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ABX Holdings, Inc., Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And your first question comes from the line of Charles Jeck (sp) of Wall Street Access. Please proceed.

Charles Jeck – Wall Street Access

Hi, guys. Congratulations on the quarter. I was wondering if you could kind of lay out your schedule for planes coming on line this year and into 2009 kind of by quarter and where you think those planes will be utilized. I know you talked about potentially committing more planes to the A&A deal, for example.

Joseph C. Hete

Well, we've mentioned, Charles, we've got two more that came on line since the first of the year that completed their modification. We have the first of the 757s which is going through its initial certification process today. That aircraft is one that will be operated by CCIA for DHL and Latin America. The first of the Kam owned 767s just completed its modification this past week and, in fact, is either on its way or is already here in the States awaiting paint and further check out flights. That aircraft will be on line within the next 30 days or so. In addition to that, as we look forward into 2008, by the year end we expect to have 18 aircraft in service in total. The remaining three 767s that are awaiting modification or in the process of mod you can anticipate that probably one of each of the remaining three quarters for the rest of the year.

As far as 2009 goes, we've only got one commitment currently for an aircraft in 2009. That is the fifth aircraft that was part of the CHI transaction, which is owned by the significant shareholders. Outside of that we have no firm commitments beyond what we have this year.

Charles Jeck – Wall Street Access

Okay. Great. And on the outlooks for the CHI businesses, excluding any new planes coming into service, how are those businesses looking? Are you seeing growth in those businesses for 2008 or do you see them operating at a similar level as in 2007? I was just wondering if you have any colour on that.

Joseph C. Hete

I'll let Peter Fox answer that.

Peter Fox

Yeah, this is Peter Fox. The certificated carriers, if you look at their first three months actuals in total they're 8.5% ahead in revenue. ATI was 13.6% and TCIA was 1.7% negative for the two months. Part of that had to do with the scheduling of heavy maintenance. So both air carriers are about 8.5% ahead in revenue, \$29.775 million versus \$27.442 million and we think our costs are at or below projection.

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