

# MERCURY AVIATION PARTNERS, LLC



## PORTFOLIO & ASSET MANAGEMENT

STRICTLY PRIVATE  
& CONFIDENTIAL

November 2006



## Who is MAP?

**Michael Stern** is the President and CEO. He is responsible for strategic planning and day to day operations. Michael brings a wealth of lending and leasing experience from his time at GE Capital and Heller Financial.

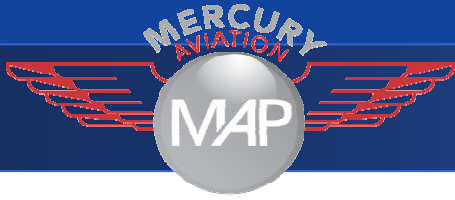
**Israel Padron** is the Executive Vice President Marketing. He is responsible for aircraft sales and leasing. Israel has closed more than 200 aircraft purchase and leaseback transactions throughout his career with leading lessors including AerCap and CIT.

**Patrick Harris** is the Executive Vice President Business Development responsible for relationships with banks and investors. He honed his asset management skills with GPA and IACO and has advised on over \$2bn of aircraft transactions.



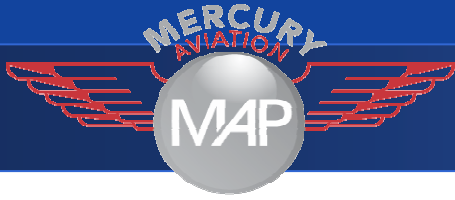
# What We Have Done

- Purchased new aircraft from the manufacturer
- Purchased 100's of used aircraft subject to lease
- Converted passenger aircraft to freighter
- Remarketed 100's of aircraft and managed that process
- Purchased and leased engines
- Financed aircraft with tax based, conventional debt, operating leases and sale & lease back
- Managed workouts and credit related restructurings
- Repossessed aircraft on a friendly and hostile basis



# What MAP Can Do For You

- Our goal is to maximize portfolio values & returns
- We do that on a transaction by transaction basis looking at:
  - Lease term (length of lease)
  - Lease terms (contract documentation)
  - Expected aircraft maintenance condition on redelivery
  - Credit quality
  - The airlines' need to retain/dispose of the aircraft
  - Where future lease rates and values for the aircraft are trending
  - Our assessment of the demand for this type of aircraft
- We make a “hold” or “sell” recommendation based on the above
  - If it's sell then there is a series of decisions to be made
  - If it's hold a different series of decisions to be made



# Products & Services

**Our combined experience exceeds 85 years**

**Proven track record as senior executives with the industry's largest lessors**

**Significant aircraft portfolio management experience covering:**

**→ Aircraft Portfolio Management:**

- Deal origination
- Cash management
- Contract documentation and negotiation
- Proactive portfolio management

**→ Remarketing & Trading:**

- New & used aircraft, engines and related equipment

**→ Financial Engineering:**

- Debt & Equity arranging, structuring & restructuring

**→ Asset Management**

- Technical & physical inspection/maintenance oversight
- Aircraft delivery, redelivery and repossession
- Compliance with contract terms



# Benefits of Professional Management

## Aviation professionals look at the aircrafts' fundamentals:

### Industry Status

Know where we are in the cycle  
Understand what future cycles will offer with respect to market conditions  
Anticipate the cycles and develop trading strategies accordingly

### Default Management

In the event of default:

- Evaluate aircraft condition
- Renegotiate quickly and if unsuccessful:
- Move to repossess and remarket the aircraft

**Proactive management is the key to success in aviation financing**



# What Are the Benefits of MAP?

- Proactive versus reactive transaction management
- Knowledge of maintenance related issues such as airworthiness directive implementation, maintenance reserve collection and disbursement
- Focused management of the airline relationship
- Constant awareness of trends in aircraft-specific supply and demand
- Constant monitoring of the hold/sell review process
- Planning and implementation of the remarketing process well in advance of aircraft return



# Maximizing Profits

Asset based financing relies on the asset for repayment rather than just the credit quality of the borrower

**Reliance on the asset requires :**

Buying the aircraft right

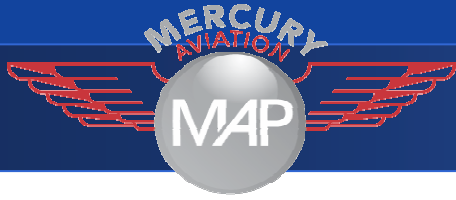
Buying readily marketable types

**What MAP does to achieve this is:**

Structure the transaction to maximize gains

Proactively manages the asset

As opportunities arise we will be there to help you “buy right” as well



# Why Let MAP Manage Your Aviation Portfolio?

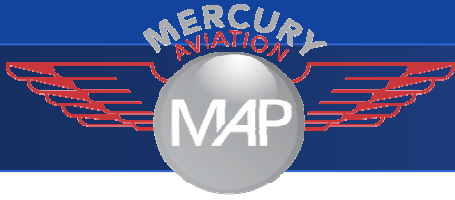
“We have lived through three significant cycles”

- We have a proven track record
- High degree of integrity and focus
- The partners are proven performers
- Skills are all inclusive
- Respected by industry peers
- Have reputation for closing deals
- Have the skills and experience to manage the business profitably



# Call to Action

- **This is asset based financing**
- **This is a cyclical market**
- **Timing is everything**
  - **Manage Right**
  - **With Experienced People**
- **Let MAP manage your aviation investments**



# Contacts

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