



MD-80 Series Aircraft Present Value of the Drag & Weight Reduction Packages Cost Savings									
Discount Rate	Phase I Program Package 2% Drag Reduction			Phase I & II Program Package 4% Drag Reduction			Phase I, II & III Program Package 8% Drag Reduction		
	Years of Savings								
	2	3	4	2	3	4	2	3	4
	Present Value of the Cost Savings at Above Time Frame and \$2/USG Fuel Cost								
14%	\$123,829	\$174,587	\$211,111	\$247,641	\$349,150	\$438,193	\$495,283	\$698,300	\$876,386
16%	\$120,713	\$168,891	\$210,423	\$241,411	\$337,759	\$420,818	\$482,822	\$675,519	\$841,637
18%	\$117,736	\$163,505	\$202,293	\$235,457	\$326,989	\$404,558	\$470,914	\$653,978	\$809,117
	Present Value of the Cost Savings at Above Time Frame and \$3/USG Fuel Cost								
14%	\$185,743	\$261,880	\$328,667	\$371,462	\$523,725	\$657,290	\$742,924	\$1,047,451	\$1,314,580
16%	\$181,070	\$253,336	\$315,635	\$362,116	\$506,639	\$631,228	\$724,232	\$1,013,278	\$1,262,455
18%	\$176,604	\$245,258	\$303,439	\$353,185	\$490,483	\$606,838	\$706,371	\$980,967	\$1,213,675
	Present Value of the Cost Savings at Above Time Frame and \$4/USG Fuel Cost								
14%	\$247,658	\$349,173	\$438,222	\$495,283	\$698,300	\$876,386	\$990,575	\$1,396,601	\$1,752,773
16%	\$241,427	\$337,782	\$420,846	\$482,822	\$675,519	\$841,637	\$965,643	\$1,351,037	\$1,683,274
18%	\$235,473	\$327,011	\$404,585	\$470,914	\$653,978	\$809,117	\$941,828	\$1,307,956	\$1,618,234

The following trip, utilization, fuel, payload and flight assumptions were used to calculate the annual fuel savings.

Trip Length:	1,000 nm
Annual Utilization:	2,620 hrs. (1,000 cyc)
Fuel Density:	6.7 lb / USG
Payload 80% Load Factor:	24,696 lb
Speed:	LRC
Domestic Reserves:	FAR 121.639
Alternate Airport:	150 nm
Conditions:	Standard day

As stated previously, the data source for this assessment is the MD-80 Performance Report MDC-J2724, revision date July 1989 and the MD-80 handbook dated December 1990, report no. SE-GEN-90-03.

AVITAS is of the opinion that the minimum potential value of the Program Packages would be approximately one year's value of fuel cost savings (Ex. Program Package I: \$75,000 to \$150,000)