

COMMISSION AGENDA– STAFF BRIEFING

Item No. 7b
Date of Meeting May 11, 2010

DATE: April 26, 2010
TO: Tay Yoshitani, Chief Executive Officer
FROM: Dan Thomas, Chief Financial and Administrative Officer
Michael Tong, Corporate Budget Manager
SUBJECT: First Quarter Financial Performance Briefing

BACKGROUND

In compliance with Port strategies of “Ensuring Airport and Seaport Vitality” through financial performance and “Enhancing Public Understanding and Support of the Port's Role in the Region,” this presentation is to provide a status report of the first quarter financial performance results.

The Port’s overall operating revenues for the first quarter of 2010 were \$109.5 million, \$3.1 million, or 2.7% below budget. Excluding the \$3.4 million unfavorable budget variance from the aeronautical revenues, which are based on airline cost recovery formulas, operating revenues were \$311 thousands over budget. Total operating expenses were \$52.8 million, \$12.6 million, or 19.3% below budget. The operating expense variance was largely due to the timing of spending. Operating income before depreciation was \$56.7 million, \$9.6 million, or 20.3% over budget. Operating income after depreciation is \$16.5 million, \$8.9 million higher than budget.

Each division will present its results to the Commission. The presentation outline is as follows:

1. Portwide Operating Results
2. Aviation Division Operating Results
3. Seaport Division Operating Results
4. Real Estate Division Operating Results
5. Capital Development Division Operating Results
6. Corporate Operating Results