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Airport Board Resolves Louisville Forge Litigation

Louisville, Kentucky (December 20, 2006)—The Board of Directors of the Louisville Regional Airport Authority today voted to approve the settlement of a lawsuit brought to establish the value of 131 acres acquired from Louisville Forge and Gear Works, Inc. in 1993.

The property was acquired to complete the airport expansion begun in 1991. The board agreed to pay a total of \$11.5 million of the \$12.8 million remaining due in two installments, \$6 million by January 31, 2007, and \$5.5 million by July 31, 2006. (The payment is a \$1.3 million discount of the amount due Louisville Forge as a result of an October 2003 jury verdict. The Airport Authority appealed the jury verdict, and the case is currently pending before the Kentucky Court of Appeals.)

In recommending approval of the proposed settlement, Airport Authority Executive Director Skip Miller cited the continuing uncertainty of the litigation over the amount of the jury verdict, the discount agreed to by Louisville Forge, the termination of interest expense and other court costs related to the judgment, the availability of money to pay the settlement, and the opportunity to conclude the last remaining case arising from the expansion begun in 1991. He also noted that resolving this case allows management to focus on other matters—such as UPS's \$1.1 billion Worldport II expansion announced earlier this year.

Miller further observed that the settlement represents a small fraction of the Airport Authority and community's \$800 million investment in the Louisville Airport Improvement Program, which has been tremendously successful for the entire Louisville Metro region.

Miller recalled that the 2002 Economic Impact Survey showed that the expansion resulted in 36,195 total jobs. In addition, the expansion generated nearly \$221 million in state and local taxes in 2002. The expansion also has been directly responsible for many important economic improvement projects in the region—including UPS's \$1 billion Worldport expansion begun in 1998, its heavy-freight operation and the recently announced \$1.1 billion Worldport II expansion project announced this year.

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###Louisville International Airport (SDF) www.flylouisville.com Bowman Field (LOU)