

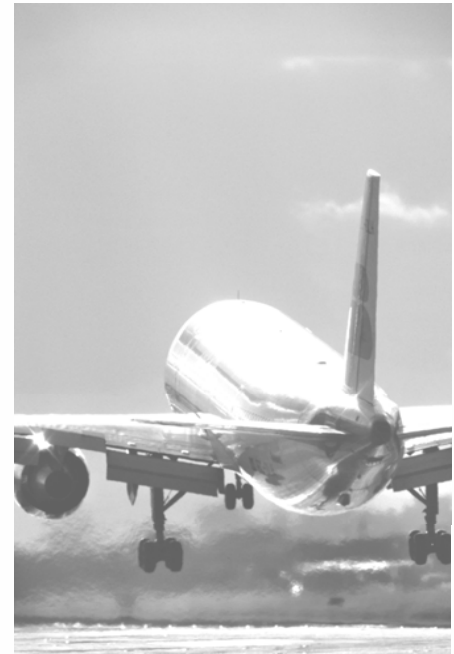


Parc Aviation
Presentation to the
2007 Flight International
Crew Management
Conference
06th December 2007

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Presentation Overview

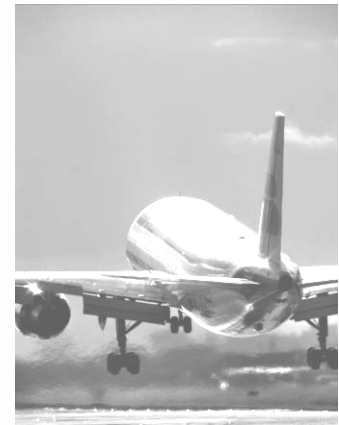
- Profile of Services
- The current global market
- Global demand and flight crew
- The LCC market
- Market Segments – Overview
- Recruiting Strategy
- Attracting & Retaining Pilots - considerations



Parc Aviation Overview

WORLD LEADER IN THE PROVISION OF AVIATION PERSONNEL

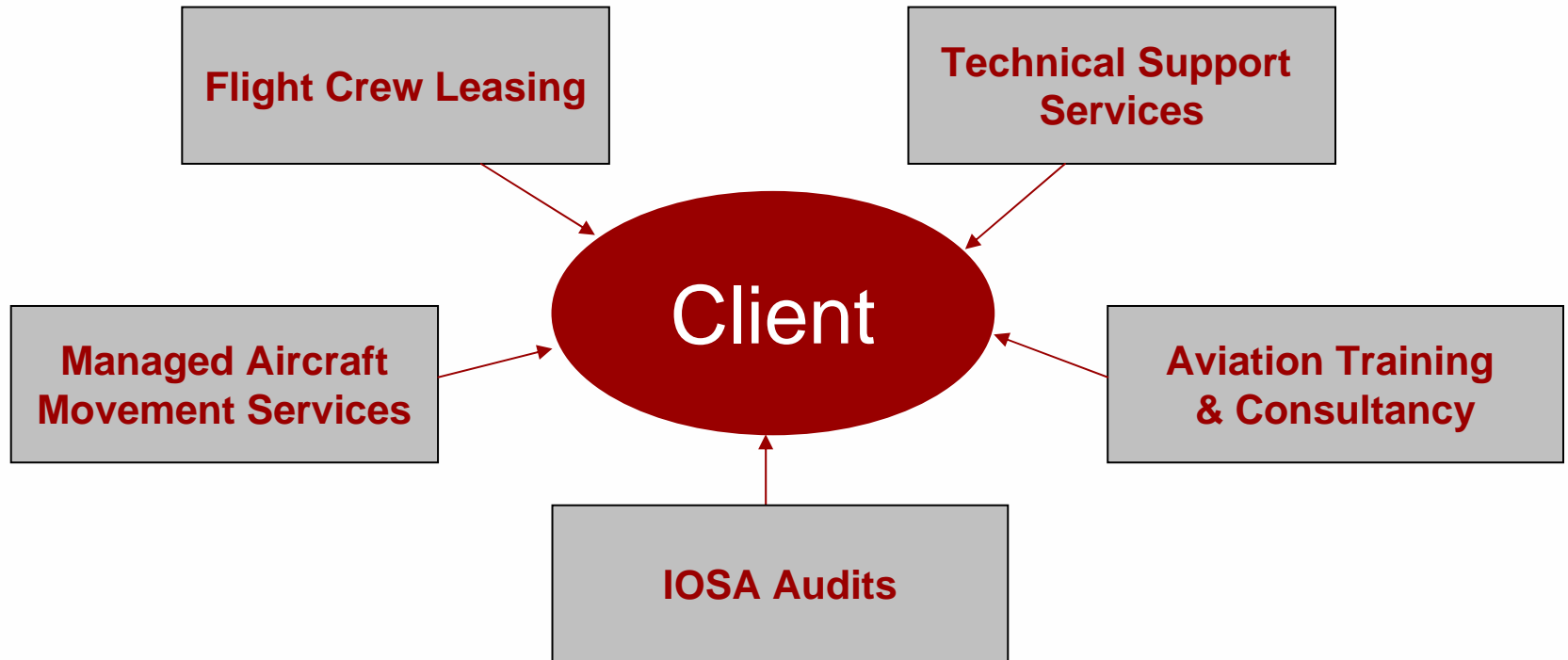
- Specialist in **Aviation Personnel Solutions**
- Established in 1975, part of the Parc group
- Former subsidiary of Aer Lingus, now independent
- Extensive **international experience** and presence
- Currently 800 Flight Crew & Engineers on assignment with over 60 clients, operating 20 different aircraft types in over 35 countries **globally**



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Parc Aviation Portfolio



New Chapters in Aviation History

Global Air Transport Industry

- IATA forecast 2007 - \$5.6 billion profit. 2008 - \$7.8 billion
- Last 3 years have seen record levels of ordering.
- Aircraft Deliveries increasing
- A380 into service, B787 Dreamliner entry 2008
- Embraer 300th E-Jet delivery, ATR launching -600 series
- Bombardier C Series, Sukhoi SuperJet100 rolled out
- Mitsubishi progressing MRJ's, ARJ from China.

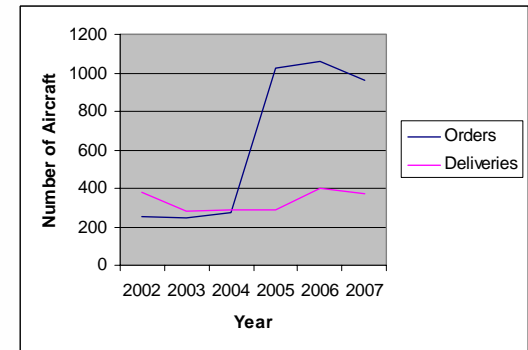
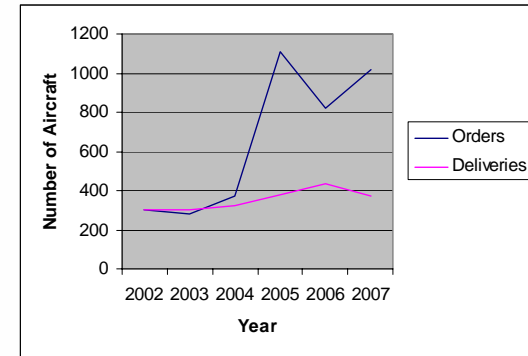


Industry Growth

Airbus / Boeing Statistics

Airbus	2002	2003	2004	2005	2006	to Oct07
Aircraft Orders	300	284	370	1111	824	1021
Aircraft Deliveries	303	305	320	378	434	374

Boeing	2002	2003	2004	2005	2006	to Oct07
Aircraft Orders	251	249	277	1022	1058	959
Aircraft Deliveries	381	281	285	290	398	371



Source : Airbus / Boeing

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Industry Growth

20 Year Forecasts

Airbus - 22,700 new aircraft / Boeing – 28,600 new aircraft

2026 – 36,400 airplanes in service

2006 – 18,200 airplanes in service

Sources : Boeing / Airbus / World Factbook / ACAS (2006) / Genesis Lease

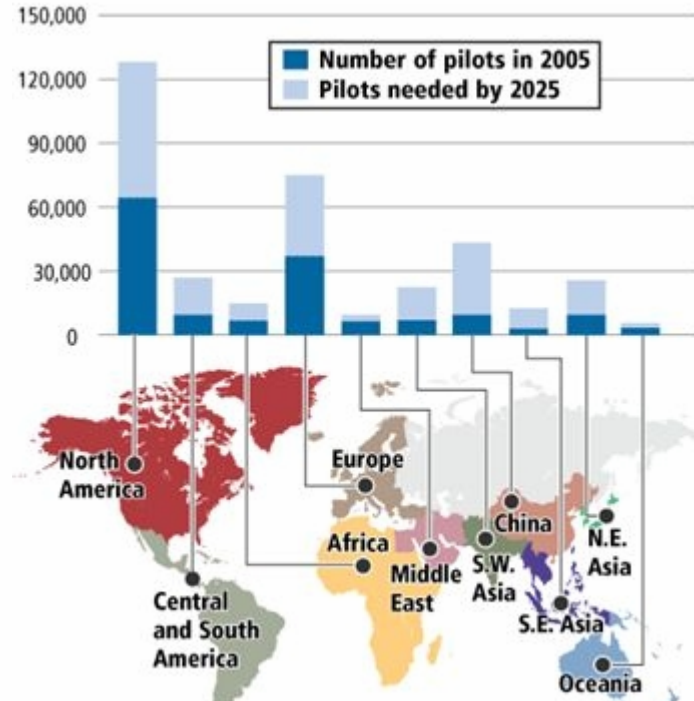
	Number of Aircraft	Population Per Aircraft
India	253	4,329,455
China	982	1,338,059
Russia	131	1,090,790
Brazil	337	558,096
Europe	4,161	95,041
N America	8,601	38,547

Global Demand for Pilots

PILOT SHORTAGE

The world's fleet of commercial jetliners is expected to double over the next 20 years. But many airlines are facing a serious shortage of pilots, especially in India, China, Asia and the Middle East. This chart shows how many pilots will be needed to support new airplane deliveries between 2006 and 2025.

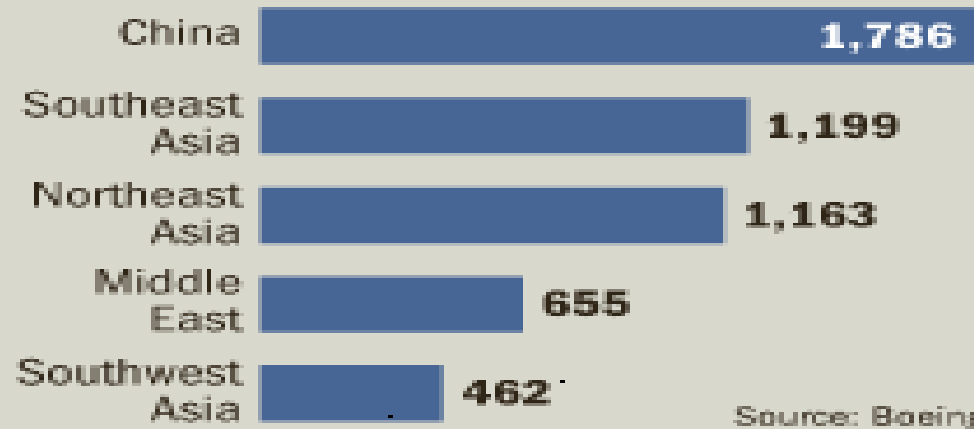
Source: The Boeing Co.



Global Demand for Pilots

Help Wanted

Estimated new-pilot demand per year over the next 20 years:



Source: Boeing

Current Pilot Market Outlook



“The pressures are enormous. China says it needs 30,000 by 2024. India wants 5,000 more in five years. The International Air Transport Association (IATA) puts the Asia – Pacific’s requirements at 5,000 a year ”

Orient Aviation – October 2007

“The pilot shortage we keep reading about is real and it's growing. However, it's not specific to the airline industry - business aviation is facing a similar challenge. Predicted global demand will mean the airline industry is looking to recruit up to 18,000 pilots a year over the next 20 years.”

Flight International - July 2007

“A severe pilot shortage will beset the world’s airlines... estimates that 17,000 new pilots may be needed annually to address expected industry growth and retirements”.

IATA – 29th November 2007

Global Pilot Demand Dynamics

- Rapid **global growth** in LCC sector and flight crew demand - airlines are intensively **recruiting pilots** for their growth.
- Upward pressure on pilot pay rates and assignment terms in tight market.
- Large flag carriers have an advantage in **attracting foreign** pilots.
- European carriers cannot by and large recruit pilots from outside EU due to licence regulatory and EU right to work issues.
- Age 60 issue is temporary reprieve – puts pressure on Instructor availability.
- USD exchange rate is a high pressure point.
- US airlines hiring again and this reduces US pilot availability.
- China and India are major competitors for first time in attracting foreign pilots.
- Long haul operations and long haul low cost airlines are growing

Pilot Issues in EU



- Self-funded ab-initio flight training and type ratings.
- LCCs are accepting non-type rated pilots and bonding them for a number of years.
- Many European carriers now accepting Type Rated First Officers with no line flying experience and continuing to upgrade captains from within.
- Smaller airlines suffering loss of pilots to larger airlines.
- Pilots can fly up to the age of 65 in left or right hand seat but only one over 60 pilot permitted in the cockpit at any one time. Standard medical applies to pilots over age 60.
- LCC model and payment to pilots – strongly linked to productivity flying.
- Business / VLJ jet market is growing and so is pilot demand.



An LCC Perspective

- Senior B737 / A320 Captains within the EU have an earnings potential of Euro €130,000 (USD190,000) per year - equates to Euro €10,800 (USD16,000)/month.
- Pilots can choose any of crew bases
- Fixed Roster patterns of 5 days on, 4 off and Pilots return to home base every night
- Rapid career progression – Direct Entry Fast Track Command Scheme enables senior first officers (3,000 hrs TT) to enter command evaluation process.
- Share Options Schemes.
- Critical issue for LCC – Losing pilots to Large aircraft operators with offers of upgrades on to new/larger types. (career progression!)



Asia's LCC Market

- Asia's LCC Market is growing rapidly similar to other regions.
- Carriers such as Jetstar/Tiger Airways are offering pilots a new alternative – Australian pilots can work from a home base rather than on a commuting contract.
- Sector pay is a fundamental attraction of flying with LCCs – Pilots have the opportunity to be paid more the harder they work.
- Faster upgrades / career **progression** – Jetstar is currently offering upgrade onto B787.
- Pilots do not have to go on overseas assignments



US/Australia

- US airlines are hiring again due to traffic growth.
- US pilots will be looking for higher pay due in 2008/2009 to concessions given post September 11, 2001.
- Air travel market is changing in Australia with higher pilot demand – Air Asia, Air Asia X, Jetstar, Tiger, Virgin Blue. Asian LCC's going long haul.
- Australian pilots have more choice now and memories of the 1989 strike receding with new generation of pilots.



India

- Over 10 serious players. 250 aircraft in operation.
- Approx 3000 pilots employed in aviation. Approx 600 foreign pilots.
- Experienced Captains can earn USD 120-160k per year
- 425 aircraft on order – requirement of approx 10,000 pilots in the next 20 years.
- Finding pilots is the biggest challenge for airlines in India.
- Recent changes – pilots can now fly up to age 65, expat co-pilots are now permitted, many flying schools now have tie up with foreign training companies, no poaching agreements between airlines involved DGCA.



China

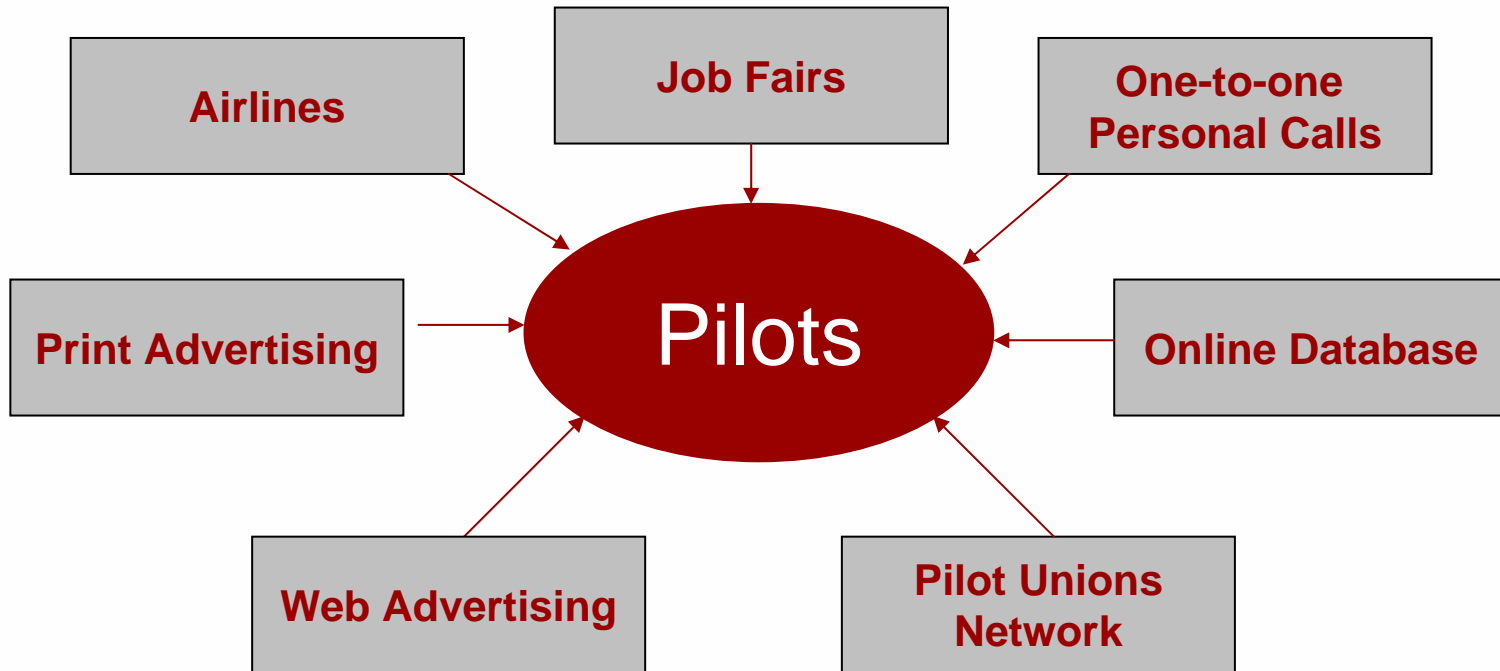
- Additional 2000+ aircraft over next 20 years (20000+ pilots)
- Air China / China Eastern asking Aircraft Suppliers to supply pilots
- Over 200 foreign pilots in China
- Shenzhen / Jade Cargo / Juneyao / Yangtze River Express / United Eagle / Spring Airlines / Hainan Airlines, etc.
- Challenge for Airlines in China is recruiting process / delay in getting pilots approved and through CAAC programme.



Middle East

- Experiencing considerable growth
- Dubai Air Show 2007
- Emirates orders 70 x A350, 11 x A380, 12 x B777 (+ options)
- DAE Capital LOI 70 x A320, 30 x A350,
- Saudi Arabian Airlines MOU 22 x A320, 20 options
- Qatar orders 22 x B777, 30 x B787
- Nas Air – orders 20 x A320 / Air Arabia – orders 34 x A320 + options 15 more
- Prince Alwaleed bin Talal – 1st private client to order A380

Our Recruiting Strategy



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Key Facts - Flight Crew

- Demand for pilots at unprecedented high
- Training lag and capacity requirements are key issues in demand for contract pilots.
- High quality assignments will always attract foreign pilots
- Terms and conditions of assignment are critical
- Foreign (and national) pilots have significantly more choice than 10 years ago, assisted by the internet
- USD rate of exchange and career progression are a key issue.

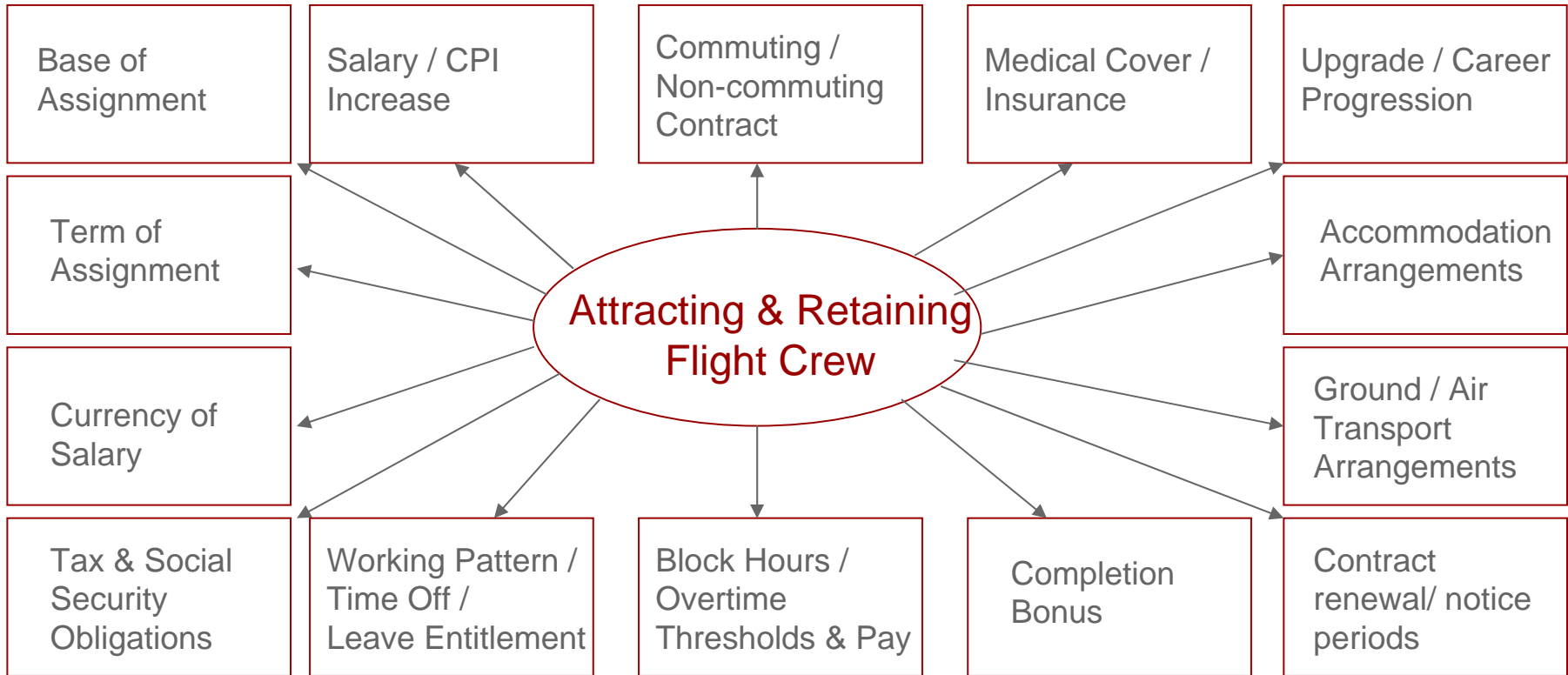


What Pilots are offered ?

- Lifestyle choices / Job Share & Month on / Month off with tickets home
- 6 weeks on / 2 weeks off, 35 days on / 31 days off with tickets home.
- Bases in USA / Europe with tickets home
- Flying up to age 65
- Quality Accommodation, Healthcare for pilot and family, Education for children
- Assignments April to October in Europe
- Career progression / upgrade opportunities / flexibility



Attracting & Retaining Flight Crew



In Summary



- **World leader** in Flight Crew Leasing with over 30 years experience in the aviation personnel market.
- Strong, successful relationship with Airlines & Pilot Unions around the world.
- Parc Aviation's business is people management and Airlines / Pilots see this as value proposition.
- Parc Aviation's Give / Take principle ensures success for Airlines and Pilots
- Pilot shortages continuing to affect all segments of the market but Parc Aviation have strong global spread and network for sourcing pilots.



✈️ THANK YOU

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