

America's Trains Inc. ("ATs")

SOME OF THE REASONS FOR ENHANCED REVENUE AND EARNINGS

Concept, products

- A proven, flexible business model ¹.
- Desirable Journey by Rail products with surplus markets, growing consumer interest and travel agent sales requests ^{5,6,7}.
- Multiple, conjunctive products ² and revenue streams that include and are related to Journeys by Rail ("Journeys").
- Either of two primary Journey products ² can be emphasized based on evolving sales results.
- Favorable profits occur if only one primary product ² is sold or sales are less than 50% of projections.

Operations

- ATs 'piggybacks' Amtrak's timetable and operations eliminating related planning, development and other costs ³.
- Amtrak pulls Cars eliminating locomotive/engine inventory and related direct costs for an economical fixed mileage fee.
- ATs' comprehensive, unmatched present and available management, including outsourced support.

Routes, itineraries

- A selection of Amtrak routes and related engines are available with no related pre Journey work or expense required ³.
- Long advance Journey sale lead times allow some routes to be determined based on demand, ensuring high occupancy.
- Choice of multiple Amtrak routes over 21,000 miles of tracks, with no pre Journey route development costs ³.
- From one to several Cars can travel together on a variety of existing preferred routes with minimal preplanning.

Lucrative pricing

- Lucrative, competitive, economically fares below comparable foreign rail ⁴, resort vacation, and timeshare competitors.
- Ample room for fare and price increases ⁴. Fares are profitably lower than foreign luxury train competitors.
- No low season down time or reduced prices; Journey routes change to avoid undesirable weather locations.

Sales ease, optimum occupancy

- Huge, surplus, fastest growing leisure markets; luxury travel/vacation ⁵, rail ⁶, Train'Share (timeshare) ⁷.
- A miniscule number of Journeys (bedroom inventory) compared to a huge market.
- Consumers have a choice from a mix of routes and products on from a single Car to several traveling as a train set.
- Multiple existing domestic and foreign sales outlets; capabilities of one strong outlet could sell every Journey.
- Surplus, pent up, abundant and growing demand; excess traction ^{5,6,7}.
- No meaningful, similar travel product competition in the USA; market domination.
- Continuing media interest and related low cost publicity and exposure.
- Can simultaneously offer varying Journeys on different routes, with one to several Cars, to meet consumer interests.
- No sales office start-up costs, travel sales outlets/agencies already exist.
- Single Car availability is an ideal group and exclusive personal vacation product, based on present demand.

Reduced inventory costs

- Car costs occur after advance sales assuring high occupancy; avoiding surplus inventory.
- Pool of available cars, present and future; former/retired Amtrak cars directly from Amtrak or private owners.
- Rebuilt Car market values exceed total acquisition and rebuild costs and are about 25% of the price of newly built Cars.
- Under 60% of the inventory (per bedroom) cost compared to competitive luxury cruise and resort products.
- No locomotive/engine equipment capital expenses; Amtrak provides engines at an income related reasonable cost.

Profitability, Cash Flow

- No sales office or significant selling startup costs; arrangements with travel industry outlets already exist.
- Economic business assistance from key strategic collaborations; Amtrak, RCI, key travel entities.
- No meaningful cost for most route, timetable or related service planning and development ³.
- Exclusive engines pulling multiple Cars provides lower switching (moving Cars) costs at layovers and between trains ³.
- Favorable arrangements for Car operating and layover services ³.
- No pre Journey engine costs; just a reasonable income related per mile per Car charge paid to Amtrak.
- Most expenses are income related, no income no expenses; low cash burn rate.

¹ A mixed use business model includes individual Journey vacations and Train'Shares (timeshares); each can independently achieve favorable earnings. This model has been and is used by major resort timeshare developers and ATs management for a prior boutique vacation project.

² Primary products are individual Journeys by Rail, see <https://americantrainvacations.com/individual-journey-info/>, and Train'Shares (timeshares), see <https://americantrainvacations.com/trainshare-info/>. Other products include Interval Ownership of rail Cars, see <https://americantrainvacations.com/fractional-interest-info/>, tours, branded gifts, special passenger and management services.

³ ATs pays Amtrak a very small fee per year and has access to scheduling, timetable, stations, en-route and layover services, providing for routes throughout the U.S, see <https://americantrainvacations.com/journeyinfo/>, and other administrative and operating benefits. Economically reasonable mileage fees are also paid to Amtrak to pull/move Cars. ATs simply adds its Cars to an Amtrak train or engine.

⁴ See <https://americantrainvacations.com/fare-comparisons/>.

⁵ See <https://americantrainvacations.com/atv/documents/referenceluxurytravel>.

⁶ See <https://americantrainvacations.com/atv/documents/referencetrain>.

⁷ See <https://americantrainvacations.com/atv/documents/referencetimeshare>.