

mba

morten beyer & agnew

www.mba.aero

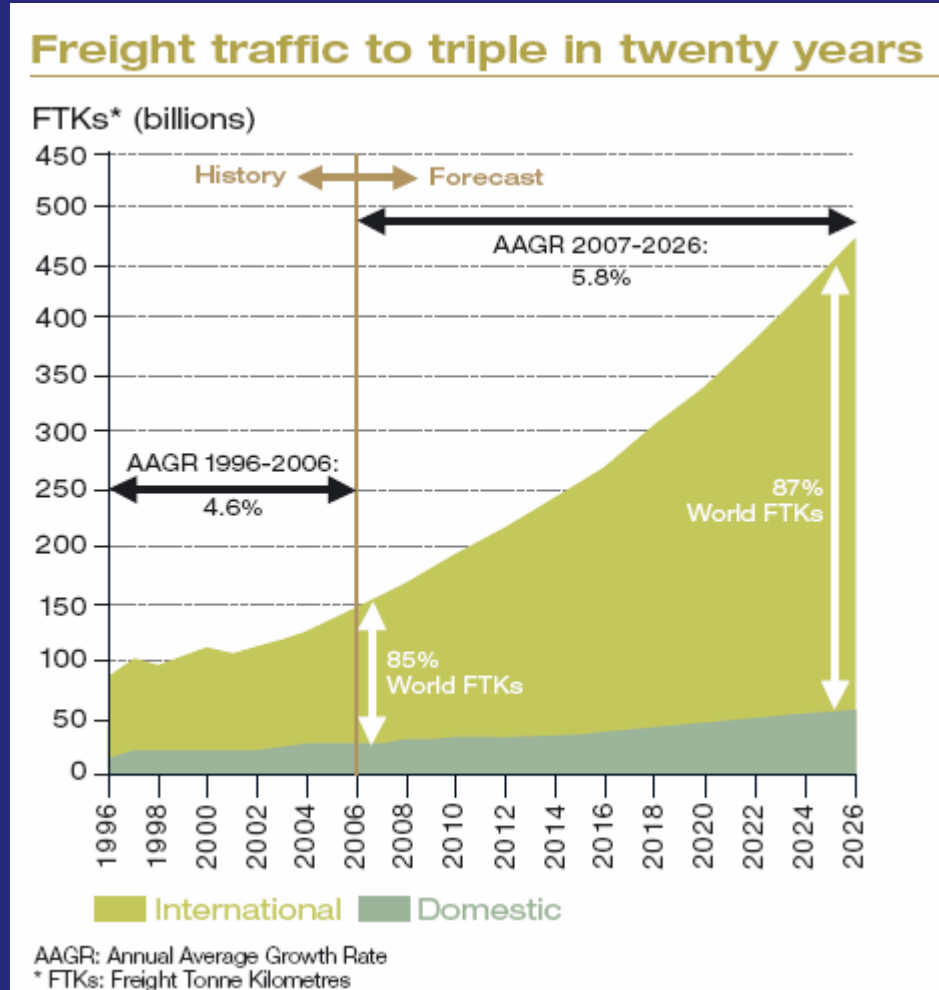
Cargo Conversion Panel

Robert Agnew
President & CEO

US Valuation Conference
September 9, 2008

Airbus Forecast of Freighter Requirements

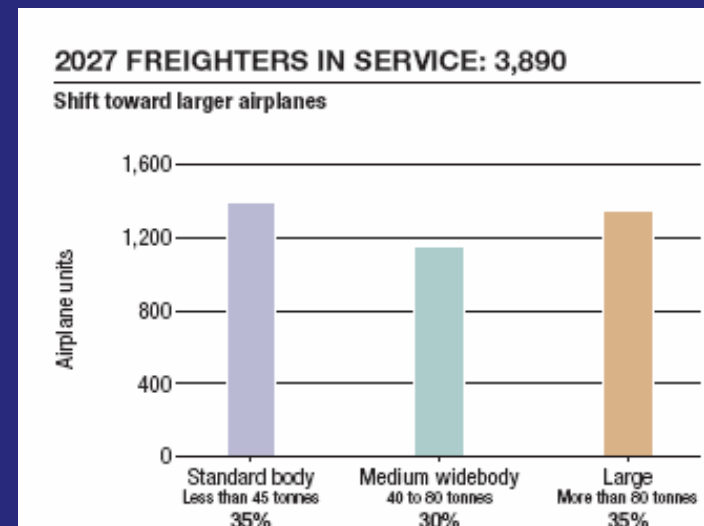
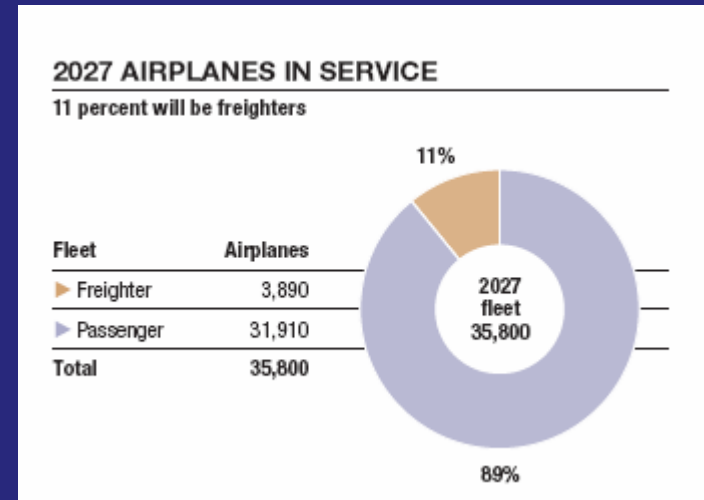
- Increase of 5.8% per year in air cargo traffic from 2007 to 2026
- Total of 3,778 freighters in 2026



Boeing Forecast of Freighter Requirements

- 5.8% growth in world air cargo traffic between 2008-2027
- World fleet of freighters will double in size

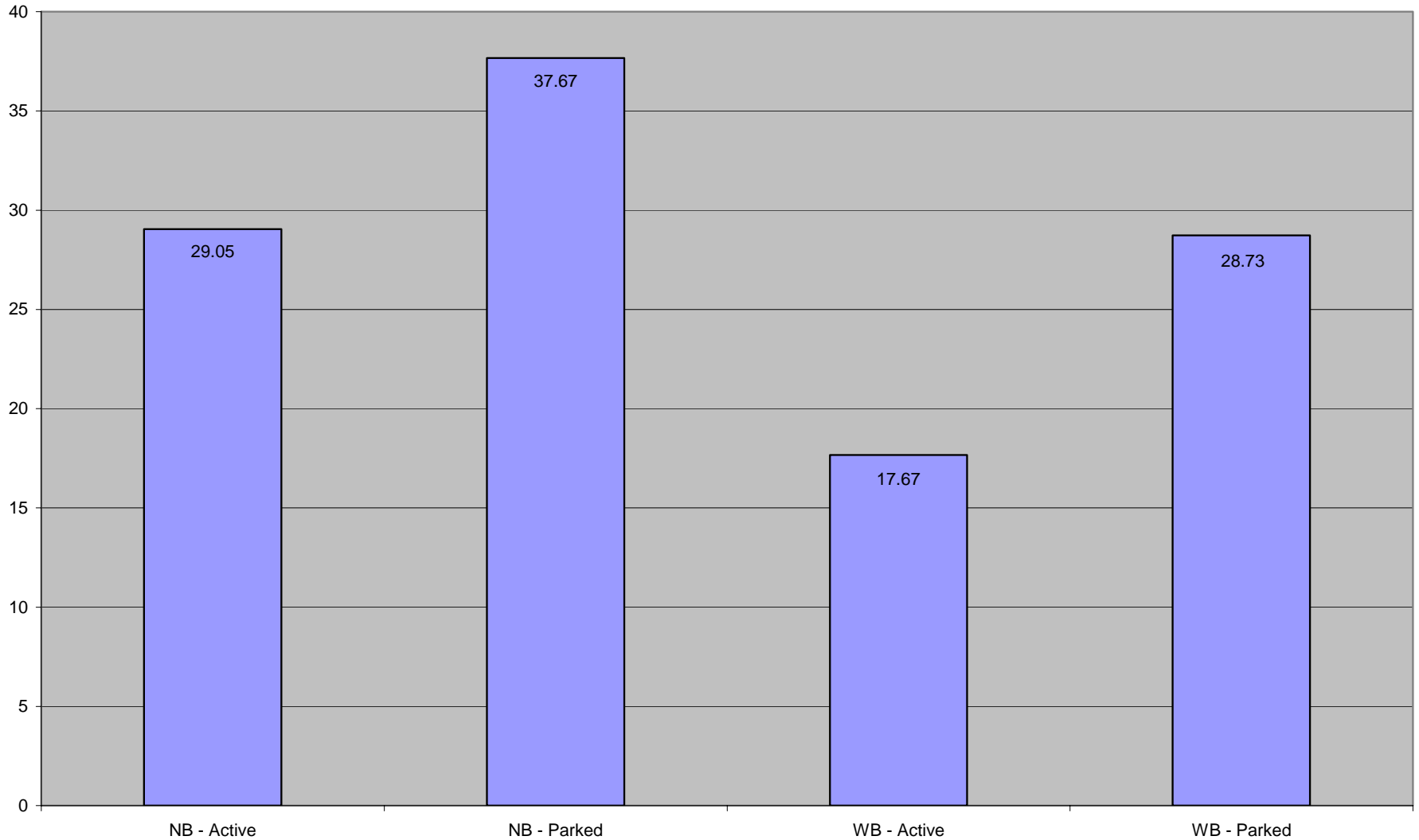
Predicts total freighter count to reach 3,890 by 2027



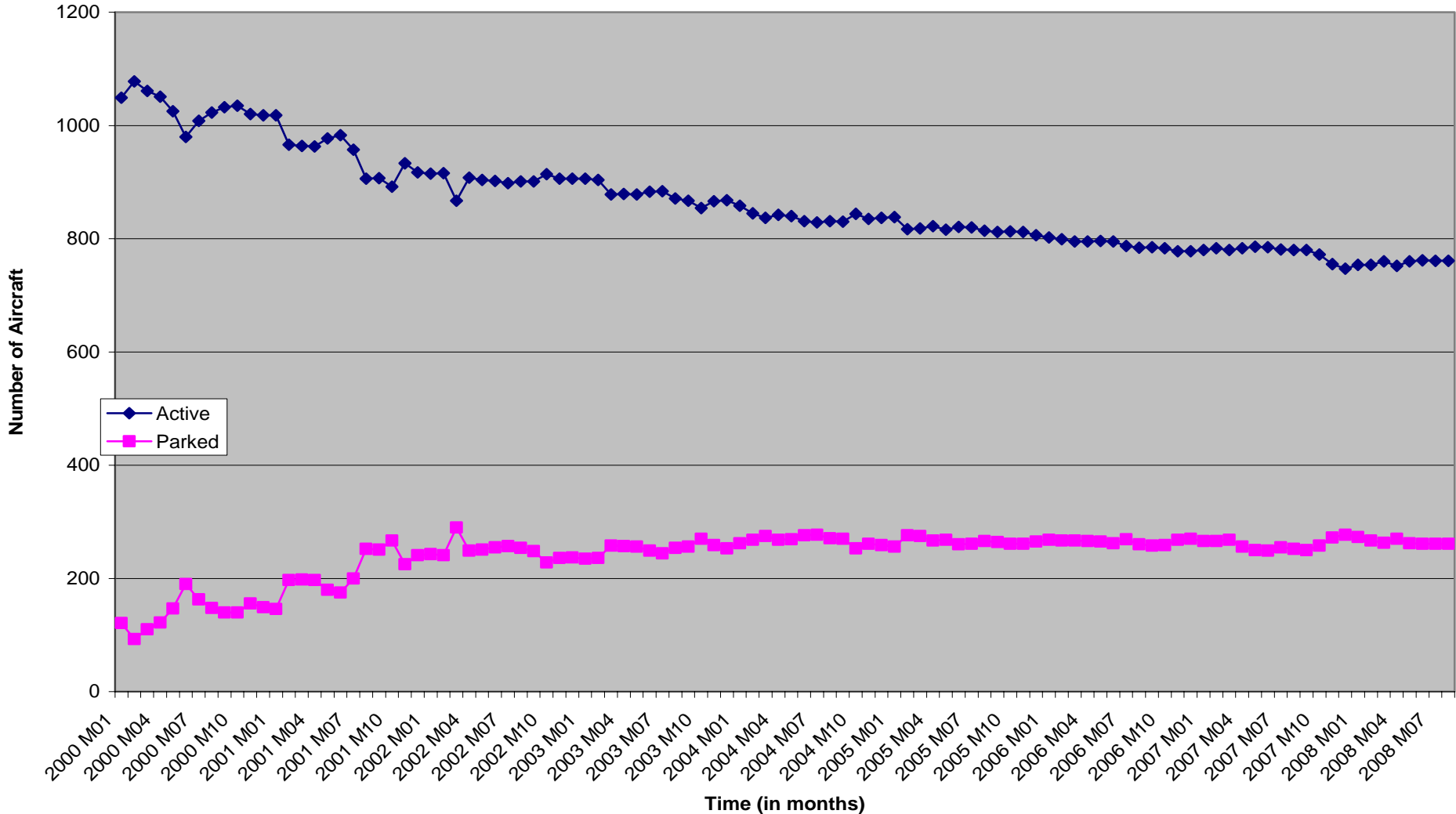
Global State of the Industry

- July 2008
 - Passenger growth slowed to +1.9% YOY
 - Freight declined by –1.9%
- YTD 2008
 - Passenger growth 4.5%
 - Freight growth 1.9%
- Profit
 - 2008 estimated loss of US\$5.2 billion
 - 2009 estimated loss US\$4.1 billion

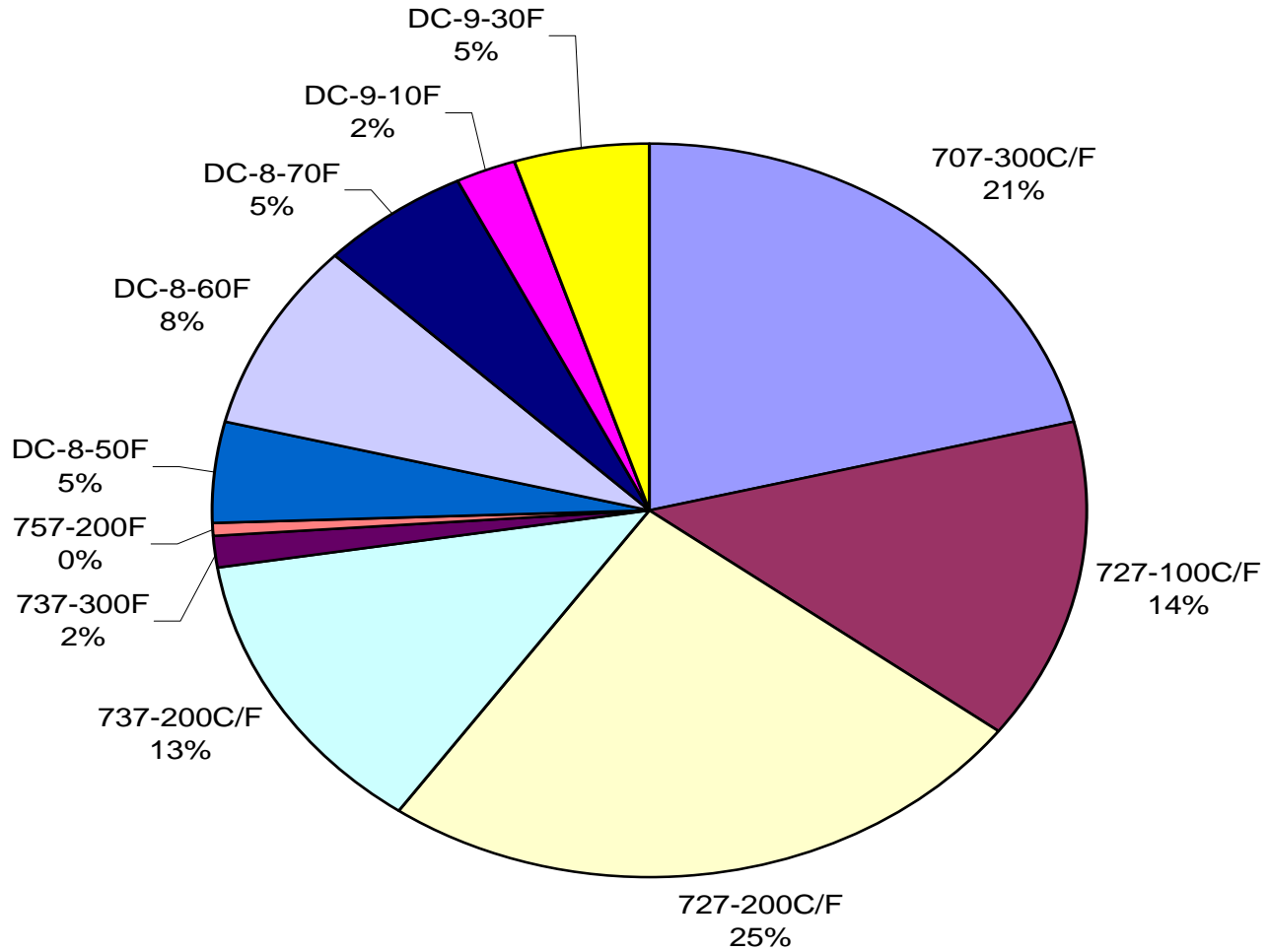
Current Age Average for Freighter Aircraft



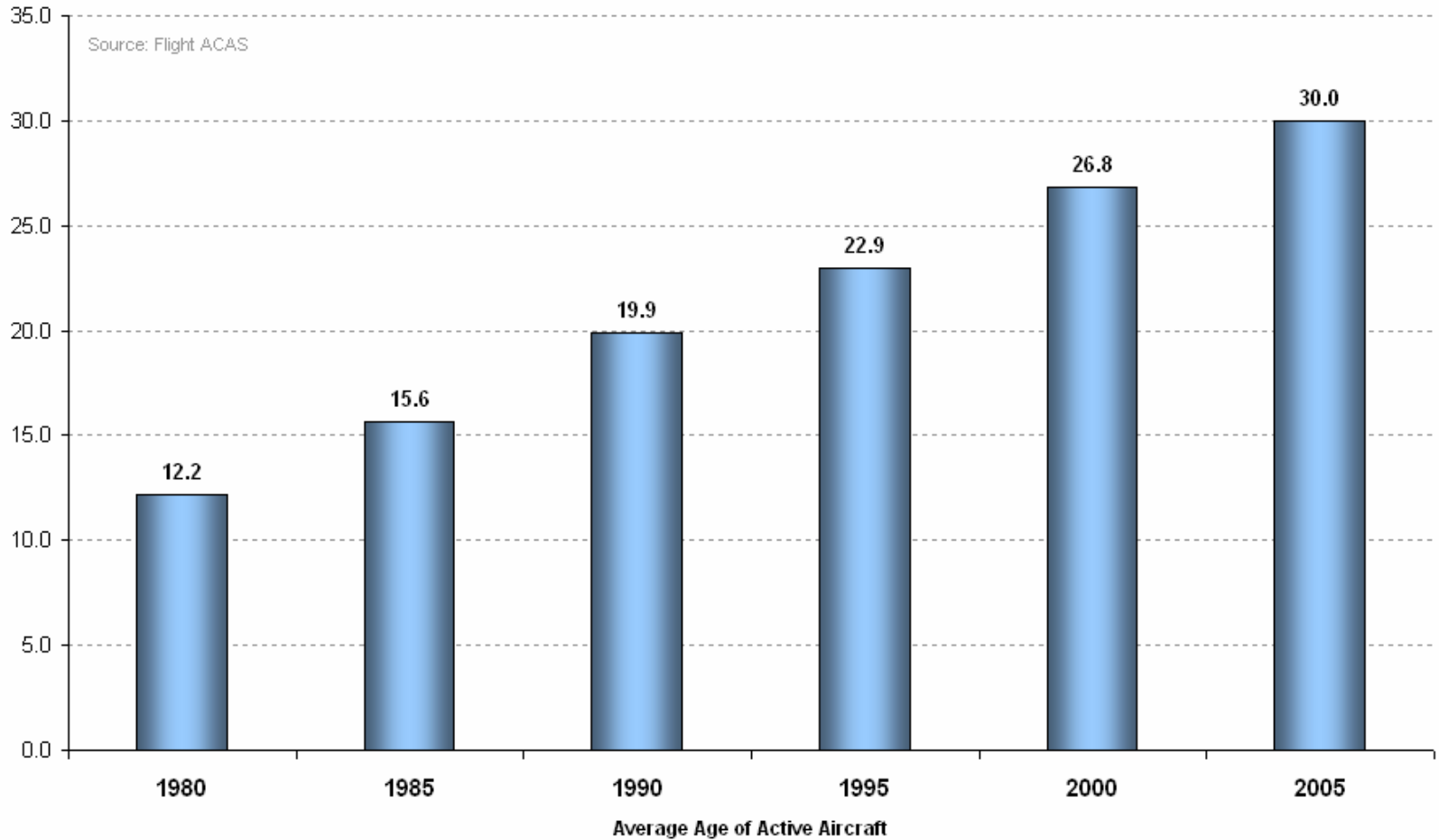
Current Active and Parked Freighters (Narrowbody)



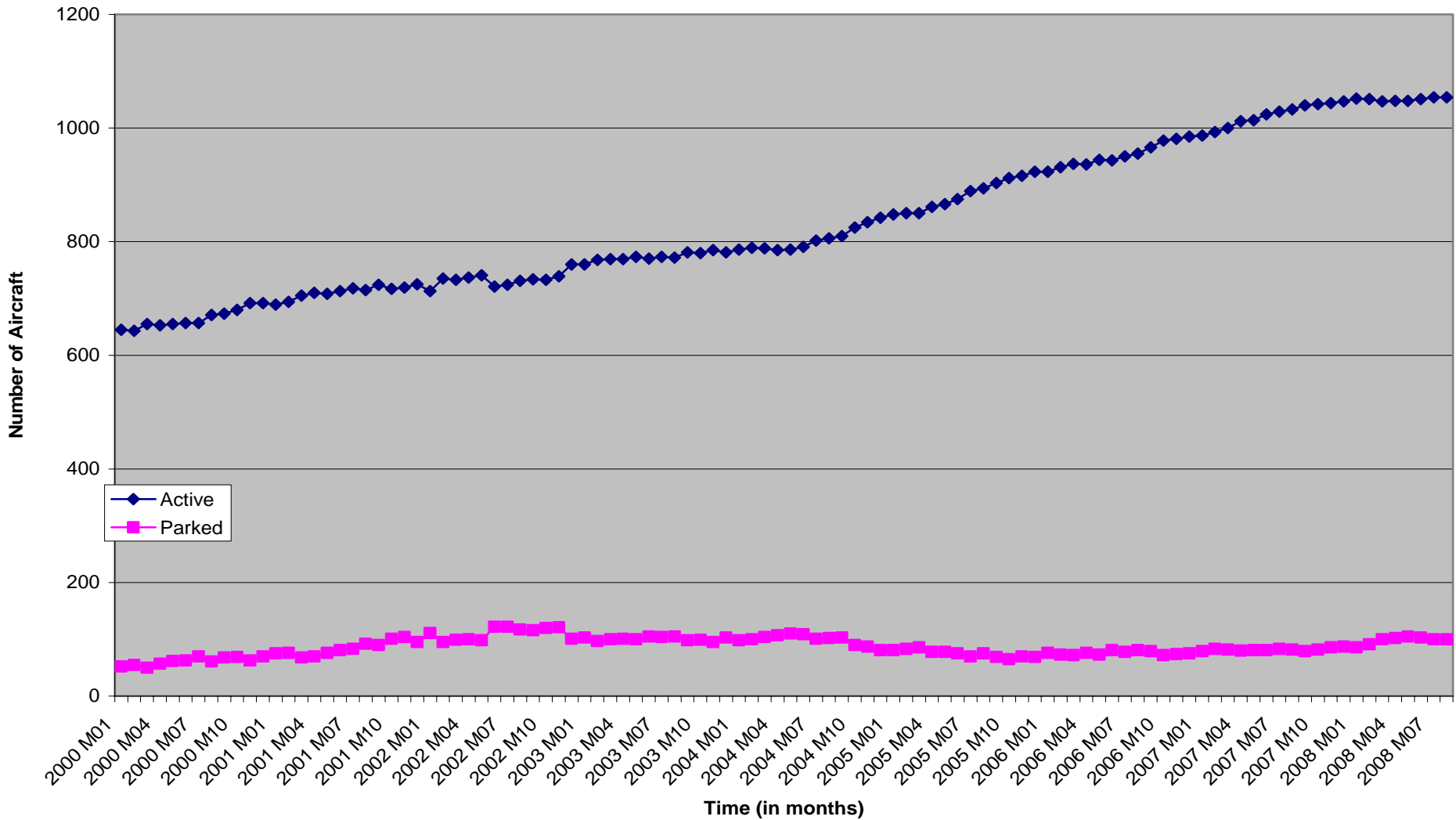
Parked Narrowbody Freighters



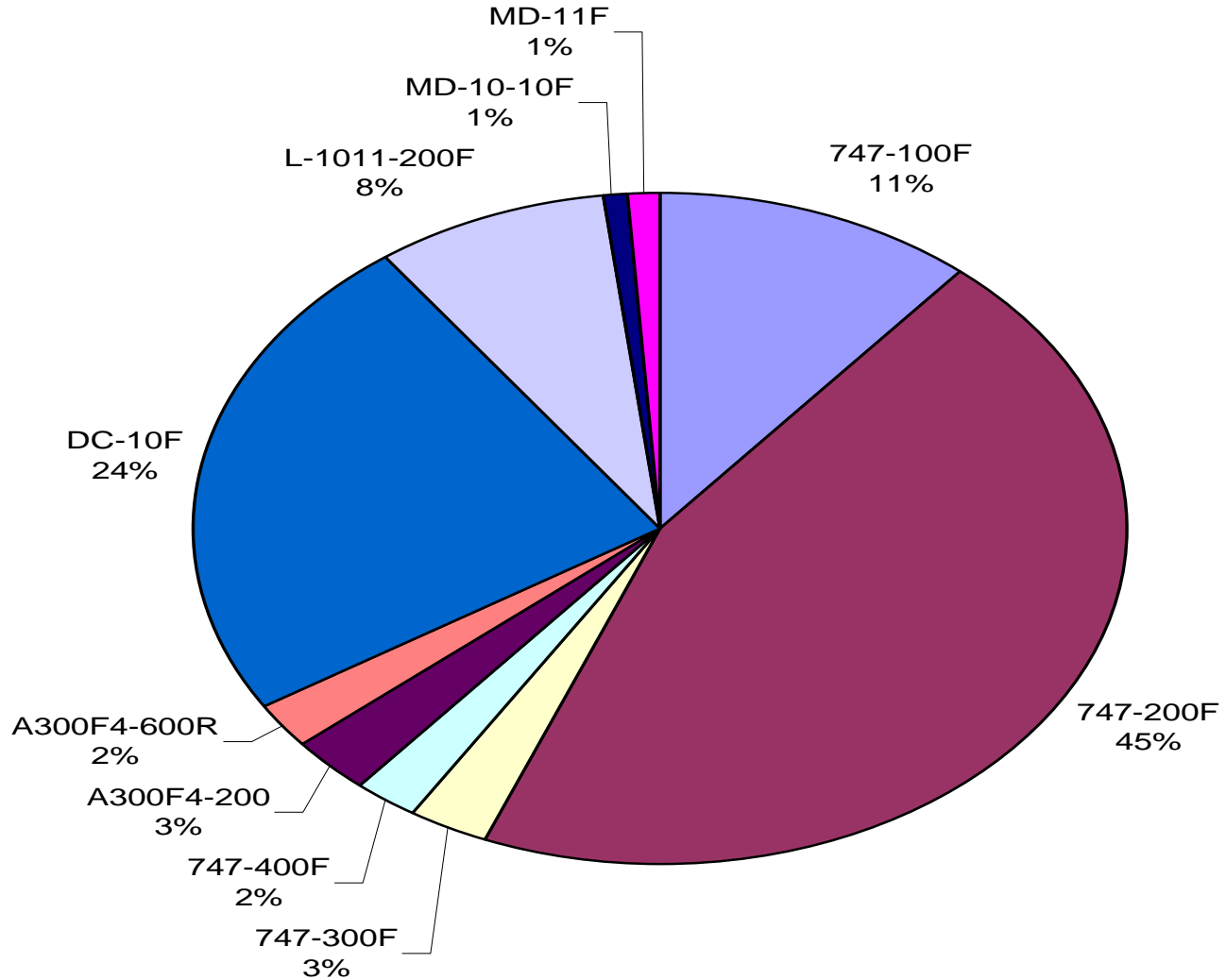
Average Age of Active Aircraft NB Frtr



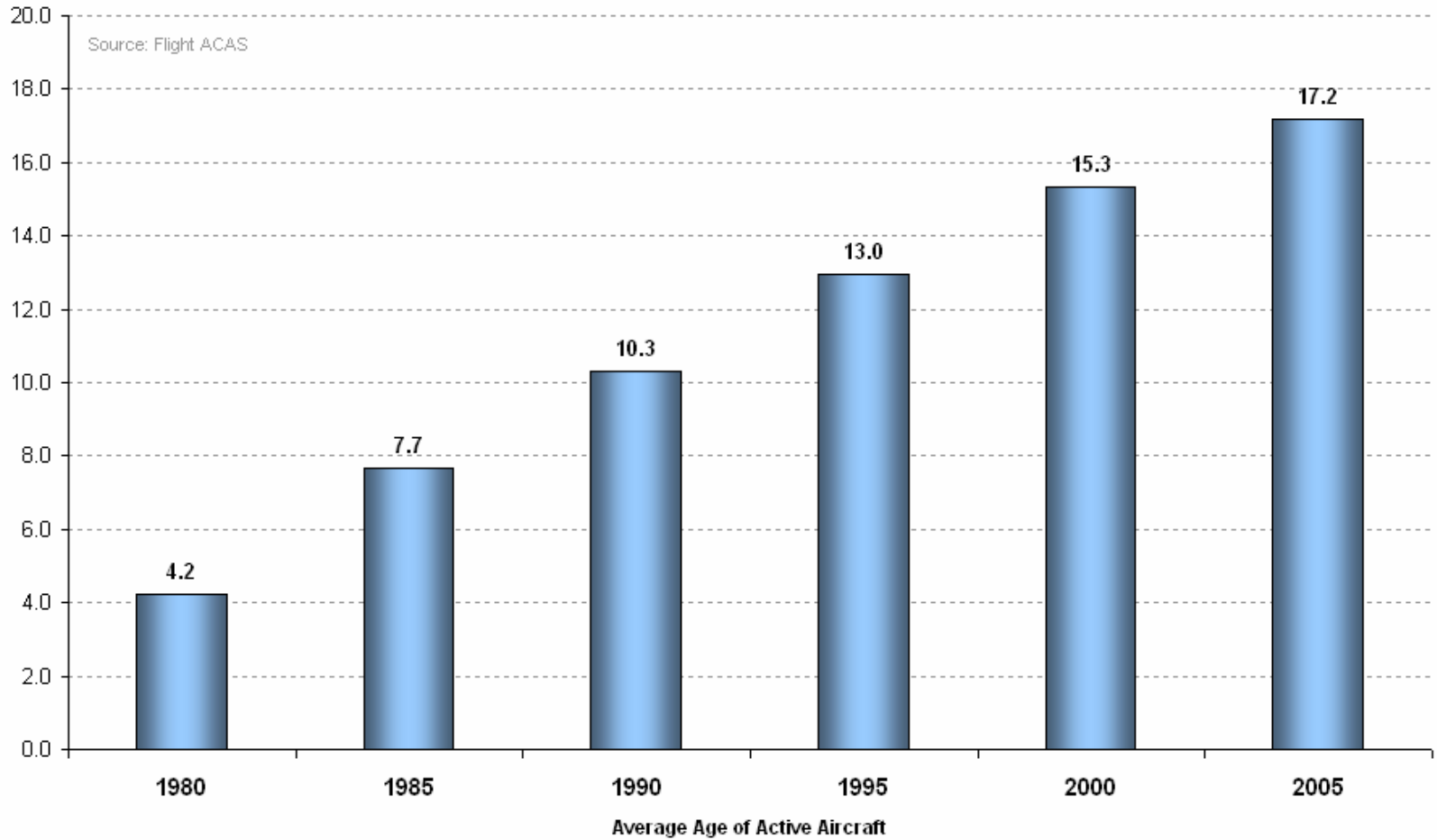
Current Active and Parked Freighters (Widebody)



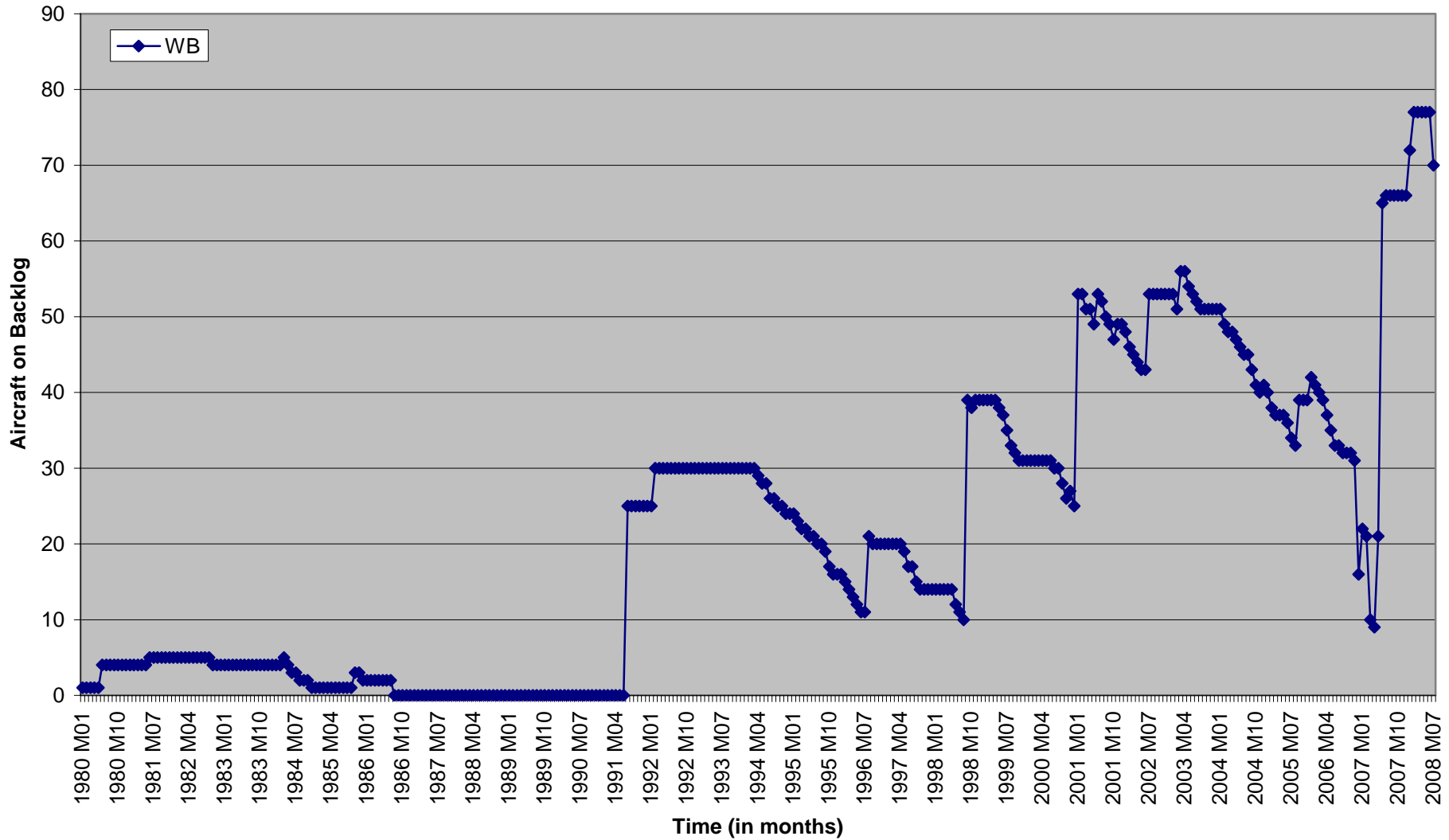
Parked Widebody Freighter Aircraft



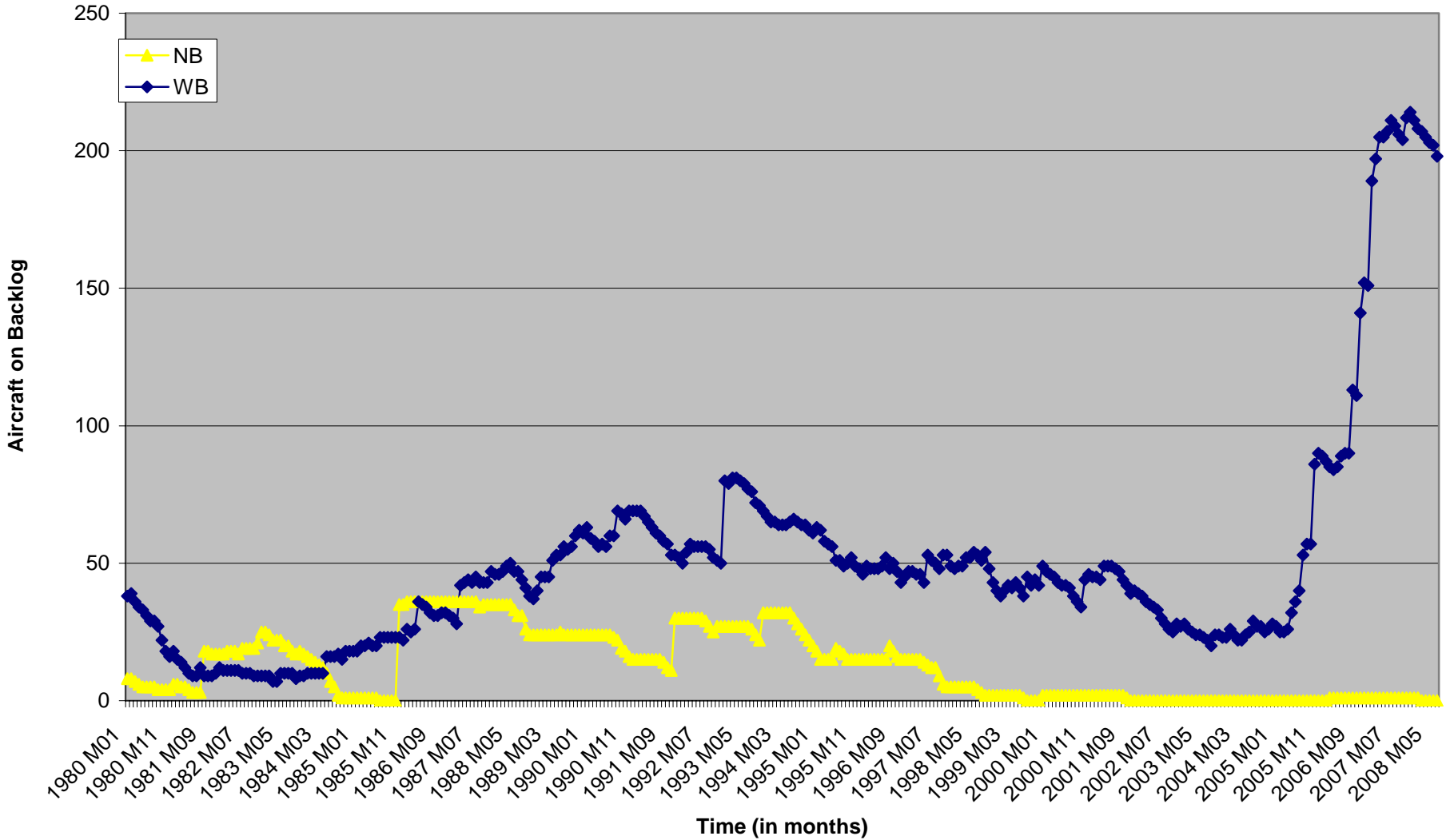
Average Age of Active Aircraft WB Frtr



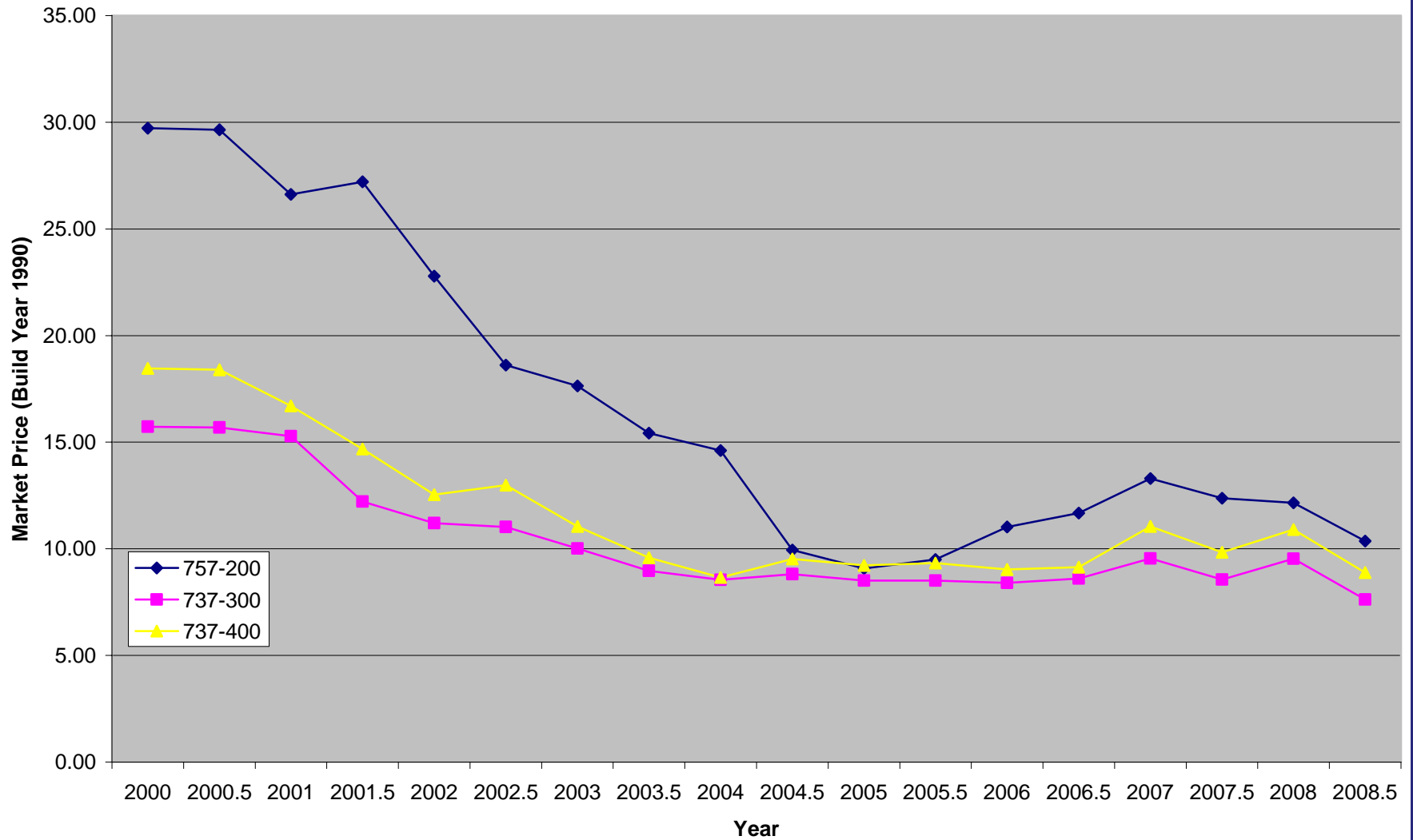
Airbus Freighter Backlog since 1980



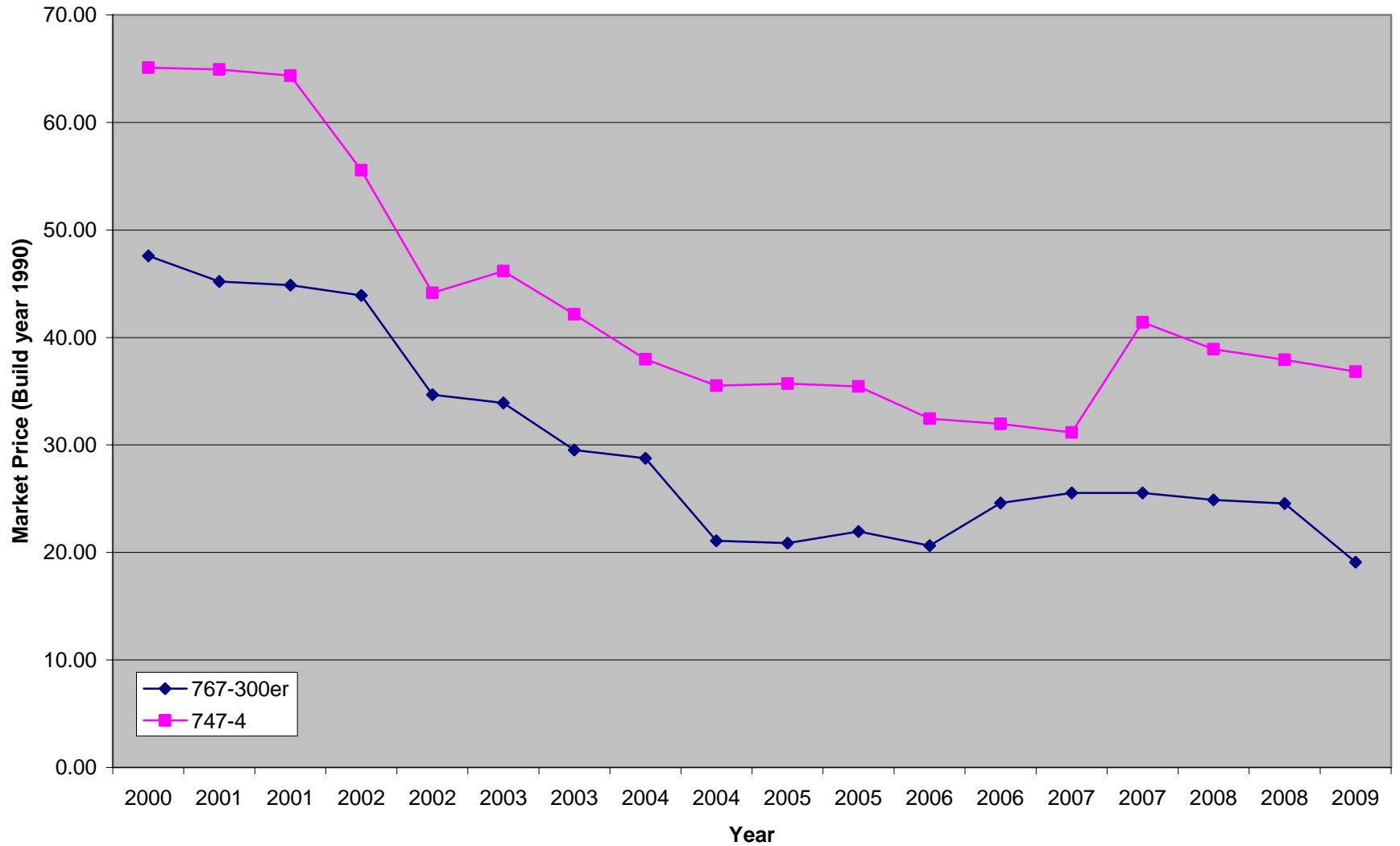
Boeing Freighter Backlog since 1980



Values of Pax 757, 737-300, and 737-400 since Year 2000



Value of Pax 767-300er and 747-400 since Year 2000



Opportunities

- Older aircraft previously converted freighters will remain fuel inefficient
- Seed aircraft values for conversions will begin to fall within buyable conversion prices
- Continued demand, especially in the widebody area, will force a significant supplier for greater aircraft to be derived in the secondary market

Opportunities

- Threshold conversion prices
 - 757-200 < \$20.0M
 - 767-300ER < \$25.0M
 - 767-300 < \$15.0M
 - 747-400 < \$40.0M