

In this Issue:

- Bumpy ride for airlines as premium ticket sales fall
- Bankruptcy sought for East Star Airlines
- Emirates to drop A380 'superjumbo' service to US
- Jazeera Air to be debt-free by early 2010
- US Airways looks to trim global seats
- Sink or swim in 2009? IBA launches a new programme of training courses to educate and inform the industry
- IBA Group News
- Weekly Oil Market Report

IBA Group Ltd.
Meadowcroft House
180 Balcombe Road
Horley, Surrey
RH6 9AE
United Kingdom

Tel: +44 (0)1293 772743
Fax: +44 (0)1293 772745
www.ibagroup.com

Bumpy ride for airlines as premium ticket sales fall

The slide in premium seat sales that started to hit airlines about six months ago has turned into a virtual collapse, with Asian carriers affected the most.

The number of people flying first or business class plunged 16.7 per cent in January this year, continuing a trend that began in September 2008 and extending a 13.3 per cent fall in December that year.

The latest figures from the International Air Transport Association (IATA) show a continuing move by travellers - particularly corporate customers - to downgrade from premium to economy seats.

What started as a 5 per cent fall in premium seat sales in September 2008, after the Lehman Brothers collapse, has worsened substantially as the global financial crisis bites harder.

This has serious implications for the likes of Singapore Airlines and Cathay Pacific, both of which used to derive almost half of their income from premium ticket sales.

'We estimate that revenue from premium passengers was down by at least a quarter in January, wreaking significant damage on network airline yields and profitability,' IATA said. Routes to and from Asia are worst affected.

Intra-Asian premium travel fell 23.4 per cent in January, while across the Pacific the decline was 24.7 per cent. Premium travel between Europe and Asia was down 21.2 per cent, as international trade and investment shrank.

'What started as a financial crisis in the Western economies has now become a manufacturing crisis, hitting the export-dependent economies of Asia hardest,' IATA said.

Economy travel within and to Asia fell 8.6 per cent in January, after a 16.9 per cent dive in December 2008. January's slower shrinkage was largely due to a one-off boost from Chinese New Year travel.

The second-weakest premium traffic region in January was Europe, which experienced an acceleration in the seat 'downgrading' phenomenon that began years ago as budget carriers began stealing market share from full-

service players.

After a 16.3 per cent fall in December 2008, premium ticket sales in Europe fell 22.2 per cent in January this year. Economy class seat sales fell 6.2 per cent in January, after a 3.9 per cent drop in December.

With passenger demand falling, fares have followed suit. By December, average premium fares were down 6 per cent, after rising strongly earlier in 2008 when fuel costs were surging.

IATA said: 'For network airlines focused on serving this passenger segment, the decline in premium revenue is particularly damaging to yields and profitability. Business travel is highly sensitive to economic growth and developments in international trade and investment.

'In the past, this passenger segment has been less sensitive to fare levels. The fact that average premium fares are falling faster than discounted economy fares in some markets - for example, within Europe - is a measure of how severe the downturn in business travel has become.'

With economic conditions still deteriorating despite bank bailouts and fiscal packages, premium ticket sales have yet to bottom, according to IATA.

Source: Ven Sreenivasan, travel.asiaone.com - 20th March 2009

IBA's
Comment:
"Firms are reluctant to pay business fares during the current downturn, particularly on short-haul routes. This should suit the LCC business model"
- David Rushe

Bankruptcy sought for East Star Airlines

Six aviation companies, including General Electric Co's aviation subsidiary, have appealed to a Hubei court to declare a Chinese airline carrier bankrupt.

East Star Airlines, based in the capital Wuhan City of Hubei Province, owes 500 million yuan (US\$73.1 million) to other companies, including the six complainants, the West China City Daily reported on Thursday. East Star was told to suspend its services last Sunday because of unpaid loans.

The company was forced to halt flights last Sunday after a request by local government that it suspend its services because of huge unpaid loans caused by mismanagement and an overall travel slump amid global economic turmoil.

The daily expenses of East Star after its flights were halted were nearly one million yuan including aircraft rentals and salaries. The company owes over 60 million yuan to Hubei

"huge unpaid loans caused by mismanagement and an overall travel slump amid global economic turmoil."

Airport Group, an official of the group said.

Two million yuan in salaries remains unpaid to the pilots. About 1,000 ground staff are also unpaid.

Lan Shili, the director of East Star, was caught in Zhuhai Sanzhao Airport in Guangdong Province by local police when he was about to flee the country last Sunday.

He is now under police supervision in Wuhan, the report said.

After East Star suspended its operations, Air China Group, the parent firm of Air China Co, planned to purchase its business, but a spokesman for the company said it has not reached an agreement with the group on the acquisition.

The country's private carriers are particularly affected by the economic slowdown, since they cannot rely on the huge government bailouts that several state-run carriers are now seeking.

China's first private airline, Okay Airways, began a planned one-month suspension of passenger services last December after airports insisted on cash for its fuel.

Source: Zhu Wenjia, ShanghaiDaily.com - 19th March 2009

“The country's private carriers are particularly affected by the economic slowdown, since they cannot rely on the huge government bailouts”

Emirates to drop A380 'superjumbo' service to US

One of two airlines flying the world's biggest plane to the U.S. is pulling the aircraft off the route because of the economic downturn.

Dubai-based Emirates said Wednesday it will replace two double-decker Airbus A380s it uses on a daily Dubai-New York flight with smaller Boeing 777s starting June 1. A second daily roundtrip already using the same type of Boeing plane remains unchanged.

The turnaround comes less than eight months after Emirates debuted the wide-body "superjumbo" in the U.S. amid much fanfare. Since then, American household and company travel budgets have grown increasingly strained as the country slipped deeper into recession.

Swapping out the planes for a smaller model will give Emirates 132 fewer seats it needs to fill on the route each day, according to a company official who declined to be named in line with company policy.

“Swapping out the planes for a smaller model will give Emirates 132 fewer seats it needs to fill on the route each day”

"As the global economy has affected international air travel, this aircraft redeployment was based solely on a change in capacity demands," Emirates said in an e-mailed statement. "When economic conditions improve, we anticipate demand will be restored on the Dubai-New York JFK service, at which time Emirates will certainly evaluate redeploying the A380 on this route."

Emirates plans to redeploy the A380s onto one of two daily flights to Bangkok, Thailand, and on service three times a week to Toronto.

Australia's Qantas is the only other carrier that currently flies the A380 to the U.S. It operates the plane on certain days between Los Angeles and Melbourne and Sydney.

Emirates became the first airline to begin flying the A380 to the U.S. last August. Its versions of the planes are outfitted with plush amenities such as a cocktail bar and onboard showers for first-class passengers.

The Port Authority of New York and New Jersey, anticipating that a number of other carriers will launch additional A380 service in the coming years, has spent \$179 million to prepare JFK airport to accommodate the wider, heavier aircraft.

Unlike publicly traded airlines in the U.S., Dubai government-owned Emirates does not release monthly traffic and capacity figures.

Carriers across the globe are struggling to fill their planes at a profit. Figures released this week by the International Air Transport Association, an industry trade group, showed that the number of passengers travelling on first or business class worldwide tumbled by 16.7 percent in January. Long-haul airlines typically rely on premium travellers to cover much of their operating costs.

Emirates earlier this month launched a 50 million dirham (\$13.6 million) campaign with Dubai hotel and travel officials to promote the Persian Gulf city-state, which has seen its substantial tourism industry hit hard by the economic downturn.

The carrier is banking much of its future on the A380. It has ordered 58 of the massive aircraft, making it Toulouse, France-based Airbus' biggest customer for the plane. Emirates has received four of the planes so far.

Source: Adam Schreck, thenewstribune.com - 19th March 2009

IBA's

Comment:

"In the midst of the current downturn, it will be interesting to see the strategies adopted by current and incumbent A380 operators, giving the fact that many airlines are cutting capacity"

- David Rushe

Jazeera Air to be debt-free by early 2010

Budget carrier Jazeera Airways plans to become a debt-free airline by next year, according to the airline's Chairman Marwan Boodai.

"Jazeera Airways would be a completely debt-free airline by early 2010. We have been exploring innovative ways for raising finances. Finance is available out there in the market," Boodai told Emirates Business.

He said all of the airline's funding is being currently raised by Jazeera's aircraft leasing unit, Sahaab Leasing, launched in October last year. "This means that we would not need any direct financing as our leasing company will take care of that," Boodai said.

With Jazeera Airways as Sahaab's kick-off customer, the leasing unit will be acquiring between 40 and 50 planes by mid-2009, in a deal worth between \$2.5bn and \$3 billion (Dh11bn) at list prices, Boodai said.

The Kuwait-based carrier, along with other budget carriers in the region, such as Sharjah's Air Arabia, is currently facing tough competition from the full-service carriers such as Emirates, Etihad and Qatar Airways with their fares almost at par with those of budget airlines.

When asked how that impacted Jazeera's business and if the airline planned to lower its airfares, Boodai said: "We will not be slashing our fares. The low-cost carrier model is positioned on low fares by the way of standardising our fleet size, model and operating on short-haul routes. We are offering low fares for a longer time compared to full service carriers."

"The strategy adopted by full service carriers to offer lower fares in times of economic crisis, will fizzle out soon. They cannot sustain it. Whereas we are in it for a longer time," he said.

Boodai said the slowdown in air travel demand and the overall economic crisis has not impacted Jazeera Airways. "It has more impacted the long-haul routes globally, not us," he said.

The carrier on Sunday declared a 94.4 per cent increase in its full year (2008) net profit with its operating revenues for the year rising 40.3 per cent, on cost cutting.

Operating out of two hubs - currently Kuwait and Dubai - Jazeera plans to launch a third hub soon, according to Boodai.

"all of the
airline's
funding is
being currently
raised by
Jazeera's
aircraft leasing
unit, Sahaab
Leasing"

Jazeera plans to operate to 59 new destinations in and around the Middle East by 2014, with ambitious plans to increase passenger numbers to 8.5 million per annum over the next four years. The airline aims to achieve a 2.5 million-passenger mark this year, compared with 3.7 million passengers it has carried since its launch in 2005.

Currently operating to 25 destinations across the Middle East, Europe, Iran, North Africa, and the Indian Subcontinent with a fleet of eight aircraft operating from its current two hubs, the airline took delivery of two aircraft in the fourth quarter of last year and has firm orders for 32 more aircraft.

Jazeera Airways could reconsider an IPO listing on the Dubai Financial Market next year as the market conditions begin to improve, according to the airline's Chairman, Marwan Boodai.

The Kuwait Stock Exchange-listed airline had shelved a plan for a secondary stock market listing in January this year, having already delayed it in 2008.

Source: Shweta Jain, zawya.com - 18th March 2009

US Airways looks to trim global seats

After slashing domestic seat capacity in the last year, US Airways said on Monday that it was looking to trim international seats and flight frequencies after the summer because of the deteriorating global economy.

Speaking on a JP Morgan Chase & Co. analyst conference call, president Scott Kirby said US Airways had recently reduced international seat capacity by 2 percent for this summer, due to a rapid decline in business travel and a slump in premium first- and business-class demand.

"We didn't pull out of any markets," Kirby said, noting that the cuts came by reducing flight frequencies. "We are evaluating the September-and-beyond period."

Kirby said revenue for booked flights began to "stabilize" in mid-February, although at lower levels than in the fourth quarter of 2008. Bookings have "improved slightly" in March, he said.

Although the outlook for leisure and business-travel demand "remains murky," Kirby said, "we are moderately encouraged for April and beyond because we see some stabilization in

"The carrier also is getting a revenue boost from charges for checked bags and fees imposed when jet-fuel prices spiked last summer"

bookings."

US Airways is "well-positioned" compared with other major airlines because the bulk of its flights are domestic, not international, Kirby said in the conference call. The carrier also is getting a revenue boost from charges for checked bags and fees imposed when jet-fuel prices spiked last summer.

The airline plans to trim 4 percent to 6 percent of its capacity - seats and flights - in 2009, on top of last year's reduction of 6 percent to 8 percent in mainline domestic seat capacity.

Earlier this month, chief executive officer Doug Parker said US Airways was limited in how much more seat capacity it could cut because of labour agreements with unions representing pilots and cabin crew.

Yesterday, Kirby said there were "misperceptions" about the labour agreements. An additional 4 percent to 5 percent of capacity can be chopped without violating minimum-fleet-size agreements with unions, he said.

Chief financial officer Derek Kerr said US Airways ended February with more than \$2 billion in cash and more than \$1.3 billion in unrestricted cash. "There are no issues there at all" about financial health or liquidity, he said. "We are going into a March time frame where you tend to build cash."

Other major airlines announced last week that they would further cut international schedules, as the decline in travel accelerates.

Passenger traffic on large U.S. airlines dropped by more than 12 percent in February. (Traffic is defined as miles flown by paying passengers; load factors are the percentages of available seats filled with customers.)

Delta Air Lines said it planned to pull an additional 10 percent from international capacity, on top of previously announced systemwide cuts of 6 percent to 8 percent.

United Airlines is targeting a 14 percent capacity reduction on international flights in the current quarter, and 5.5 percent for the year. American Airlines said it would trim 9 percent from domestic seat capacity and 2.5 percent from international this year.

Airlines cut capacity by targeting unprofitable markets, cutting routes, adjusting flight frequencies, and moving some destinations to seasonal service.

Tempe, Ariz.-based US Airways said bookings for leisure travel

IBA's

Comment:

"US Airways has adopted a solid strategy in reducing frequencies while not pulling out of any routes. This will allow the airline to maintain a presence in all domestic markets"
- David Rushe

had continued to "hold up," but ticket pricing has "deteriorated significantly," Kirby said.

Frantic to sell seats, airlines have slashed fares for spring and summer flights, which has hurt revenues, Kirby said.

Source: Linda Loyd, philly.com - 17th March 2009

Sink or swim in 2009? IBA launches a new programme of training courses to educate and inform the industry

In response to current market conditions, the International Bureau of Aviation (IBA Group) has launched a programme of training courses specifically designed to help businesses cope and flourish in the difficult times ahead.

IBA is one of the world's leading aviation consulting firms, providing advice, analysis and training to the global aviation industry. Having worked across a broad range of technical and commercial aviation issues over the past 20 years, IBA is well placed to provide training on all aspects of this varied and fast moving industry.

In order to educate and inform in these 'sink or swim' times, IBA has tailored its latest training programme to meet the requirements of a wide selection of aviation businesses. For banks, financiers and lessors, IBA is offering a range of courses focusing on technical issues, asset management, inspections, audits and conditions. Regulatory courses also form a large part of the programme, with seminars covering continuing airworthiness management, safety management systems, EASA regulations and engineer licensing. IBA is also offering courses on different elements of aircraft maintenance, dangerous goods, security and first aid as well as a selection of theory and practical based courses specifically designed for cabin crew. A full list of courses available is included at the end of this release.

IBA is also able to design bespoke courses, customised to the individual needs of a specific organisation.

Businesses and staff alike will benefit from IBA's extensive knowledge and expert industry viewpoint. For more information or to discuss your organisation's training needs, please contact Alan Miles, IBA's Director of Regulatory Services and Training, on +44 (0) 1293 772743 or alan.miles@ibagroup.com.

"IBA is offering a range of courses focusing on technical issues, asset management, inspections, audits and conditions."

LIST OF TRAINING COURSES OFFERED BY IBA

Course	Duration
BANKS, FINANCIERS & LESSORS	
Aircraft Technical Seminar	1 day
Aircraft Leases - Return Conditions & Compensation	1 day
Effective Asset Management	0.5 day
Aircraft Inspections & Technical Records Audits	0.5 day
REGULATORY	
Continuing Airworthiness Management (includes practical work)	17 days
Continuing Airworthiness Management (condensed content)	5 days
EASA Regulations & Engineer Licensing	3 days
The Accountable Manager - Duties & Responsibilities	0.5 day
The Quality Manager - Duties & Responsibilities	0.5 day
The Continuing Airworthiness Manager - Duties & Responsibilities	0.5 day
The AOC process - an overview (submission to certification)	1 day
Human Factors (overview)	1 day
Human Factors	3 days
Quality Systems	1 day
Safety Management Systems (SMS)	1 day
Auditing (Internal Self-Audits)	2 days
AIRCRAFT MAINTENANCE	
Aircraft Maintenance Organization (AMO) - Approval Requirements	1 day
Understanding the MPD & AMP	0.5 day
Understanding the MMEL & MEL	0.5 day
Maintenance Planning & Forecasting (includes practical work)	1.5 days
Maintenance Procedures (evolution & production)	1.5 days
DANGEROUS GOODS, SECURITY & FIRST AID	
The Carriage of Dangerous Goods	0.5 day
The Carriage of Radio-Active Goods	0.5 day
Aviation Security	1 day
First Aid	2.5 days
CABIN CREW	
Cabin Crew (ab initio)	2.5 days
Cabin Crew (type specific)	1.5 days
Fire & Smoke	1 day
Wet Drills	0.5 day
Slide Training & Doors	1 day
Cabin Services (Striving to Excel)	1 day
Line Training (dependant on number of ab initio students)	TBA
Crew Resource Management (CRM)	0.5 day

Source: IBA Group & Inter Relations & Company - 16th March 2009

IBA Group News

Press Releases & Presentations can be viewed in the News & Views section of our website, www.ibagroup.com

Conference Dates

1st - 2nd April 2009 - 7th Annual Cargo Aircraft & Operations Conference, Brussels - Jonathan McDonald will be speaking on cargo aircraft versus P2F conversions.

1st - 2nd April 2009 - ERA Regional Airline Conference, Warsaw - IBA will be attending

Airfinance Journal and *Euromoney Seminars* present the 3rd Annual AirLaw Conference, 18th & 19th May 2009, Hyatt Regency - The Churchill, London.

As the aviation market is changing faster than ever before, making the correct legal decision and being aware of upcoming regulatory changes can be the difference between success and failure.

This timely conference will bring in-house legal counsels representing airlines, manufacturers, lessors, ECAs, insurers and financiers together with lawyers and regulators to discuss the key issues affecting the aviation industry in today's rapidly evolving market.

Join us at this leading industry gathering and save £200 on the registration fee by booking before Friday, 13th March 2009. To register, please email your details to Karina Katysheva at kkatysheva@euromoneyplc.com

Phil Seymour's Notes on the Week

Well I have arrived back from the INTERNATIONAL Society of Transport Aircraft Trading (ISTAT) nicely tanned and only slightly jet lagged and jaded from excess food and golf (I don't drink too much these days - it stunts growth and causes hair loss (top of head only - not elsewhere)).

I may have got the wrong conclusion from Mr Bob Crandall's remarks following his receipt of the ISTAT Award - I hope so. He seemed to me to be telling the assembled several hundred dinner guests that the USA will only be able to survive if it cuts alliances with foreign airlines and only maintains aircraft in the USA in the future. Did anyone tell Mr Crandall that the award was from an INTERNATIONAL group or did he just not care?

The almost one thousand delegates assembled in Phoenix to discuss INTERNATIONAL business in the process probably helped the local economy to the extent of many hundreds of thousands of dollars (except the imported goods of course, like Scotch Whisky) - next time let's have a pro-INTERNATIONAL award winner!

Yours Sincerely,

Phil Seymour, Managing Director, IBA - phil.seymour@ibagroup.com

Publications - 2009 Editions

Please note that the February 2009 Issues of the AVB & LRD have been published, please contact ross.elliott@ibagroup.com for more information.

Aircraft Values Book	Published in February & August 2009	£650 per year
Lease Rate Digest	Published in February & August 2009	£375 per year
Engine Values Book	Published in February 2009	£650 per year
Maintenance Cost Journal	Published Quarterly	£175 per year

"Newswatch" is a free weekly round-up collated by IBA Group Ltd.

Go to our website to find the last year editions of Newswatch archived.

To either SUBSCRIBE or UNSUBSCRIBE to this newsletter, please send an email to marketing@ibagroup.com with your request.

The items in this document do not necessarily represent the opinion of IBA, and is intended to be for information purposes only. Therefore, IBA assumes no responsibility or legal liability for any action taken, or not taken, by the addressee, or by any other

As a leading independent aviation consultancy, IBA Group Ltd. offers technical advice, commercial business solutions & asset valuations for our worldwide client base.

Compiled & Edited by Alice Gondry
www.ibagroup.com

Tel: +44 (0)1293 772743 Fax: +44 (0)1293 772745

Highlights

- OPEC meets this weekend
- Russia to join OPEC actions
- Medium-term supply concerns
- Iran remains defiant

Helpful Links

www.wfscorp.com
World Fuel Services corporate site - The Choice for Complete Fuel Management

www.eia.doe.gov
Official Energy Statistics from U.S. Government

www.nymex.com
New York Mercantile Exchange-current market and historical values

www.ncdc.noaa.gov
NOAA site for active weather updates and hurricane news

Contact Us

Jonathan Leak
JLeak@wfscorp.com
(770) 599-3162

Executive Summary

Oil prices moved mostly higher this week as global oil markets await developments from the OPEC meeting scheduled for this weekend in Vienna. Weekly inventory statistics were mixed while several energy agencies warned that a lack of investment now will result in a supply crunch and higher prices in the medium-term.

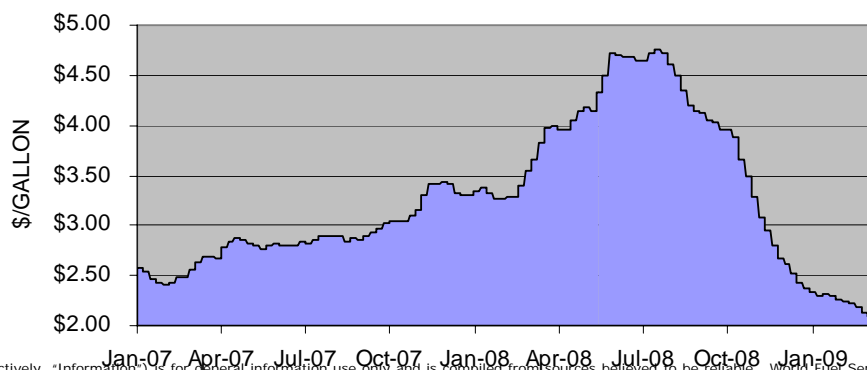
Macroeconomic and Fundamental Factors

- OPEC will meet in Vienna this weekend and is widely expected to agree to at least a modest (500k bpd) cut in crude oil output in order to help prop up global oil prices. The International Energy Agency (IEA) estimates that OPEC is currently at 80% compliance with previous cuts.
- Russia, the world's largest non-OPEC oil producer, has pledged to back any OPEC cuts and will participate in efforts to tighten global oil supplies.
- The US Energy Information Administration (EIA) cut its WTI oil price to \$42/bbl in 2009 and \$53/bbl in 2010 citing the global economic slowdown. EIA opined that oil prices have stabilized and will remain relatively stable until economic recovery leads to resurgent oil demand growth. EIA projects US GDP to fall by 2.8% in 2009.
- The IEA lowered its 2009 world oil consumption forecast but also warned that low prices and the credit crisis pose a significant risk to medium term supply as infrastructure investments are suspended or cancelled.
- The EIA forecasts that the on-highway diesel fuel retail price, the benchmark for retail diesel fuel prices and the index reference for many fuel surcharges, will average \$2.19/gl for 2009 and \$2.51/gl for 2010. The current price is \$2.0450/gl (see chart).
- The weekly inventory report from the EIA showed builds in crude and distillate stockpiles but shrinking gasoline inventories. US refinery utilization fell .4% to 82.7% of operable capacity.
- US President Obama extended a set of Clinton-era sanctions against Iran this week as a punitive gesture for that nations nuclear development programs. Iran called the move "childish and harassing".

Weather

- The National Weather Service is predicting normal to below-normal temperatures for the northeastern portion of the US, including the main home heating oil market, for the next 8-14 days.

EIA US Average Retail Diesel Fuel



3rd Annual AirLaw Conference

This timely conference will bring leading experts together to discuss the key legal and regulatory issues affecting the aviation industry in today's rapidly evolving market

**Book before
3rd April and
save £100**

**Law Society
Accredited
12 CPD Hours**

- **Impact of EC Competition law on airline consolidation**
- **Recent Commission State Aid decisions in the aviation sector**
- **Common ownership of airports and competition law**
- **Benefits and procedures of registering offshore**
- **European emissions trading scheme update**
- **Current status of liability coverage for lessors and financiers**



Featuring the following speakers:

- **Edmundo Olivares Dufío**, Senior Vice President & General Counsel, **Aeroméxico**
- **Lonneke van Rossum**, Legal Counsel, **Transavia**
- **Jeff Wood**, Senior Counsel, **Air Canada**
- **John Byerly**, Deputy Assistant Secretary for Transportation Affairs, **Department of State, US Government**
- **Daniel Calleja-Crespo**, Director of Air Transport, **European Commission**
- **Diego Canga Fano**, Deputy Head of Cabinet, Vice-President of the European Commission Responsible for Transport, **European Commission**
- **Emmanuelle Maire**, Special Assistant to the Director of Air Transport, **Directorate General for Energy and Transport, European Commission**
- **Louis Emery**, Senior Structured Finance Counsel, **Export-Import Bank of the United States**
- **Peter Macara**, Partner, **Clyde & Co**
- **David Bartlett**, Senior Vice President and Counsel, **GECS**
- **Gordon Chase**, Vice President Legal, **AerCap**
- **Darren Wormald**, Executive Vice President - Legal, **Engine Lease Finance Corporation**
- **Morten Lundqvist Jakobsen**, Partner, **Gorrissen Federspiel Kierkegaard**
- **John Cruse**, Executive Director, **AON Aviation**
- **Tim Johnson**, Director, **Aviation Environment Federation**
- **Anthony P. McCarthy**, Executive Director Contracts and Leasing, **Willis**
- **Mark Bisset**, Partner, **Clyde & Co**
- **Anita Mosner**, Partner, **Holland & Knight**
- **Mark D. Powell**, Partner, **White & Case**
- **Philippa Cottle**, Head of Legal, **Avinco**
- **John Pritchard**, Partner, **Holland & Knight**
- **Donald H. Malcolm**, Partner - Asset Finance & Transportation, **Conyers Dill & Pearman**
- **Matthias Reuleaux**, Legal Counsel, **Norddeutsche Landesbank Girozentrale**
- **Jeffrey Wool**, Secretary and General Counsel, **Aviation Working Group**
- **Robin Springthorpe**, Partner, **Bird & Bird**
- **Mark Western**, Partner, **Maples and Calder**
- **Claude Brown**, Partner, **Clifford Chance**

3rd Annual AirLaw Conference

18th & 19th May, 2009
Hyatt Regency, London

Airfinance Journal and Euromoney Seminars present the **3rd Annual AirLaw Conference**, 18th & 19th May 2009, Hyatt Regency – The Churchill, London.

This timely conference will bring in-house legal counsels representing airlines, manufacturers, lessors, ECAs, insurers and financiers together with lawyers and regulators to discuss key issues affecting the aviation industry in today's rapidly evolving market.

“Competition regulations”, “aircraft repossessions”, “airline consolidations”, “restructuring”, “bankruptcy”- Air law has taken a new meaning.

As the aviation market is changing faster than ever before, making the correct legal decision and being aware of upcoming regulatory changes can be the difference between success and failure.

In-house counsels need to identify issues that may affect them before they happen, lawyers need to know how regulatory changes may impact their clients' activities and aviation financiers how regulation and the law affect their business and clients.

The **3rd Annual AirLaw Conference**, represents the ideal learning and networking experience for industry players wishing to be one step ahead on issues affecting the aviation sector, such as :

- **The impact of EC Competition law on airline consolidation**
- **Will the second stage of EU-US talks pave the way for mergers amongst EU and US carriers?**
- **Recent Commission State Aid decisions in the aviation sector**
- **What have Governments done or are they planning to do to try to stimulate aviation around the world?**
- **What laws and regulations are affecting airline business activities and how can airlines' in-house counsels better prepare against these?**
- **Challenges encountered in pre-insolvency proceedings restructuring attempts**
- **Processes involved in the repossession of aircraft and documents from a bankrupt airline**
- **Current status of liability coverage for lessors and financiers**
- **Regulation of airports as a restriction of competition: The BAA London airports case**
- **Benefits and procedures of registering offshore**
- **Emissions trading and other environmental law challenges affecting the airline industry**

“A great event and opportunity for knowledge sharing and networking”

Erlen Noor Mokhtar, Associate Counsel, Malaysia Airlines

“This is an extremely well-organized event which includes numerous relevant and topical issues facing the airline industry today. I highly recommend it”

Rod Margo, Partner, Condon & Forsyth

“A very interesting conference with a worldwide blend of delegates from all different areas of aviation which certainly helps to increase mutual understanding on legal issues”

Katharina Foß, Deputy Head, Credit Law, HSH Nordbank

**To register please visit:
www.euromoneyseminars.com/ALAW09**

Day one - Monday 18th May 2009: LEGAL IMPLICATIONS IN TURBULENT TIMES

08.30

Morning coffee and registration

09.00

Chairman's opening remarks

09.10

Airlines' legal perspective in challenging market conditions

- What laws and regulations are affecting airlines' business activities and how can airlines' in-house counsels better prepare against these?
- What are airlines doing to overcome potential legal challenges arising from the credit crunch?
- Have airlines been affected by market disruption clauses in their loan agreements with banks?
- Are airlines seeing a change in credit or lease documentation and how does that affect them?
- The airline appeal: Towards more flexible laws and regulations

Jeff Wood, Senior Counsel, **Air Canada**

Edmundo Olivares Dufó, Senior Vice President & General Counsel, **Aeroméxico**

09.50

Consolidation and variance to consolidations

- What are the impediments to consolidation in the airline industry?
- Legal issues in alliance agreements
- What are the current rules for ownership?
- Will the second stage of EU-US talks pave the way for mergers among EU and US Carriers?
- Do mergers actually help ailing airlines? Are alliances a good fallback for helping the industry survive the crisis?
- What are the antitrust risks of carrier agreements?
- Competition and regulatory challenges relating to mergers and consolidations
- Impact of EC Competition law on airline consolidation

John Byerly, Deputy Assistant Secretary for Transportation Affairs, **Department of State, US Government**

Emmanuelle Maire, Special Assistant to the Director of Air Transport, **Directorate General for Energy and Transport, European Commission**

Anita Mosner, Partner, **Holland & Knight**

10.40

Morning coffee and networking

11.30

The funding gap in question

- How is the lack of funding going to affect airlines' plans? Are they going to have to cancel or defer orders and what legal and documentary implications will this entail?
- Filling the gap: Update on banks, ECAs and manufacturers' support for the aviation industry
- How is the Cape Town convention affecting ECA funding in the current context?
- May we see bailouts for distressed companies as a result of the funding squeeze? Or will we have a subsidy question? If so, what would be the regulatory requirements to such interventions?

Louis Emery, Senior Structured Finance Counsel, **Export-Import Bank of the United States**

Matthias Reuleaux, Legal Counsel, **Norddeutsche Landesbank Girozentrale**

12.10

Restructuring or the consequence of tight liquidity constraints

- How many airlines are forecasted to cease operations, merge or enter bankruptcy due to the credit crunch in 2009? How can this be prevented?
- Implementing a turnaround and restructuring plan: What you need to know
- Restructuring airline debt through insolvency proceedings and out-of-court workouts

12.40

Lunch

14.10

The airline bankruptcy

- Challenges encountered in pre-insolvency proceedings restructuring attempts
- The insolvent airline's winding down process
- Processes involved in the repossession of aircraft and documents from the bankrupt airline
- How to deal with 3rd party rights in bankruptcy
- How are aircraft insured during the bankruptcy and how are lessors covered?

Morten Lundqvist Jakobsen, Partner, **Gorrissen Federspiel Kierkegaard**
John Cruse, Executive Director, **AON Aviation**
David Bartlett, Senior Vice President and Counsel, **GECAS**
Gordon Chase, Vice President Legal, **AerCap**

14.50

How to avoid repossessions?

- What are the red flags?
- Monitoring company payments to prevent repossessions
- Enforcing leases in a downturn
- What have people done to manage a default situation?
- Repossessions for closure of aircraft internationally and in more difficult jurisdictions

Philippa Cottle, Head of Legal, **Avinco**
Darren Wormald, Executive Vice President - Legal, **Engine Lease Finance Corporation**
Robin Springthorpe, Partner, **Bird & Bird**

15.30

Afternoon coffee and networking

16.00

Cape Town demystified

- Current state of the convention: Overview and explanation of the basics of Cape Town
- What will happen when Cape Town is ratified in Europe?
- Who has ratified the convention so far and how does that affect ECAs and lessors' support?
- Transaction practices and procedures one needs to adopt using Cape Town
- What are the benefits of Cape Town for drafting documents and closing procedures?
- How does the Cape Town Convention affect repossessions?
- FAA registry update and impact

Jeffrey Wool, Secretary and General Counsel, **Aviation Working Group**
John Pritchard, Partner, **Holland & Knight**

16.40

Insurance in aviation: Time to fasten your seatbelt?

- Update on the changes in the market coverage
- What are the new clauses to monitor due to the crisis?
- Current status of liability coverage for lessors and financiers
- War risk insurance and exclusions for terrorism
- Climate change insurance issues

Anthony P. McCarthy, Executive Director Contracts and Leasing, **Willis**

17.10

Chairman's closing remarks followed by cocktail reception

Day Two - Tuesday 19th May 2009: MOVING FORWARD - GLOBAL LEGAL ISSUES UPDATE

08.45

Morning coffee

09.00

Chairman's opening remarks

09.10

Regulations affecting the aviation industry in 2009-2010

- Upcoming regulations affecting inward and outward traffic in Europe, US, Russia, Latin America, Asia, and the Middle East
- Role of the regulator in responding to market dislocations
- Recent and future Commission State Aid decisions in the aviation sector
- How is the tightening of the regulation on the 3rd package affecting airlines?

Daniel Calleja-Crespo, Director of Air Transport, **European Commission**
Diego Canga Fano, Deputy Head of Cabinet, Vice-President of the European Commission Responsible for Transport, **European Commission**
Peter Macara, Partner, **Clyde & Co**

10.00

Common ownership of airports and competition law

- The Competition Commission's provisional remedies decision on the BAA airports market
- Regulation of airports as a restriction of competition: the BAA London airports case
- Benefits of enhanced competition between airports
- Update on airport charges, slot allocation and planning issues
- Are take-off and landing slots effective merger remedies?

Mark D. Powell, Partner, **White & Case**

10.40

Morning coffee and networking

11.20

Emissions trading and other environmental law challenges: A global requirement

- European emissions trading scheme: Is Europe taking a valuable leadership role, or engaging in extraterritorial regulation?
- Effect of new "green" requirements on aircraft lessors
- Are existing multilateral organisations suited to addressing the climate change challenge?
- What will happen in 2012 when the European Commission scheme on carbon emission comes into force?

Tim Johnson, Director, **Aviation Environment Federation**
Senior representation, **International Emissions Trading Association**
Claude Brown, Partner, **Clifford Chance**

12.00

Registration: Who holds the power?

- Benefits and procedures of registering offshore: Update on Cayman, Ireland and Russia
- Changes with the Bermuda registration
- Role and current initiatives of the ICAO

Donald H. Malcolm, Partner - Asset Finance & Transportation, **Conyers Dill & Pearman**
Mark Western, Partner, **Maples and Calder**

12.40

Lunch

14.10

Denied boarding made easy

- What is the status of denied boarding and how has it been received?
- How does the regulation on denied boarding work for an airline?
- When is the airline not responsible?
- Chartered traffic and wet leasing under denied boarding
- What is the difference in the regulation between scheduled and non-scheduled traffic?

Lonneke van Rossum, Legal Counsel, **Transavia**

14.50

Legal issues affecting business jets

- Obtaining finance
- Negotiating purchase contracts for new business jets
- Secondary trading: How to sell a delivery slot?
- Registration issues
- How to negotiate operator documentation
- Operational issues
- Insuring business jets

Mark Bisset, Partner, **Clyde & Co**

15.20

Chairman's closing remarks and close of conference

For sponsorship opportunities please contact
Graham Sherwood.
Email: gsherwood@euromoneyplc.com
Tel: +44 (0)20 7779 8857 • Fax: +44 (0)20 7779 8353

Registration Fees

Standard registration fee	Early registration fee (before 3rd April 2009)	Super Early registration fee (before 13th March 2009)
<input type="radio"/> £1,399	<input type="radio"/> £1,299 (£100 saving)	<input type="radio"/> £1,199 (£200 saving)
		+15% VAT
		Total

Please quote ELE974 on all correspondence

5 Easy Ways to Register

Online:

www.euromoneyseminars.com/ALAW09

Email:

registrations@euromoneyplc.com

Fax:

(UK) +44 (0)20 7779 8603

Telephone:

(UK) +44 (0)20 7779 8999

Post:

Candice Chevillard
Euromoney Seminars
Nestor House
Playhouse Yard
London EC4V 5EX
UK

Delegates

Delegate 1 (please print)

Title (Mr/Mrs/Ms/Dr/Other):
First Name:
Surname:
Position:
Company:
Address:
Country:
Postcode:
Tel:
Fax:
Email:

Delegate 2 (please print)

Title (Mr/Mrs/Ms/Dr/Other):
First Name:
Surname:
Position:
Company:
Address:
Country:
Postcode:
Tel:
Fax:
Email:

Delegate 3 (please print)

Title (Mr/Mrs/Ms/Dr/Other):
First Name:
Surname:
Position:
Company:
Address:
Country:
Postcode:
Tel:
Fax:
Email:

The information you have provided will be safeguarded by Euromoney Seminars who will use it to keep you informed of relevant Seminars in the future. Please tick how you would prefer to receive future information Mail Fax Email and fax back this form to +44 (0)20 7779 8603. We may wish to make your details available to sponsors of this particular event, or to other reputable organisations who may wish to contact you. Please tick this box if you would prefer your details

to remain confidential and fax back this form to +44 (0)20 7779 8603. Euromoney Seminars is part of the Euromoney Institutional Investor PLC Group, who may also use your data to keep you informed of relevant products and services both domestically and internationally. If you object to being contacted by telephone fax or email in respect of this, please tick the relevant box and fax back this form to +44 (0)20 7779 8603.

Payment

Payment can be made in one of four easy ways - please tick the appropriate box.

Payment by Bank Transfer

Should be made through Lloyds TSB Bank Plc, City Office, PO Box 72, Bailey Drive, Gillingham Business Park, Gillingham, Kent, ME8 0LS, UK. Beneficiary: Euromoney Seminars Account No: 01938032 Sort code: 30-00-02, IBAN No: GB53LOYD30000201938032 Swift Address: LOYD GB2 LCTY quoting ELE974. All charges to be paid by sender.

Payment by debit or credit card:

To make a payment by credit card, please call +44 (0)20 7779 8557 or visit www.euromoneyseminars.com to book and pay online

Cheques should be drawn on a UK Bank and made payable to Euromoney Seminars.

Invoice me After 4th May 2009, to register and pay, please visit www.airfinanceconferences.com

Please complete and return this form together with a copy of your bank transfer or cheque, payable in £ to Euromoney Seminars, and send by post or fax to: Euromoney Seminars, Nestor House, Playhouse Yard, London EC4V 5EX, UK Tel: +44 (0) 20 7779 8999; Fax: +44 (0) 20 7779 8603 Email: registrations@euromoneyplc.com www.airfinanceconferences.com

Administrative information

Venue:

Hyatt Regency London - The Churchill
 30 Portman Square
 London
 W1H 7BH
 Tel: +44 (0)20 7486 5800
 Fax: +44 (0)20 7486 1255
 Nearest underground station: Marble Arch
www.london.churchill.hyatt.com

Travel & Accommodation:

For all accommodation please contact the reservations team at Banks Sadler on +44 (0) 1904 682639 or email: euromoneyseminars@banks-sadler.co.uk. Banks Sadler have negotiated preferential room rates on behalf of all Euromoney delegates and look forward to assisting you with the best accommodation for your budget.

Cancellation policy:

- All bookings are considered binding on receipt of booking form. Payment is required on receipt of subsequent event invoice unless the registration is made on or after the 4th May, when payment must be made at the time of registration. This is a prepaid event.
- If you cannot attend you must cancel your registration in writing no later than the 4th May 2009 to receive a refund minus a 10% administration charge. We cannot accept verbal cancellations.
- Cancellations made after this time are liable for the full conference fee.
- We suggest you send a substitute to attend in your place at no extra cost.

Registration fee: The registration fee includes participation in the conference, lunches and documentation material, which will be distributed at the beginning of the event.

Cannot attend? Please pass this brochure on to a colleague or you can purchase the electronic documentation for £599. If your company is registered within the EU please supply your VAT number.

For immediate information on this and related events, please call our hotlines

Telephone: (UK) +44 (0)20 7779 8999 or USA toll free (free from within the USA) **(USA) +1 800 437 9997** or **(USA) +1 212 224 3570** or alternatively **email: hotline@euromoneyplc.com**

For further information on sponsorship or exhibition opportunities please contact Graham Sherwood, Tel: +44 (0)20 7779 8857, email: gsherwood@euromoneyplc.com