



AFRA Panel Discussion

R&D Panel: Aircraft Valuation Panel

Moderator: Jeff Lewis, Fortress Investment Group LLC

Panelist: Bryson Monteleone, Tailwind Capital

Panelist: Brian Postel, Unical Aviation Inc.



Moderator: Jeff Lewis, Vice President - Aviation, Fortress Investment Group LLC. Member of the International Board of Governors for the ISTAT Appraiser's Program.





Panelist: Bryson Monteleone, Director & ISTAT Certified Senior Appraiser for Tailwind Capital. Chairman-Elect of the International Board of Governors for the ISTAT Appraiser's Program.





Panelist: Brian Postel, Vice President of Aircraft Acquisitions of Unical Aviation Inc.



Unical Market Activity...

Aircraft Acquisitions

UNICAL

62 Aircraft Purchased from 2015 - 2016:

QTY	AC/Type	Engine Type
1	A319-100	CFM56-5B6/P
2	A320-233	V2500
8	A330-300	PW4168
2	A340-600	TRENT 556-61
1	A340-300	CFM56-5C4
3	B737-500	CFM56-3C1
1	B737-700	CFM56-7B24
2	B737-700W	CFM56-7B24
1	B737-800	CFM56-7B22
2	B747-400 PAX	PW4056

QTY	AC/Type	Engine Type
2	B747-400 PAX	CF6-80C2
1	B747-400 Combi	CF6-80C2
2	B757-200	RB211-535E4B
11	B757-200	PW2000
2	B767-300	CF6-80C2
2	B767-323 (ER)	CF6-80C2
2	B777-200	PW4077
2	B777-300	PW4090
3	MD-11F	PW4000
1	MD-11 PAX	CF6-80C2
11	Q400	PW150A

MARKET OUTLOOK

ASA ANNUAL CONFERENCE

JULY 10-11, 2017

RESTON, VIRGINIA



OUTLINE

We will cover a brief synopsis of select Narrowbody, Widebody and Regional Jet Aircraft.

Not intended to be an exhaustive review but rather to identify market issues and trends.

- Global Fleet
- Values
- Stored Aircraft
- Fleet Age
- Value Definitions
- Trends

GLOBAL FLEET: SUPPLY AND DEMAND

Mainline 450+ Seats

Mainline 350-450 Seats

Mainline 230-350 Seats

Mainline 180-230 Seats

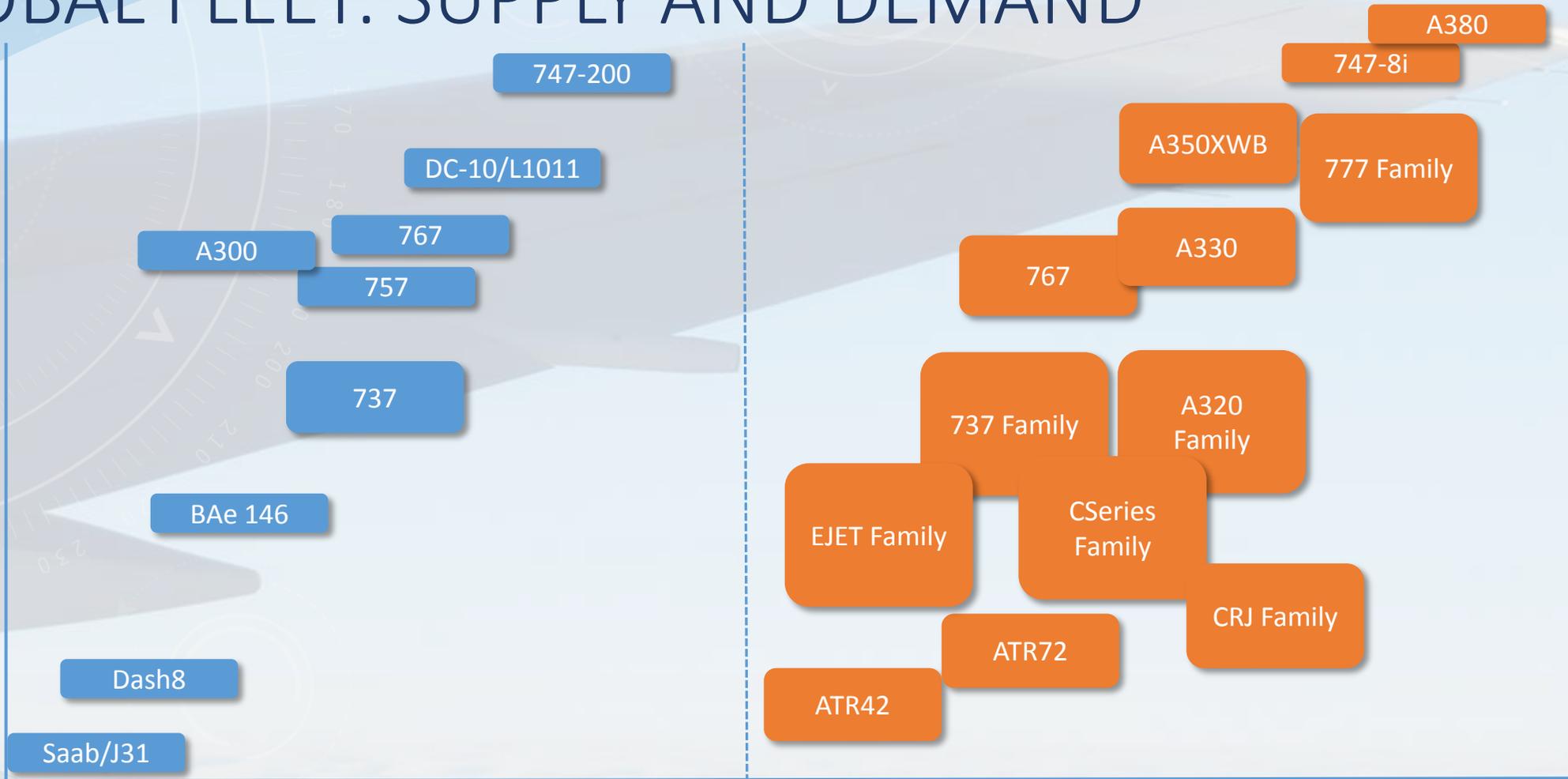
Mainline 130-180 Seats

Regional 90-130 Seats

Regional 50-90 Seats

Regional 30-50 Seats

Regional <30 Seats



THEN - 1980s

NOW



NARROWBODY AIRCRAFT AVERAGE AGE

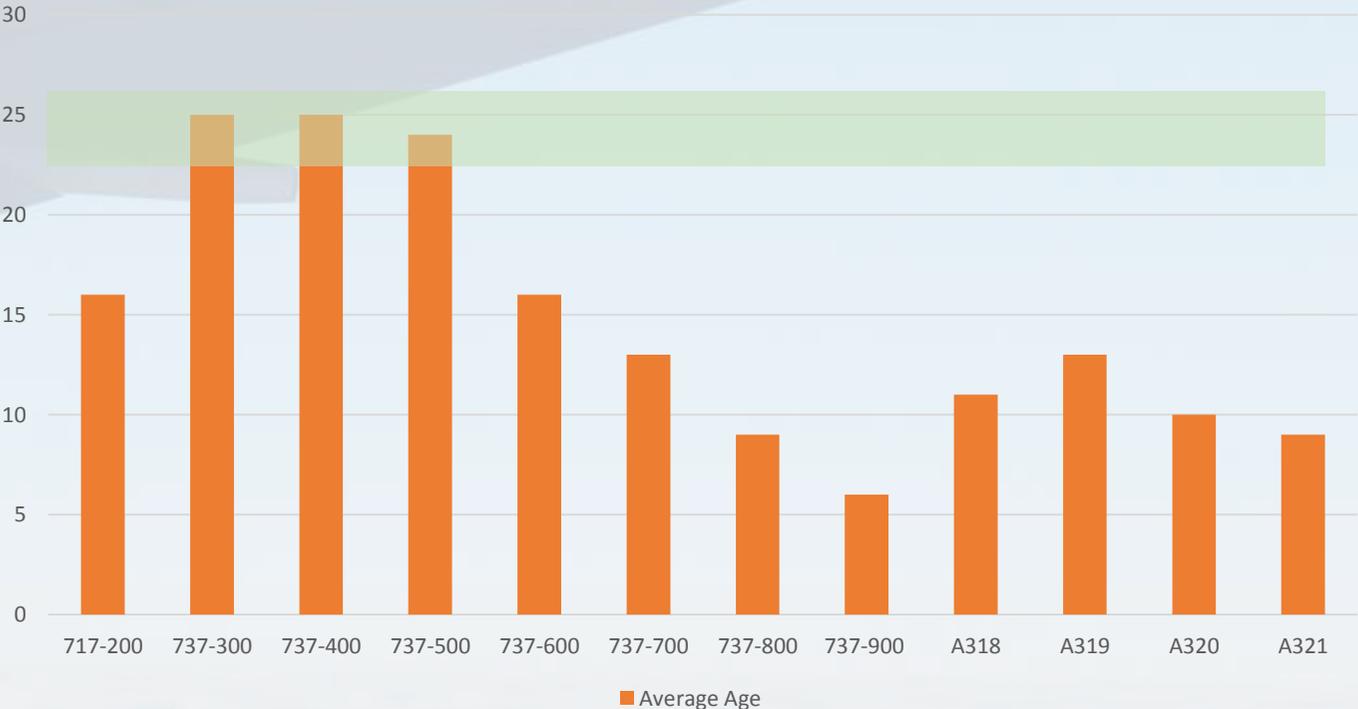
Aircraft ownership (lessor vs operator) will stress economic life models

Airlines extending leases of older aircraft

Fuel arbitrage for new aircraft not as significant. *Why buy the new when you can buy the same thing used?*

What is the exit strategy?

Average Age



STORED NARROWBODY AIRCRAFT

High concentration of 737 Classics

Lower concentrations of Current Generation aircraft compared to previous years

Older aircraft continuing on in-service until next large maintenance event or structural AD



Narrowbody Stored





NARROWBODY AIRCRAFT VALUES

Value recovery with lower fuel pricing and access to financing

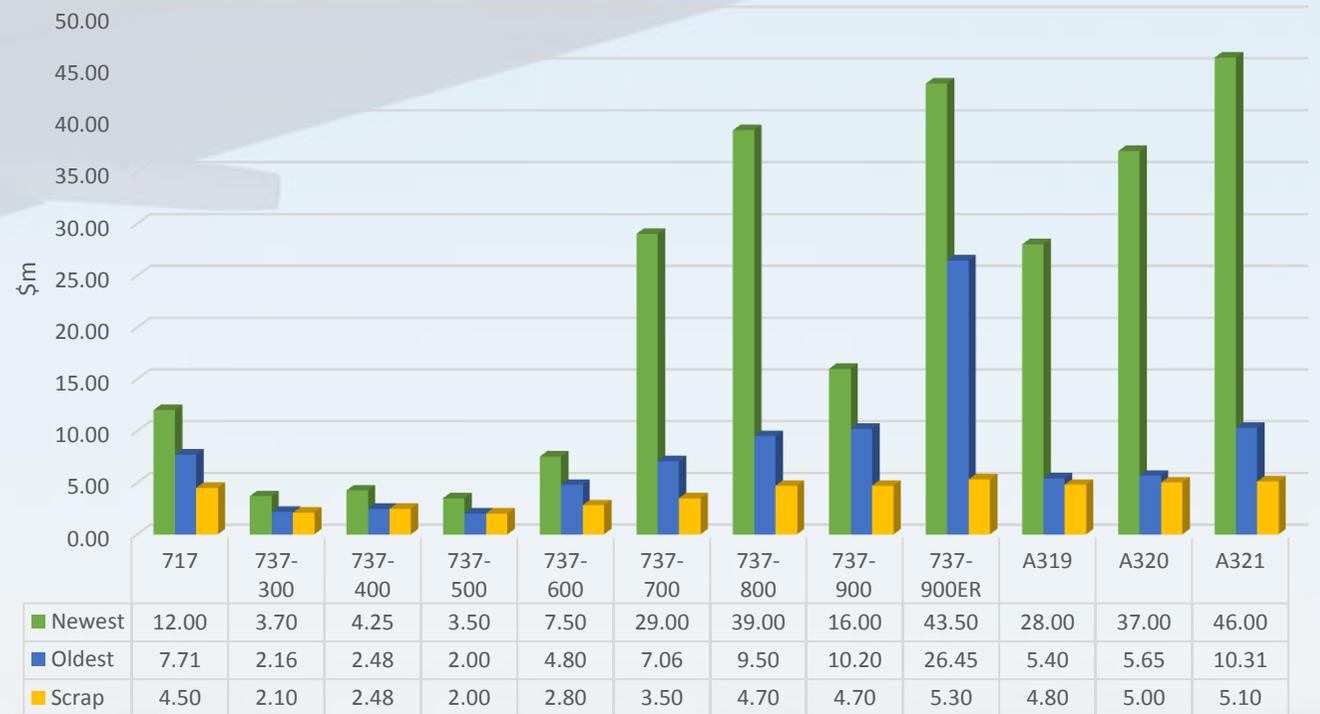
Airlines extending leases of older aircraft

Some values boosted by shortage of available aircraft

Minor variant changes will segment values (A320/A321)

P2F Programs starting to help

Narrowbody Values (\$USm)





REGIONAL JETS AVERAGE AGE

Customarily a shorter economic life for Regional Jet Aircraft

On-lease aircraft remain of interest

Scraping the bottom of the barrel for lift

ERJ-145 anyone?

Average Age

