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WORLDWIDE AVIATION MARKETING AND MANAGEMENT SERVICE

APRIL 2015

Newsletter

Market Comment

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Emirates Selected Rolls-Royce Trent 900 engines for the 50 A380s it ordered from **Airbus** at the **Dubai Airshow** in November 2013. The Gulf carrier ordered **Engine Alliance GP7200** engines for its first 90 A380s. President **Tim Clark** said the degree of technological advancement and investment on the GP7200 had reached something of a ñflat line.ò **Rolls-Royce** presented an ñextremely compellingò business case, he said, and the Trent 900 has reached a ñvery mature stateò. **Rolls-Royce** CEO, **John Rishton**, said the order for the Trent 900 was a ñpowerful vote of confidence in our technologyò. He said that if **Airbus** were to launch the A380neo, his company was ready to update its Trent engine, and that ñlf [**Airbus**] were to make that decision, weò support them.ò Mr. **Clark** said the revamped plane would probably use an improved version of **Rolls's** Trent XWB engine designed for the new A350. The Trent XWB engine is rated at between 74,000 and 97,000 pounds of thrust. The current Trent 900 is rated at 78,000 to 84,000 pounds and the GP7200 produces up to 75,000 pounds of thrust. The **Rolls-Royce** valued the **Emirates** contract at \$9.2 billion and includes 217 turbines and features a lucrative **Total-Care** through-life maintenance contract. The first batch of 25 **Rolls**-powered A380-841s will be delivered between late 2016 and the first quarter of 2018. Delivery of the second batch of 25 is ñfurther outò, but **Emirates** was ñtrying to advance some of themò to around 2019-20, Mr. **Clark** said. If the last deliveries occur before 2020, it is unlikely that those A380s will be fitted with the XWB engine.

The **Rolls-Royce** engine order nearly coincided with the tenth anniversary of the A380's first flight on April 27, 2005. **Emirates** has been pushing hard for the re-engined A380neo, and is using its status as the A380's largest customer (140 out of the 317 firm orders) as leverage. Mr. **Clark** has upped the airline's promised commitment for 50 A380neos. He said last year that the airline could order at least 100 more A380s. In April, he said in an interview that **Emirates** might ultimately require 200 A380neo airplanes. Previously, Mr. **Clark** said that some of the 50 jets (presumably the last 25) could be converted to neos if **Airbus** opts to proceed with the upgrade of the A380. The A380neo could be between 10 and 13 percent more efficient than the current model, through weight reduction, aerodynamic improvements and the Trent XWB engine. ñlf they manage to do that, the performance of the aircraft will be stellar,ò he said, but **Emirates** was content to put the Trent 900 on all 50 aircraft. ñI don't want to suggest the current

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aircraft isn't a good machine, because it is. It's the most profitable aircraft in our fleet," he said. An order for 25 A380neos seems realistic and the talk of 200 neos may be prop wash intended to influence **Airbus'** decision. So far, **Airbus** CEO, **Fabrice Bregier**, is not taking the bait. He said in Paris that the jury is still out on whether to offer an A380neo, because the business case was "not necessarily as attractive" as for the A320neo and A330neo projects. "We have to ask ourselves, will there be a market? Is it the right response to this market? When should we launch it? Under what conditions for sharing costs? Will it be profitable over the long term?" he asked rhetorically. **Airbus** has not won an airline order for the A380 since the 2013 **Dubai Airshow**, although the lessor **Amedeo** bought 20 in 2014.

Airbus is loath to bet billions more dollars on a program that has not broken even yet. It would literally put all of its eggs in the **Emirates** basket. Granted the Gulf airline is hugely profitable, but it is based in an extremely volatile region. Dubai is surrounded by wars, religious strife, rebellions, and geo-political rivalries. It suffered economic shocks during the first **Gulf War** against Iraq and during the 2008 recession. The airline's business plan calls for Dubai to be a hub for East-West and North-South traffic, where hundreds of airplanes disgorge and re-board thousands of passengers a day. In 2014, the **Dubai International Airport** handled 71.6 million passengers, and 405,750 aircraft movements in an average of 196,000 people and 1,112 flights per day.

Dubai is Home to approximately 1.8 million people; only 10 to 15 percent of them are Dubai citizens and the rest are guest workers. The majority of the workers come from Bangladesh, India, Pakistan, the Philippines and Somalia. A quarter of the population has ethnic roots in Iran, and 100,000 Britons live and work in Dubai. Only one quarter of the population are female. The government is an absolute monarchy and the police answer only to the ruling **Al Maktoum** family. Muslims are subject to Sharia law, and non-Muslims are not. To date, the emirate has been calm, but that could change quickly. Suicide bombers, ISIS-style terror attacks, violent labor unrest, a religious-uprising, or one or two unexplained airplane crashes may tarnish Dubai and its flag carrier, and scare away passenger traffic. A U.S. nor Israeli attack on Iran could close its airspace and add hours to flights to the East. The blocking of the Straits of Hormuz could cause the Gulf oil business to collapse and force the region's rising middle class to stay home. **AVMARK** is sure that **Airbus** is looking at the whole picture as it makes its

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A380neo decision in time for the Paris Airshow in June.

Airbus Orders

Airbus Sold 84 A320 and A330 Family Aircraft during March, and the month's 52 deliveries covered all of its current product lines. **Air Lease Corporation (ALC)** firmed up its contract for 30 A321LRs, the newest variant of the A321 neo. **Philippine Airlines** booked 12 new A321neo aircraft, in exchange for 10 A321neos that were cancelled. **ANA Holdings** firmed up its order for four A321neos with Sharklets and three A321neos. **CIT Group** doubled its 2014 commitment for five A321ceo jetliners by buying five more in March. **Lufthansa** switched one A320ceo order for its 61st A320neo. The German flag carrier still has 39 A320neos on backlog. **Air Lease Corporation** also firmed its commitment for 25 A330-900neo wide-body jetliners. The deal was announced last year when **ALC** became the launch customer for the new engine option A330 Family. **Turkish Airlines** ordered four A330-200F freighters. The **Turkish** purchase pushed total A330 bookings past the 1,500 milestone. A320neo Family orders stand at nearly 3,700, and the 45 A321-neos purchased in March raised the backlog to 800. **Airbus'** gross orders in the first quarter were

for 121 jetliners, but 20 cancellations lowered the net total to 101 as of March 31. After handing over 52 jetliners in March, the company had delivered 9,019 new aircraft since its inception in December 1970. The March deliveries included 42 A320 Family aircraft, seven A330s, the second A350-900 and two A380s. At the end of the month, **Airbus'** back-log stood at 6,354, comprising 5,088 A320 Family jetliners, 327 A330s, 778 A350s and 161 A380s.

Airbus Orders, Deliveries and Backlog March 2015

MAR ORD	MAR DEL	MAR CANX	TOTAL ORD	TOTAL DEL	BACK LOG
			A318		
-0-	-0-	-0-	79	79	-0-
			A319		
-0-	6	-0-	1,474	1,440	34
			A319neo		
-0-	-0-	-0-	47	-0-	47
			A320		
-0-	24	-1	4,751	3,913	838
			A320neo		
1	-0-	-0-	2,847	-0-	2,847
			A321		
9	12	-10	1,584	1,062	522
			A321neo		
45	-0-	-0-	800	-0-	800
			A330		
4	7	-0-	1,356	1,174	182
			A330neo		
25	-0-	-0-	145	-0-	145
			A350		
-0-	1	-0-	780	2	778
			A380		
-0-	2	-0-	317	156	161
This Month			This Year		BL
84	52	-11	101	134	6,354

Airbus sold 15,373 aircraft and delivered 9,019 as of March 31, 2015. Twenty orders were cancelled. Total orders, deliveries and backlog include cancellations and order changes.

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Air Lease Corporation (ALC) firmed its order for 30 A321LR and 25 A330-900neo aircraft. **ALC** was first customer to sign up for **Airbus'** A330neo, when it announced a commitment to buy the 25 A330-900neos at the **2014 Farnborough International Airshow**. **ALC** was also the first to commit to the A321LR, the newest variant of the A321neo which offers the longest range of any single-aisle airliner. The lessor signed a Memorandum of Understanding for 30 in January 2015. The firm order increased **ALC's** A321neo commitment to 90 aircraft. **ALC's** total firm orders for **Airbus** aircraft stand at 53 A320ceo Family, 140 A320neo Family, 15 A330s, 25 A330neos, and 25 A350 XWBs. The first A321LR will be delivered in 2019 and the first A330-800neos and A330-900neos will enter service in the fourth quarter of 2017.

Turkish Airlines (THY) ordered four more A330-200F freighters in March. The planes will be operated by **THY's Turkish Cargo** subsidiary. The first of the A330Fs is due in April, and the rest will be delivered in April and October 2016 and in January 2017. **Turkish Cargo** already operates five A330-200Fs. **Turkish Airlines** operates 139 **Airbus** aircraft, including 91 A320 Family aircraft, two A310F freighters, 17 A330-200s, 18 A330-300s, five A330-200Fs and six A340-300s. The new A330Fs are replacing the two A310Fs. Nine airlines currently operate 31 A330Fs and there are now 11 in backlog.

ANA Holdings, the parent of **All Nippon Airlines (ANA)**, firmed up its January commitment to buy four Sharklet-equipped A321ceos and three A321neos. **ANA** has now ordered 26 A321neos, four A321ceos and seven A320neos. The A321neo can carry 240 passengers in tourist class, while maintaining **Airbus'** standard of 18-inch wide seats. The A321ceo will seat up to 220, and the A320neo up to 180 people. The seven A321s are worth approximately \$830 million (\$118.6 million each) at list prices. The first A320neo successfully flew in September 2014, and it is now undergoing an

The European Aviation Safety Agency (EASA) certificated the first 242-ton maximum take-off weight (MTOW) **Airbus** A330-300 variant. The latest evolution to the twin-engine A330 Family incorporates a new aerodynamic package, engine improvements and an optional center fuel tank for the A330-300 model. The upgrades offer more capability at a lower operating cost and also serve as the development platform for the A330neo (new engine option), **Airbus** said. The high gross -300 with the center tank can fly up to 6,100 nautical miles and offers an up to 2 percent reduction in fuel consumption, or it can carry more payload over existing routes. This means it can fly routes connecting Europe and Southeast Asia, and it is able to fly more than 90 percent of long-haul routes from London. The **EASA** approval covers the **GE** CF6-80E1-engined A330-300 and certification by the U.S. **Federal Aviation Administration (FAA)** is expected to follow shortly. Two **GE**-powered A330s, the -203 test aircraft (SN 871) and the new -302 (SN 1628) flew approximately 100 test-flight hours between them. The older aircraft was used to test aerodynamic improvements while the newly-built jet validated the activation of the center fuel tank and other performance characteristics. In the next few months, **Airbus** plans to certify the A330-200s and -300s that are powered by **Rolls-Royce** Trent 700 and **Pratt & Whitney** PW4000 engines. The launch customer, **Delta Air Lines**, is scheduled to take delivery of its first 242-ton MTOW A330-302 (SN 1628) later this year. Another 10 customers have ordered this option since it was launched in 2012. The 242-ton A330 offers incremental innovations that represent the first steps toward the A330neo (new engine option) which was launched in 2014. The A330neo will use newly developed **Rolls-Royce** Trent 7000 engines.

extensive flight test campaign.

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CIT Group Inc. placed a firm order for five more A321neos, effectively doubling its recent commitment for five A321neos that was signed at the **2014 Farnborough International Airshow**. This latest purchase brought **CIT's** total A320 Family orders to 205 airplanes, comprising 155 neo and 50 neo aircraft. **Jeff Knittel**, President of **CIT Transportation & International Finance**, said, "We continue to see strong demand for the A320 Family neo and neo models from operators looking to grow their business. The larger A321 in particular is becoming an increasingly sought after model, as steady passenger growth encourages airlines to deploy larger fuel-efficient aircraft." The order is list priced at \$570 million (\$114 million each), and the airplanes will be powered by CFM56 engines.

Tibet Airlines ordered an undisclosed number of A330-300s. The first of the airline's widebody aircraft will be SN 1735. The airline is a subsidiary of **Air China** and it currently operates an all-**Airbus** fleet of 11 A319-100s on flights linking the capital Lhasa with China.

Korean Air Aerospace Division (KAL-ASD), the aerospace manufacturing division of the **Korean Air Group**, will supply new Sharklet wingtip devices for the A330neo. The devices include wingspan extensions. **KAL-ASD** will manufacture the new composite wingtips in Busan, South Korea, and ship them to the A330 Family final assembly line in Toulouse. The Sharklets are modeled after the curved wingtips on the A350 XWB, and the devices will increase overall wing-span from the current A330's 60.3 meters to 64 meters, which will increase lift and reduce drag. Deliveries of the A330neo will start in the fourth quarter of 2017. **KAL-ASD's** long-term industrial partnership with **Airbus** started more than 25 years ago. Today **KAL-ASD** manufactures Sharklets for the A320 Family, fuselage skin panels and floor assemblies for the A330 Family and the composite cargo doors for the A350 XWB.

Airbus rolled out the first A320neo (A320-251N, SN 6419) fitted with the **CFM International** LEAP-1A powerplant, and has started ground manoeuvring tests. The LEAP version's maiden flight will take place before the **Paris Airshow** in June. The manufacturer is currently flight testing two **Pratt & Whitney** PW1100G-powered A320neos (one is A320-271N, SN 6286). Three A320neo airframes have been produced for the certification program and the second LEAP-powered A320-251N (SN 6642) is under construction. The first PW-powered A320neo will be delivered by the end of the year. **Airbus** is so confident in the strength of the aircraft market that it intends to push A320 Family output beyond 60 per month by 2020, depending on the supply chains ability to stretch. CEO **Fabrice Bregier** said, "The market is very strong and we have said we can produce 50 [A320s] a month by 2017 and if the market remains supported there is the possibility to go higher." **Airbus** intends to deliver 15 A350s this year and continues to expect more orders than deliveries in 2015, he said in Paris.

Boeing Orders

Boeing Sold 72 Aircraft in March. **GECAS** bought two more 737-800s, and **All Nippon Airways** ordered three 787-10s. **Unidentified Customer(s)** purchased two 737 MAXs, two 777Fs and 30 787-9s in late March. **Boeing** lost one existing 737 order. As of March 31, **Boeing** sold 71 737s, three 747Fs, seven 777s, and 35 787s, for a total of 116 new aircraft. It lost orders for five 737s and one 787, lowering the net total to 110.

Boeing delivered 71 new airplanes in March, including 44 737s, two 747s, two 767Fs, 12 777s and 11 787s.

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In April, **Boeing** identified **COPA Airlines** as the purchaser of 51 737 MAX 8s and MAX 9s that were previously listed as unidentified. **FedEx** bought its 53rd new 767-300F and has taken delivery of 14 of them. The airline said the 767 freighter was approximately 30 percent more fuel efficient and was more than 20 percent cheaper to operate than the MD-10s they are replacing. **United Airlines** exchanged 10 787-9 orders for 10 new 777-300ERs. It now has 10 777s and 38 787s on backlog. Late in the month, an **Unidentified Customer** ordered nine 737 MAX and **Swiss International** finalized its order for three 777-300ERs. One customer cancelled nine 737s. **Boeing** logged 139 new orders this year and lost 25 previous ones for a net total of 114.

The **Boeing Company** announced it delivered 184 commercial aircraft, one C-17 Globemaster, one C-40A Clipper and two P-8A Poseidons in the first quarter of 2015. During the quarter, it delivered 121 737 NGs, four 747-8s, five 767-300Fs, 24 777s and 30 787s.

All Nippon Airways (ANA) finalized its order for three 787-10 Dreamliners which was announced in January 2015. The three planes were list priced at approximately \$900 million. **ANA** is now **Boeing's** newest 787-10 customer and the first airline in Asia to operate the entire family of Dreamliners. The first 787-10 will fly in 2017 and will be delivered in 2018.

Hainan Airlines, China, told the **Shanghai Stock Exchange** on March 30, that it will order 30 787-9 Dreamliners, list priced at \$7.7 billion (\$256.7 million each). **Boeing** announced the sale of 24 GE-powered 787-9s and six other 787-9s (no engine choice), also on March 30. The first 787-9 could be delivered in 2016 and the last one is due by 2021. **Hainan** already operates 10 787-8s. **Boeing** has orders for 467 -8s, 496 -9s and 142 -10s, as of March 31, 2015.

Copa Airlines signed an order for 61 737 MAX 8 and MAX 9 airplanes in April, while Panamanian President **Juan Carlos Varela Rodriguez** and U.S. President **Barack Obama** looked on. The historic agreement was the largest commercial transaction between a Panamanian and a U.S. company, and was valued at \$6.6 billion at list prices. Fifty-one of the airplanes were previously attributed to an unidentified customer on **Boeing's Orders and Deliveries** website. **Copa** will use the airplanes to

Boeing March 2015 Orders, Deliveries					
MAR ORD	MAR DEL	MAR CANX	TOTAL ORD	TOTAL DEL	BACK LOG
737					
4	44	-1	12,715	8,471	4,244
747					
-0-	2	-0-	1,540	1,505	35
767					
-0-	2	-0-	1,114	1,072	42
777					
2	12	-0-	1,834	1,287	547
787					
33	11	-0-	1,105	258	847
This Month			This Year		BL
39	71	-1	110	184	5,715
Boeing sold 25,838 aircraft and delivered 20,123 as of March 31, 2015					
The Current Program includes sales and deliveries of 737s, 747s, 767s, 777s and 787s.					
Sales totals include six cancellations.					

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replace existing airplanes and support the carrier's plans for strategic growth. It will be the first airline in the region to operate the 737 MAX 9. The 737 MAX 9's range and passenger comfort are ideally suited to **Copa's** long-haul route network of 73 cities in 30 countries in North, Central and South America and the Caribbean through its hub in Panama City, **Boeing** said. The 737 MAX features the **Boeing Sky Interior**, **APB** winglets and **CFM LEAP-1B** engines. To date, the 737 MAX has accumulated 2,715 orders from 57 customers around the world.

United Airlines converted 10 of its firm 787 orders to the 777-300ER. The first 777 will be delivered in 2016, and the deal was valued at \$3.3 billion (\$330 million each) at list prices. The Chicago-based carrier said the larger widebody's "attractive upgauge and range opportunities" were factors in the decision. **United** has firm orders for 21 787-9s and 27 787-10s, but it did not immediately disclosed which orders were converted to the 777. This will be **United's** first purchase of the 777-300ER. They will be based in Newark, New Jersey, and used for international services to Asia and Europe. The airline operates 13 early-model 777-200s and 58 777-200ERs. **Boeing** said it sold out its 2016 Triple-7 production slots and has sold half of the 2017 production and part of the 2018 slots. As of March 31, **Boeing** said it sold 25 new 777s, half of its 2015 sales target, but it announced only seven firm orders. The order swap helps fill the gap between the last 777-300ERs and the first 777Xs. The first 777X will be assembled in 2018 and delivered in 2020, so **Boeing** must sell 50 to 60 777s in 2019 as well. It has been offering larger discounts than usual to customers to get them to buy the last few 777-300ERs. It also tweaked the 777 to offer 2 percent more fuel efficiency over earlier models. **Boeing** will have no problem allocating the 787 slots to other customers. **United** is negotiating the lease of 10 to 20 used narrow-body aircraft over the next few years. It plans to retire 130 of its more than 200 50-seat airplanes by the end of 2015. **United** intends to extend the life of its 21 767-300ERs and use them to replace 757s currently on trans-Atlantic services. The 757s will be switched to domestic and Latin American routes.

Boeing reported its first-quarter net income rose by 38 percent to \$1.336 billion. It earned \$965 million in the same quarter 2014. The increase was driven by rising production of commercial aircraft. The company delivered 184 commercial aircraft, a 14 percent increase from the 161 it delivered a year ago. Revenue jumped 8 percent to \$22.149 billion, from the previous year's \$20.465 billion. Commercial jet revenue increased by 21 percent to \$15.381 billion, compared to the \$12.737 billion reported in the winter of 2014. **Boeing's** free cash flow fell to a negative \$486 million in the quarter from a positive \$615 million a year ago. The company said it spent more on factories and tooling for new aircraft models. The cost of building the 787 rose by \$793 million, which increased the total deferred cost to \$26.9 billion. Profit margins in the commercial aircraft business dropped to 10.5 percent from 11.8 percent, but remained above **Boeing's** target for the year of between 9.5 and 10 percent. The profit margin from its military business rose to 11.1 percent from 10.2 percent in early 2014, even though its total **Boeing Defense & Space (BDS)** revenues fell 12 percent to \$6.709 billion from \$7.633 billion last year. Total commercial backlog was more than 5,700 airplanes worth \$495 billion, down from \$502 billion at the beginning of the year, and included 110 net orders for the quarter worth \$15 billion. The **BDS** backlog is \$60 billion with 37 percent coming from international orders. The company repurchased 17 million shares for \$2.5 billion; leaving \$9.5 billion remaining under the current repurchase authorization, which is expected to occur within three years. The company also paid \$600 million in dividends in the quarter.

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Oman Air ordered 20 **Boeing** 737s, including Next Generation 737s, which will be delivered from 2017, and the 737 MAX which will be available from 2019, CEO **Paul Gregorowitsch** said. Ten of the 737s will be purchased directly from **Boeing** and the rest will come from leasing companies. **Oman Air** plans to use the new aircraft to grow its domestic network while increasing services to key regional markets in the Gulf, East Africa and India. The Omani flag carrier currently operates one 737-700, 20 737-800s and two 737-900ERs. The airline will take delivery of its first of nine 787-8s later this year. It will make a decision whether to buy more 787-8s or add the A330neo to its fleet.

Air Tahiti Nui finalized an order for two 787-9 Dreamliners, list priced at \$514 million, on April 30. The French Polynesian flag carrier also leased two additional 787-9s through the **Air Lease Corporation**.

Swiss International Air Lines, and its parent company, **Lufthansa Group**, finalized an order for three additional 777-300ER airplanes, valued at \$990 million at current list prices. The order was booked in April and announced in May. In 2013, **Swiss** bought its first six 777-300ERs, and the type will form the backbone of the airline's long-haul fleet.

Regional Report

Bombardier's spokeswoman said there is a "firm agreement" for **Ilyushin Finance Company (IFC)** to buy 32 CSeries jets "and as such we are confident we can work together to overcome any concerns." **IFC**, the third largest customer, is reconsidering its purchase and will make a decision by the **Paris Airshow** in June, the company's General Director, **Alexander Roubtsov**, said. He has grown impatient with a number of delays that have pushed back delivery, but said the performance of the CS100 flight test aircraft was "quite spectacular". Other than a small weight increase, the CS100 is meeting **Bombardier's** promised fuel efficiency and range, he said. Entry into service was delayed until early 2016. The cost of the deal has risen, because the U.S., Canada and the **European Union** imposed sanctions to force Russia to drop support for separatists in Ukraine. The **Canadian Government** has barred Russian companies from taking advantage of cheap export-bank financing. This has limited **IFC's** access to capital markets. The lessor may cut the number of airplanes ordered or swap some for other types of planes. **IFC** is pressured by the **Russian Government** to support the **Sukhoi** Superjet. The government committed to invest 100 billion roubles (\$1.86 billion) to recapitalize the Superjet program. Part of the money could be directed to **IFC** to buy more Superjets, instead of the CSeries. **IFC** is partly-owned by Russia's **United Aircraft Corporation**. The CSeries deal was signed in February 2014; it bolstered the slow-selling order book and helped the Canadian manufacturer to break into the Russian market. **Bombardier** wants to complete CSeries flight tests this year, and it has 243 firm orders.

Yamal Airlines intends to place a "substantial order" for **Sukhoi Civil Aircraft** SSJ 100-95s according to the Governor of the Yamal-Nenets Autonomous Okrug, **Dmitry Kobylkin**. The jets would be used to replace the 24 Western-made aircraft that **Yamal** leases from foreign firms. The airplane leases are a serious financial burden on the district government due to the decline in the Russian economy and the rouble's value. The SSJ 100s will be delivered by 2021. The governor said transitioning to an all-Russian fleet would qualify **Yamal Airlines** for **Russian Federation** state-subsidies. The airline is negotiating with **Sukhoi**, the **Russian Government**, and domestic lessors to develop a sustainable leasing model.

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Air Côte d'Ivoire, the national airline of the Republic of Côte d'Ivoire, converted two Q400 NextGen airliner options into a firm order. The two options were part of a contract announced on December 18, 2013 to buy two Q400NGs. The airline took delivery of its first two aircraft in 2014. Based on the list price, the new firm order was valued at approximately \$69 million.

Embraer delivered 20 E175 regional jets in the first three months of 2015. The manufacturer sold 22 new E-Jets in the quarter, increasing **Embraer's** backlog by two aircraft, to 454. The backlog includes firm orders for 210 E-Jet E2 aircraft, which introduce redesigned wings and the new **Pratt & Whitney** PW1700/1900G geared turbofan engines. **Embraer** plans to continue delivering E-Jets at a rate of 90-95 per year, or roughly eight per month through the transition to the E-Jet E2 family that begins in 2018. The manufacturer will continue to build its current-generation E-Jets while it begins producing and delivering its next-generation E-Jet E2s, a top **Embraer** executive said. The production overlap will likely last about three years in total, but the overlap for each model will probably last for just one year. E2 development is on track, but some of the most difficult work lies ahead, the company said. **Embraer** is now upgrading the current E170, E175, E190 and E195 models to improve their efficiency, before they are replaced by the E2 versions. **Embraer** said E2s will be 16 to 24 percent more fuel efficient than current E-Jets. The first E190-E2s will be delivered in 2018, followed by the E195-E2 in 2019 and the E175-E2 by 2020. They are dropping the smallest E170 model.

Embraer March 31, 2015 Orders & Deliveries

Type	Total Orders	Total Options	Total Deliveries	Current Backlog
E170	193	7	188	5
E175	441	365	269	172
E190	575	89	515	60
E195	145	2	138	7
E175-E2	100	100	0	100
E190-E2	60	70	0	60
E195-E2	50	50	0	50
Total	1,564	683	1,110	454
Type	1st Quarter Deliveries		2015 Deliveries	
Light Exec Jets	10		10	
Large Exec Jets	2		2	
Embraer 170	-0-		-0-	
Embraer 175	20		20	
Embraer 190	-0-		-0-	
Embraer 195	-0-		-0-	
Total	32		32	

Embraer delivered 10 light Phenom jets and two large Legacy 500 aircraft in the first quarter. It sold 15 E175s and two E190s to **KLM Cityhopper** in the period. **KLM's** regional subsidiary took options for another 17 E-Jets as well. The firm order was valued at \$764 million based on list prices. **Republic Airways** signed an order for five new E175 jets, worth \$222 million. The aircraft will be delivered in mid-2016. **Republic** maintains 32 options for the E175. At the end of March, 2015, **Embraer's** firm order backlog totaled \$20.4 billion.

Mitsubishi Aircraft confirmed that the first flight of the MRJ regional jet will be delayed until September or October 2015 from the previously scheduled second quarter. It said the delay will not impact the first deliveries to **All Nippon Airways** in the second quarter of 2017. **Mitsubishi** said in a statement, "Presently static strength testing and manufacture of the second and subsequent flight test aircraft are all proceeding smoothly. In order to fully incorporate the verification results of the various

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ground tests and related feedback into the first flight test aircraft, the timing of the first flight has been reviewed and is now scheduled for September or October of this year. Following that, it will conduct an intensive flight test campaign, and accelerate production at its Nagoya facility in order to meet the delivery timetable. This is the second delay since August 2013 and the program is now three years late. The manufacturer said it found a bug in a portion of its software. Design changes also had to be made to some system parts. In considering these issues in detail, we looked at feedback on the airframe software and hardware. One specific example of this feedback is a problem with the degree of ram-air turbine structural strength, a spokeswoman said. These are, however, problems that arise as a normal part of the aircraft development process. They do not, at any rate, represent the kind of major trouble that would cause a delay in the overall schedule. In January, the engines were run on the test aircraft (SN 10001). **Mitsubishi** performed various ground tests including functional and performance tests for all of its systems. It has also conducted ground vibration tests, electromagnetic tests, safety tests and taxi tests. **Mitsubishi Aircraft** is a subsidiary of **Mitsubishi Heavy Industries** and **Toyota** is an investor. The MRJ is direct competitor with the 100-seat **Bombardier** CSeries jet and the company aims to be the number 2 regional jet builder after **Embraer**. **Mitsubishi** intends to sell more than 2,000 MRJ aircraft at a list price of \$42 million each. It has 223 firm orders, just shy of **Bombardier's** 243 firm orders for the CSeries. **Mitsubishi** also holds 164 options and 20 letters of intent for the MRJ.

Indonesian Aerospace Sold 75 N219s to three domestic Indonesian operators. **Nusantara Buena Air** and **Aviastar Mandiri** each signed a Memorandum of Understanding (MOU) for 20 N219s, plus 10 options. **Trigana Air Service** signed a MOU for 10 aircraft and five options. **Lion Air** reportedly ordered 100 N219s in August 2013. The 19-passenger N219 twin turboprop was developed from the **EADS-Indonesian Aerospace CN-212** Aviocar, and it is list priced at \$4 million each.

Order Changes and Cancellations

Airbus Reported Several Order Changes and Cancellations in March. **Lufthansa** exchanged one A320ceo order for one A320neo. **Philippine Airlines** dropped 10 A321ceos when it ordered one dozen A321neos. **Airbus** officially recorded a total of 20 cancellations in 2015. **Avianca Holdings** switched two of its 19 A319neo orders to the A319ceo model. The South American airline group now has five A319ceos on order. **Avianca Holdings** also cancelled three A320ceo orders and picked up two A320neos and one A321ceo. Airlines usually drop the older version in favor of the newer one. Perhaps **Avianca** opted for earlier delivery of its A319s and A321. **Aviation Capital** dropped two A320ceo orders and now has purchased and taken delivery of 39 of the type. **CALC** swapped one of its 15 A321ceos and ordered its 51st A320ceo. **SMBC Aviation**

AirAsia X's said it would acquire an unspecified number of HGW (High Gross Weight) A330-300s for the new services to Europe it will launch next year. The A330-300 HGW is seven tons heavier than the standard version, and features a stronger wing and additional fuel capacity giving the aircraft a range of 11,300 kilometers. Acting CEO **Benjamin Ismail** told the press that the airline would meet with **Airbus** about converting some of **AirAsia X's** 23 firm A330 orders to the HGW variant. Deliveries should begin before the launch of flights to London in mid-2016. It may lease two A330s from a Middle Eastern airline in order to launch the route six months earlier. **AirAsia X** leased two A340-300s from 2009 to 2014 which were used on European flights until 2012. The airline blamed high fuel prices, exorbitant taxes, and weak travel demand for quitting the routes. It still operates two A340-300s that were leased in November 2014 and February 2015.

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Capital changed two A320ceo orders to its fifth and sixth A321ceos. One undisclosed A320ceo order was attributed to **Spring Airlines** upon delivery. **Synergy Aerospace** added two A320ceo orders and took delivery of them. The **Governments, Executive & Private Owners** category added its 19th A320ceo. **Nile Air** cancelled its two A321ceo orders, and picked up two A320ceos.

Boeing Reported Two Cancellations in March, including one 737NG and one -787.

American Airlines delayed the delivery of five 787-8s from 2016 and will now take four Dreamliners in 2017 and one in 2018. The company said the delays were not due to the shortage of **Zodiac** first class seats, but because its international traffic is not growing as fast as capacity. **United** and **Delta** are also cutting international capacity growth. **American** has again accelerated the retirement of **Boeing** 757s and **McDonnell Douglas** MD-80s.

AerCap Holdings N.V., Amsterdam, announced that it signed lease agreements for 67 aircraft, and delivered 32 aircraft under contracted lease agreements. **AerCap** bought two **Boeing** 787-8s, four 787-9s, and six 737-800s, as well as four **Airbus** A321-200s and one A330-300. The lessor also sold and parted-out for 20 aircraft, including, one **Airbus** A310-300, one A319-100, four A320-200s, one A321-100, one A330-300, and two A340-300s. It sold and recycled two **Boeing** 737 classics, two 747-400s, one 757-200 and one 767-300ER from **AerCap's** owned portfolio, and four 737 classics from its managed portfolio. The lessor signed financing transactions worth \$1.6 billion. At the end of the first quarter, **AerCap** had approximately 1,640 aircraft in its portfolio i owned, managed, or under contract to purchase.



Air Lease Corporation (ALC) will long-term lease one new **Boeing** 787-9 aircraft to **Aero-mexico**. This aircraft is scheduled for delivery in the autumn of 2016 and comes from **ALC's** order book with **Boeing**. The Mexican carrier has ordered six 787-9s from **Boeing** and has taken delivery of seven of nine ordered 787-8s. **Aeromexico** is using the twinjets to replace its fleet of 767-200ERs and 767-300ERs.

GE Capital Aviation Services (GECAS) leased one new **Boeing** 737-800 aircraft to **Hainan Airlines** to expand the carrier's fleet. The aircraft is part of **GECAS'** existing order book with **Boeing**. Long-standing **GECAS** customer, **Hainan** is the largest private airline in the People's Republic of China, and operates a fleet of more than 160 aircraft to more than 90 destinations. **GECAS** currently leases more than 1,570 aircraft to over 235 customers in 75 countries.

Avolon announced it agreed to sell and leaseback transactions 19 new aircraft worth approximately \$841 million in the first quarter of 2015. By the end of the first quarter, **Avolon** had a fleet of 143 owned and managed aircraft and commitments for 108 aircraft which will drive future growth.

Engines

Air China has selected **Rolls-Royce** Trent 1000 engines and long-term **TotalCare** support for its 15 new **Boeing** 787-9 Dreamliners. The airline has 49 Trent 700-powered **Airbus** A330s in service and

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another four A330s and 10 Trent XWB-powered A350XWBs on order. **Rolls-Royce** CEO, **John Rishton**, said, "This is a significant selection by a valued customer and we look forward to continuing to strengthen our relationship with **Air China**. The Trent 1000 offers [its] operators outstanding lifetime fuel burn performance and reliability on the **Boeing** 787 Dreamliner."

COPA Airlines announced an order for 122 **CFM International** LEAP-1B engines to power 61 **Boeing** 737 MAX 8 and MAX 9 aircraft. The engine order was valued at more than \$1.6 billion (\$13.115 million each) at list price. **COPA** became a **CFM** customer in 1999 when it ordered eight CFM56-7B-powered 737s, and today, it has a fleet of 78 Next-Generation 737s in service or on order.

Air New Zealand has selected **Pratt & Whitney** PurePower PW1100G-JM engines for its 10 A320neos and three A321neos on order. The agreement also provides fleet management support services for up to 16 years. Deliveries are scheduled to begin in 2017 and continue through 2019. To date, the PurePower Geared Turbofan (GTF) family of engines has completed more than 17,000 hours of testing, including 4,000 flight hours.

Air Algérie took delivery of the first of three **Airbus** A330-202s powered by CF6-80E1 engines. The engine order was valued at more than \$100 million at list price. **Air Algérie** has been a **GE** customer for more than 25 years. Nearly 70 percent of the **Air Algérie's** fleet is powered by engines from **GE** or its joint venture partner, **CFM International**. The three new A330s were ordered in January 2014, and their cabins accommodate 18 passengers in business class, 14 in premium economy and 219 in economy class.

Airline News

American Airlines and **US Airways** were given a single operating certificate (SOC) by U.S. regulators on April 8, which almost completes their integration. The single certificate was granted, because the majority of the carriers' flight, maintenance and dispatch procedures are now identical. **American** will focus on moving to a single reservation system and website, and combine their frontline employee workgroups by the end of this year. The move to the **Sabre** reservation system is fraught with hazard, because a glitch will cost millions of dollars in lost sales. The two airlines switched to a single loyalty program for frequent fliers on March 28. The two carriers merged in December 2013. The U.S. **Federal Aviation Administration (FAA)** now recognizes the airlines as one, and **American Airlines** dropped the "Cactus" call sign on its **US Airways** aircraft. It will take two years to repaint all the aircraft in **American's** color scheme. The SOC will allow **American** to reap an estimated savings of \$1 billion, from the economies of scale, negotiating better deals with suppliers, having mechanics share parts between the two divisions and putting airport operations in the same place.

Kenya Airways will sell five airplanes and some land as well as negotiate a bridging loan to help it go

IATA Posts April 2015 Jet Fuel Prices. The association updates the world's average jet fuel prices each week. On April 17, the world's average price of fuel was \$1.780 per gallon, 8.6 percent higher than the March 2015 price of \$1.643. It was also 39.8 percent less than in April 2014. The price of fuel is affected by location. It was only \$1.70 in the Middle East region and was as high as \$1.862 per gallon in Latin America. In Asia, fuel costs \$1.781 per gallon. Fuel rose to \$1.814 in Europe and to \$1.761 in North America. Since last year, fuel costs in those regions dropped by 38.5 and 41.0 percent respectively. **IATA** estimated that the global airline industry's fuel bill will total \$71.0 billion in 2015. This will be a decrease of \$83.8 billion from 2014.

through a cash shortage caused by a drop in passenger boardings. The carrier made a big loss in the previous half-year to September 2014, because Islamist militant attacks chased tourists away from the country. The airline lost \$134 million in the first half, and passenger numbers fell five points to 64 percent of capacity from 69 percent in 2014. Chief executive **Mbuvi Ngunze** said the forecast for the peak summer holiday season was steady for now, but it could be hurt by the latest attack in Kenya. After the massacre at **Garissa University** some beach hotels and safari lodges reported cancellations. **Kenya** is selling four **Boeing** 777-200ERs, its only 767-300ER and some land it owns to help cut its \$833.4 million debt. It operated 45 airplanes in 2014 and will cut its fleet to 35 planes, including four 737-700s, seven 737-800s, six 787-8s and 18 **Embraer** E-Jets.

Alas Uruguay delayed its launch from April until June. CEO **César Iroldi** told the local press that the carrier still had to secure its **Air Operators Certificate (AOC)** from the Uruguayan civil aviation authority, **Dirección Nacional de Aviación Civil (DINACIA)**, but it would begin charter and cargo flights in April with its two 737-300s. It will serve large cities in southern South America with a fleet of four leased 737s by the end of the year.

Senegal Airlines ran up a debt of \$75 million in the last six years and it will be nationalized to keep it from bankruptcy. The national airline was founded in May 2009 to replace the former flag carrier **Air Senegal International**. It currently leases one 26-year old A320-231 from **Global Aviation Operations**, South Africa, and leases one new Dash 8-Q400 from **Falcon Aviation Services**. It returned three other A320-214s to lessors in the second half of 2014. A new holding company will be established and the government will convert the money owed into equity in the new airline. After the finances are stabilized, the **Senegalese Government** will sell 49 percent of the airline to foreign investors, and more shares to domestic companies. Management will fire 40 percent of the airline's 230 workers and the remaining employees will take a 40 percent pay cut. The airline should be up and running by the time the new **Blaise Diagne International Airport** opens at Dakar later this year.

AirAsia X plans to fly to the United States and applied to the U.S. **Department of Transportation (DOT)** for a Foreign Air Carrier Permit as well as Route Exemption. The airline will fly from Kuala Lumpur, Malaysia to several cities in the U.S., including Honolulu, via **Osaka Kansai Airport**. The initial service will use A330-300s on four flights per week and. The flights are scheduled to start on November 1. The airline will return to Europe by mid-2016, after a several year hiatus.

Orenair (Orenberg Airlines), Russia, has suffered from a drop in traffic and the weakened Russian rouble, so it needs to borrow 1 billion roubles (\$16.55 million) from its parent **Aeroflot**. The three-year loan has a usurious 20 percent interest rate per year. The loan will cover its aircraft lease payments. The airline currently operates 16 737-800s and three 777-2Q8ERs on domestic routes

Sukhoi Civil Aircraft offered to supply the **Crimean Government** with SSJ 100-95 aircraft. The unnamed new carrier will be based out of Simferopol, and would operate a fleet of six SSJs to 14 destinations in Russia, and the fleet could grow to 36 in the long run. **UAC** spokesman, **Sergei Tourik**, said a total of 1.45 billion roubles (\$24.45 million) will be required to implement the project. The timeframe for the project to turn profitable - no less than 3 years while the initial start-up period will be roughly 8 months. The airline is intended to facilitate the region's depressed tourism industry that is struggling to recover after Russia's unilateral annexation last year. Moscow has offered to subsidize airlines to encourage them to serve Crimea. Three airlines, **Groznyavia**, **Orenair** and **Red Wings** are among the first to do so.

and flights to Germany and Tajikistan. **Orenair** is returning the three 777s to **AerCap**. The airline lost 4.2 billion roubles (\$67.77 million) the last financial year, which was the largest loss of any of the **Aeroflot Group's** subsidiaries. The new funds will go toward debt restructuring, including the settlement of out-standing dues owed to banks, aircraft lessors, aviation fuel suppliers, as well as for MRO and airport fees. Since late last year, creditors have stepped up their claims with **Avialeasing**, **Alfa Bank**, and lessor **UGRA SPb** among the largest claimants to have filed bankruptcy petitions against **UTair**.

UTair Aviation Group will secure 19 billion roubles (\$335 million) in guarantees from the **Russian Government**. The funds will be used to restructure debt, including paying outstanding bills owed to banks, aircraft lessors, aviation fuel suppliers, airports and MROs. **UTair Aviation**, and its subsidiaries, cut their fleets from 115 airplanes to 71, producing \$100 million in annual savings. The cuts were necessary to offset the fall in demand for travel as well as a sharp increase in the cost of lease payments due to the unfavorable rouble-dollar exchange rate. The group returned six 737-800s, a dozen A321-200s, and fifteen CRJ200s to their respective lessors while nine 757-200s were transferred to **Katekavia's Azur Air** charter division. The Group also plans to cut 39 helicopters from its **UTair Helicopter Services'** fleet of 182. The group will reduce charter flights by two thirds. The struggling **UTair** had originally applied for 40 billion roubles (\$696 million) in funding late last year but the **Kremlin** rejected it. Other companies are vying for some of the 40 billion rouble guarantees, including **Ural Airlines** and **Sukhoi Civil Aircraft**.

The Kuwait Government refused to cover **Kuwait Airways'** 145 million dinar (\$490 million) losses that were incurred during the past two years. Finance Minister **Anas Khalid Al Saleh** demanded the airline shoulder its own debts as it prepares to become a publicly listed company. **Kuwait** accumulated \$1.5 billion worth of debt between 2004 and 2012, and in 2013, the airline received \$500 million compensation from the **Iraqi Government** for damages from the invasion in 1990. It recorded losses for all but one year since the early 1990s. The debt was assumed by the government as part of its plans to privatize the airline. The airline received its first new aircraft in 17 years when it leased five new A320-200s from **AWAS** from December 2014 through March 2015. **Kuwait** will lease another seven A320s shortly. It will take delivery of 10 A350-800s by 2020. It is expected that the new fleet should save tens of millions in maintenance costs and help the airline get back into the black. **Kuwait** is one of the worst performing airlines in the region and had a market share of only 14 percent.

Wizz Air, a Central European budget carrier, is dissolving its Ukrainian subsidiary, **Wizz Air Ukraine**, and will reduce its operations in the country. The two **Airbus** A320s stationed in Kiev will be transferred to the parent airline. One plane will remain in Kiev and the second will go to Slovakia. The airline plans to operate eight routes from Kiev, to Germany, Hungary, Poland, Cyprus and the U.K. Many routes from Kiev were discontinued, and operations from Lviv were closed. **Wizz** reduced its Ukrainian operations last year, but said it stands ready for expansion as and when market conditions improve.

Xiamen Airlines will launch three times weekly 787-8 flights to Amsterdam on July 26. This will be **Xiamen's** first international service. It will start flying to Sydney and Melbourne, Australia, in October. The airline operates four 787s and has two more due shortly. It wants to start flying to North America later next year, with Los Angeles, Seattle, and Vancouver as its first choices. The airline may have to remove some of the 237 seats (4F, 18C & 215Y) from the 787s to increase the range. The airline has

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rejected the option of operating 777s because they were deemed too expensive. In the long term, **Xiamen** may order 787-9s for its longest routes, and it may operate 10 of them by 2020.

Yemenia suspended operations in April, coinciding with the **Royal Saudi Air Force (RSAF)** bombing of Houthi insurgents near **Sana'a International Airport**. The attacks apparently damaged parts of the airport's main terminal as well as its primary runway. There is no reliable information concerning the condition of **Yemenia's** fleet of two A310s, two A320s and two A330s. The two A330-234s (SN 625 & 632) are leased from **AerCap** and one of them is at Jakarta, Indonesia. **Felix Airways** operated two CRJ200s and two CRJ700s and **Blue Bird Aviation** flew four Dash 8-100s from their bases at Sana'a. The fate of those aircraft is not currently known, but on April 28, the press reported that the **RSAF** bombed the Sana'a airport runway again to keep an Iranian airplane from landing. One **Felix** regional jet was reported to be on fire after the strike. An unidentified cargo plane was also hit. The **Aden Airport** is also closed to commercial traffic. Yemen's civil aviation authority closed the country's airspace to international traffic and airlines had to route their flights around the country resulting in delays of one to two hours.

Finnair Acquired Flybe Nordic by buying **Flybe UK's** 60 share for €1. The transaction closed on March 31, 2015. **Finnair** intends to sell the airline and is holding discussions with **StaffPoint Holding** and **G.W. Sohlberg** about their joint purchase of the former **Flybe UK** shares. The three parties signed a Memorandum of Understanding about the sale on January 7, 2015. **Flybe Nordic** owns **Flybe Finland**, which operates 26 ATR 72s and **Embraer** E-Jets on a substantial part of **Finnair's** domestic and European routes. **Flybe Finland** will continue to operate normally. CEO **Pekka Vauramo** said, "Finnair aims to find together with its partners a business model that would enable the development of regional flying in a financially sustainable way. We will take an important step to this direction at the beginning of May, when all routes operated by **Flybe Finland** at their own commercial risk will become a part of **Finnair's** contract flying arrangements, as we have communicated earlier. **Flybe Finland** has also implemented several internal measures to improve the company's financial position."

Switzerland's Federal Office of Civil Aviation (FOCA) allowed **Etihad Airways** to purchase 33.3 percent of Swiss regional carrier **Darwin Airline**. The airline has operated as **Etihad Regional** under a brand and partnership agreement with **Etihad** since January 2014. The **FOCA** approval of the investment now enables the two companies to fully leverage the benefits of their partnership, including code sharing on each other's flights within and beyond Europe.

Veca Airlines, El Salvador, started new low-cost operations in April. It intends to expand its route system to include the United States and the Caribbean. **Veca** was bankrolled by a group of Salvadoran businessmen, who provided \$60 million. The airline will hire 200 employees and operate three **Airbus** A319s between Guatemala City, San Jose and San Salvador. The company hopes to serve more regional destinations, shortly.

BlueSky Airlines launched services from Congo's **Kinshasa N'Djili Airport** with one ex-**Ryan International Airlines** MD-83 (SN 53093) in April. It will fly to Gemena, Goma, Kananga, Kisangani, Lubumbashi, Mbandaka and Mbuji Mayi. The airline is owned and founded by **Stavros Papaioannou**, who was also a 25 percent owner of the now defunct **HBA-Hewa Bora Airways**.

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Dominican Wings, Dominican Republic, will launch services with its first A320-200 (LY-VEP, SN 561), that is leased from its parent company **Avion Express**, Lithuania. **Dominican Wings** secured its **Air Operators Certificate (AOC)** from the civil aviation authority **Junta de Aviación Civil de la República Dominicana (JAC)** late last year. It plans to offer charter flights between the Dominican Republic and Argentina on behalf of Argentine tour operators.

Iranian Airlines Not Waiting for Sanctions to be Lifted. **Taban Air** added ex-**Hi Fly** A310-300 (EP-TBH, SN 565) to its fleet. It is already wet-leasing A310 (YA-CAQ, SN 496) from **Ariana Afghan Airlines**. **Taban** also operates an **AVRO** RJ85 and five **McDonnell Douglas** MD-88s on flights throughout Iran, and to Turkey, Iraq and Dubai. **Sepehran Airways** is a new Iranian start-up which intends to offer passenger services later this year. The carrier recently acquired its first aircraft, **Boeing** 737-500 (SN 25066) from **xpressair** on April 18.

Bankruptcy of the Month

All Nippon Airways (ANA) will buy up to 19.9 percent of **Skymark Airlines** as part of the bankrupt domestic budget carrier's rescue plan. If **ANA** owned 20 percent or more of **Skymark**, it would have to divest of some of its landing slots at **Tokyo Haneda Airport**. The private equity firm **Integral** bought 50.1 percent of the shares for ¥9 billion (\$76 million) earlier this year. It is still seeking other investors, including the **Development Bank of Japan** and **Sumitomo Mitsui Banking Corp.**, to help it turn the airline around. The two parties agreed on a various plans, including the relisting of **Skymark** in five years and retaining most of the employees. **ANA** will help **Skymark** through joint flights, fuel purchases and safety. **ANA** will invest approximately ¥3.6 billion (\$30 million) for its shares and other companies will spend approximately ¥5.4 billion (\$45 million) for their 30 percent of the stock. Through **ANA Group**, the Japanese full-service airline has invested in domestic low-cost carriers, including **Air Do**, **Peach**, **Solaseed Air**, and **Vanilla Air**. The **Skymark** investment gives **ANA** access to coveted landing slots and lengthens its lead over rival **Japan Airlines**. **ANA**, and its affiliates and partners, control more than half of the 486 landing slots at **Haneda**, which is the country's main domestic hub. **ANA's** purchase means Japan is left with only two international airlines.

All Nippon Airways (ANA) signed a Letter of Intent (LOI) with lessor **Intrepid Aviation** covering five A330-343s (SN 1483, 1491, 1542,

AVMARK wonders why **ANA** does not buy **Skymark's** six cancelled A380s for its trans-Pacific routes. **ANA** was a leader in offering high-density domestic services with single-class 747-400Ds that could seat up to 660 passengers. Currently **ANA** and its alliance partner, **United** fly one 374-seat 747-400 and one 264-seat 777-300ER from San Francisco to Tokyo per day and the two flights each leave within 45 minutes of noon. At 80 percent load factor, that represents 638 seats, enough to fill one and half **Skymark** A380s which were designed to seat 394 passengers in a "premium" two-class configuration. The airplanes could be fitted with a lot more tourist seats and fewer first and business class seats to accommodate 644 passengers, or up to 853 people in all-tourist seating. **Airbus** is pressing **Skymark** for a \$700 million cancellation penalty, which would almost pay for three of the cancelled A380s (SN 162 & 167 were built). It is probable that **Airbus** would offer the A380s at bargain prices rather than have them languish on the ramp at Toulouse. The sale to **ANA** might spur **JAL** to buy as well. If **Emirates** can make money with 519 seats in their A380s, then **ANA** should be able to earn a profit with more than 600 seats.

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1554 & 1592) that were originally leased to **Skymark Airlines**. The bankrupt low-cost-carrier relinquished leases for 10 A330-300s i seven from **Intrepid** and three from **CIT Aerospace** in January. **Intrepid** filed claims for ¥108 billion (\$900 million) in breach-of-contract losses with **Skymark**. **ANA** intends to long-term lease the A330s from **Intrepid** starting in 2016. If they are delivered, the A330s will be the first **Airbus** widebody aircraft to be operated by **ANA**. It is possible that **ANA** may be interested in **Skymark's** cancelled order for six A380-800s.

Spicejet announced that it had reached an in-principle agreement with five financiers whose four 737-8GJ/Ws (SN 36368, 36369, 37362 & 37365) and one 737-9GJER (SN 34953) are managed by **BBAM Aircraft Leasing & Finance**, Ireland. The firms claimed more than 1 billion rupees (\$16 million) in unpaid back rent, and they will withdraw their petition for **Spicejet's** bankruptcy in the **Madras High Court**. **BBAM** said they last received basic leasing and MRO fees in November 2013, and **Spicejet** made partial repayments in November 2014. They terminated their 737 contracts in December 2014 and served notices in January 2015, claiming that accumulated interest coupled with the airline's unwillingness to negotiate a settlement has left them no option but to pursue a declaration of bankruptcy against the airline. In its stock market filing, **Spicejet** said, "the lessors have agreed to suspend court proceedings and deregistration process of aircraft subject to **SpiceJet** satisfying the terms of settlement and parties executing definitive agreements." The airline said a similar dispute over three aircraft leased from **BOC Aviation** (one is -8GJ/W SN 37364) has been resolved while talks with **Ansett Worldwide Aviation Services (AWAS)** over three other -8GJ/Ws (SN 39423, 39424 & 39427) are currently ongoing. **Spicejet** will add four to eight 737s on dry lease and three on wet-lease this summer to accommodate traffic during the busiest season. **Spicejet's** plans to grow its fleet to 26 737s by summer, and to 33 by the end of the year. The airline wants to advance deliveries from 2018 to 2017. **Spicejet** also opened negotiations with **Boeing** to accelerate the first deliveries of the 42 737 MAX 8s which the carrier ordered a year ago.

The US Federal Aviation Administration (FAA) reinstated India's Category 1 rating under its **International Aviation Safety Assessment (IASA)** program. This allows **Air India** and **Jet Airways** to increase their services to the United States. U.S. Transportation Secretary **Anthony Foxx** said, "The **United States Government** commends the **Government of India** for taking corrective action to address the safety oversight issues identified during the **IASA** process." The Category 1 rating signifies that India's civil aviation oversight body, the **Directorate General for Civil Aviation (DGCA)** is in compliance with **ICAO** minima and permits Indian carriers to operate flights to the United States using their own aircraft and to codeshare with U.S. carriers. The **FAA** downgraded India to Category II in January 2014, because some **DGCA** inspectors were inadequately trained and there was a shortage of full-time Flight Operations Inspectors. The **DGCA** resolved the outstanding issues before the **FAA** audit in December.

BQB Lineas Aereas, Uruguay, ceased operations on April 11 and the employees were fired. The carrier struggled to remain afloat in a difficult market. On April 16, the airline was sold to **Linea Aereas Amaszonas**, Bolivia. The airline operated three ATR 72-500s (SN 636, 805 & 816) and one of them may have been acquired by **Nordic Aviation Capital (NAC)**. The rest may follow shortly.

Technical

Comlux America, Indianapolis, Indiana, has broken ground on the expansion of its current VIP completion hangar. The larger facility will be able to house four narrowbodies and one widebody aircraft simultaneously, and it should be completed in the fourth quarter. The existing facility was finished in 2012, and the expansion will increase the hangar from 128,000 square feet to 157,000 square feet. The expansion was needed because the **Comlux Group's** American completion and services center won the contract for its first VIP A330 interior. The A330 is being modified for a customer in the Far East. This aircraft will be the ninth interior completion for **Comlux America**.

Flying Colours Corporation, a Canadian MRO, completion and refurbishment specialist, is converting eight China-registered CRJ200 aircraft into corporate jets for **Sparkle Roll Technik Co. Ltd. (SRT)**, China. The first three planes arrived at **Flying Colours'** Peterborough headquarters in Canada, and work is well under way. The initial three are being reconfigured in a mixed class shuttle format. Each cabin has been divided into three separate areas. The aft section incorporates a 20-seat economy section, the middle section has four business class seats in two double club layout, whilst the front cabin will feature a three seat divan alongside a double club business class seat configuration. In addition an aft lavatory will be fitted whilst a small forward galley will be installed, **Flying Colours** said. The fully executive version of the **SRT CRJ's** will be similar to the **Flying Colours CRJ ExecLiner** conversions. The conversions include heavy maintenance work on the aircraft. **Sparkle Roll** is finalizing the design of the remaining five aircraft, but they are expected to be refurbished in the 15-seat ExecLiner configurations, which is already popular in Asia. The first aircraft is due to be redelivered to **SRT** this July, with the last one being completed in February 2016. **Sparkle Roll** employees have been shadowing Canadian workers at the Peterborough facility, since it is planned that the later conversions will be completed in China with interiors components that are manufactured in North America.

Cargo Pallet

Aeronautical Engineers (AEI) delivered the 50th 737-400SF, 11 pallet position freighter conversion. The high gross weight 737-400 (SN 26437) was built in 1992, and was

Airbus Affiliate, EFW Elbe Flugzeugwerke, started its first A330-300 Passenger-to-Freighter (P2F) conversion at Dresden, using former **Malaysia Airlines** A330 (9M-MKI, SN 116). The 20-year old A330 will enter service in 2017. The A330-300P2F will be able to carry up to 60 metric tons over a distance of 2,200 nautical miles. The higher MTOW (maximum takeoff weight) variants will be able to carry 61 tons for up to 3,600 nautical miles. **Airbus** said in a statement, "The longer-fuselage A330-300P2F is particularly suited for integrators and express carriers, resulting from its high volumetric payload capability with lower-density cargo, while the A330-200P2F is optimized for higher-density freight and longer-range performance." The freighters will incorporate a powered loading system to allow main deck pallets to be moved from the front of the aircraft to the back. **EFW** launched the A330P2F conversion program in early 2013 as a joint venture with **Airbus** and **ST Aerospace**, Singapore. Apparently the A330-300 is being converted on speculation because no orders have been announced. **Egyptair** subsidiary, **Egyptair Cargo**, was the launch customer for the A330-200P2F program in December 2014. The contract calls for the conversion of two **Egyptair** passenger aircraft (built in 2004 & 2005), plus two further options. The two A330-200P2Fs will replace three ageing A300B4 freighters. The A330-200PTF will enter service in mid-2018.

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redelivered to **Kalitta Charters**, Ypsilanti, Michigan. The aircraft was converted at **Commercial Jet's** Dothan, Alabama, facility, and represents an important milestone in **AEI's** freighter conversion history. Orders continue to remain strong, and **AEI** has contracts to convert another 15 737-400s into SF freighters this year.

New Conversion Programs. **Aeronautical Engineers** launched their 737-800 Passenger to Freight (P2F) program last year and recently announced that it had firm orders for 50 conversions from two unnamed customers. **PACAVI Group** formally launched its A320/A321 Freighter LITE conversion program in September 2014 and announced that it had firm orders for 42 A320 conversions from two unnamed customers. One of the launch customers is based in Europe, and the other is in Latin America. **PACAVI** teamed up with **AeroTurbine, Inc.**, a wholly-owned subsidiary of **AerCap**, which will perform freighter conversions at its Goodyear, Arizona, facility. **PACAVI's** A320P2F prototype, (ex-**Hermes Airlines**, SN 293) was flown to **Frankfurt Hahn Airport** for conversion by German MRO **HAITEC**. In 2008, **AerCap** ordered 30 **Airbus-EFW** A320 freighter conversions, but the program was dropped in 2011. It is quite possible that **AerCap** will buy the A320 Freighter LITE now that the program is well underway.

PEMCO World Air Services redelivered the fourth of five 737-300Fs (SN 28158) to **China Postal Airlines EMS (CPA)**, Beijing, China. All four of the **PEMCO** freighter conversions were performed at **STAECO's** Jinan, Shandong, China, facility. **PEMCO** and **STAECO** have partnered on approximately 50 **Boeing** 737-300 and 737-400 freighter modifications since 2006.

PEMCO World Air Services will deliver the first 737-400F (SN 24683) to **Modern Logistics**, Sao Paulo, Brazil, in May. The ex-**Orenair** 737 is being converted at the **COOPESA** facility in San Jose, Costa Rica. The freighter will be long-term, dry-leased from **Jetran**. **Modern Logistics** will acquire two more 737 freighters this year and six more 737Fs along with two ATR 72-200(F)s later. The Brazilian start-up plans to operate a fleet of 36 aircraft by 2020. The airline is bolstered by \$30 million worth of private equity investment from Rio de Janeiro-based **DXA Investments** to aid in the launch of operations.

FedEx Corporation will purchase **TNT Express N.V.** in an all-cash offer of €8.00 per share. The transaction valued **TNT Express** at an implied equity value of approximately €4.4 billion (\$4.8 billion). In January 2012, **UPS** offered €9.50 per share but the deal offered fewer synergies than the **FedEx** bid. The **United Parcel Service** bid was blocked by European anti-trust regulators in 2013. **TNT** said the purchase was a "match made in heaven," and the timing was right because of the stronger dollar and a budding European recovery. **FedEx** can succeed where **UPS** failed because there is less overlap with **TNT** and **FedEx** agreed to dispose of **TNT's** airline operations in order to win approval. Adding **TNT** will reinforce **FedEx's** European ground network. Expansion in Europe was a goal for CEO **Fred Smith**. **Patrick Fitzgerald, FedEx** Senior VP for Marketing, said, "We have long identified Europe as an area where we were focused on for growth because of our relatively small market share when compared to other parts of the world." The purchase "will drastically lower our costs to serve European markets by increasing density in our pickup and delivery operation." The two parties expect the transaction to close in the first half of 2016. **FedEx** said it was already marketing the **TNT Express** airline operations to some possible buyers. **TNT** lost a cumulative €673 million over the past four years. If the deal falls apart, **FedEx** will pay **TNT** €200 million, the same amount it got from **UPS** in 2013.

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Lufthansa Cargo again delayed the exercise of its first of five 777F options. The decision could be made by September. **Lufthansa Cargo** took delivery of its fifth 777 freighter in February, and the airline operates 14 MD-11(F)s. The airline announced an operating profit of €100 million (\$105 million) for its latest financial year. **Lufthansa Cargo** offers dedicated freighter and belly-hold capacity on flights throughout the world. It also cooperates with **All Nippon Airways (ANA)** in an air cargo joint venture. The cargo airline will enter into another partnership with an undisclosed carrier later this year.

Military Market

The **Royal Australian Air Force (RAAF)** confirmed that will acquire its seventh and eighth **Boeing C-17A Globemaster** strategic airlifters. The A\$1 billion (\$770 million) deal includes A\$300 million to upgrade facilities at **RAAF Amberley**, where **36 Squadron** is based. In October 2014, Defence Minister **David Johnston** said the country was interested in two to four additional C-17s. Production of C-17s will end in 2015, and **Boeing** has five more "white-tail" C-17s available for purchase. The company manufactured 10 C-17s on spec and sold one of them to Canada and two to an undisclosed customer in the Middle East.

The **Royal Malaysian Air Force (RMAF)** took delivery of its first A400M Atlas tactical transport (M54-01, SN 022) on March 17, at a ceremony at the **Langkawi International Maritime & Aerospace (LIMA) 2015**. Malaysia is the first export customer of the A400M, and it has another three on order. The **RMAF A400M** was on static display throughout the **LIMA 2015** show before it was flown to its new home base at **Subang International Airport**, Kuala Lumpur, on March 21, 2015

Airbus Military Delivered the First C295W to the Mexican Navy (Semar). The Navy became the launch customer for the C295W, the new Airbus C295 medium transport equipped with winglets when it took delivery on April 1. A second C295W will be delivered later this year. The C295W will transport more payload for a longer distance, and offers 4 percent fuel savings, even in hot and high conditions. The **Mexican Navy** specified winglets for two C295s that were ordered in October 2014, and winglets will be standard for all new C295s ordered from now on. Mexico has the biggest **Airbus Defence and**

India Will Buy the Airbus A330 as the platform for its ambitious **Airborne Warning and Control System India (AWACS India)** program. The **Defence Acquisition Council** and defence minister **Manohar Parrikar**, allocated €750 million (\$813 million) to buy two A330-200s, and India optioned four more A330s on March 25. In October 2014, **Airbus Defence & Space** was the surviving bidder for the six-aircraft tender, which was issued the previous March. The four options can be exercised at a later stage. The A330 must be modified to accept a 10 meter- (33 foot) diameter antenna rotodome, a supporting pylon and onboard mission systems. Certification will be handled by **Airbus**. India's Bengaluru-based **Centre for Airborne Systems** – part of its **Defence Research and Development Organisation** – will be responsible for the performance of the fully configured platform. The project is to be completed within 84 months. India already operates three **Ilyushin Il-76**-based AWACSs aircraft and three ERJ-145 Airborne Early Warning & Control (AEW&C) aircraft. Its goal is to operate up to 15 surveillance aircraft. **Airbus** is waiting for the **Indian Air Force** decision to order six A330 Multirole Tanker Transports (MRTT), and it agreed to extend the terms of its offer until July 1. The **Air Force** wants to replace its ancient HAL 748 transports, so **Airbus** teamed up with an Indian partner, **Tata Advanced Systems**, to offer its C295 twin-turboprop. India issued a request for proposals (RIP) for the HAL 748 replacement to eight foreign manufacturers in May 2013.

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Space transport fleet in Latin America, with 11 C295s, eight CN235s and two C212s split between the **Army**, **Navy** and **Federal Police**.

Peru Received its **First C-27J Spartan** from **Alenia Aermacchi** at Lima on March 27. The first of four aircraft (FAP-328) was one of two C-27Js ordered in December 2013, and the **Peruvian Air Force** bought another two in 2014. The deliveries are scheduled to conclude in 2017. Peru also holds eight options for the Spartan, to be built through 2018. The C-27J will perform passenger and cargo transport, humanitarian relief flights, search and rescue missions and fire-fighting, the European manufacturer said.

Allegiant Travel Company purchased three ex-**Hamburg Airways**-leased A320-214s (SN 714, 716 & 730) from **GECAS** in April. The aircraft are scheduled to enter the **Allegiant** operating fleet later this year. **Jude Bricker**, Senior Vice President of Planning, said, "Since the beginning of this year, we have committed to fifteen incremental A320 series aircraft that will be added to our future operating fleet, including two A320-200s bought from **Philippine Airlines** and the six A319-100s bought from **Cebu Pacific Air**. The airline currently has seven A319s and 12 A320-200s in its fleet, and it will acquire 14 ex-**easyJet** A319s as well.

AIRCRAFT DELIVERIES & SALES

Airbus

Airbus A319. **Tianjin FAL** delivered two -115/Ws (SN 6380 & 6391) to **Tibet Airlines**, and -115/W (SN 6368) to **China Eastern Airlines** in March. **Air China** accepted -115/W (SN 6514), and **Druk Air**, Bhutan, acquired -115/W (SN 6496) from Toulouse. **American Airlines** obtained its fourth of seven ordered -115/Ws (SN 6491).

Airbus A320. **Airbus** delivered 24 A320s during March, including four -214/Ws (SN 6502, 6509, 6525 & 6541) to **easyJet**. A320 (SN 6502) was the airline's 250th **Airbus** A320 family aircraft. To celebrate, **easyJet** unveiled a unique livery featuring 250 miniature aircraft, and the airplane was equipped with the latest technology and fuel-saving Sharklets. The airline received its first **Airbus** A319 in September 2003, and celebrated its 200th aircraft delivery in 2011. **EasyJet** has 155 aircraft currently on order, and in terms of total aircraft orders, is **Airbus'** third biggest airline customer. **Vueling Airlines** took delivery of its fourth and fifth -232/Ws (SN 6483 & 6510) and leased -232/W (SN 6518) from **BOC Aviation**. **Spirit Airlines** received two -232/W (SN 6487 & 6507), and **Avianca Brasil** leased two -214/Ws (SN 6528 & 6536) from **Synergy Aerospace**. **AWAS** leased two -214/Ws (SN 6500 & 6516) to **Kuwait Airways**. In Europe, **Wizz Air Hungary** accepted -232/W (SN 6489) and **Lufthansa** received its 75th -214/W (SN 6521). In Asia, **BOC Airlines** leased -232/W (SN 6513) to **Vistara Airlines**, India, and **China Aircraft Leasing Co. (CALC)** leased **Tianjin FAL**-built -232/W (SN 6402) to **Sichuan Airlines**. **VietJet Air** accepted its fourth of 14 -214/Ws (SN 6498), and **AirAsia** bought -216/W (SN 6492). **Garuda** leased -214/W (SN 6503) to **Citilink**, and **Lion Air** leased -214/W (SN 6505) to **Batik Air**. **Spring Airlines** received its 18th and last A320-214/W (SN 6524) on order. Elsewhere, **Airbus** delivered -214/W (SN 6481) to **Air Arabia**, and -232/W (SN 6522) to **Tigerair Australia**, which transferred it to **Tigerair Taiwan**. It is the new low-cost carrier's third A320.

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Airbus A321. Airbus delivered 12 A321s in March, including two -231/Ws (SN 6482 & 6495) to AerCap for lease to American. American/US Airways has a combined fleet of 148 A321s. Philippine Airlines received two -231/Ws (SN 6493 & 6531) and sold them to Avolon Aerospace for lease back. Air Lease Corp. leased one -211/W (SN 6515) to Thomas Cook Scandinavia, and one -231/W (SN 6517) to Air Macau. BOC Aviation leased -211/W (SN 6488) to EVA Airways. China Southern Airlines acquired -231 (SN 6504), and China Eastern Airlines accepted -231/W (SN 6499). Air Berlin obtained its 11th -211/W (SN 6501), and Turkish Airlines (THY) received -231/W (SN 6508). VietJetAir took delivery of its first -211/W (SN 5295). The aircraft was the first of seven ordered from Airbus and it was used as one of the Sharklet wingtip test aircraft. The A321 first flew in October 2012, and it joins 22 A320-200s on a domestic and international network from VietJetAir's hub in Ho Chi Minh City.

Beijing Capital Airlines will take delivery of its first A321-200/W (SN 6818) in the next few months, joining 26 A319-100s and 28 A320-200s. They fly to more than 50 destinations located throughout China as well as Thailand, Okinawa, Korea and Japan.

Lessors. FLY Leasing Limited acquired a 2015-model A321-200 and put it on long-term lease to a leading European airline. Air Lease Corporation (ALC) purchased -212 (SN 2270) from Iberia and leased it back. Iberia is a new customer for ALC.

Airbus A330. Airbus delivered one -200 and six -300s in March, including the sixth -202 (SN 1613) to Air Algérie. The airline has two more on order. Intrepid Aviation Partners took delivery of two -343s (SN 1592 & 1602). The first aircraft was intended for lease to Skymark and was put into storage. The second A330 was long-term leased to Cebu Pacific Air in March. The aircraft are powered by Rolls-Royce Trent 772B engines. Cebu leases two -343s from Intrepid, one -343 from AWAS and three -343s from CIT. CIT accepted -343 (SN 1607) and put it into storage. It was also intended for lease to Skymark. Meridian Aviation Partners leased -343 (SN 1609) to Singapore Airlines. The airline has 31 A330s in its fleet and one more -343 (SN 1633) to be leased from Meridian. Korean Air accepted -323 (SN 1611), and SriLankan Airlines leased -343 (SN 1604) from Hong Kong Aviation Capital (HKAC).

Turkish Airlines (THY) will lease two new A330-302s (SN 1499 & 1535) from Afriqiyah Airways, Libya, it said to the Istanbul Stock Exchange. The A330s are currently in storage at Teruel, Spain, and they will be leased for eight years. Turkish will also lease three A330-200s from Wells Fargo Bank Northwest, NA, which will join its fleet of 17 A330-200s, five -200Fs and 18 -300s.

Philippine Airlines will return five of its seven single-class A330-343s to their German owners according to local media sources. The airline decided to drop its planned services to Jeddah, Kuwait and Muscat. The A330s will be returned by the end of the year. The seven airplanes (SN 1449, 1460, 1463, 1467, 1475, 1482 & 1504) were delivered between September 2013 and March 2014. Three of the -343s (SN 1467, 1475 & 1482) are leased from Babcock Brown Asset Management.

Airbus A350. Qatar Airways took delivery of its second A350-941 (SN 007) in March. It has 78 more on order, and the airline expects to receive seven more A350s this year. Qatar Airways said the performance and dispatch reliability of the first A350 had exceeded expectations.

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Cathay Pacific Airways said it will take delivery of its first A350-900 in February 2016. The carrier has 22 A350-900s on order, and they will replace its fleet of five early-model 777-267s and 10 1997-1998-era A340-300s that operate on routes throughout Asia, Australasia, and Russia. The A350s will feature 38 business-class seats, 28 premium-economy seats, and 214 passengers in economy class. **Cathay** has also ordered 26 A350-1000s which will replace its fleet of three passenger 747-400s, 12 777-367s, and some of its 48 777-367ERs.

Airbus A380. **Lufthansa** took delivery of -841 (SN 175) in March and its 14th and last -841 (SN 177) in April. **Emirates** received -861 (SN 172) in March and its 60th -861 (SN 174) in April. The airline will start accepting its highest-capacity A380s later this year. **Emirates** will eliminate first class to raise the maximum seating from 517 to 615 seats (58 in business class and 557 in economy). The A380s will be put on medium-haul routes, and the first higher-density A380 will serve Copenhagen from Dubai in December. Its first super jumbos carried only 489 seats (F14, C76 & Y399) on longer-distance flights. The A380 is certificated to carry 853 people in a single-class layout, but so far, all the operators have used it as a luxury flagship, featuring opulent first class suites, bars in business class and 10-abreast seating in tourist. **Air Austral** called for 840 seats in its two A380s but the delivery dates are not firm (perhaps 2018). **Transaero Airlines** specified 648 seats (12 seats in Imperial class, 24 in business class, and 612 in economy class) for its A380s but it may not be able to take delivery due to the state of Russia's economy. Their first A380 is due in the fourth quarter of 2015, but one source reported serial numbers 196 & 212 for the airline's first two A380s and suggested a 2016 delivery date.

Boeing

Boeing 737 NG. **Boeing** delivered 44 737s in March, including one -79P/W (SN 39741) to **China Eastern Airlines**. **Delta Air Lines** acquired two -932ER/Ws (SN 31947 & 31948) for a total of 37, and **United Airlines** received two -924ER/Ws (SN 42187 & 42188), and it now has 25 more on order. Two -8H4/Ws (SN 36902 & 36936) were delivered to **Southwest Airlines**, for a fleet total of 87. **American Airlines** received its 251st -823/W (SN 31214), and the **United States Navy** purchased its 24th -8FV P-8A Poseidon (SN 44143). **WestJet** accepted -8CT/W (SN 60130), and **COPA Airlines** bought -8V3/W (SN 40786). **Air Lease Corporation (ALC)** leased -81B/W (SN 41328) to **China Southern Airlines**, and leased -8SH/W (SN 41329) to **Aerolineas Argentinas**. **CIT Leasing Corporation** leased two -84P/Ws (SN 41568 & 41569) to **Hainan Airlines**, and **GECAS** leased -86N/W (SN 43402) to **Solaseed Air**, Japan. **Solaseed Air** operates a fleet of 12 -800s to domestic destinations. In Europe, **Avia Capital Leasing** leased two -8LJ/Ws (SN

GE Capital Aviation Services Limited (GECAS) purchased a new, next-generation 737-8KN/W (SN 40276) from **flydubai** and leased it back in April. The aircraft was part of the airline's existing order book with **Boeing** and was the 46th 737 in **flydubai's** fleet.

Avolon leased ex-**Air Berlin** leased -86J/W (SN 36884) to **Pegasus Airlines** in April. This was **Avolon's** sixth aircraft (five A320s and one 737) to be leased to the fast growing Turkish airline. **Avolon** leased its sixth -8MA/W (SN 43666) to **Aeroflot**. The 737 will be operated by their subsidiary **Pobeda**. As of December 31, 2014, **Avolon** had an owned, managed and committed fleet of 235 aircraft serving 49 customers in 28 countries.

Air Lease Corporation (ALC) long-term leased one ex- **Air Berlin**-leased -86Q/W (SN 30286) to **Belavia**, Belarus in April.

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41205 & 41206) to **Probeda**, Russia. **AerCap** leased -8Q8/W (SN 41804) to **T'Way Air**, Korea, and -8Q8/W (SN 41805) to **Anadolu Air**, Turkey. **Air Berlin** accepted -86J/W (SN 37750), and **Norwegian Air Shuttle** received -8JP/W (SN 41131). **Ryanair** bought two more -8AS/Ws (SN 44695 & 44696), and **Transavia France** acquired a second -8K2/W (SN 44566). **Avolon** delivered the second of four -852/Ws (SN 43665) to **Aerovías de México (Aeromexico)**. **TUI Travel** leased -8K5/W (SN 41662) to **TUIfly**. In the Middle East, **Oman Air (SAOC)** acquired its eighth and last -81M/W (SN 44423), and its second of five -91MERs (SN 44424). **EL AL Israel Airlines** celebrated the delivery of the airline's 50th airplane

Air Algérie will take delivery of one 737-700C combi each in May and September 2016. The airplanes will be operated by the airline's dedicated cargo subsidiary. The flag carrier will also receive eight 737-800s by the end of that year. **Air Algérie** is planning to launch services to **JFK International Airport** in the summer of 2016. It currently operates six A330-200s, thirteen ATR72s, five 737-600s, 17 737-800s and three 767-300ERs and has two A330-200s on order.

purchased from **Boeing** a Next-Generation 737-958ER (SN 41555). **Turkish Airlines** accepted its 12th of 15 -9F2ER/Ws (SN 42011). The **Republic of Iraq** leased -81Z/W (SN 40081) to **Iraqi Airways**, and **flydubai** took delivery of its 45th -8KN/W (SN 40275). In Asia, **SMBC Aviation Capital** leased -8U3/W (SN 39955) to **Garuda Indonesia Air-lines**, and **Lion Air** took delivery of two -8GP/Ws (SN 39835 & 39836) and leased them to **Batik Air**. **Boeing** handed over two -89L/Ws (SN 41103 & 41108) to **Air China**, and one -86D/W (SN 39314) to **Shanghai Airlines**. **Shenzhen Airlines** acquired one -87L/W (SN 40824), and **Xiamen Airlines** obtained one -89C/W (SN 39910). **All Nippon Airways** received its 69th -881/W (SN 44559), and in Oceania, **Virgin Australia Airlines** accepted its 64th -8FE/W (SN 40701). Both airlines have 20 more -800s on order.

SkyWorks Leasing arranged the sale of two 737-824s (SN 28770 & 28771) to Florida-based **Aviator Capital**, on behalf of their U.S. based owner. The aircraft are leased to **United Airlines** until 2018. **SkyWorks** manages a diverse portfolio of 88 aircraft, including **Airbus** A319s, A320s and A300-600Fs, **Boeing** 737NG, 757s, 767s and 747-400Fs, **Bombardier** CRJs, and **Embraer** ERJs.

Spicejet will wet-lease three 737-800s (SN 29250, 32360 & 33833) from **Travel Service Airlines**, Czech Republic, for three months, starting in April. As part of its turnaround program, **Spicejet** intends to increase its 737 fleet from 17 to 26 by summer and 33 by the end of the year.

FLY Leasing Limited acquired one 2008-model 737-800 which is on lease to a leading European airline. **FLY** now has a total of 55 737-800s in its growing fleet. **Colm Barrington**, CEO, said, "We are on track to invest \$750 million in aircraft acquisitions this year, on top of strong fleet growth in both 2013 and 2014. Our strategy of seeking out the most attractive acquisition opportunities is adding further value to our fleet."

Boeing 747. **Lufthansa German Airlines** accepted its 18th 747-830 Intercontinental (SN 37844) in March, and it has one more -830 (SN 37845) on order. To date, **Boeing** has delivered 57 747-8 Freighters and 30 passenger 747-8Is.

Cargolux Airlines International celebrated the delivery of its 30th 747 Freighter, -8R7F freighter (SN 35823) in March. The latest plane was the 12th -8F to join the launch customer's fleet, since the first -8F was handed over in October 2011. **Cargolux** has two more orders for -8Fs to be filled and it still

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operates eight 747-4R7Fs. **Cargolux** sold its new -8R7F (SN 35823) to **Doric**, and long-term leased it back. **Doric** borrowed funds from **Landesbank Hessen-Thüringen Girozentrale (Helaba)** and **Deutsche Bank** to pay for the plane and it is providing long-term asset management on the investor side, it said.

Boeing 767. **Federal Express** took delivery of its 13th and 14th -3S2Fs (SN 42713 & 44379) in March. The cargo airline has 39 more on order. **EuroAtlantic** will acquire two ex-**Kenya Airways** -36NERs SN (30841 & 30853) from **GECAS**, and ex-**Ethiopian Airlines** -33AER (SN 28043) from **AWAS**. The Portuguese ACMI specialist operates a fleet of four -300ERs. The three -300ERs are still in Shannon, Ireland. **ArkeFly**, Netherlands transferred its last -304ER (SN 29384) to sister carrier, **Jetairfly**, Belgium, in April. It replaced its 767-300ERs with new 787-8s.

Boeing 777. **Boeing** delivered 11 777-300ERs and two 777Fs in March. **Qatar Airways Cargo** added its eighth of 12 ordered -FDZs (SN 41427). **Saudi Arabian Airlines** received one -FFG (SN 60337). The airline has three more -FFGs (two are SN 60338 & 60339) on order that are due for delivery by December. The 777s will replace the oldest of its 11 leased 747-400(F)s, because, by law, the airline cannot operate aircraft that are older than 20 years. The Saudi flag carrier also took delivery of its 16th -368ER (SN 42264), and it has four more on order. The **Saudi Arabian Government** officially received -3FGER (SN 61518) and the plane was flown to a completion center for installation of its VIP interior. **Turkish Airlines** acquired two -3F2ERs (SN 44119 & 44120). **Air Lease Corp. (ALC)** took delivery of two -300ERs in March and it long-term leased -31HER (SN 42122) to **Emirates** and -306ER (SN 44549) to **KLM**. **Boeing** delivered one -367ER (SN 41763) to **Cathay Pacific Airways**, and -3M0ER (SN 41685) to **Aeroflot - Russian Airlines**. **China Eastern Airlines** received -39PER (SN 43272), and **All Nippon Airways** accepted -381ER (SN 60136). **Singapore Airlines** obtained -312ER (SN 42240).

Cathay Pacific Airways celebrated the delivery of the airline's 50th 777-367ER on April 30, and has three more on order this year.. Now **Cathay** has 67 777s in operation, including 12 777-300s and five 777-200s. It is one of the launch customers for the 777X with 21 777-9X airplanes on order. The 777-300ER will receive further improvements in 2016 designed to reduce fuel use by two percent.

Boeing 787. **Boeing** delivered 11 787s in March, including five 787-9s. **United Airlines** received its fourth and fifth 787-9s (SN 36404 & 36405), joining the dozen 787-8s the airline already has in service. **AerCap** took delivery of one -8 and -9, and it leased the -8 (SN 38754) to **Ethiopian Airlines**. **AerCap** leased the -9 (SN 35318) to **LAN Airlines**, joining the airline's first 787-9 Dreamliner (SN 35317) that was leased in February. **LAN** will start 787-9 services on South

Ethiopian Airlines CEO Tewolde Gebremariam said his airline would lease, rather than purchase from six to eight early model 787-8s that are known as the "Terrible Teens" 787s. Mr. **Tewolde** told the press, "We want to lease them, but we will not purchase them. The issue is still under discussion." Those airplanes, line numbers 10 through 19, were built in 2012, but not delivered to airlines because they needed post-production re-work, and after that, they were overweight and therefore their range was 1,000 miles shorter. In February, the Ethiopian national carrier was reported to be interested in some of the airplanes. **Air Austral**, Reunion, signed an order for two airplanes (LN 15 & 22) and the **Korean Government** recently purchased one (LN 11), leaving eight unsold aircraft. **Ethiopian** operates a fleet of 12 787-8s and uses them on flights throughout Africa, Europe, North America, South America, and Asia.

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American routes in April. **Virgin Atlantic Airways** leased the first of four -9s (SN 37969) from **Avolon Aerospace** in March. **Avolon** purchased the -9 from the airline and leased it back. **Scoot**, Singapore, accepted its second -9 (SN 37113), and it has nine more on order. **Air India** obtained its 20th -8 (SN 36292), and **Hainan Airlines** received its 10th and final -8 (SN 38056). **Xiamen Airlines** accepted -8 (SN 41540), and **TUI Travel PLC** acquired -8 (SN 36429) and leased it to **ArkeFly**. **Korean Air** purchased -8 (SN 41987). The airplane was line number 11 and was built for **All Nippon** several years ago. The airline rejected several of the early aircraft so the 787 was stored without engines until it was completed in March. It will be converted into a VIP transport for the **Korean Government**.

LAN Perú will add three 787 Dreamliners in January 2016, as part of its fleet renewal program. The twinjets will be deployed on routes to the United States, Spain and Mexico. The 787s will gradually replace **LAN Perú's** fleet of eight 767-300ERs. The airline's parent **LATAM Group** has twenty-two 787-8s and four 787-9s on order, and it has taken delivery of 10 -8s and leased two -9s.

Rossiya withdrew its fleet of six 70-seat An-148-100s from revenue service on April 9. The type's last commercial flight was performed by (SN 27015040005). The decision was made on a purely commercial basis noting that the aircraft's cost-effectiveness was "lower than other types currently in operation in its fleet," the airline said. It leases the An-148s from the **Ilyushin Finance Co.**

Of Note: **Rossiya** is owned by the Russian government and it operates scheduled and charter passenger flights from Saint Petersburg and Moscow, and VIP flights for the Russian Government including the operation of the presidential aircraft fleet. The An-148 is manufactured by **Antonov's AVIANT** plant in Kiev, Ukraine, and by **Voronezh Aircraft Production Association (VASO)** in Voronezh, Russia.

Regional Jet

Bombardier. **American Airlines Group** received three CRJ900 NextGen aircraft (SN 15356, 15357 & 15360) in March. The aircraft will be operated by the group's wholly-owned subsidiary, **PSA Airlines**, under the **American Eagle** brand. **American** now has 24 of its 54 ordered CRJ900 NGs in its fleet. **China Express Airlines** took delivery of two CRJ900LR NextGens (SN 15358 & 15359), and now has 14 in service. The new CRJ900s replaced the last two CRJ200s in its fleet. The two CRJ900s come from **China Express'** order for 16 CRJ900LRs in June 2014, and another eight were optioned. **Arik Air**, Lagos, Nigeria, placed the first dual-class CRJ1000 NextGen (SN 19037) into service in West Africa in March. It was delivered in June 2014 and it is configured with three-abreast business-class seating. **Arik Air** will use the CRJ1000 NextGen aircraft to increase network service on its most popular business routes in West Africa.

GoJet Airlines will begin CRJ900 operations on behalf of **Delta Air Lines** under its **Delta Connection** brand in June. The **Trans States Holdings'** subsidiary said that it was taking delivery of seven CRJ900s between June and October 2014.

Embraer. **Embraer** delivered the second of 60 EMBRAER 170-200 LRs (E175) (SN 17000461) to **American Airlines** in March. The firm contract was signed in December 2013 and included options for another 90 E175s. **American** selected **Compass Airlines**, a wholly-owned subsidiary of **Trans States Holdings**, to operate the first 20 E175 aircraft under the **American Eagle** brand. **United Airlines**

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bought five E175s (17000459, 17000460, 17000462, 17000466 & 17000468), and leased them to **Mesa Airlines** for operation for **United Express**.

Skyworld Aviation arranged the sale and leaseback of six E170s (SN 17000029, 17000035, 17000065, 17000069, 17000073 & 17000074) with **LOT Polish Airlines** on behalf of a private investment firm. The aircraft were built in 2004 and 2005 and they will be operated by **LOT** or offered for sub-lease.

Camair-Co., Cameroon, took delivery of a pair of **COMAC MA-60s** (registration TJ-XSD & TJ-XSE) in April. The two turboprops will be deployed onto domestic flights and replacing a 737-700 that was too large for the routes. The MA-60s were valued at \$58.1 million, and joined a MA-60 (TJ-XDE) that the government acquired in 2011.

GMT Global Republic Aviation purchased three 2008-model E190-100IGWs which are long-term leased to **Aerolitoral S.A. de C.V./Aeromexico Connect**.

AeroVision International, Michigan, purchased six more 50-seat ERJ-145s, and now has a total of 42 aircraft. **AeroVision** will return them to service through sale, lease or the planes will be reduced to spares as part of the company's support of the **Embraer** ERJ fleet. **AeroVision** was among the first to enter the ERJ airframe parts business when it acquired 10 ERJ-145 LRs that were operated by **Mesa Air Group** in 2012. It is now the largest independent supplier of ERJ major subassemblies, including landing gear, APUs, and AE3007 engines. It supports regional airlines and corporate-shuttle operators. **AeroVision** said it managed the refurbishment and return to service of numerous ERJ-145LRs to date and has several additional refurbishment projects scheduled.

Delta Air Lines decided to extend **Delta Connection** contracts for up to 41 **Embraer** ERJ-145s until 2021. The airplanes are operated by **Republic Airlines**, which had planned to retire the airplanes by 2016.

Turboprop Aircraft

ATR. In March, **ATR** delivered three ATR 72-600s (SN 1232, 1233 & 1236) to **AZUL Linhas Aéreas Brasileiras**. The -600 (SN 1233) was leased from **Nordic Aviation Capital (NAC)**. **Firefly**, Malaysia, acquired one -600 (SN 1235) and **Wings Abadi Airlines**, Indonesia, received one -600 (SN 1238).

Air France's Regional Subsidiary HOP! leased the first of five new-generation ATR 72-600s (SN 1237) from the Danish lessor **Nordic Aviation Capital (NAC)**. The new aircraft joined **HOP!'s** 24-strong ATR fleet in April. The remaining aircraft are expected to be delivered in May, June, September, and October 2015. The five ATR 72-600s will replace older ATR 72-500s.

Pakistan International Airlines (PIA) acquired its first ATR 72-500 (AP-BKZ, SN 1029) in April. The aircraft was previously operated by **UTair Ukraine**, and its sister ship (SN 994) is still in storage in France awaiting delivery to **PIA**. The carrier will add a total of five used ATR 72s to its fleet during 2015.

Bombardier. **WestJet Encore** took delivery of its 19th and 20th Q400NGs (SN 4488 & 4490) in March. **Abu Dhabi Aviation** received Q400NG (SN 4491) and **Horizon Air** acquired its 55th Q400NG (SN 4489).

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Jambojet Limited, Kenya, launched services with a Q400 turboprop chartered from **DAC Aviation**. A subsidiary of **Kenya Airlines**, **Jambojet**, is using the aircraft to fly to three new destinations in Kenya's coastal region from its base at **Jomo Kenyatta International Airport**, Nairobi.

Biman Bangladesh Airlines signed an agreement to lease two Q400 NextGens (SN 4367 & 4368) from **Smart Aviation Company**, Cairo, Egypt, in April. **Biman** will operate flights from its secondary hubs at Chittagong and Sylhet.

Antiques and Other Junque

EVA Airways ended MD-11F services when MD-11F (B-16113, SN 48790) operated the type's last commercial flight from Taipei to Los Angeles on March 23. The Taiwanese carrier operated a total of eight MD-11Fs over a 23-year long span. The airplane was stored at **San Bernadino Airport**. Another five **EVA MD-11Fs** were retired over the last 18 months and parked at Victorville, California.

Thai Airways International formally retired the **Airbus A340-600** from service, when the last of six A340s flew from Frankfurt, Singapore and Zurich to Bangkok on March 28. **Thai's** first -600 was delivered in June 2005, and the last arrived in October 2008. The airplanes are stored at **Utapao International Airport**, and they will be sold.

China Express Airlines retired its last two **GECAS**-leased CRJ200s (SN 7690 & 7704) on March 29. This marked the end of CRJ200 operations within China, because the type did not sell well in that market. **China Express** now operates 14 CRJ900NGs on routes from its base in **Longdongbao International Airport**, Guiyang, Guizhou Province, to 65 cities throughout China.

Kenya Airways will dispose of its four 777-2U8ERs (SN 33681, 33682, 33683 & 36124) starting in April. The airplanes were delivered between April 2005 and February 2007. The airline may also dispose of its three -3U8ERs (SN 41418, 41419 & 42097) that were delivered in 2013 and 2014, (the

Boeing Donates Dreamliner to Museum. The manufacturer put the second **Boeing 787-8** to be produced (ZA002) on permanent display at the **Pima Air & Space Museum**. The 787 test aircraft flew for the first time on December 22, 2009 and was one of six airplanes in the 787-8's flight test and certification program. It was used to test systems performance. **Boeing Commercial Airplanes** President and CEO Ray Conner, said, "Boeing has a strong presence in Arizona and is proud to share this important achievement in aviation history with the community, our employees and visitors. The **Pima Air & Space Museum** is a world-class facility and has been a great partner throughout the years. It's the perfect location to showcase this pioneering airplane." ZA002 is the second of three flight test 787-8s [that] **Boeing** plans to share with communities and future generations of employees and airplane enthusiasts," **Boeing** said. The **Pima Air & Space Museum** is one of the largest aviation museums in the world, and the largest non-government funded aviation museum in the United States. The museum maintains a collection of more than 300 aircraft and spacecraft from around the globe, including many rare and one-of-a-kind, and more than 125,000 artifacts. The museum is located at 6000 E. Valencia Road, Tucson, Exit 267 off Interstate 10.

Boeing's third 787 test aircraft ZA003 is on display at the **Museum of Flight** at **Boeing Field**, Seattle. Odds are that ZA001 will be donated to the **National Air & Space Museum (NASM)** at **Dulles International Airport** near Washington DC.

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first two are leased from **GECAS**). The carrier said the 777s were too large for **Kenya Airways'** requirements. They are currently used for Nairobi to Amsterdam or London services. **Kenya** found that its six 787s have proven ideal for its long- and medium-haul requirements. The airline has three more 787-8s on order, and four on option.

Accidents and Safety

From Aviation Safety Foundation

Asiana Airlines Airbus A320-232 (HL7762, SN 3244) suffered substantial damage to the left wing and the Number 1 engine in a landing accident at **Hiroshima Airport**, Japan, on April 14, 2015. The plane apparently hit the ILS-LOC antenna at the end of the runway and the plane's tail struck the runway on touchdown. The A320 veered off the tarmac and came to rest on its left wing and engine. Twenty five of the 74 passengers and eight crew members were injured during the evacuation.

THY Turkish Airlines Airbus A320-232 (TC-JPE, SN 2941) was substantially damaged in a landing accident at **Istanbul-Atatürk International Airport**, Turkey, on April 25, 2015. The flight crew aborted a landing and performed a go-around. Fire was seen coming from the Number 2 engine so the plane landed immediately on a different runway. During this landing the right hand main gear collapsed, causing the Number 2 engine to drag along the runway. The A320 came to rest beside of the runway. None of the 97 people on board were injured.

Carson Air Swearingen SA226-TC Metro II cargo plane (C-GSKC, SN TC-235) went missing near **Vancouver International Airport** shortly after takeoff on April 13. A search party found the wreckage the next day on a hillside, southeast of Crown Mountain, British Columbia. The aircraft descending from 7,900 feet to about 3,000 feet in less than one minute, which was inconsistent with uncontrolled flight, the Canadian **Transportation Safety Board** reported. The two pilots were killed.

Felix Airways Bombardier CL-600-2C10 Regional Jet CRJ702ER (7O-FAA, SN 10267) was destroyed on the ground at **Sana'a International Airport**, Yemen, on April 28. The **Royal Saudi Air Force** bombed the airport as part of its "Restoring Hope" operation that targeted Houthi rebels. The CRJ700 was hit and was gutted by the resulting fire.

The Indian Navy located the debris of **Hindustan Aeronautics Do-228 MSA** (maritime surveillance and patrol aircraft) (IN240, SN HAL4079) that was lost on March 24. The MSA was on a routine night training flight when it went down near Goa, India. The aircraft "ditched at sea about 20 nautical miles south west of Goa", the **Navy** said in a statement. "Search operations are ongoing; we have found some bits of debris and are continuing to search for the two missing crew members." The pilot was found by a fishing boat and he is recovering in hospital. The co-pilot's body was found later, and an observer is still missing, and she is presumed dead.

Japan Maritime Self Defence Force ShinMaywa US-2 amphibious aircraft (registration 9905) was partially submerged after an accident off the coast of Kochi province, Japan, on April 28. A local press photo showed the aircraft floating nose down with its wings partially above the surface. A Japanese warship was assisting in the recovery. All 19 people aboard the aircraft were rescued, but four were injured in the accident. The airplane is considered a write off.

AVMARK CAPABILITIES

Since its establishment in 1962, AVMARK has been providing consulting management services to all sectors of the aviation community. From offices in Washington DC and Singapore, together with associates based in United States (North America), Ecuador (South America), Spain (Europe), Congo (Africa), New Delhi (India and Asian Market), we serve a worldwide clientele. Our staff is comprised of professionals with extensive, successful careers in technical, commercial and managerial areas of aviation enterprises; combining real world operational experience with sophisticated analytical tools to provide our clients with the most effective solutions to their problems.

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PUBLICATIONS

We publish the *AVMARK Newsletter* monthly; containing market information, various analyses and commentary; also reports all orders, purchase sales and leases of new and used transport aircraft. We also publish several other statistical compilations from our extensive database on aircraft, carriers, traffic, costs and operations.

AVMARK's Transport Aircraft Values (TAV); reports current fair market values by year of build and projects the future value of all transport category aircraft.

AVMARK's Historic Jet and Turboprop Values; summary of the then current fair market values as published in the AVMARK Newsletter for all jets and turboprops in service.

AVMARK's Small Transport Aircraft Catalogue (STA); designed as an easy to use reference guide to compare the operating and cost parameters of 35 regional jet and turboprop aircraft.

Sample of Avmark Publications

SMALL TRANSPORT AIRCRAFT CATALOG

STA is designed as an easy to use reference guide to compare the operating and cost parameters of 35 regional jet and turboprop aircraft. Information includes development history, current production status, configuration and operating performance and costs as reported to the DOT. Pictures of each aircraft are also included.

SMALL TRANSPORT AIRCRAFT
A Catalog of New and Used Commuter / Regional Aircraft
2004
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MARKET OVERVIEW

Most dynamic and fastest growing segment in the world is using old generation propeller aircraft to carry 90 million passengers using state of the art technology.

Airline Association (RAA):

Aviation:

DOT:

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Embraer 170	121
Metrol	124
Fokker 50	128
Fokker 70	132
Let 410/420	136
Saab 340	140
Saab 2000	144
Shorls 330	148
Shorls 360	152

ATR 42-300

In Service: 1985 Orders: Out of Production Deliveries: 284

Specifications	
Accommodations	
Passengers*	46
Pilot	2
Cabin Attendants	1
Powerplant	
2 Pratt & Whitney PWC120 Turboprops	1,800 SHP / 1,342 kW
Hamilton Propellers	4 blades
External Dimensions	
Length	74 ft 8 in
Wingspan	60 ft 7 in
Height	24 ft 11 in
Weight	
Empty	48,815 lb
Max Ramp	56,155 lb
Max Takeoff	53,510 lb
Max Landing	22,875 lb
Max Ramp	10,325 lb
Max Takeoff	9,920 lb
Max Landing	40.53 lb / sq ft
Max Ramp	10.23 lb / cu ft

Standard Equipment: Right engine Propeller Brake, Airsearch Air Conditioning, Stall Warning.

Optional Equipment: KLN 900 GPS/W, FMS, Area Navigation (RNAV), Microwave Landing System, VLF Omegat Long Range Navigation System, Dual Honeywell AZ-800 Digital Air Data Computers, PA System, HF Radio, Collins Avionics in place of King Avionics, CAT II.

Avionics: EDZ 820 Electronic Flight Instrument System (EFIS) - 4 CRT's for dual Attitude and Heading Reference Systems (AHRS), Dual Autopilot, Dual Computer (ADC), 1 CFZ 600 Automatic Flight Director, Dual King Gold Crown VHF Nav, Radios, DME, Radio Altimeter, Honeywell P-800 Weather Radar.

Price List	
Years Built	Base (\$ mil)
85-99	2.0

ATR 42-300 85-99 2.0

Direct Operating Costs (\$ per block hour)	
Utilization (Block Hours / Year)	
Average Stage Length (nm)	100 300
Flying Operations	
Flight Crew, Salaries / Expenses	\$198 \$188
Fuel, Oil, Taxes	\$173 \$162
Other	\$3 \$3
Aircraft Costs	
Insurance	\$3 \$3
Maintenance	\$478 \$415
Depreciation	\$62 \$62
Rentals	\$318 \$318
Total Direct Operating Costs	\$806 \$683
Cost per Available Seat Mile - \$	12.33 8.65
Cost per Airplane Mile	\$5.67 \$4.44
Cost per Seat Block Hour	\$16.67 \$15.1

Note: Data from DOT Airline Reports.

ATR 42-300

PAYLOAD VS. RANGE

Range (nm)

Distance (nm)

ATR 42

THE AVIONS DE TRANSPORT REGIONAL (ATR) first flew in August 1984, and entered service in December 1985 with the French regional Air. The aircraft is a joint venture between Aerospatiale of France and Aeritalia of Italy. The ATR 42's name originally designated it as a 42 passenger aircraft, but subsequent reduction of the forward baggage compartment now allows for a seating configuration of up to 50 passengers.

The baseline aircraft is the ATR 42-300/320 powered respectively by PW120/121 engines. The latest version is the ATR 42-500 powered by PW127x engines and Hamilton six-bladed propellers. Thus increasing the payload to 12,015 lb and the cruise speed to 300 kts.

The standard front cargo door allows the aircraft to be quickly converted from a passenger layout to freighter. Unique among turboprops, is the integration of a Propeller Brake on the right engine, which allows running of the engine in "Hotel Mode" to provide aircraft electrical power and air conditioning without the inconvenience and safety hazards of a rotating propeller.

The ATR 42 and ATR 72 have a very high degree of commonality, allowing for cross-crew qualification, and a common spare parts holding.

TYPICAL CABIN CONFIGURATION

48-seats in a four-abreast layout with a center aisle. Access to the cabin is by an air stair at the rear passenger door, and a modular galley in the rear of the aircraft is serviced through the same door. A standard toilet is located in the rear of the aircraft behind the passenger door. Baggage is accommodated in overhead bins on both sides of the cabin, under seat stowage, in an externally accessed forward and aft baggage compartment, and in a closet.

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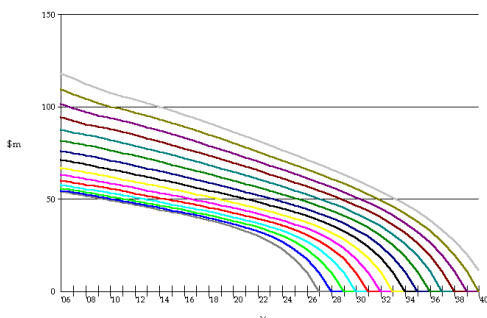
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TAV reports current fair-market values by year of build and projects the future value of 116 transport category aircraft. The future values are based on an economic model that projects the values based on the earning stream of approximately 130 different types of aircraft for their useful lives. The model takes into account the operating cost and characteristics of each aircraft, worldwide and future traffic volumes, fare levels and current and future fleet compositions. The values are presented in both constant and then-current dollars.

CAVAS Graph



Profit & Loss Report

Aircraft Type	Period	1	2	3	4	5	6
REVENUES (US\$)							
Passengers	49,328,754	49,270,739	49,212,559	49,154,213	49,095,701	49,037,189	48,978,677
Freight & Mail	8,879,176	8,868,733	8,858,261	8,847,758	8,837,226	8,826,673	8,816,120
Other Revenue	986,575	985,415	984,251	983,084	981,914	980,744	979,574
TOTAL OPERATING REVENUE	59,194,505	59,124,887	59,055,070	58,985,055	58,914,841	58,844,626	58,774,411
VARIABLE EXPENSES							
Fuel	6,918,975	6,917,340	6,915,670	6,913,977	6,912,265	6,910,533	6,908,781
Landing Fees	3,021,823	3,021,823	3,021,823	3,021,823	3,021,823	3,021,823	3,021,823
Enroute Charges	392,440	392,440	392,440	392,440	392,440	392,440	392,440
Pax Commissions	7,399,313	7,399,313	7,399,313	7,399,313	7,399,313	7,399,313	7,399,313
Freight Commissions	1,331,876	1,331,876	1,331,876	1,331,876	1,331,876	1,331,876	1,331,876
Food & Supplies	3,993,194	3,993,194	3,993,194	3,993,194	3,993,194	3,993,194	3,993,194
Passenger Liability Insurance	379,590	379,590	379,590	379,590	379,590	379,590	379,590
TOTAL VARIABLE COST	23,443,212	23,443,212	23,443,212	23,443,212	23,443,212	23,443,212	23,443,212
SEMI-VARIABLE EXPENSES							
Crew Salaries & Expenses	5,177,760	5,177,760	5,177,760	5,177,760	5,177,760	5,177,760	5,177,760
Maintenance & Engineering	587,650	587,650	587,650	587,650	587,650	587,650	587,650
TOTAL SEMI-VARIABLE COST	5,765,410	5,765,410	5,765,410	5,765,410	5,765,410	5,765,410	5,765,410
TOTAL OPERATING COST	29,208,622	29,208,622	29,208,622	29,208,622	29,208,622	29,208,622	29,208,622
OPERATING PROFIT OR LOSS	29,985,883	29,916,265	29,846,448	29,776,631	29,706,814	29,636,997	29,567,180
D-CHECK ADJUSTMENT							
Cumulative Hours	4,830	9,650	14,459	19,257	24,045	28,833	33,621
Cumulative Dollars	315,000	0	0	0	0	0	0
ADJUSTED CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282	22,052,464	21,235,646
AIRCRAFT LIFE ADJ. CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282	22,052,464	21,235,646

Profit & Loss Report

Aircraft Type	Period	1	2	3	4	5	6
FIXED EXPENSES							
Station Overhead	346,597	345,923	345,249	344,575	343,901	343,227	342,553
Maintenance Burden	176,295	351,824	526,586	700,581	873,810	1,047,039	1,220,268
Other Overhead	0	0	0	0	0	0	0
TOTAL FIXED COST	522,892	697,747	871,835	1,045,156	1,217,711	1,390,266	1,562,821
TOTAL OPERATING COST	31,464,497	32,185,749	32,903,601	33,618,052	34,329,104	35,039,156	35,749,208
General and Admin. Allocation	1,573,225	1,609,287	1,645,180	1,680,303	1,716,455	1,752,607	1,788,759
TOTAL COST	33,037,722	33,795,036	34,548,781	35,298,355	36,045,559	36,791,763	37,537,967
OPERATING PROFIT OR LOSS	26,156,782	25,329,851	24,506,290	23,686,100	22,869,282	22,052,464	21,235,646
D-CHECK ADJUSTMENT							
Cumulative Hours	4,830	9,650	14,459	19,257	24,045	28,833	33,621
Cumulative Dollars	315,000	0	0	0	0	0	0
ADJUSTED CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282	22,052,464	21,235,646
AIRCRAFT LIFE ADJ. CASH FLOW	25,841,782	25,329,851	24,506,290	23,686,100	22,869,282	22,052,464	21,235,646

Select Aircraft Type

Available Aircraft

- Airbus A300B4-600R
- Airbus A300B4-600RF
- Airbus A310-200
- Airbus A310-200F
- Airbus A310-300
- Airbus A310-300F
- Airbus A318
- Airbus A319-100
- Airbus A320-100
- Airbus A320-200
- Airbus A321-100
- Airbus A321-200
- Airbus A330-200
- Airbus A330-300
- Airbus A340-200
- Airbus A340-300
- Airbus A340-500
- Airbus A340-600
- Airbus A350-800
- Airbus A350-900
- Airbus A380-800
- Avro RJ-100
- Avro RJ-70
- Avro RJ-85
- BAe 111-200/300/400/500

Picture

Selected: Airbus A340-300

Description: Widebody 4 Engine Passenger

Manufactured: 1992 To 2006

Values: \$54.00m \$118.00m

Estimated Life: 35 years File No. 013

Search Term

Add Modify Delete OK

Aircraft: Airbus A340-300 - Widebody 4 Engine Passenger

CAVAS Figures

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
2007	52.85	53.49	54.73	56.56	58.99	62.01	65.62	69.95	74.86	80.37	85.92	92.18	99.12	106.73	115.25
2008	51.68	52.36	53.61	55.43	57.85	60.84	64.42	68.69	73.65	79.18	84.76	90.48	96.97	104.20	112.39
2009	50.49	51.19	52.46	54.29	56.70	59.67	63.24	67.50	72.44	77.97	83.52	89.28	95.74	102.47	109.74
2010	49.28	49.99	51.28	53.11	55.51	58.47	62.03	66.28	71.20	76.72	82.28	87.99	94.04	100.47	107.24
2011	48.05	48.77	50.07	51.90	54.30	57.25	60.80	64.95	69.69	75.20	80.77	86.49	92.54	98.94	105.54
2012	46.80	47.53	48.84	50.67	53.06	56.00	59.54	63.68	68.41	73.91	79.46	85.15	91.04	97.19	103.54
2013	45.53	46.27	47.58	49.41	51.80	54.74	58.27	62.40	67.12	72.61	78.15	83.83	89.71	95.84	102.14
2014	44.24	44.98	46.29	48.12	50.51	53.44	56.96	61.08	65.79	71.27	76.80	82.47	88.33	94.44	100.74
2015	42.93	43.67	44.98	46.81	49.20	52.13	55.64	59.75	64.45	69.73	75.25	80.90	86.66	92.61	98.74
2016	41.60	42.34	43.65	45.48	47.87	50.79	54.29	58.38	63.06	68.33	73.84	79.47	85.21	91.04	96.94
2017	40.25	40.99	42.30	44.13	46.52	49.43	52.92	57.00	61.67	66.92	72.42	78.04	83.76	89.56	95.44
2018	38.89	39.63	40.94	42.77	45.16	48.06	51.54	55.61	60.27	65.51	71.00	76.61	82.31	88.08	93.90
2019	37.51	38.25	39.56	41.39	43.78	46.67	50.14	54.20	58.85	64.07	69.45	75.05	80.74	86.50	92.30
2020	36.12	36.86	38.17	39.99	42.38	45.26	48.72	52.77	57.40	62.60	68.05	73.63	79.31	85.06	90.84
2021	34.72	35.46	36.77	38.59	40.98	43.85	47.30	51.34	55.96	61.15	66.56	72.12	77.80	83.53	89.29
2022	33.31	34.05	35.36	37.18	39.57	42.43	45.87	50.00	54.61	59.78	65.18	70.71	76.34	82.04	87.77
2023	31.89	32.63	33.94	35.76	38.14	41.00	44.43	48.54	53.14	58.30	63.69	69.18	74.76	80.41	86.10
2024	30.46	31.20	32.51	34.33	36.71	39.56	42.98	47.08	51.67	56.83	62.20	67.66	73.20	78.80	84.44
2025	29.02	29.76	31.07	32.89	35.26	38.10	41.51	45.60	50.18	55.33	60.70	66.14	71.71	77.29	82.89
2026	27.57	28.31	29.62	31.44	33.81	36.64	40.04	44.13	48.70	53.84	59.19	64.61	70.16	75.72	81.29
2027	26.11	26.85	28.16	29.98	32.34	35.16	38.55	42.63	47.20	52.33	57.72	63.16	68.71	74.24	79.79
2028	24.64	25.38	26.69	28.51	30.86	33.67	37.05	41.12	45.68	50.80	56.16	61.55	67.04	72.53	78.00
2029	23.16	23.90	25.21	27.03	29.37	32.17	35.54	39.60	44.15	49.26	54.60	60.05	65.50	70.94	76.37
2030	21.67	22.41	23.72	25.54	27.87	30.66	34.02	38.07	42.61	47.71	53.04	58.47	63.89	69.29	74.67
2031	20.17	20.91	22.22	24.04	26.37	29.15	32.50	36.54	41.07	46.16	51.48	56.89	62.28	67.64	72.98
2032	18.66	19.40	20.71	22.53	24.85	27.62	31.00	35.03	39.55	44.64	50.04	55.43	60.79	66.12	71.43
2033	17.14	17.88	19.19	21.01	23.32	26.09	29.45	33.46	37.97	43.05	48.43	53.79	59.11	64.40	69.67
2034	15.61	16.35	17.66	19.48	21.79	24.55	27.90	31.89	36.39	41.46	46.82	52.15	57.44	62.69	67.92
2035	14.07	14.81	16.12	17.94	20.25	23.00	26.34	30.32	34.81	39.87	45.12	50.34	55.53	60.70	65.84
2036	12.52	13.26	14.57	16.39	18.69	21.44	24.77	28.74	33.22	38.27	43.50	48.69	53.84	58.94	63.99
2037	10.96	11.70	13.01	14.83	17.12	19.86	23.18	27.14	31.61	36.64	41.80	46.91	51.96	56.95	61.89
2038	9.39	10.13	11.44	13.26	15.55	18.28	21.58	25.53	30.00	35.01	40.13	45.20	50.21	55.16	59.99
2039	7.81	8.55	9.86	11.68	13.96	16.69	20.00	23.94	28.40	33.39	38.48	43.52	48.49	53.36	58.09
2040	6.22	6.96	8.27	10.09	12.36	15.06	18.35	22.29	26.74	31.71	36.70	41.63	46.50	51.29	55.92
2041	4.62	5.36	6.67	8.49	10.76	13.45	16.73	20.60	25.04	30.01	34.91	39.74	44.50	49.15	53.64
2042	3.01	3.75	5.06	6.88	9.15	11.83	15.10	18.95	23.37	28.32	33.19	37.90	42.45	46.85	51.12
2043	1.39	2.13	3.44	5.26	7.52	10.19	13.45	17.28	21.67	26.60	31.44	36.12	40.53	44.80	48.84
2044	-0.21	0.53	1.84	3.66	5.91	8.57	11.63	15.08	19.00	23.37	28.17	32.90	37.36	41.44	45.12
2045	-1.80	-1.04	0.27	2.09	4.34	6.99	10.04	13.40	17.14	21.37	25.96	30.60	35.19	39.64	43.84
2046	-3.31	-2.55	-1.24	0.58	2.83	5.48	8.52	11.94	15.73	19.88	24.28	28.82	33.31	37.64	41.71
2047	-4.81	-4.05	-2.74	-0.92	1.33	3.98	7.01	10.41	14.16	18.24	22.54	26.94	31.24	35.34	39.14
2048	-6.29	-5.53	-4.22	-2.40	-0.15	2.50	5.53	8.94	12.70	16.77	21.04	25.34	29.54	33.54	37.24
2049	-7.74	-6.98	-5.67	-3.85	-1.60	1.00	4.03	7.44	11.19	15.26	19.53	23.73	27.83	31.73	35.33
2050	-9.15	-8.39	-7.08	-5.26	-3.00	-0.75	2.52	5.92	9.64	13.64	17.84	22.04	26.04	29.84	33.34
2051	-10.53	-9.77	-8.46	-6.64	-4.38	-2.12	4.00	7.40	11.39	15.59	19.79	23.89	27.89	31.69	35.09
2052	-11.88	-11.12	-9.81	-7.99	-5.72	-3.45	5.42	8.82	12.81	16.99	21.17	25.17	28.97	32.57	35.87
2053	-13.20	-12.44	-11.13	-9.31	-7.04	-4.77	6.83	10.23	14.21	18.39	22.59	26.59	30.39	33.89	37.19
2054	-14.50	-13.74	-12.43	-10.61	-8.33	-6.06	8.23	11.63	15.61	19.79	23.99	27.99	31.69	35.29	38.49
2055	-15.77	-15.01	-13.70	-11.88	-9.60	-7.32	9.62	13.01	17.00	21.17	25.39	29.39	33.09	36.59	39.79
2056	-17.02	-16.26	-14.95	-13.13	-10.85	-8.57	11.00	14.40	18.39	22.59	26.79	30.69	34.49	37.89	40.99
2057	-18.25	-17.49	-16.18	-14.41	-12.12	-9.84	12.38	15.78	19.77	23.97	28.17	32.07	35.87	39.17	42.17
2058	-19.46	-18.70	-17.39	-15.68	-13.39	-11.11	13.75	17.16	21.15	25.35	29.55	33.45	37.25	40.35	43.35
2059	-20.64	-19.88	-18.57	-16.94	-14.65	-12.37	15.11	18.53	22.53	26.73	30.93	34.83	38.63	41.53	44.53
2060	-21.80	-21.04	-19.73	-18.20	-15.90	-13.62	16.46	19.90	23.90	28.10	32.30	36.20	40.00	42.70	45.70
2061	-22.93	-22.17	-20.86	-19.47	-17.16	-14.87	17.79	21.27	25.27	29.47	33.67	37.57	41.37	43.97	46.87
2062	-24.04	-23.28	-21.97	-20.68	-18.41	-16.12	19.16	22.64	26.64	30.84	35.04	38.94	42.74	45.14	48.04
2063	-25.12	-24.36	-23.05	-21.89	-19.66	-17.37	20.52	24.01	28.01	32.21	36.41	40.31	44.11	46.51	49.21
2064	-26.18	-25.42	-24.11	-23.10	-20.90	-18.61	21.87	25.38	29.38	33.58	37.78	41.68	45.48	47.88	50.38
2065	-27.21	-26.45	-25.14	-24.31	-22.14	-19.85	23.22	26.75	30.75	34.95	39.15	43.05	46.85	49.25	51.55
2066	-28.22	-27.46	-26.15	-25.52	-23.38	-21.09	24.56	28.12	32.12	36.32	40.52	44.42	48.22	50.62	52.72
2067	-29.21	-28.45	-27.14	-26.73	-24.62	-22.33	25.89	29.49	33.49	37.69	41.89	45.79	49.59	51.89	53.89
2068	-30.18	-29.42	-28.11	-27.94	-25.86	-23.57	27.22	30.86	34.86	39.06	43.26	47.16	50.96	53.16	55.06
2069	-31.12	-30.36	-29.05	-29.15	-27.09	-24.81	28.54	32.23	36.23	40.43	44.63	48.53	52.33	54.53	56.43
2070	-32.04	-31.28	-29.97	-30.36	-28.30	-26.05	29.87	33.60	37.60	41.80	46.00	49.90	53.70	55.90	57.80
2071	-32.93	-32.17	-30.86	-31.57	-29.51	-27.29	31.18	34.97	38.97	43.17	47.37	51.27	55.07	58.27	60.17
2072	-33.79	-33.03	-31.72	-32.78	-30.72	-28.52	32.48	36.34	40.34	44.54	48.74	52.64	56.44	59.64	61.54
2073	-34.62	-33.86	-32.55	-33.99	-31.93	-29.75	33.77	37.71	41.71	45.91	50.11	53.91	57.71	60.91	62.81
2074	-35.42	-34.66	-33.35	-35.19	-33.14	-30.98	35.04	39.08	43.08	47.28	51.48	55.28	59.08	62.28	64.18
2075	-36.19	-35.43	-34.12	-36.39	-34.35	-32.21	36.29	40.45	44.45	48.65	52.85	56.65	60.45	63.65	65.55
2076	-36.93	-36.17	-34.86	-37.59	-35.55	-33.44	37.52	41.82	45.82	50.02	54.22	58.02	61.82	65.02	66.92
2077	-37.64	-36.88	-35.57	-38.79	-36.75	-34.67	38.73	43.19	47.19	51.39	55.59	59.39	63.19	66.39	68.29
2078	-38.32	-37.56	-36.25	-39.99	-37.95	-35.89	39.92	44.56	48.56	52.76	56.96	60.76	64.56	67.76	69.66
2079	-38.97	-38.21	-36.90	-41.19	-39.15	-37.12	41.09	45.93	49.93	54.13	58.33	62.13	65.93	69.13	71.03
2080	-39.59	-38.83	-37.52	-42.39	-40.35	-38.35	42.26	47.30	51.30	55.50	59.70	63.50	67.30	70.50	72.40
2081	-40.18	-39.42	-38.11	-43.59	-41.55	-39.57	43.42	48.67	52.67	56.87	61.07	65.27	69.07	72.27	74.17
2082	-40.74	-40.00	-38.69	-44.79	-42.75	-40.79	44.57	49.9							

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