our partners, MIA continues to be a leader in aviation security.

The hard work of the Miami-Dade Police Airport District, led by Major Ruben Galindo, has yielded our lowest crime rate in 20 years.

With the support of the Miami-Dade Congressional Delegation and our County leadership, we successfully obtained a \$54 million grant from the TSA in 2008 for the installation of the baggage screening system at North Terminal.



As one of the top airports in the U.S. for international visitors, MIA was designated a Model Airport by the Department of Homeland Security.

With that designation came enhancements from the federal government to make the inspection process more customer friendly.

Those enhancements include welcome videos in the federal inspection areas and the Global Entry program launched by Customs and Border Protection in October.

Global Entry provides expedited entry to the U.S. for U.S. citizens and residents who have been approved by CBP.

Security Partners (cont.)

I encourage all of the frequent international travelers in the audience to apply. More information should be available at your table.

Operations Director Harold Woodward, Port Director Chris Maston and Assistant Port Director Diane Loftus - thank you for spearheading this program for our passengers.

FDOT Partnership



At the state level, we once again owe a debt of gratitude to the Florida Department of Transportation, especially for their support in three specific areas.

First of all, anyone who drives to the airport now can't help but notice how much easier and quicker it is to get to and from LeJeune Road and State Road 836.

In addition to dedicated northbound and southbound lanes to the airport, FDOT has added landscaping along the roadways that have dramatically beautified the entire area.

Secondly, we are grateful that our FDOT partners committed an additional \$30 million in funding to the *Mia* Mover project. Their support allowed the contract to be awarded and construction to begin next week.

FDOT partnership (cont.)

The *Mia* Mover will be a one-and-a-quarter-mile people mover system with the capacity to transport more than 3,000 passengers per hour between the airport and the Miami Intermodal Center, commonly known as the MIC.

The MIC is a grand central station-type facility that includes a rental car center and connections to Metrorail, Metrobus and Tri-Rail.

The MIC is vital to relieving traffic in and around the airport.

The Rental Car Center is making excellent progress and should be operational next year.

Central Boulevard - MDX



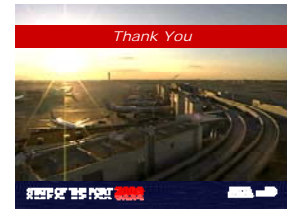
Lastly, we have FDOT and the Miami-Dade Expressway Authority to thank for agreeing to fund the widening and realigning of Central Boulevard, MIA's main entrance.

This is a much-needed improvement, as Central Boulevard is projected to fail by 2015 if we don't expand it.

FDOT has programmed close to \$50 million this year to fund half of the cost. MDX is funding the remainder and will manage the construction.

Thank you, FDOT District 6 Secretary Gus Pego, MDX Chairwoman Maritza Gutierrez and MDX Executive Director Javier Rodriguez for your commitment to this project, which will make getting in and out of MIA easier for our common users.

Closing



I started today talking about how MIA has defied projections, and we have reasons to believe we can do it again.

One reason is that our community continues to be one of the strongest markets internationally for business and leisure travel.

Orlando's airport, for example, lost close to one million passengers last year mainly because domestic leisure travel decreased, yet MIA still grew.

Secondly, we are close to finishing our capital improvement program at a time when many airports are in the beginning stages and will have an even harder time getting started.

There is an estimated short-term need of \$94 billion for improvement work at U.S. airports. Financing these projects in the current climate will be difficult.

Hopefully, whenever the effects of the financial crisis dissipate, we will have already completed an expansion program that positions us for growth for the foreseeable future.

**I welcome your support as we work toward making MIA the best it can be for our customers and our community.
Thank you.**

NEXT SLIDE – MUSIC AND VIDEO