

VIRGINIA AND TRUCKEE RAILWAY ROUND TRIP SCHEDULED STEAM OPERATIONS  
WEEK 8 ORDERS AND SALES PERFORMANCE

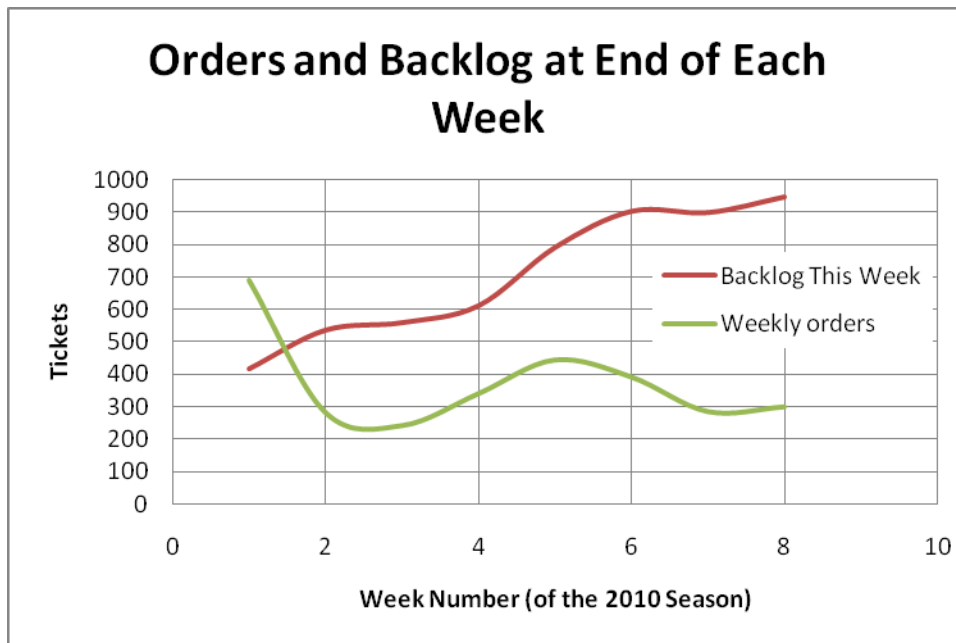
Week 8 includes travel on Sunday, July 18<sup>th</sup>,2010. The cut-off time for ticket sales used in this report is 0600 hrs, July 18<sup>th</sup>, 2010. Ticket sales are estimated from the Carson City Convention and Visitors Bureau web site. The data apply only to round trip steam operations.

Saturday's train was nearly a sell-out (one seat left) and Sunday showed 30 seats unsold as of the time the web site cut off further sales.

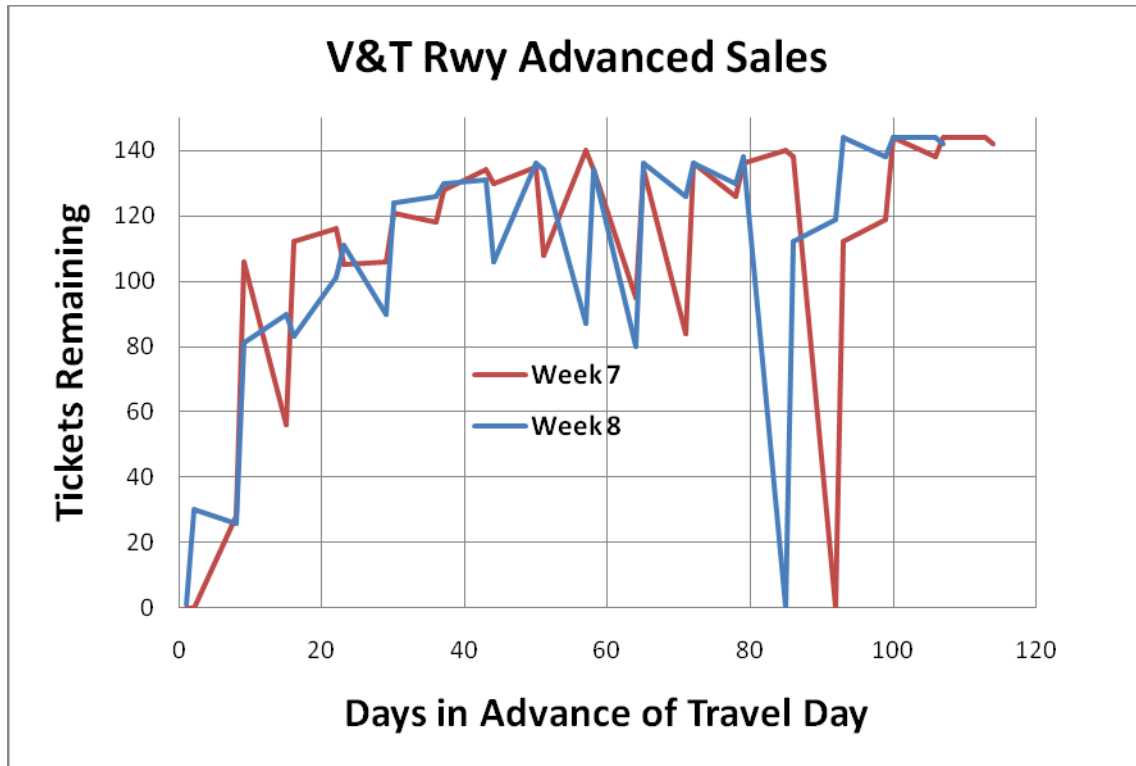
299 tickets were purchased this week compared to 284 tickets purchased in the previous week (week 7).

Of the 299 tickets purchased this week, 103 were for travel this weekend and 196 for future weeks.

Backlog widened to 947 tickets from 899 tickets.



The form of the seat availability has become visibly less-steep, corresponding to the cumulative depletion of open seats for the second half of the season.



As a general rule, if a 144-seat train sells out by Wednesday of its operating week, approximately 55 additional Saturday seats and 40 additional Sunday seats could have been sold if the capacity were to be made available. That is, a sell-out or near sell-out of a three car train is quite likely in the months of June and July, at least.

This was a week in which such a mid-week sell-out of the same-weekend's trains did not occur. There was actually a mid-week *lull* in sales this week.

For the season to date, six out of the eight Saturday trains have sold out (or come within one ticket of doing so) and two of the eight Sunday trains have sold out. This means that the lack of a third car in the consist has caused a loss of revenue of about  $6 \times 55 + 2 \times 40$  tickets, or 410 tickets.

This week and the next two to three weeks represent the sales pattern that we could expect in a steady-state, "endless summer" scenario. That is, a sales pattern that would be characteristic of the average week, given that the season never ended. Importantly, because the backlog has been increasing most weeks, this means that, if these typical or average weeks were to continue into the future indefinitely, eventually all trains would sell out until the pool of prospective riders was exhausted.

Of course, the summer will come to an end and scheduled service terminates on October 31<sup>st</sup>. The average ticket is now being sold 16.6 days in advance with a standard deviation of 10.1 days. This means that October 31<sup>st</sup> is still so far from the date of this report that any sales near that date are highly unlikely. That is, we shouldn't be worried about October sales at this point. Probably no seasonal truncation effects can be expected until we are about two sigma from the start of the new school year; or about 37 days from the first week of September. Within the next three weeks we should begin to see a drop-off in sales as we approach the end of the school summer.

NOTE: There was a calculation error in previous reports with respect to the average advanced sale interval. Specifically, that interval was referenced to 5/28/2010, whereas it should have been referenced to "time now." In fact, instead of increasing week by week, the advanced-sale interval has been decreasing since the week in which the Nevada Railroad Museum rail fan event was booked. The following chart provides the corrected data.

