

ASCEND

FREIGHTERS WORLD
CONFERENCE 2008

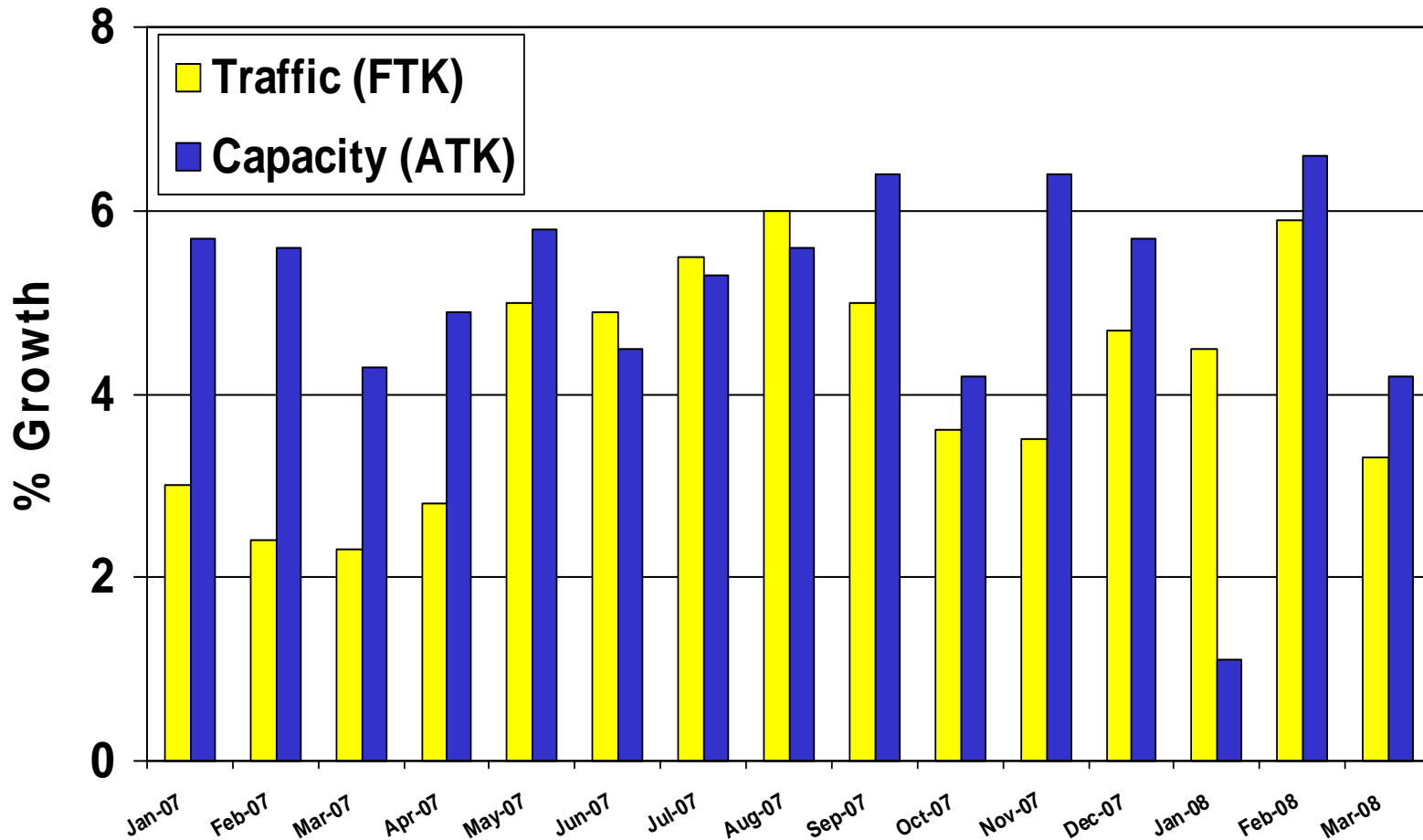
FREIGHTER AVAILABILITY –
MARKET OVERVIEW

CHRIS SEYMOUR
HEAD OF MARKET ANALYSIS
ASCEND



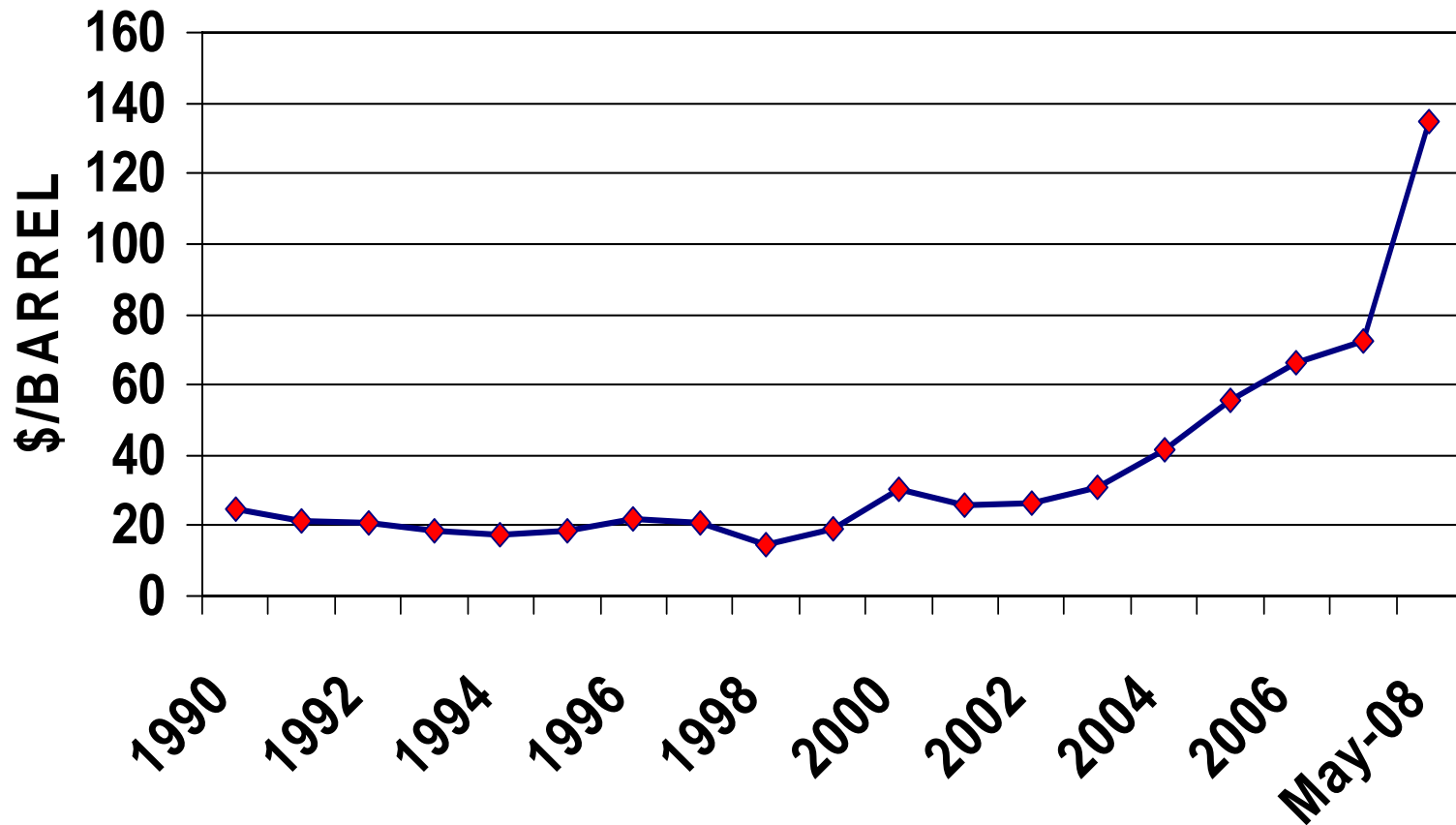
AEROSPACE INFORMATION REDEFINED

IATA data shows traffic growth has only been higher than capacity growth in three months since the start of 2007



Source - IATA

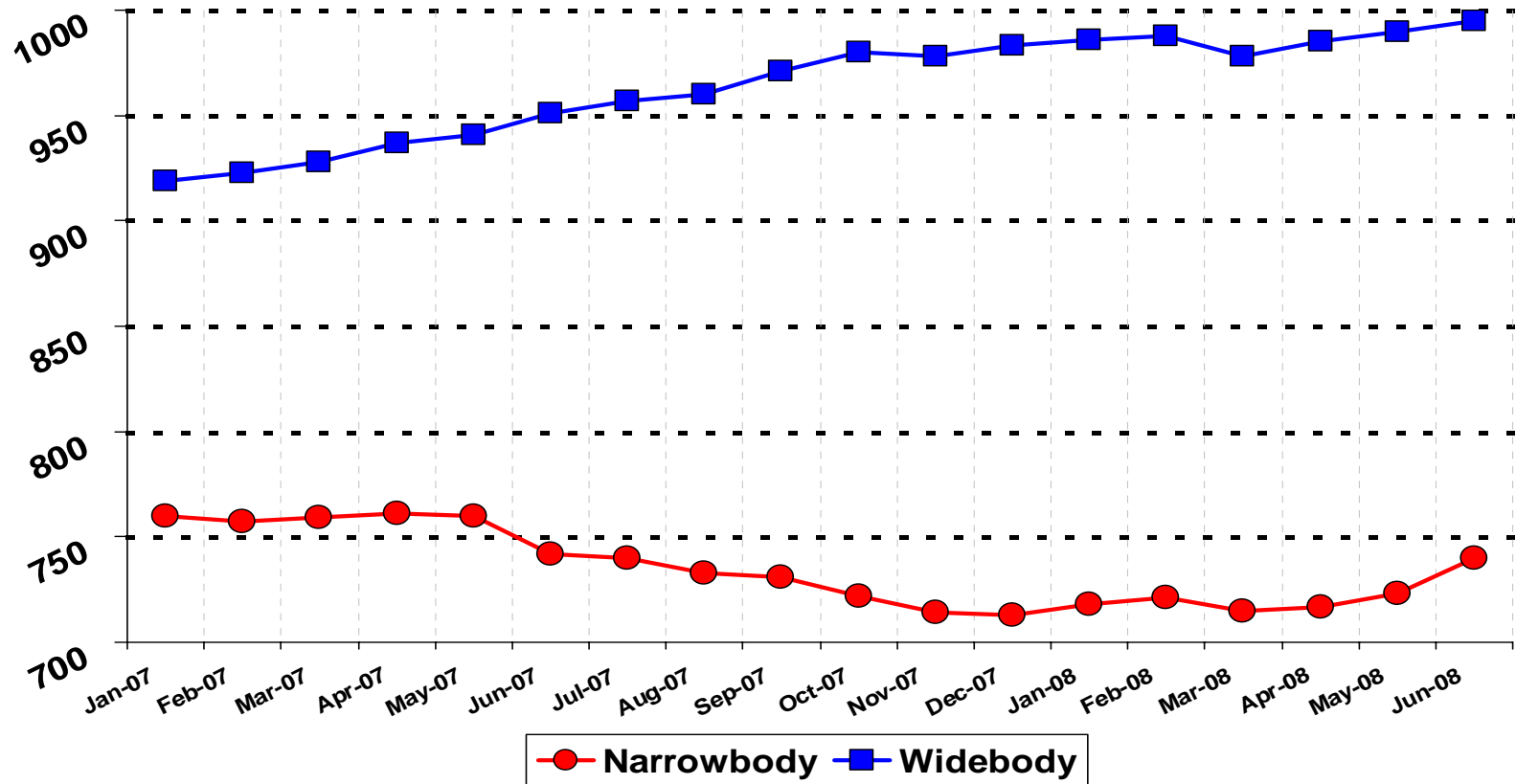
Surge in price per barrel in 2008...how long at these levels ?



Source – US ATA from EIA data

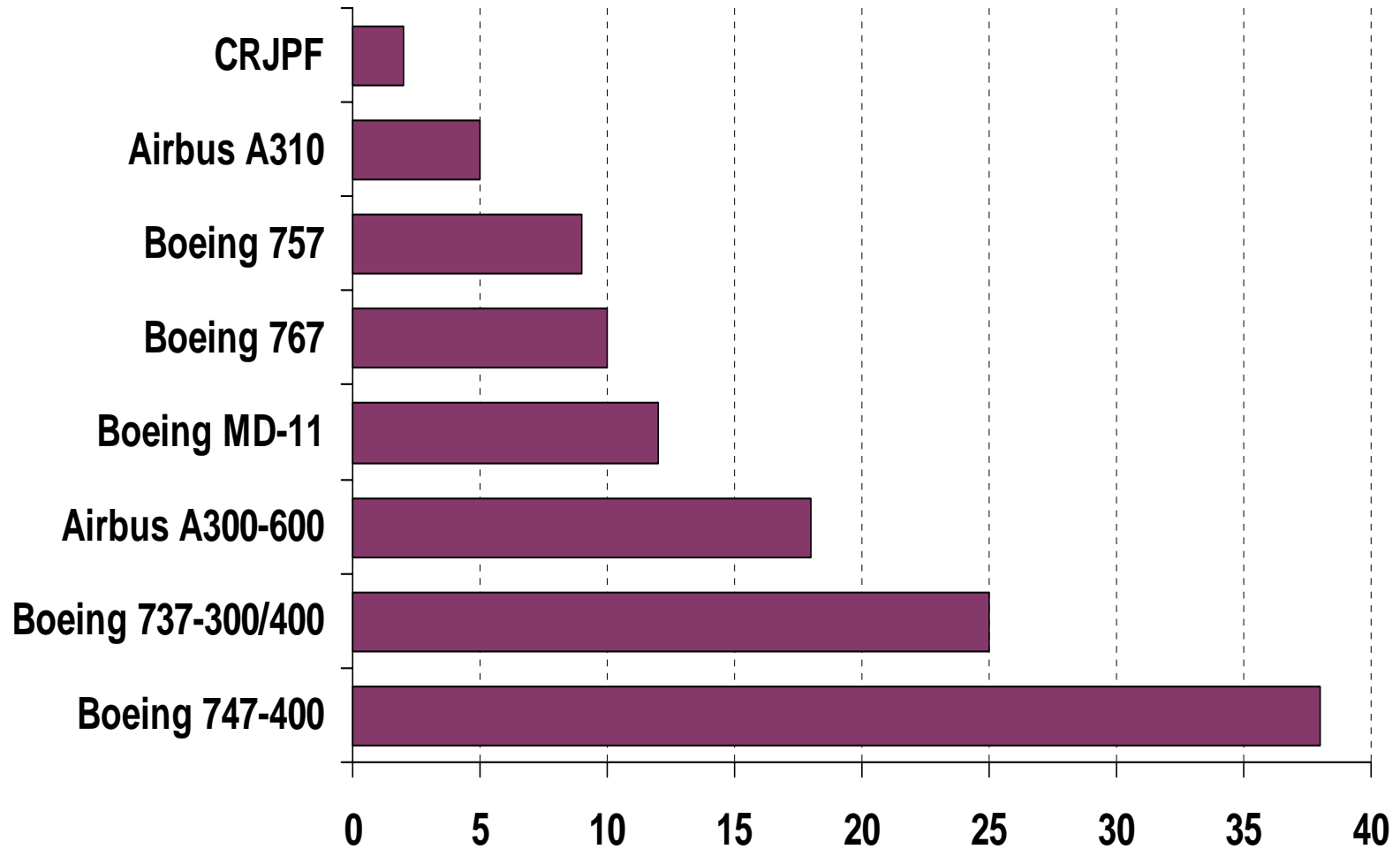
- *Higher fuel prices*
- *Excess capacity*
- *Slowing traffic growth*
- *Weakening US economy*
- *Knock-on effect (e.g. on China manufacturing)*
- *US\$ exchange rate*
- *= losses, route/frequency cuts, fleet cuts, failures.....*

Widebodies up 76, narrowbodies minus 20 since start of 2007



Source: Ascend Online Fleets

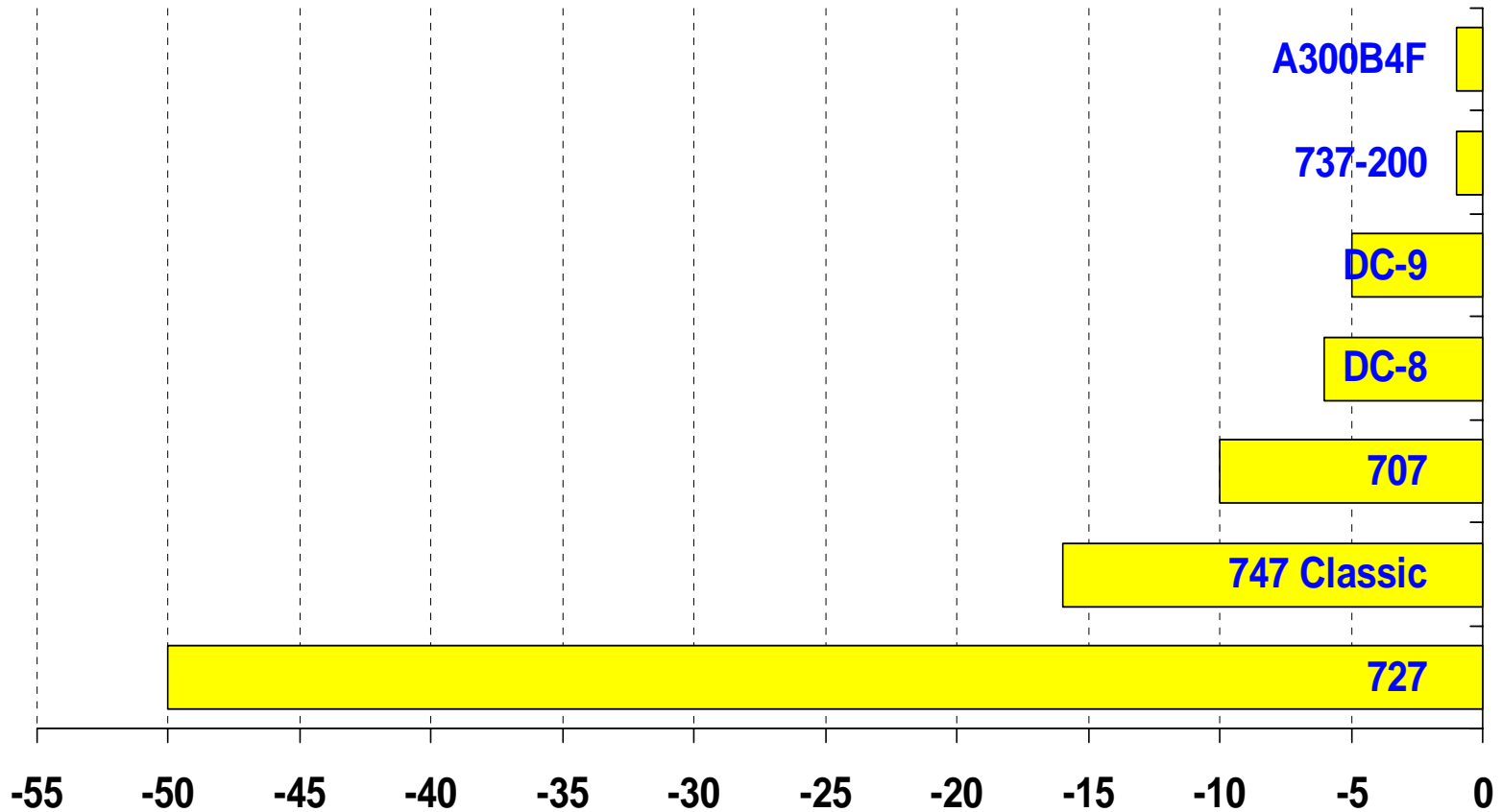
ASCEND *2007 – Jet Freighter Fleet Additions*



Source – Ascend Online Fleets

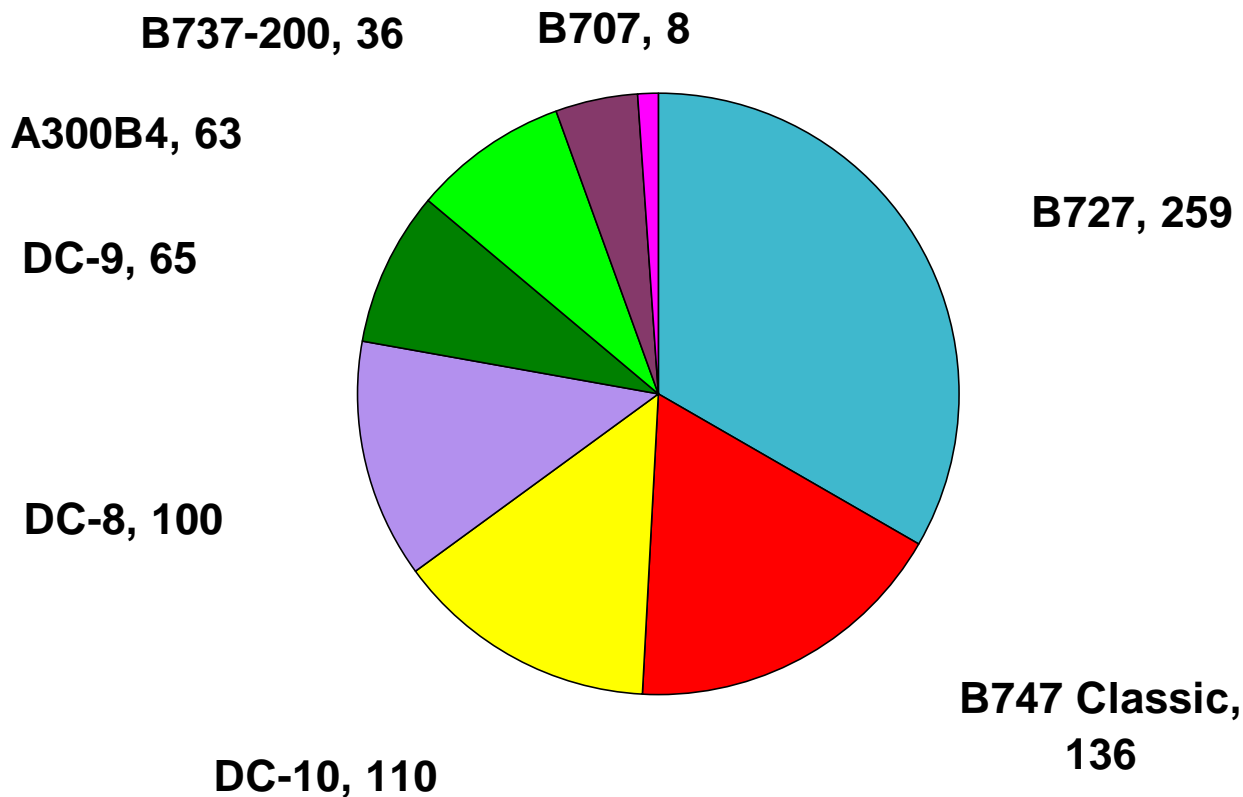
ASCEND *Goodbye...time is over*

2007 – reductions in the jet fleet



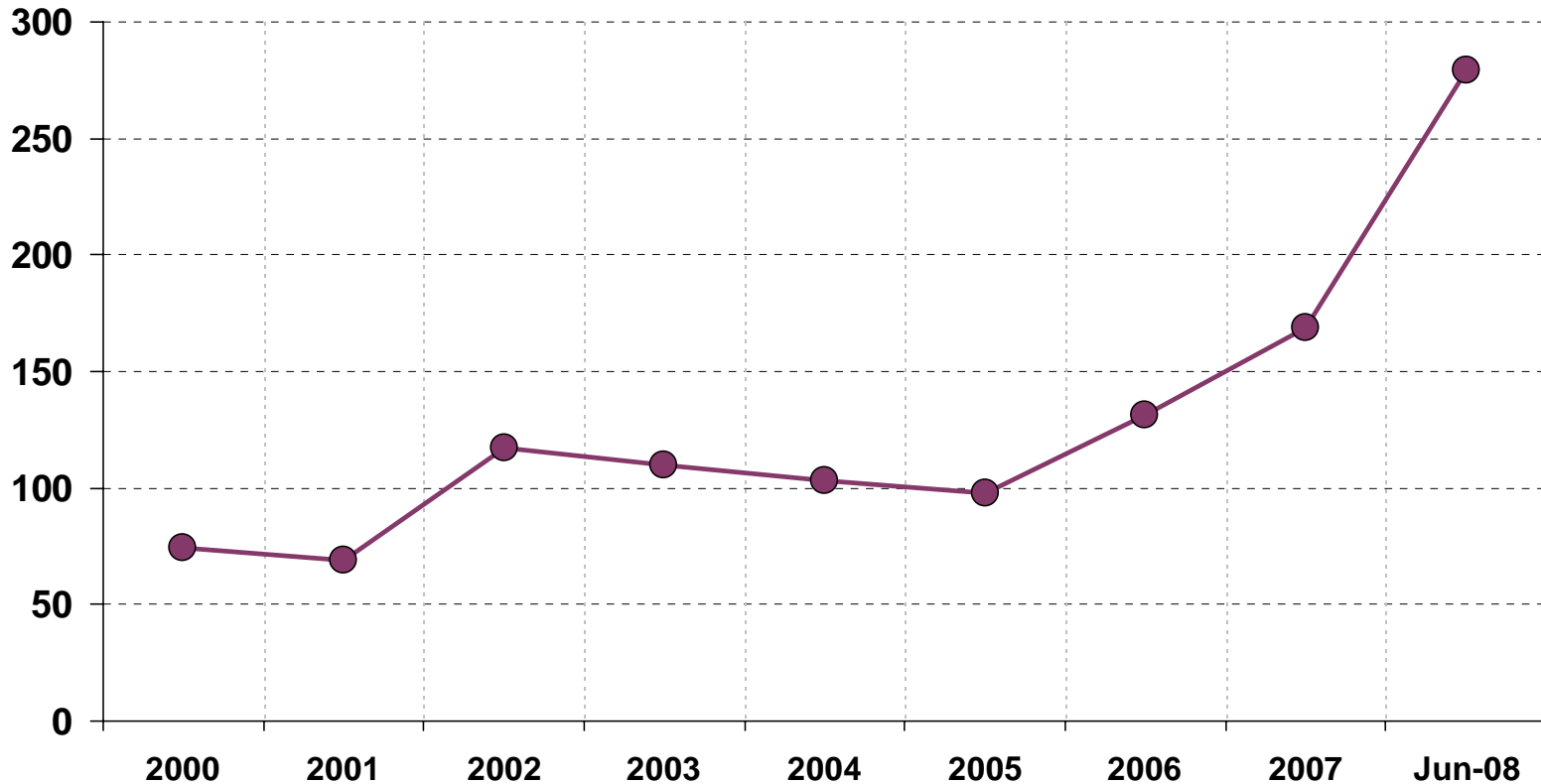
Source – Ascend Online Fleets

ASCEND *The Older Generation – still 780 left in service*



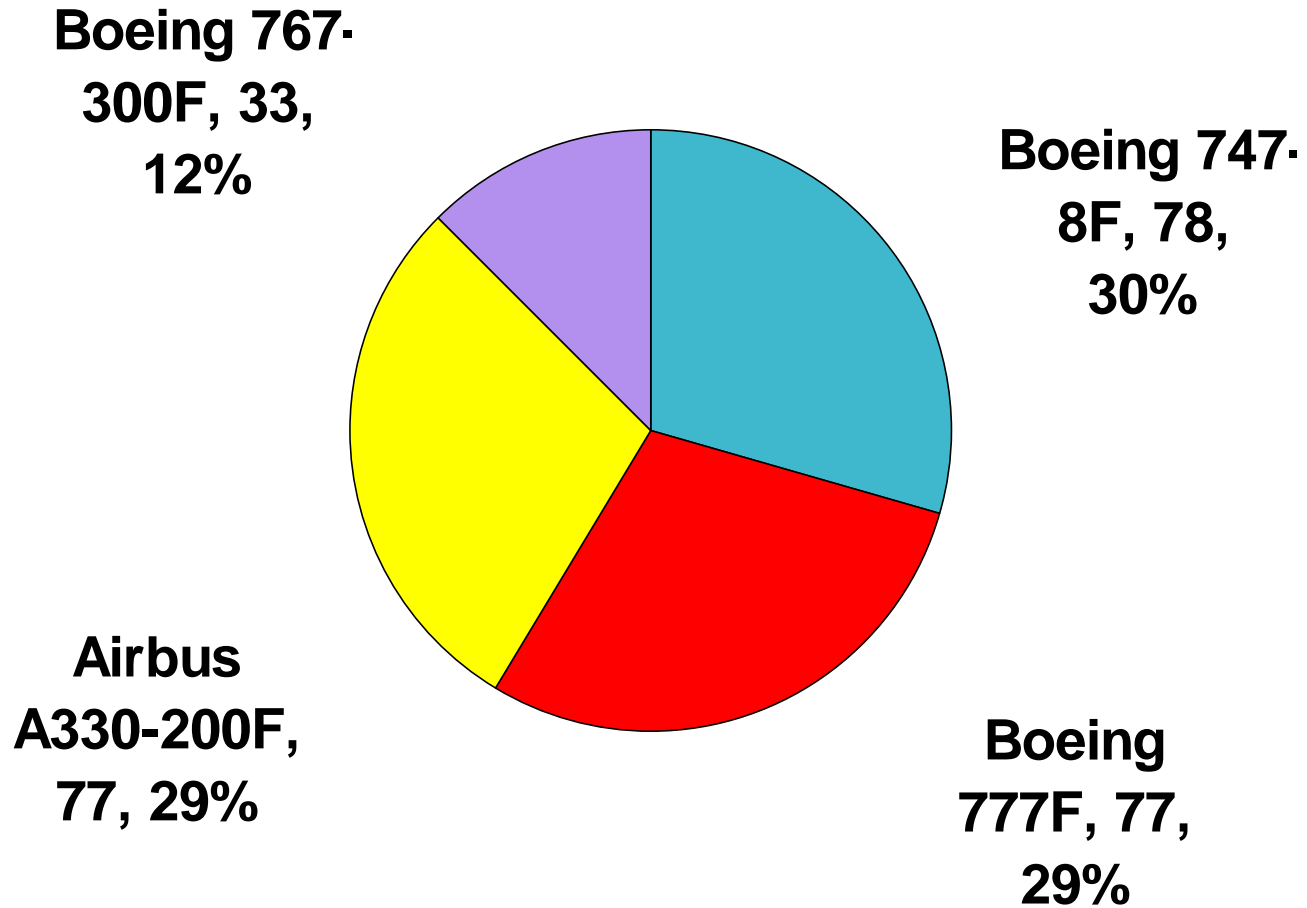
Source – Ascend Online Fleets

At record levels (279) in June 2008



Source: Ascend Online Fleets

ASCEND *Jet Freighter – Firm Orders Backlog*



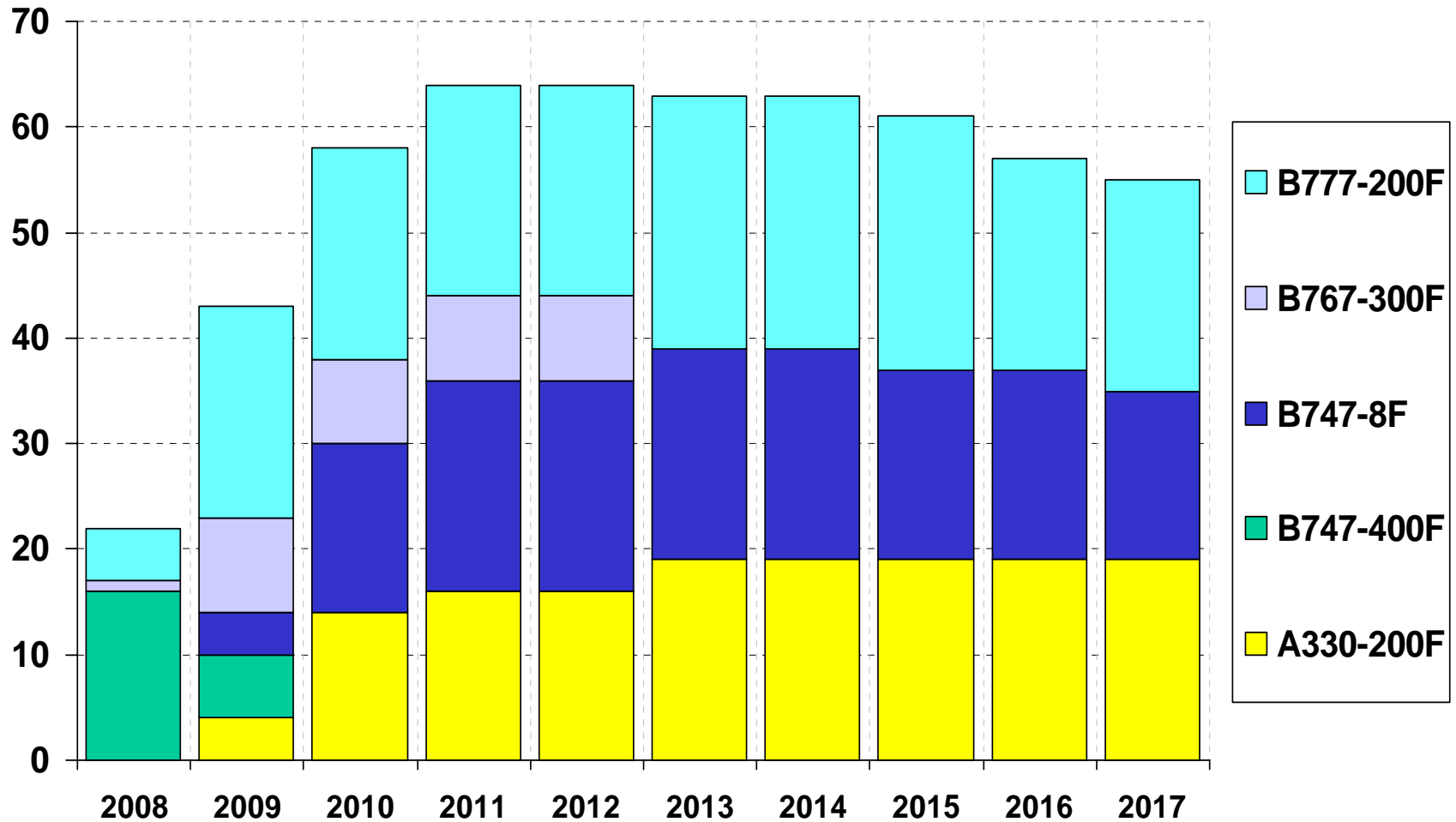
Source – Ascend Online Fleets

- *Backlog is only 16% of the fleet (versus 40% in pax market)*
- *Fuel efficiency is the key*
- *Newer technology vital to maintain reliability requirements*
- *New = high utilisation = maximise revenue*
- *Many for replacement of 747-200Fs*
- *Only on A330-200F are there startup orders*

∴ NO

Assuming customers survive the downturn..

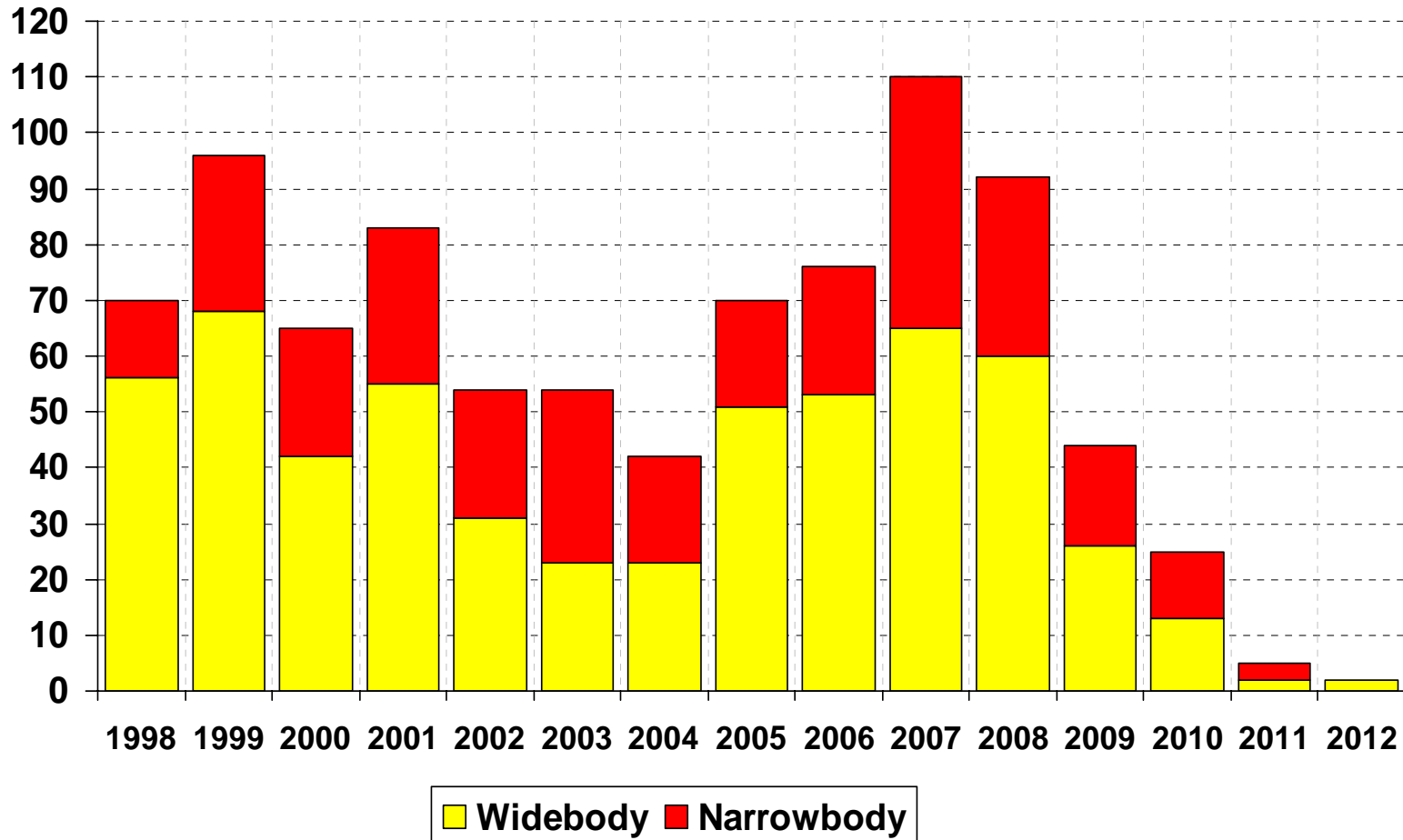
ASCEND *Jet Freighter 10 Yr Forecast Deliveries*



Source: Ascend Global Aircraft (AGA) Forecast

ASCEND *Jet Freighter Conversions*

Past ten years (720) and firm future commitments (168)

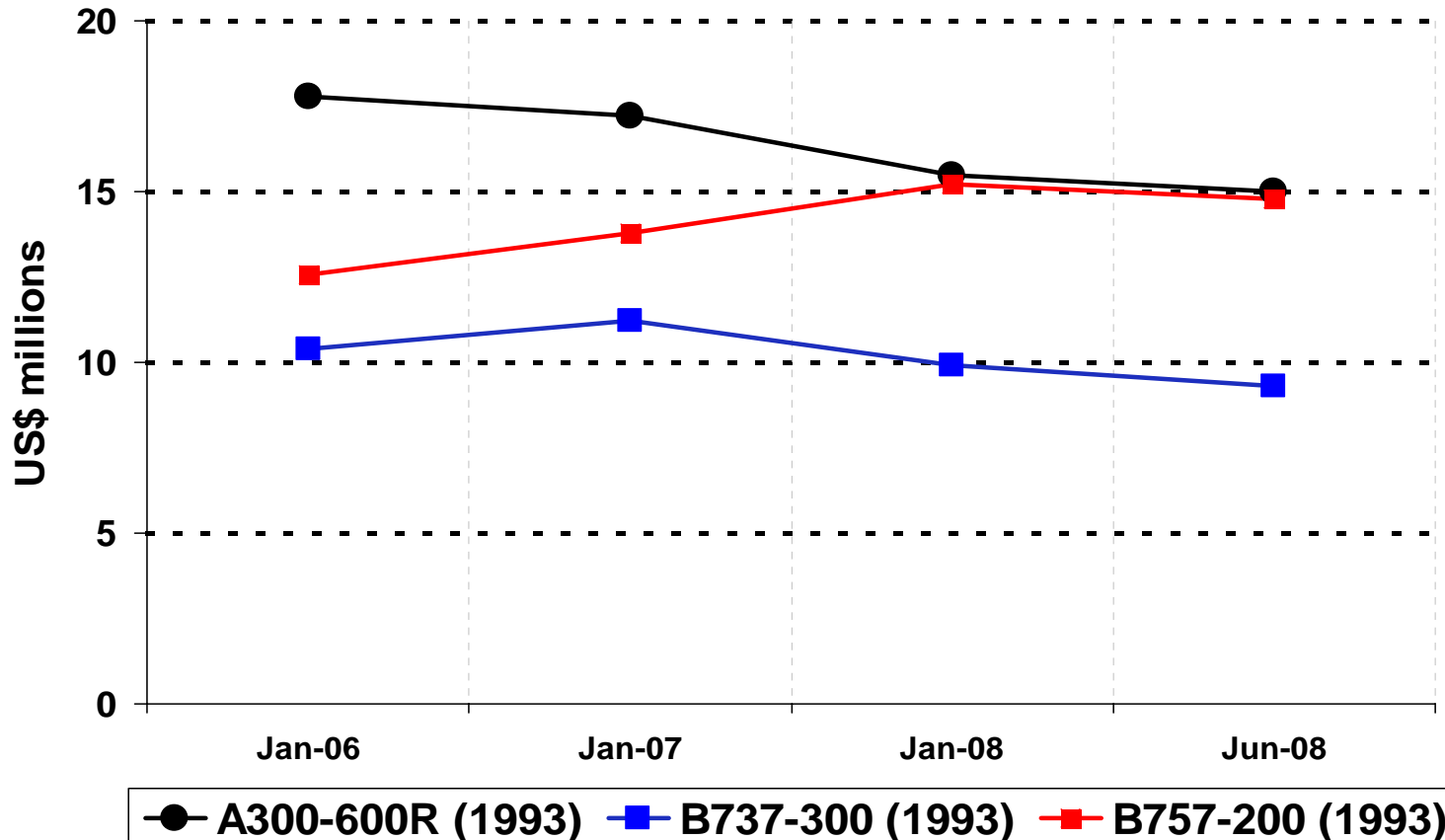


Source: Ascend Online Fleets and data

- *Feedstock – A300/A310, 767 impacted by 787 delays; 747-400 by A380 delays*
- *Feedstock – 757 improving, 737 Classics OK, more coming; A320 timing*
- *Pricing of feedstock – MVs on the turn*
- *Too many converters on some programs ?*
- *MD-11 in last few years – 777 when ?*
- *What market for 146 and CRJ ?*

ASCEND *The Cycle – Pax Market Values declining*

Cycle peak is over – lower values make conversion more attractive



Source: AscendV1.com

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www.ascendworldwide.com

Online Values – ascendV1.com

Appraisals

Inspections

Market Studies & Forecasts

Databases – Online Fleets

Online Data - AIR

Airport & Traffic Forecasting

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