

DULLES AIR CARGO PLAN FOR 2003

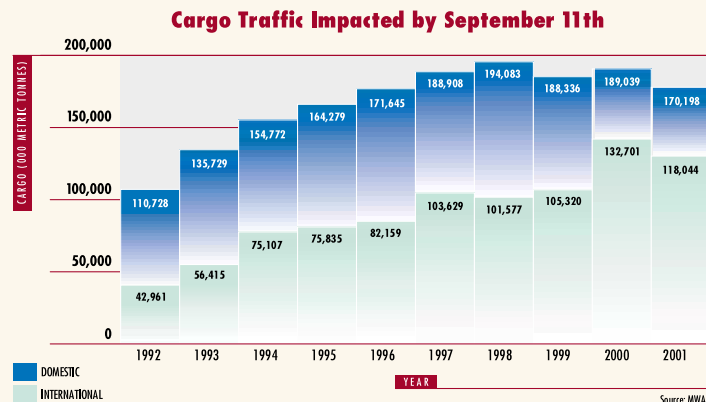
Each summer, the Metropolitan Washington Airports Authority, operator of Ronald Reagan Washington National and Washington Dulles International Airports formulates a plan for the coming year and beyond which maps out the strategy for the marketing and development of air service for both airports. Part of the plan formulation process is to seek input from airport tenants and users and the business and governmental community. This takes place during the month of August in the form of presentations to these groups. The community's feedback is very important to the Airports Authority and serves as a self-check to ensure we always keep our customers views in the forefront of our plans.

Our 2003 cargo development presentation was held in mid-August and was attended by representatives of airlines, airfreight forwarders, trucking companies and others. Recapping the last twelve months, our cargo customers felt the impact of September 11 events as some were forced to reduce or cancel services.

This, combined with an economy already in transition reduced the airport's cargo throughput by 11.3% through June 2002.

On the positive side, Dulles added or will add service to several markets including United's Dusseldorf, a new daylight service to London and British Airway's addition of a daylight flight to London. On October 29, United has announced it will commence non-stop service to and from two new markets — Sao Paulo, and Buenos Aires, both with B-767-300 aircraft.

To return to an expansion of our cargo business, the Airports Authority will pursue several objectives in the next 12-18 months including the addition of all-cargo services, additional forwarder consolidations, and the promotion of the Dulles cargo gateway to all-cargo, combination and cargo charter carriers throughout the world. We are optimistic that these activities will serve to enhance our cargo product to our airline, forwarder and shipper customers for the long term.



A PUBLICATION OF THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY



Washington Dulles World Cargo Center

FALL 2002



First fully automated fire-safe storage facility in North America

Security Moving Storage & Logistics recently opened the first fully automated fire-safe storage facility in North America adjacent to Washington Dulles International Airport.

History

Since 1890 Security has introduced a number of firsts, including climate-controlled storage and steel moving containers. In 1897 Security wrote the very first insurance policy to cover an overseas shipment of household goods. Security is a founder of Overseas Moving Network International (OMNI) and the first American moving company to receive the International Federation of International Furniture Movers' (FIDI) Accredited International Mover (FAIM) designation.

Federal Forwarding Company, a wholly owned subsidiary of Security established in 1961, specializes in air and ocean cargo forwarding and logistics services.

Profile

Security and Federal Forwarding operate seven warehouse facilities in the Washington, D.C. area, with over 700,000 square feet in storage space and 120 trucks and trailers in service everyday. Current business is focused on household and corporate moves, storage and warehouse distribution and logistics. Using the most sophisticated tracking and bar-code technology, Security and Federal Forwarding work with many large corporations, international organizations and government agencies. TotalSecuritySM is the phrase that best describes how Security & Federal handle customers' goods.

Federal Forwarding is an IATA/CNS agent and a licensed FMC OTI Freight Forwarder. Federal Forwarding has been an active contributor to the Washington Air Cargo Association and to the development of cargo growth at Dulles.

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Washington Dulles Gateway Initiative

The Dulles Gateway Initiative study is well underway as the airfreight community convenes in Hong Kong for the ACF2002.

The program is a joint effort between the Metropolitan Washington Airports Authority and the Dulles Air Cargo Managers Association (DACMA) and seeks to increase gateway operations at Dulles International Airport. Its focus is airfreight forwarders and logistics providers, which currently don't maintain a gateway operation at Dulles.

The study will profile the Washington Regional air cargo market while creating awareness of the tremendous potential Dulles has to offer a forwarder for international gateway operations. From October 2002, Dulles carriers will reach the major world regions via service to and from thirty-two international cities with non-stop or single plane service. Where time is a prime consideration, the airport's location in the mid Atlantic region of the US east coast combined with easy highway access makes Dulles a convenient and efficient hub for over the road feeder and distribution services. This is an especially important factor for service to and from the manufacturing regions in the Carolinas and Ohio Valley.

A presentation will be developed from the study results, which will be given to perspective gateway operation companies.

WASHINGTON DULLES INTERNATIONAL AIRPORT — DISTRIBUTION CENTER FOR THE 21ST CENTURY

Washington Dulles International Airport (IAD), celebrating its 40th birthday this year is well positioned to serve as a superb distribution center for airlines and airfreight forwarders. There are many reasons to support this claim.

The first is location. Strategically placed in the mid-Atlantic region on the US east coast, Dulles is within easy reach of key manufacturing areas of the Southern and Midwestern USA. This, combined with the Dulles' close proximity to the US interstate road system make it a fast and efficient Road Feeder System hub, providing for fast and efficient access to and from world markets.

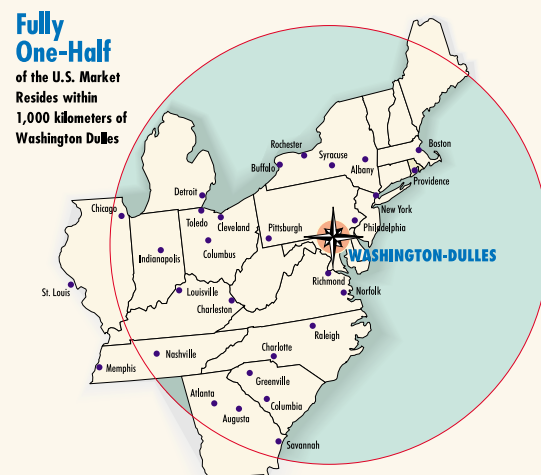
Economics is another important factor contributing to the airport's desirability as a distribution center.

The cost of doing business at Dulles has always been a contributing factor to the airport's growth. Cargo warehouse and office space rental costs, handling fees and even landing fees are typically lower than some of the other major cargo gateways. As an example, charges for landing fees at Dulles, are based on the Maximum Landing Weight (MLW) of an aircraft as opposed to the Maximum Takeoff Weight (MTOW), which is the basis of several other airport's landing fee charges. For an MD-11F operation, this represents a lower basis of over 190,000 lbs for each landing, resulting in a lower cost to do business at the airport.

Combined with Dulles' modern cargo facilities, dedicated access road and opportunity for expansion, Dulles remains a great option for a low cost and efficient cargo distribution center.

Ideal Transit Location for Air Cargo

Fully One-Half of the U.S. Market Resides within 1,000 kilometers of Washington Dulles



UNITED OFFERS NON-STOP TO BUENOS AIRES, ARGENTINA AND SAO PAULO

Washington D.C. — our nation's capital and a key gateway to international locations, will soon have something new to offer the shipping community. Starting October 29, 2002, United will begin offering convenient non-stop service between Washington Dulles (IAD) and Ezeiza International Airport (EZE) in Buenos Aires, Argentina and Guarulhos International Airport (GRU) Sao Paulo Brazil.

Flight 847 departs IAD for EZE at 2140 and arrives at 1020

Flight 861 departs IAD for GRU at 2130 and arrives at 1025

Daily service will be aboard United's cargo friendly Boeing 767-300 widebody aircraft and provide efficient and expedited service to Latin America. For members of the shipping community involved in government business, this new service will offer the unique opportunity to ship directly from IAD to key Latin destinations excluding the need for trucking to other east coast gateways.



As United's network spans the globe, freight connecting in Dulles is handled in a fast and expeditious manner with our Touch 'n' Go service. Dedicated ground handling crews are ready to unload freight from one flight, directly onto a connecting flight without the need to return

to the warehouse for further processing. These tail-to-tail transfers make IAD a desirable gateway for connections throughout the US and Europe.

In addition to United's Touch 'n' Go at Dulles, other expedited services are now available worldwide. Effective August 7, 2002 United expanded its highly reliable TD.Guaranteed service — the highest boarding priority for freight over 70 pounds and money back guarantee. Also, a new service has been added, Global SP. For shipments that are under 70 pounds or 32 kilos, Global SP affords the shipping community with an alternative to move a smaller shipment in the most expedited manner with the shortest freight acceptance and recovery available (within the US). Global SP has the highest freight priority and comes with a money back guarantee.

Whether the freight originates in Washington, Europe, or the western half of the US, look to United Washington Dulles for fast reliable service to EZE and GRU starting October 29.

ANOTHER QUANTEM LEAP — QUANTEM AVIATION SERVICES ARRIVES AT DULLES

The industry of third party handling for cargo integrators and commercial airlines has changed dramatically over the last 20 years. This is primarily due to the growth of airlines in handling passengers, cargo and US mail; and the birth of integrated carriers (cargo carriers that deliver and pick up packages door to door; i.e., Fed Ex, UPS, BAX Global, Emery Worldwide, US Postal Service, DHL Airways, and Airborne Express). According to Boeing Corporations' World Air Cargo Forecast, the air freight industry will grow an average of 6.5% annually through 2017.

Boeing also reports that the integrator's market will continue to expand both internationally and domestically. US Mail that moves by both their own aircraft network and by commercial airlines will grow at an average rate of about 3.5% annually. Quantem Aviation Services (QAS) a recent addition to cargo service in IAD, has positioned its company to grow and meet the needs of their airline integrated customers by offering high quality, customer efficient services through this period. The company standard is to provide clean, state-of-the-art facilities, with late model equipment and highly motivated employees.

Quantem operates in fourteen airports in the U.S. and have been in business since 1992. The owner and President, Salvatore C. Calvino, acquired Manchester Cargo in 1999 adding Advance Cargo a few months later. In January, 2002 he expanded into Dulles International Airport through the acquisition of Air Cargo, Inc's (ACI) cargo handling operation. The strength of consolidating Manchester Cargo with Advance Cargo gives both companies the ability to expand into the other company's primary service. Advance Cargo is basically a provider of service to Integrated Carriers while Manchester Cargo primarily services commercial airlines. This coupled with industry growth and the addition of ACI's Dulles operation helped the company grow to approximately 500 employees and will aid Quantem in continuing to diversify.

In the Dulles operation, QAS is currently servicing 16 major airlines, handling an average of 30 million pounds per year. Quantem is located in a new state of the art 44,000 sq. ft. cargo facility including 17 land side doors, 12 back ramp high bay doors and 2 hydraulic dock levels embedded into the front. There is a staff of 60 highly trained motivated employees at IAD providing full cargo terminal handling, loading of aircraft, all under-the-wing operations, and are fully trained in dangerous goods handling/acceptance and security procedures.

They also have a full cargo terminal management team including an in-house certified load planner, in-house certified under-the-wing coordinator, and an in-house certified dangerous goods specialist. Quantem's senior management has over 90 years collective experience in the air cargo industry. They handle in excess of 100,000,000 kgs of cargo per year in our their warehousing operation, 60,000,000 kgs of mail per year, and 2600 aircraft operations per year. Their customers know them as a high quality service provider. QAS enjoys a reputation of providing

efficient, professional service to all of its customers. They dedicate themselves to providing all of their customers with only the highest quality service levels possible. Quantem accomplishes this by having the best employees possible, and by training those employees to work in a company that prides itself as an industry leader. For more information, please visit their website at www.quantemaviation.com.

FIRST FULLY AUTOMATED FIRE-SAFE STORAGE FACILITY

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Details

Security is continuing its industry leadership with the new 130,000 square foot facility. The warehouse is the third tallest tilt-up constructed building in the United States. In all, the building used 10, 917 yards of concrete, 1,364 truckloads of concrete and 220 concrete tilt panels. Our latest warehouse offers state-of-the-art storage with a 20-ton double-girder crane guided by special software. The crane redistributes each 20-foot container as needed and one can be moved from any location in the warehouse to a truck or viewing room in less than 30 minutes. The high bay panels are 65-foot tall tilt-up panels and allow containers to be stacked four high. A 75,000 square foot conventional warehouse and a special 1,000 square foot FM200 vault for high value items are also housed in the building.

The building sits on nine acres near Dulles. Three of those acres have been designated a Certified Wildlife Habitat by the National Wildlife Federation. Security is the 12th company in the United States to achieve this designation.



Future

This ultra-modern facility will pioneer the next generation of cargo handling and provide many advantages to those utilizing Dulles. Through Security & Federal Forwarding, the Washington Dulles Air Cargo Center offers a unique cargo handling capability not found at any other facility in North America. Security & Federal Forwarding will certainly expand air cargo capabilities, skillfully handle expected cargo growth, and open new opportunities and partnerships for Dulles air cargo in the future.

For additional information, contact Larry DePace at 202-797-5641 or ldepac@sscw.com.

Message from Richard Norris

Air Cargo Development Manager



After several months of decline, cargo tonnes at Washington Dulles are showing encouraging signs of growth. For the first time since September 2001, airlines collectively reported gains in both domestic and international throughput tonnes as compared to a year ago. Although we remain cautiously optimistic, it is certainly a welcome sign for the cargo community at Dulles. Many airline cargo managers feel a recovery is on the horizon, although most don't envisage a meaningful turnaround until the third quarter of next year. They cite increased activity in certain business sectors leading to a modest rise in exports. The Washington region has suffered during the recent recession, but is still expected to grow about 3% this year. This growth, combined with a comparatively low unemployment rate of 3.9% could signal that a full recovery is coming soon.

Airports Authority Hong Kong is our gracious host this September for Air Cargo Forum 2002 (ACF2002), the premier air cargo conference and exhibition, organized by TIACA. The theme for the forum is "Air Commerce: New Challenges Ahead" and it's being held from September 17-20 at the Hong Kong Convention and Exhibition Centre. Hong Kong, a major Asian cargo hub is the perfect venue for this international event which promises to be the largest and most important Forum in TIACA's history.

Locally, special recognition goes to Security Storage and its subsidiary Federal Forwarding upon the opening of their new facility near Dulles, and to Quantem Aviation, our newest cargo handling company who is situated in our newest cargo building at Dulles. These are two of our many customers comprised of airlines, forwarders, handling companies and trucking companies who contribute to the success of Washington Dulles Cargo!

