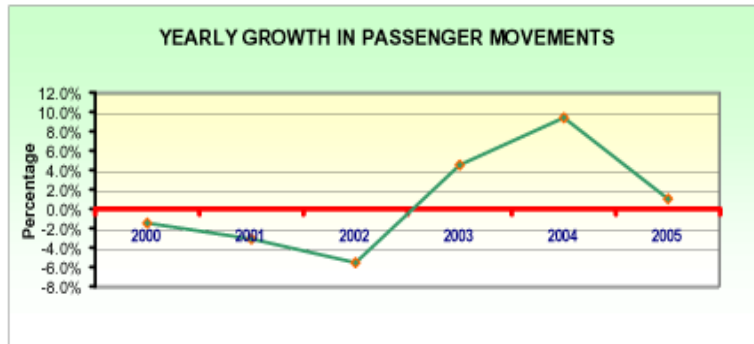


Looking at 2005 and 2006

DRS. HOLIDAY SAYS BE READY FOR THE CHALLENGES

“2005 was a challenging year, but the challenges are not over yet. In 2006 we’re entering a brand-new ballgame and we’ll have to get adjusted and accustomed to working in a complete new facility and operating environment. We will all have to put our shoulders under the work to make it a success,” drs. Eugene Holiday said on Friday February 17 2005. The President of the Princess Juliana International Airport operating company was looking back at the milestones of 2005 and ahead at the tasks of 2006.



Caption: Overall business at PJIAE was positive. Even though at a reduced pace –if compared to 2004–, traffic grew both in the number of aircraft movements (7%) and in number of passenger movements (1%).

“It is fair to say that we were able to balance the two main aspects of 2005 in managing airport business,” drs. Holiday said. He explained that in 2005 operations at PJIAE included both the regular business operations of the airport and the execution of the project operations toward realizing the second Phase II of our masterplan. “Managing both sets of operations simultaneously with with their respective and diverse complexities was truly challenging, but we fared extraordinarily well. Our employees deserve to be commended. Together we were able to juggle the two aspects. We kept operations running and guided the project, the largest ever under taken on the island, towards the point where it is now,” said drs. Holiday.

Specifically, he said, overall business at PJIAE was positive. “Even though at a reduced pace –if compared to 2004–, traffic grew both in the number of aircraft movements (7%) and in number of passenger movements (1%). The slowdown in growth was anticipated following the high growth rates in 2004 and was in line with global the trend.,” the PJIAE President explained. He said this development was can also be ascribed to the persistence of high fuel costs which had an impact on travel globally.

Drs. Holiday said furthermore though medium term projections continue to be favorable. “Based on IATA (International Air Transport Association) projections, growth will continue through 2008. The dip that occurred after 2001 has practically been eliminated; passenger levels are back at pre-9-11 levels. The industry is back on track,” he said. As

soon as airlines return to profitability, full recovery of the industry will have been secured; an essential factor in that regard is the need to control costs.

“On an operational basis these worldwide effects will continue to reflect on business at the Juliana Airport ... therefore the upgrade of our facilities is a timely development to accommodate the projected growth,” drs. Holiday said.

He said that on average a 2,5 percent growth per annum is expected at PJIAE, with expectations for continuance. “The growth is not too strong and not too weak. It reflects a solid and sustainable base for a managed development of St. Maarten’s economy,” said drs. Holiday.

Turning his attention to the progress of Phase II, the PJIAE President said that the project has evolved positively to date. “We were able to move forward, in line with the schedule and the objective is for the contractor to deliver the project in July 2006,” he said.

Challenges did present themselves here as well, including a shortage of material around year-end, having to allocate limited human resources between the daily and project operations and conducting a successful “Request-for-Proposals” exercise for the business outlets in the future terminal building. “Especially the RfP exercise to select potential operators for the outlets in the “Airport Mall” was a major undertaking and the staff that handled the process deserves to be commended.” drs. Holiday said.

He said he had belief that the project would be realized within schedule. “Once you plan and you stay on top of things, you generally should not have any material problems, barring the occurrence of matters outside your control. Therefore, as hectic and challenging as it is, the prospects toward migrating to and operating from our future terminal building are good. This prospect is the result of good planning and the dedication of our employees and the team of persons we engaged to assist us in the process,” he said.

The PJIAE President said overall he had a good feeling about the development; “In July we can look forward to opening our new terminal building and work toward the Grand Opening in August. I personally look forward to that with great anticipation. It gives a great feeling to be a part of this development,” he said.

As far as 2006 is concerned, he was positive but called for caution. Business projections are good, but the challenges are not over yet. “In the few months after the new facility becomes operational, both the airport as a company and its users –the handling companies, the retailers, the airlines- will undergo a complete transformation. It will be a new ballgame. People will have to get adjusted and accustomed to working and operating in the new environment with complete new systems, such as Common User Terminal Equipment, Hold Bag Screening, Jet Bridge Operations, Complete Bus Operations, and Fully Integrated Voice and Data Network to name a few systems.. We’re going to have to do our utmost in the latter half of 2006 to make it work. We’ll have to put our shoulders under it,” he said.

He concluded: “There will be a big bang in August, with a lot of happy people, but that will be no more than the start. It’s a new facility and making it work is going to be a new challenge in itself. And as we have done to date I am confident that the entire airport community will rise to the occasion and meet that challenges ahead.”