



Commentary – Fairway Aviation Group Market Insight as of October 14, 2010

Overall Condition

- Bouncing on or near the bottom – businesses are still cost-cutting.
- Starting to look fairly decent out there.
- We have seen a noticeable uptick in business conditions during the first three quarters of this year.
- Markets stable to improving in large cabin.

Activity Levels and Inquiries

- Customer's only call to discuss the value of their aircraft and when we feel it is appropriate for them to.
- Business is spotty. We might have a few weeks of activity and then we go through a slow period.
- We have seen a recent increase in activity in late September and early

Inventory and Pricing

- Inventory levels are still quite high, but they are coming down.
- Model year 2000 aircraft and newer are cheap enough to draw interest.
- Early 80's aircraft can be purchased for engine value of the time remaining.
- Continued pressure on older aircraft have caused further price reduction.
- Values for the oldest aircraft continue to go down, but in certain markets it appears stabilization has begun to occ

Financing

- Banks continue to be difficult to work with, which has impacted sales.
- Financing is still difficult, especially for foreign buyers.
- There is more financing available, but at very high rates and large down- payments compared to the past.
- Banks won't even look at anything more than ten years old. Dealer floor plans are practically non-existent.

Closings

- We have some interest, but closings are very hard to get done. Banks are very slow in the process and buyers are very educated about price.
- The market should get better, prices are stabilizing.

Fairway Aviation Group specializes in the buying and selling of business aircraft for discriminating clients worldwide. Our professional, client-focused approach is unique and involves the use of new technologies to bring buyer and seller together – wherever in the world they may be. With 10+ years of industry experience and the advantage of real-time information related to the current aircraft market, we can accurately value the aircraft being bought or sold and complete a successful transaction in the shortest possible time.