

Values Panel

Short Term Forecasts for Popular Models

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The Market Environment

Factors at play:

Economic Downturn

Oil Price Volatility

Financial Crisis

Successor models

Interim Lift

Cargo Conversions

Retirements

Emissions

Impact on Traffic/Revenue

Where to next?

Who will pay for aircraft?

787 / A380

767

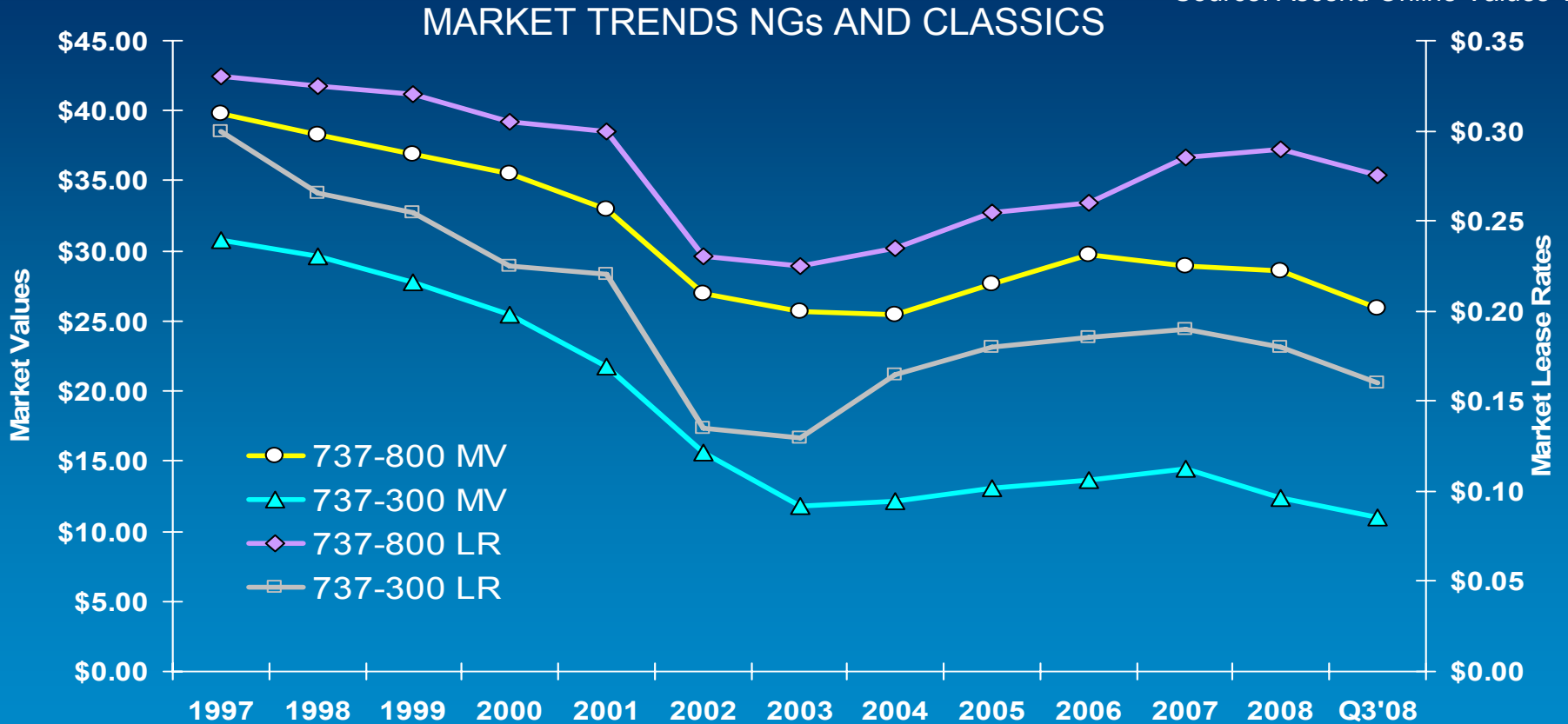
market growth?

When is 'old'?

Another hurdle

Narrowbody Market Values

Source: Ascend Online Values V1



IN PRODUCTION NBs

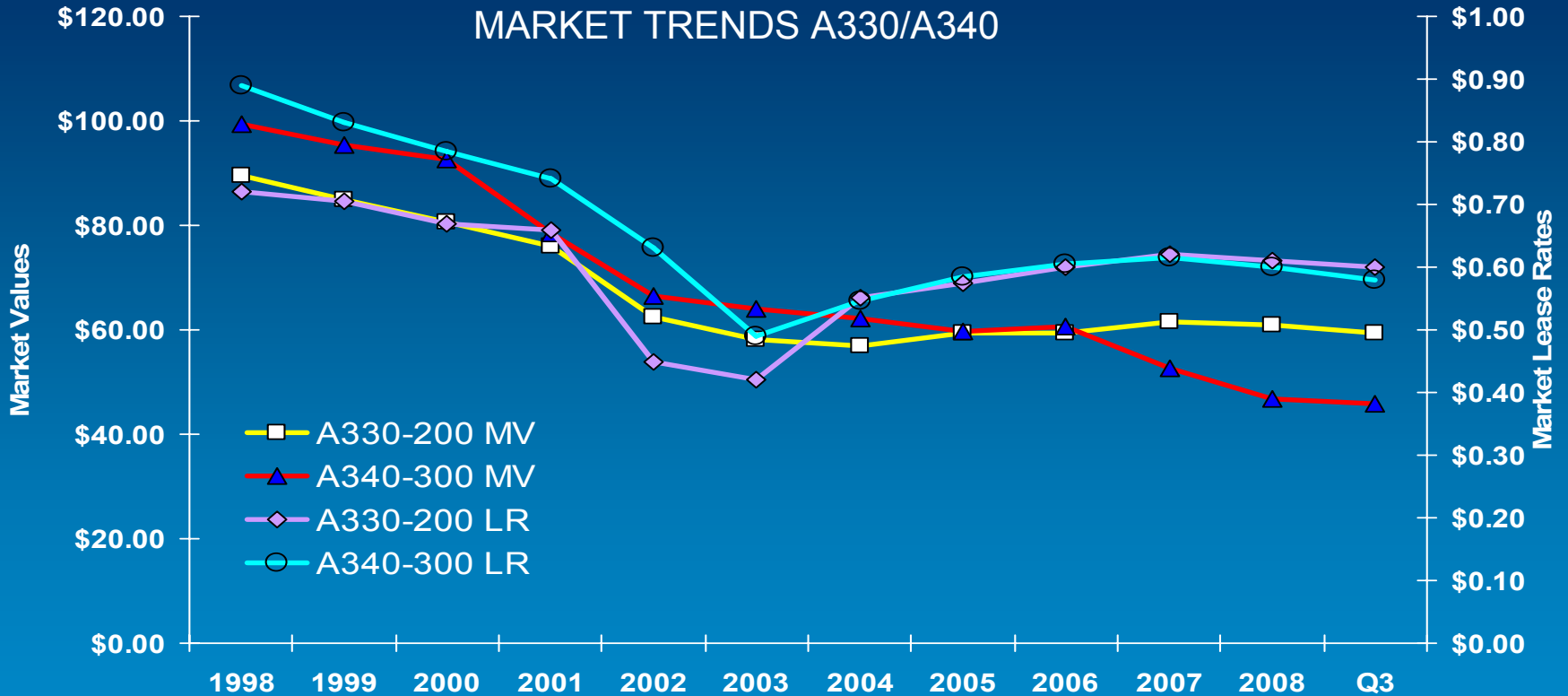
- Lease Rates down 10% since mid year
- Market Values declines 5% to 10%

OUT PRODUCTION NBs

- Lease Rates down 20% since mid year
- Recent Market Values movement - impact most noted with younger vintages

Newer Widebodies

Source: Ascend Online Values V1



IN PRODUCTION WBs

- Lease Rates and Market Values display marginal changes..... so far
- The 777-200/300ER and A330s are core types for the airlines.

OLDER TECHNOLOGY WBs

- eg B747-400, Vanilla 777s, A340-300
- Lease Rates have been holding until now
 - Market Values down 5%, very vulnerable to the Slowdown.

Narrowbody Types

	ASCEND CMV / LR	BV2008	0% Infl. BV2009	0% Infl. BV2010
B737-400 EFIS 1992 143.5k lb CFM56-3C1	\$9.9m (145)	\$10.0m	\$8.2m	\$7.4m
B737-300 EFIS 1994 130.k lb CFM56-3B1	\$9.4m (145)	\$8.7m	\$7.8m	\$7.0m
A320-200 1992 73.5 t CFM56-5A3	\$13.7m (160)	\$13.5m	\$12.5m	\$11.6m
B757-200W 1992 230.k lb RB211-535E4	\$14.0m (185)	\$12.5m	\$11.3m	\$10.2m

Widebody Types

	ASCEND		0%Infl.	0%Infl.
	CMV / LR	BV2008	BV2009	BV2010
A330-200 2002 233t CF6-80E1A3	\$64.6m (645)	\$63.4m	\$58.2m	\$53.4m
B767-300ER 1992 380k lb CF6-80C2B6F	\$24.7m (400)	\$22.7m	\$20.8m	\$19.0m
A340-300 1997 275 t CFM56-5C4	\$41.7m (505)	\$50.4m	\$46.6m	\$42.9m
B747-400 1992 870k lb PW4056-3	\$36.5m (520)	\$35.5m	\$31.8m	\$28.4m

What's happening to values right now?

Already affected: older, inefficient equipment

- 737 Classics (decay started before US cutbacks were announced)
- 747-200 Freighters – off the cliff!
- 50 seat regional jets
- 747-400 passenger version

Potential to see decline in near term

- 757s (especially later vintages)
- 767s and other “marginal lift”
- MD-11 Freighters
- Older A320s (1988-1994) CFM56-5A1 or V2500-A1 powered

Better prospects for in-production aircraft?

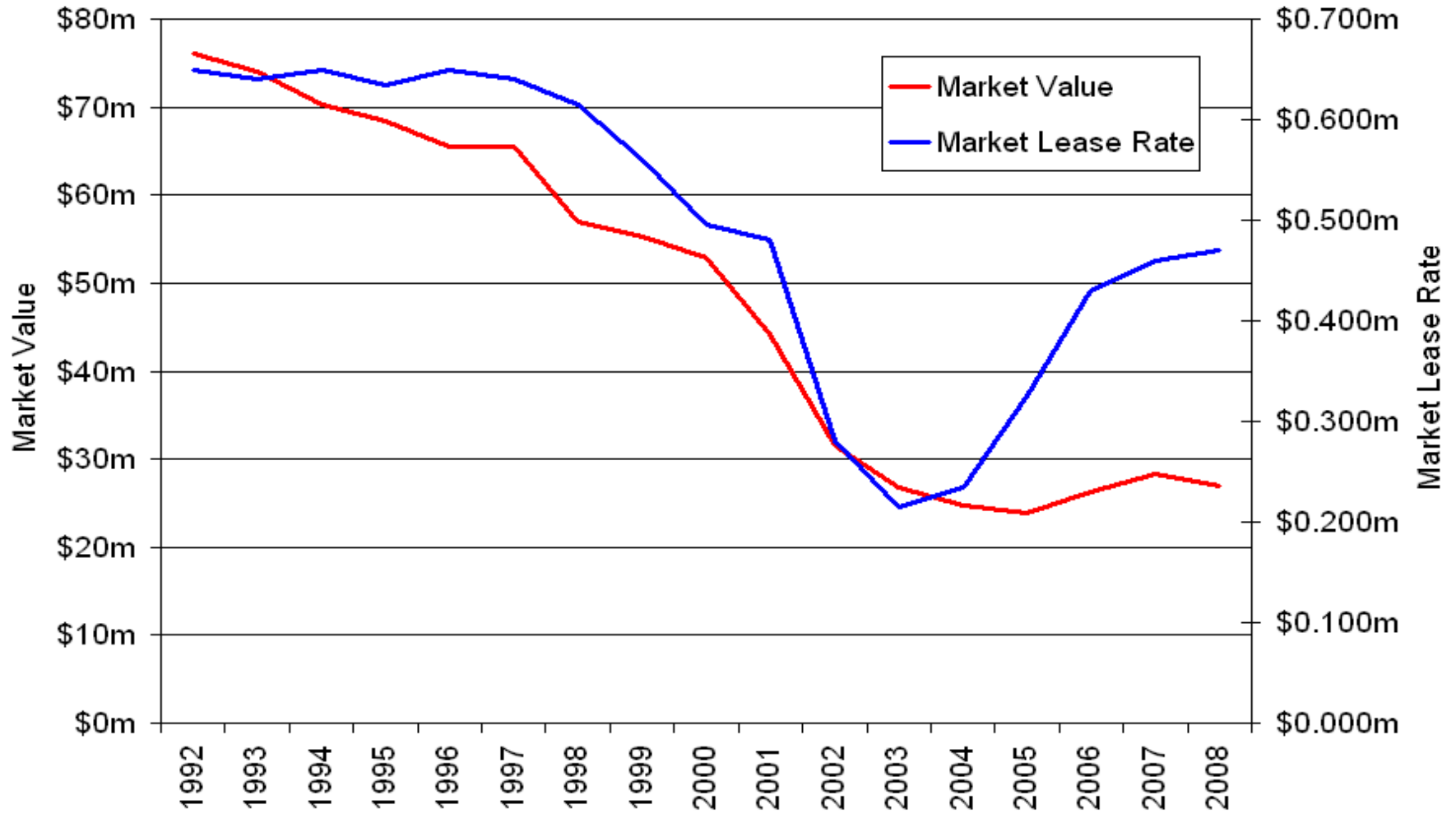
Narrowbodies

- **A320 Family and 737NG - MV premium has evaporated, parity with BV**
- **Lease Rates have started to decline on A319, A320, 737-700**
- **737-800 availability on the up - ATA, Futura, XL, Sterling etc.**
- **Delivery slots available as early as 2008-2009 due to deferrals and cancellations**

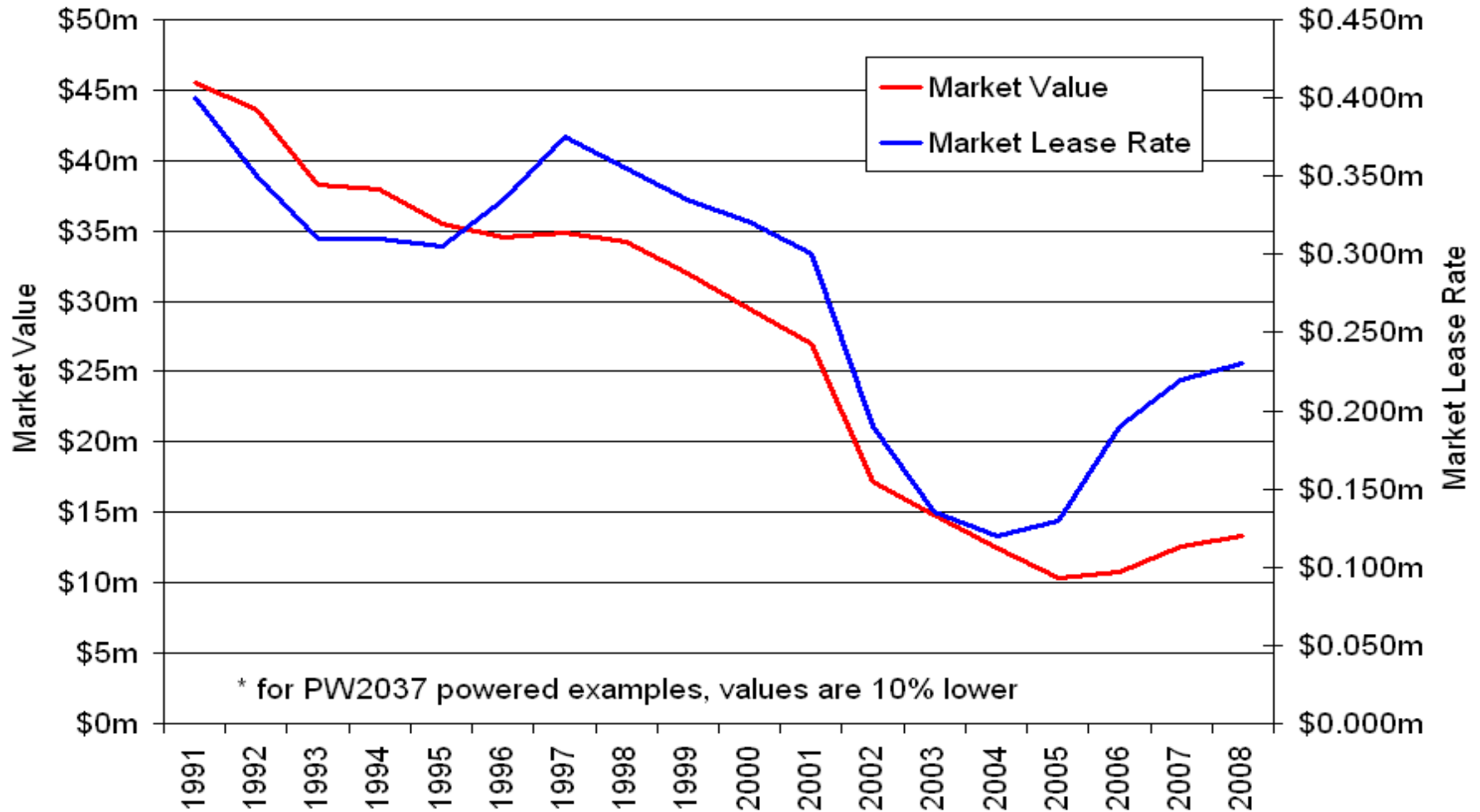
Widebodies

- **767-300ER 'propped up' by 787 delays – but for how long?**
- **A330s and 777-300ER expected to ride out the storm better**
- **Some A330 slots already available 2009**
- **777-200ER still in demand but MV heading towards BV parity**

1992 B767-300ER (CF6-80 / PW4000)



1991 B757-200 (RB211-535E4)



Questions?

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