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Indian air carriers having a hard time luring customers

India's international and domestic passenger traffic has dropped eight per cent despite many airlines lowering their fares.

Due to the global credit crunch, the air carriers are finding it difficult to lure customers even with special schemes. Some airlines have slashed fares by as much as 40 per cent.

Airliners said that the reductions and slew of promotional offers are meant to stimulate demand especially in the traditionally lean months of February and March but passengers are not biting.

This is a holiday season. Final exams in schools are over and most people are heading to their hometowns to celebrate the Hindu festival of Holi and the Muslim festival of Eid. When it comes to travelling, trains definitely score over airlines.

Said one commuter: "Not everyone can afford air travel. It is very costly. The number of planes too is not very many as compared to trains. Also, I find booking plane tickets a difficult process, so I avoid air travel."

The price war began in January this year when the cost of aviation turbine fuel fell by as much as 60 per cent. By that time, passenger traffic had contracted nearly 14 per cent as compared to a year ago.

Passenger traffic is not the only problem. Most carriers are finding it extremely difficult to raise money. In recent years, most financial institutions have become wary of lending to airlines given the losses and high cost structure.

Praful Patel, Union Civil Aviation Minister, said: "The problem with the aviation industry globally as well as in India is that besides the other factors - especially last year's fuel pricing, which destabilized the sector to a great extent worldwide and also in India - ... now is about the slowdown in the economic recession, which has taken its toll. International traffic is much lower and domestic traffic has also significantly come down."

Indian airlines are likely to post a combined loss of some US\$1.5 to US\$2 billion this financial year, ending March 31.

Carriers such as Kingfisher Airlines and Jet Airways have sold their delivery slots at airports to tide over the crisis. Some are now looking to raise capital by selling planes and then leasing them back from the buyers.

Source: CNA/vm, channelnewsasia.com- 27th March 2009

ILFC warns that it is at risk; airline customers will likely not be affected

In another potential fallout from the financial woes of insurance giant American International Group Inc., the world's largest aircraft leasing company warned Wednesday that its survival was at risk if it can not get additional loans.

International Lease Finance Corp., AIG's Los Angeles subsidiary, said in a regulatory filing that access to financing has been hampered by its parent company's troubles and that without new loans "there could exist doubt concerning our ability to continue as a going concern." By Wednesday afternoon, ILFC sought to play down the message, and most industry analysts said there was no cause for alarm. Either way, airline passengers were not likely to see any impact.

Experts said they doubted AIG or the U.S. government, which now owns a large chunk of the insurer, would ever let ILFC fail. In an interview, ILFC's chief financial officer said the company was not in danger of defaulting on its existing debt obligations.

The company's filing with the Securities and Exchange Commission was meant to detail "a worst-case scenario," said Alan H. Lund, ILFC's chief financial officer. "We have the liquidity to satisfy the requirements." Still, the possibility that the company could have financing problems sent a chill through the aviation industry, which is in the midst of one of the worst travel downturns since the period after the Sept. 11, 2001, terrorist attacks.

ILFC owns 950 passenger jets flown by nearly every major airline, and is the largest customer for Boeing Co. and Airbus aircraft, the world's only two remaining makers of large

IBA's

Comment:

"ILFC has large outstanding orders for 787 and A350 family aircraft and further developments of the Lessor will be closely watched by Boeing and Airbus"
- David Rushe

commercial aircraft.

A Boeing spokesman said Wednesday that the company was "closely" monitoring ILFC's situation.

Steven Udvar-Hazy, who co-founded ILFC with the father-and-son team of Leslie L. Gonda and Louis L. Gonda in 1973, sold the company to AIG in 1990 for \$1.3 billion. Udvar-Hazy remained as the company's chief executive.

Source: Peter Pae & Martin Zimmerman, baltimoresun.com - 26th March 2009

"its survival was at risk if it can not get additional loans."

Southwest Airlines moves closer to LaGuardia service

An Indianapolis bankruptcy judge approved a plan Wednesday that lets Southwest Airlines Co. buy the assets of ATA Airlines Inc. for \$7.5 million and take control of ATA's 14 takeoff and landing slots at New York LaGuardia Airport.

With the sale set to close Friday, Southwest will be a step closer to launching service at the New York airport with a handful of flights.

Bob Montgomery, Southwest's vice president of properties, said the airline hopes to begin service there sometime this summer.

"We should be coming out with an announcement shortly," Montgomery said.

In early December, U.S. Bankruptcy Judge Basil H. Lorch III approved the proposal to sell the ATA assets to Southwest, but the deal had to be confirmed in ATA's reorganization plan.

Because of congestion and delays, LaGuardia's takeoffs and landings are limited by the U.S. Department of Transportation and Federal Aviation Administration, which are attempting to reduce the number even more. The airline industry so far has been able to block the government's effort in court.

Southwest has declined to reveal where it plans to fly from LaGuardia, and the 14 slots will give it only seven departures a day. Montgomery said the airline would like to eventually pick up additional takeoff and landing slots.

"Of course, things at LaGuardia are changing very rapidly. We're in touch with the Port Authority [of New York and New Jersey,

"the 14 slots will give it only seven departures a day"

which operates the airport] and with the FAA on that whole mix. I think we would like to find a way to acquire more slots," Montgomery said.

"The FAA slot rules are being reconsidered, so there's a lack of clarity of what the FAA is going to do," he said.

LaGuardia Airport officials have agreed to lease Gate B2 in the airport's Terminal B, with some assurances that Southwest will be able to secure more space as it needs it, he said.

Montgomery said the airline is "anxious to experience how New York does accept our service" in that market.

"The experience on delays and air traffic is going to be substantially different from what we've experienced in other places in the country," he said. "So we really want to understand all the implications on our schedule, on our pricing and on our customers.

"Then I think we'll be in real good shape to really succeed in that marketplace."

Source: Terry Maxon, dallasnews.com - 26th March 2009

Cheaper, shorter European flights under new law

According to EU business, EU lawmakers agreed on March 25 on a bill calling for shorter, cheaper flights in Europe using up to 11 percent less fuel and setting binding targets for the continent's aviation system.

The new rules are set to be rubber-stamped by EU transport ministers within days so that the legislation can enter into force throughout Europe before the summer.

Under the measures, part of the EU's "single European skies" project launched in 2002, member states must use incentives and sanctions to prompt airlines and airports to meet the targets.

Brussels judges that better organisation and harmonisation of air traffic control could knock eight to 14 minutes off flights within Europe, while using seven to 11 percent less fuel.

At the same time "16 million fewer tons of carbon dioxide will

"EU nations will retain the right to ban certain flights from entering their airspace."

be released in to the atmosphere each year," EU Transport Commissioner Antonio Tajani said.

Eurocontrol, a European intergovernmental organisation, will monitor the results to see if the targets are met.

EU nations will retain the right to ban certain flights from entering their airspace.

One of the key measures is the setting up of Functional Airspace Blocks - airspace blocks based on operational requirements regardless of national boundaries.

International flights currently have to pass through a mosaic of national air traffic control zones, being handed over from one national authority to another, a system which can cause bottlenecks and delays, using extra fuel.

Some such blocks already exist, the biggest being France, Germany and the three Benelux nations, but the legislation will make such systems obligatory from 2012.

Old air navigation technology will be replaced by the state-of-the-art SESAR (Single European Sky Air traffic management Researchs) system, currently in development.

Also the European Aviation Safety Agency (EASA), originally limited to ensuring the airworthiness of aircraft, will see its powers extended to ensure "precise, uniform and binding rules for airport safety, air traffic management and air navigation services."

EASA will establish harmonised rules on Air Traffic Management (ATM) systems and Air Navigation Services (ANS), to improve aviation safety in a context of sharply rising traffic and increasing numbers of air routes.

The EU sees such modernisation and harmonisation as key as European air traffic could double by 2020.

At present EU airports deal with 28,000 flights per day by 4,700 commercial companies.

Source: finchannel.com - 26th March 2009

IBA's

Comment:

"It will be interesting to see if new environmental legislation will force further retirements of older aircraft operating intra-European routes. New Air Traffic Control programmes have historically been quite problematic in Europe and the EU will want to ensure minimum problems this time round"

- David Rushe

Airlines predicted to lose \$4.7 billion in '09

The world's airlines, grappling with a worsening economy, expect their losses will total \$4.7 billion this year, nearly double the \$2.5 billion loss forecast in December, the International Airport Transport Association said on Tuesday.

"It will be a grim 2009," the trade group's chief executive, Giovanni Bisignani, said at a news conference in Geneva, Switzerland.

Airline revenue is expected to fall 12 percent, or \$62 billion, to \$467 billion in 2009. By comparison, revenue fell 7 percent, or \$23 billion, to \$306 billion, after the Sept. 11, 2001, terrorist attacks.

Passenger travel is expected to fall 5.7 percent and air-freight shipments to plummet 13 percent this year. Airlines cannot cut capacity - seats and flights - fast enough to keep pace with the slump in passenger travel.

The sharpest loss is in premium first- and business-class seats, which are the most profitable for airlines. Businesses are slashing travel budgets and asking employees to fly coach.

Asia will be the worst-hit region, projected to lose \$1.7 billion this year. Airlines in North America will be the "best-performing" and will "basically break even," Bisignani said.

U.S. airlines took steps last year to slash seat capacity, raise fares, and create new fees and charges that helped when oil prices soared. The carriers also did not lock up as much fuel cost into contracts, known as fuel hedges, that commit them to pay higher prices even when oil costs fall.

Separately on Tuesday, US Airways Group Inc. president Scott Kirby said the airline could turn a profit this year even if passenger revenue fell 15 percent. Capacity cuts and lower fuel prices could offset the drop in revenue per available seat mile, or the money the airline collects for each seat it flies one mile, he said. In 2008, US Airways lost \$2.2 billion.

For the U.S. airline industry overall, the relief of lower fuel prices is overshadowed by falling demand and plummeting revenue, Bisignani said.

"The industry is in intensive care," he said. "Airlines face two immediate fundamental challenges: conserving cash and carefully matching capacity to demand."

Source: Linda Loyd, phillynews.com - 25th March 2009

IBA's

Comment:

"US airlines have reacted far better to the current downturn than they did in the post 9/11 slump and have employed aggressive consolidation strategies. Hopes for profit in 2009 would be a positive note for the industry as a whole"

- David Rushe

How low can they go? Aircraft values continue to drop - but who sells in this market?

Phil Seymour, Managing Director of independent aviation consultancy IBA, reports on a cautious mood at the 26th ISTAT Annual Conference in Scottsdale, Arizona last week. A key finding from the event is that the market prices of all the aircraft assessed have reached, or dropped below, their base values - causing concern in many sectors of the industry.

Phil took part in the Appraisers' Panel on the first day of the event, which valued eleven different aircraft types. The panel gave their expert opinions on base and market values for each aircraft, as well as lease rates in most cases. For the Boeing 767-300ER, 1992 vintage, Seymour attributed a market value of \$21.6, a \$2 million discount over the aircraft's base value. All four appraisers on the panel agreed that the market values for all of the aircraft were either at, or below, the base value. The aircraft valued were the Airbus A320-200, A321-200, A330-200 and A380-800, as well as the MD-83 and the Boeing 737-800, 737-900ER, 767-300ER, 747-400, 757-200 and 787-8.

Phil Seymour comments "This is the first time that we have seen aircraft values so low for many years and it is understandable that this trend is worrying the industry. Lessors, in particular, are concerned that appraisers may be thinking of decreasing the base values of some aircraft because the market values have come down so much, but I think this is unlikely. In fact, I believe that the current uncertainty in the industry will mean that in-production aircraft will continue to be used for longer periods, in some cases seeing aircraft lifetimes extended by three or four years - which will actually increase the future base values of these models."

Phil continues "A major factor is that there are simply fewer transactions - those businesses which are used to the cyclical nature of the aviation sector know that most sales in today's market have an element of distress about them. The wise guys know its time to hold current generation aircraft but owners of older types may decide its time to cut and run."

"Lessors, in particular, are concerned that appraisers may be thinking of decreasing the base values of some aircraft because the market values have come down so much, but I think this is unlikely."
- Phil Seymour

Despite 2008 being a difficult time for many in the aviation industry, this year's ISTAT Annual Conference saw nearly 1,000 attendees in Arizona for the three day event. This figure is a small increase over the 2008 numbers which shows that after a year of radical change in the sector, all parties were keen to hear what 'the great and the good' from the industry predicted for the year ahead.

Phil reported that there was little good news to be heard at the conference. Instead the general consensus was that now is a time for "getting your house in order and keeping hold of what you've got, rather than chasing new opportunities". Certainly this was the mood among the manufacturers, lessors and airlines. Phil adds "For the financiers it's a slightly different situation. On the one hand there is the concern of potential lack of liquidity, whilst on the other they are looking at more favourable returns on the investments they do move forward with. Conversely, some suppliers to the industry, such as consultancy companies like IBA, are doing well at the moment gaining a lot of new business in areas such as contingency planning, repossession planning, surveillance and monitoring of airlines, and liquidation of surplus airlines' stock."

Phil continues "I also noted a worrying, although probably quite honest and realistic, underlying message of 'protectionism' and 'looking after our own' from some parties. Whilst I can understand this concept and the thinking behind it, I hope we haven't quite reached this stage yet. Overall the event gave a well rounded view of an industry working hard to adjust to the constantly changing marketplace, but also made it very clear that we're not past the difficult times yet."

For more information on Phil's views on aircraft values and the current aviation market outlook, or to arrange an interview, please contact Jennie Tewson on +44 (0) 1403 218588 or jennie@inter-relations.co.uk. In

Source: IBA Group & Inter Relations & Company - 26th March 2009

"On the one hand there is the concern of potential lack of liquidity, whilst on the other they are looking at more favourable returns on the investments they do move forward with."
- Phil Seymour



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 -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.

To register, please email your details to Karina Katysheva at kkatysheva@euromoneyplc.com

Phil Seymour's Notes on the Week

Well it's that time of year (at least in the Northern Hemisphere) when we start to get excited - clocks go to summer time - those longer evenings, daffodils come into flowering mode and my Mum lets me stay up a little bit longer before having my Hot Chocolate and Marmite on toast. (Actually, I don't live with my Mum but I still imagine she is with me - that's probably why I lead a clean and simple life!?)

A visit to Warsaw for me next week - no not another Arsenal away game - but the ERA conference. The perpetual focus for aviation conferences nowadays is what to do with excess capacity and how to cut costs - go to fewer conferences perhaps? Surely not the way to boost global economies is it? Think of the Polish economy next week for example - 500 delegates multiplied by 100 euros each is a great boost for the City. That of course is only the alcohol consumption for each delegate each night (make that 499 drinking delegates - my mum is coming with me).

For those readers down under - clocks back I suppose but your memories of Summer are fresher than ours.

Yours Sincerely,

Phil (anyone seen my sunglasses...)

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

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Highlights

- US Dollar weakens / oil rises
- OPEC output quotas unchanged
- Out with winter / in with spring

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

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Executive Summary

Despite OPEC's decision to leave output quotas unchanged and healthy inventories, oil prices shot higher this week as the US dollar weakened significantly against other major currencies and equity markets gained ground. NYMEX WTI crude oil rose above \$52/bbl.

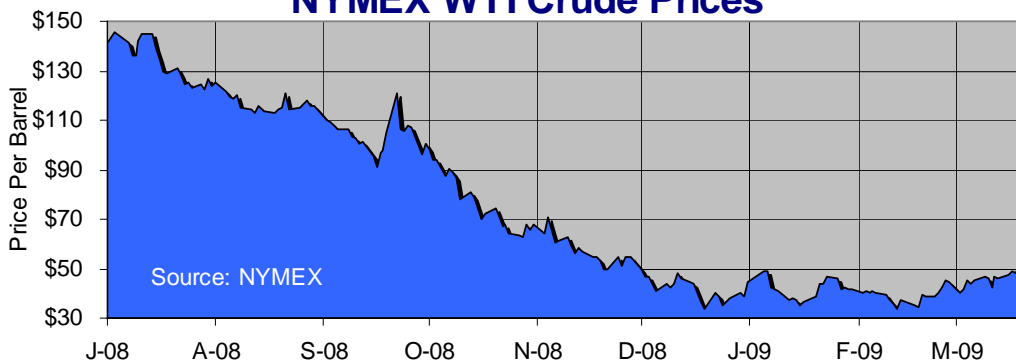
Macroeconomic and Fundamental Factors

- The value of the US dollar got pummelled this week on worries that the bond-buying actions by the US Federal Reserve will result in inflationary pressures. The dollar fell to a 10-week low against the euro as well as a basket of rival currencies.
- Last weekend, OPEC agreed to leave its official crude production levels unchanged and to strive for better compliance with past cuts. Indeed, oil movement trackers confirm that OPEC deliveries have declined to the lowest levels since September 2003.
- The head of the International Energy Agency warns that full compliance with OPEC quotas will lead to renewed oil supply tightness by the end of 2009. Currently, OPEC as a group is approximately 80% compliant with existing quotas.
- Two large banks have raised their 2009 oil price forecasts as the entire forward curve rose above \$50/bbl. Bank of America/Merrill Lynch raised its Brent crude forecast by \$2/bbl to \$52/bbl while JPMorganChase bumped its WTI prediction by \$6/bbl to \$49.38.
- The weekly inventory report from the EIA showed builds of varying degrees across all major categories. US refinery utilization fell .6% to 82.1% of operable capacity.
- The International Monetary Fund (IMF) expects the global economic decline to end by mid-2010. Both advanced and developing economies worldwide are expected to contract in 2009 – the first time this has happened since the Great Depression.
- Two US Navy vessels collided in the Strait of Hormuz early today, spilling 25,000 gallons of marine diesel fuel. Shipping traffic through the strait, which transports 20% of the world's oil supplies from regional producers, was reportedly unaffected.

Weather

- Winter officially ends (and Spring begins) today. As such, the heating season winds down, the agricultural season begins and the driving season (and hurricane season) is approaching.
- The Houston Ship Channel, a key waterway for local oil refineries, was closed for much of the day yesterday due to fog.

NYMEX WTI Crude Prices



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

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- **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

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