

*Our Business is Integrated Aviation Solutions.
Our Mission is Customer Success.™*



CORPORATE PRESENTATION

Intelligently Defining Aviation™



EAT•N

Powering Business Worldwide

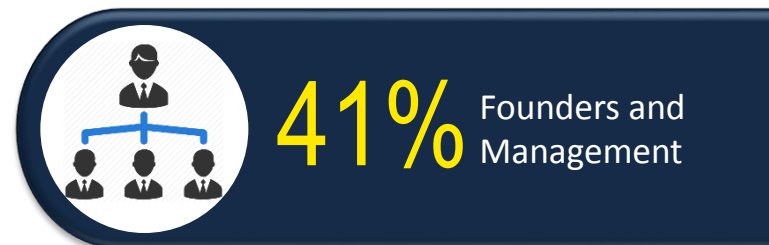
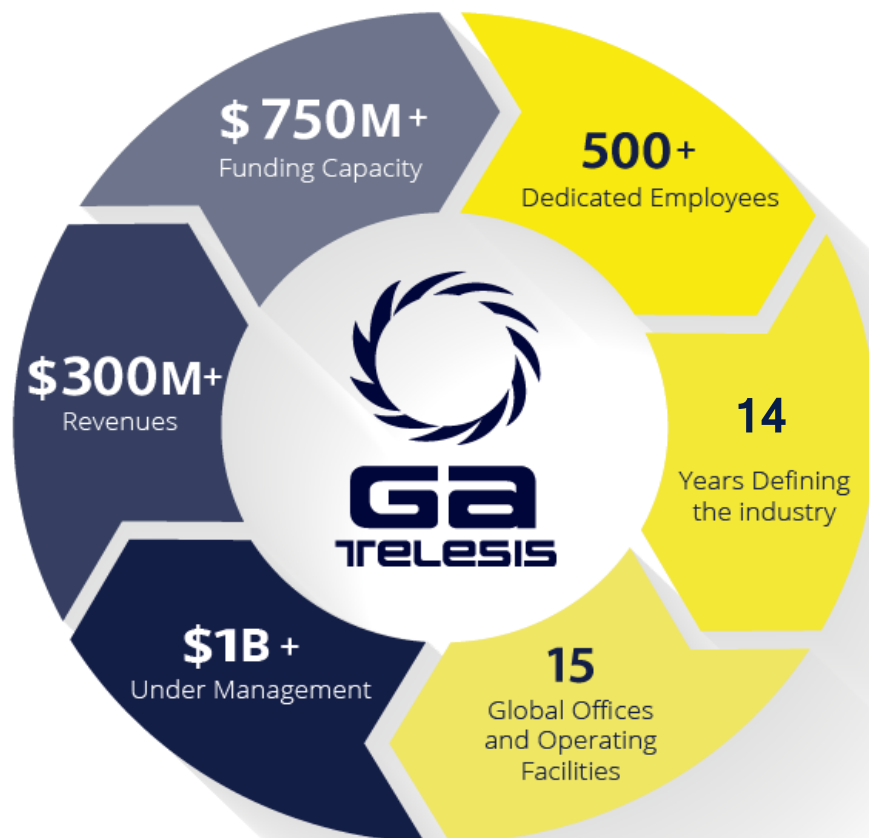
The Changing Dynamics of the Aftermarket

Aerospace Customer Support Conference

April 20, 2016 Miami, Florida



GA Telesis Overview



GA Telesis has had an annual growth rate in excess of 25% between 2002-2015



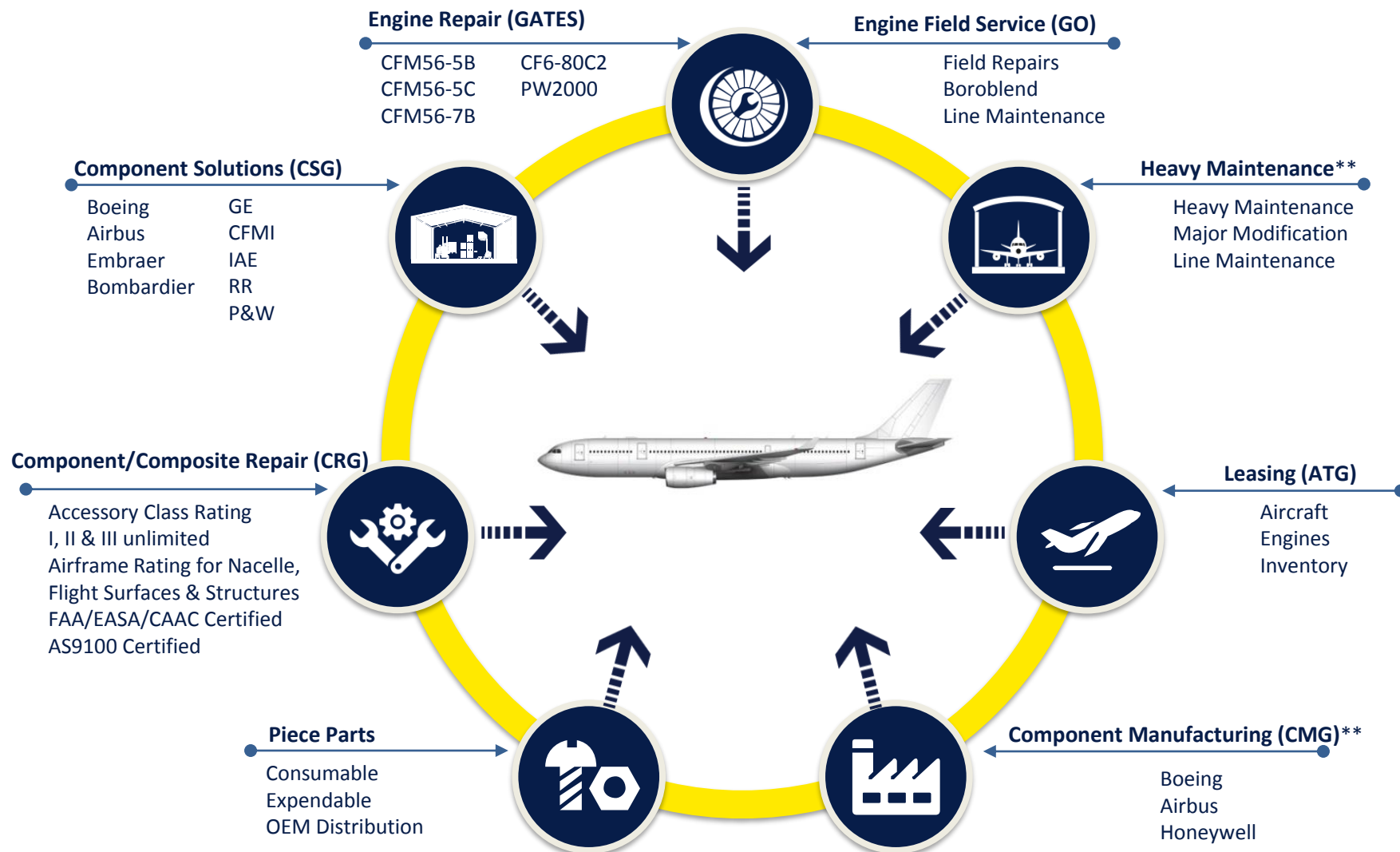
Global Footprint



GA Telesis is the only aftermarket company with significant operations on three continents



GAT Touchpoint Strategy



** Planned acquisition in process

Miami, Florida April 2016



Aerospace Customer Support Conference



GA Telesis Engine Services Oy



○ Comprehensive Repair and Overhaul Services

- Customized work scopes
- Line Replacement Unit Repair and Overhaul
- Modular Support
- Engineering Services



○ Full overhaul capabilities for:

- GE CF6-80C2, CFM56-5B, CFM56-5C, CFM56-7B

○ Worldwide AOG Support

- 24/7/365



○ On-Wing/Field Services (Go-Team)

- Boroscopes, Boroblend, Hospital Repairs, Top case, Troubleshooting, C Checks, Lease Return
- Field Service Repairs for CF6-80C2, CFM56-5B/5C/7B & PW2000



○ Fleet and Lease Management

- Engine Leasing
- Engine Parts
- Asset Management





MRO - Composite Repair Group



○ Rotable Exchange Programs

- One of the world's largest inventories of ready-to-go nacelle products.
- Rotable exchange programs lower life cycle costs with no inventory investment required.



○ Global AOG Services Support through regionally positioned inventory

- 24/7/365



○ Logistics Solutions (S.N.A.P.)

- Customized logistics programs managed by industry experts.
- Customer-first pricing and warranty solutions.



○ AOG Go Team On-Wing/Field Services

- Global on-wing nacelle inspection & repair services.



○ Prompt, Reliable Service

- Guaranteed turn-around-time, price and reliability.





MRO Component Repair Group - SE



Rotable Exchange Programs

- One of the world's largest inventories of ready-to-go nacelle products.
- Rotable exchange programs lower life cycle costs with no inventory investment required.



AOG Support

- 24/7/365



Logistics Solutions

- Customized logistics programs managed by industry experts.
- Customer-first pricing and warranty solutions.



Engineering

- In-House repair development
- In-House tooling manufacturer



Prompt, Reliable Service

- Guaranteed turn-around-time, price and reliability.





Component Solutions Group



Extensive Inventory Offerings

- Maintains one of the world's largest ready to go aircraft parts inventories
- Dedicated Product Line Managers and Inventory Experts to develop solutions that best meet our customers' needs.



AOG Support

- 24/7/365
- Dedicated AOG office located in Istanbul



Leasing and Transactions

- Fully integrated with Denver based Asset Transaction Group (ATG) and Asset Management Group
- Inventory/Asset Management
- Inventory Liquidation/Consignments



Piece Parts

- Consumables
- Expendables
- OEM Distribution



MRO

- Fully integrated with our MRO offerings including full service composite, component and engine repair shops



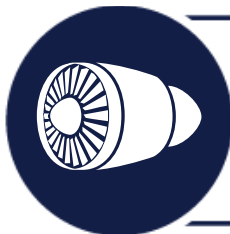


Asset Transaction Group



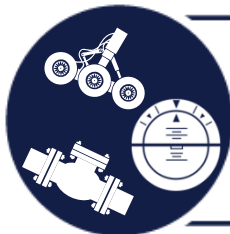
Aircraft

- Sale & Leaseback
- Portfolio Acquisition
- Stub-lease Acquisition
- AOG Acquisition



Engines

- Sales & Leaseback
- New Engine Leasing / Financing
- Synthetic / Mechanical / Operating / Green-time Leasing



Rotable Inventory

- Fully integrated with Denver based Asset Transaction Group (ATG) and Asset Management Group
- Inventory/Asset Management
- Inventory Liquidation/Consignments



Airport Facilities / Gates

- Gates
- Hangars
- Jetways



GSE

- Ground Support Equipment
- Fixed Base Equipment
- M&E

Complete Fleet Solutions

- Sale and Leaseback Solutions – GAT is an expert at sale and leaseback of aircraft, engines, inventory, facilities and GSE
- Financing and structures solutions designed around customer needs
- Offer customized solutions for short and long-term leases, sale & lease-backs to airlines and MRO's around the world
- Comprehensive understanding of current market trends and ability to forecast trends by fleet, region and asset type
- Lease Maximization – as a lessor and lease return manager, GAT has a unique ability to analyze and forecast lease optimization strategies



Aircraft Dismantle Programs

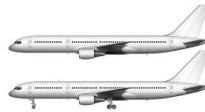


GA Telesis is a Market Innovator

First
part-out
in the
world



737 Classic



757



767-200/300



777-200

BOEING

First
part-out
in the
world



A321-200



A300-600



A330-200

AIRBUS

- As a result of its part-out portfolio, GA Telesis has one of the world's largest independent rotatable inventories
- GA Telesis was first company to part-out an aircraft in China for resale of the parts

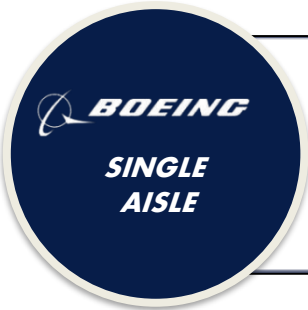
GA Telesis has parted out more than 250 commercial aircraft and over 550 jet engines.



Aircraft Dismantle Programs



One of the most comprehensive Boeing part-out portfolios



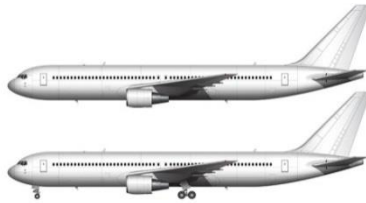
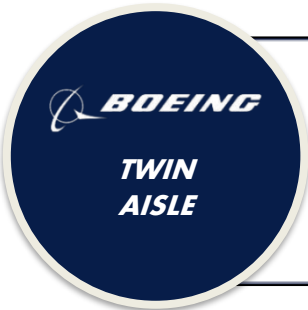
737 Classic



737 NG



757



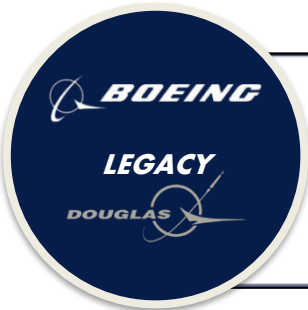
767-200/300



747-400



777-200



MD80 Series



DC10-MD11



CRJ Series

GA Telesis has parted-out over 250 aircraft since 2002.



Aircraft Dismantle Programs



One of the most comprehensive Airbus part-out portfolios



**SINGLE
AISLE**



A319



A320



A321



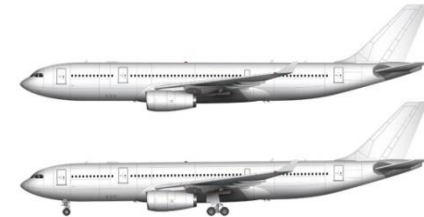
**TWIN
AISLE**



A310-200/300



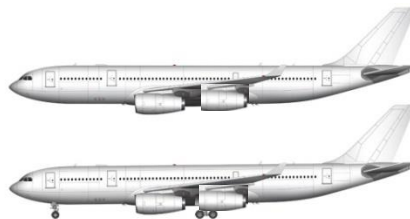
A300-600R



A330-200



**TWIN
AISLE**



A340-200/300



ERJ-135/145

GA Telesis has parted-out over 250 aircraft since 2002.



Aftermarket Trends

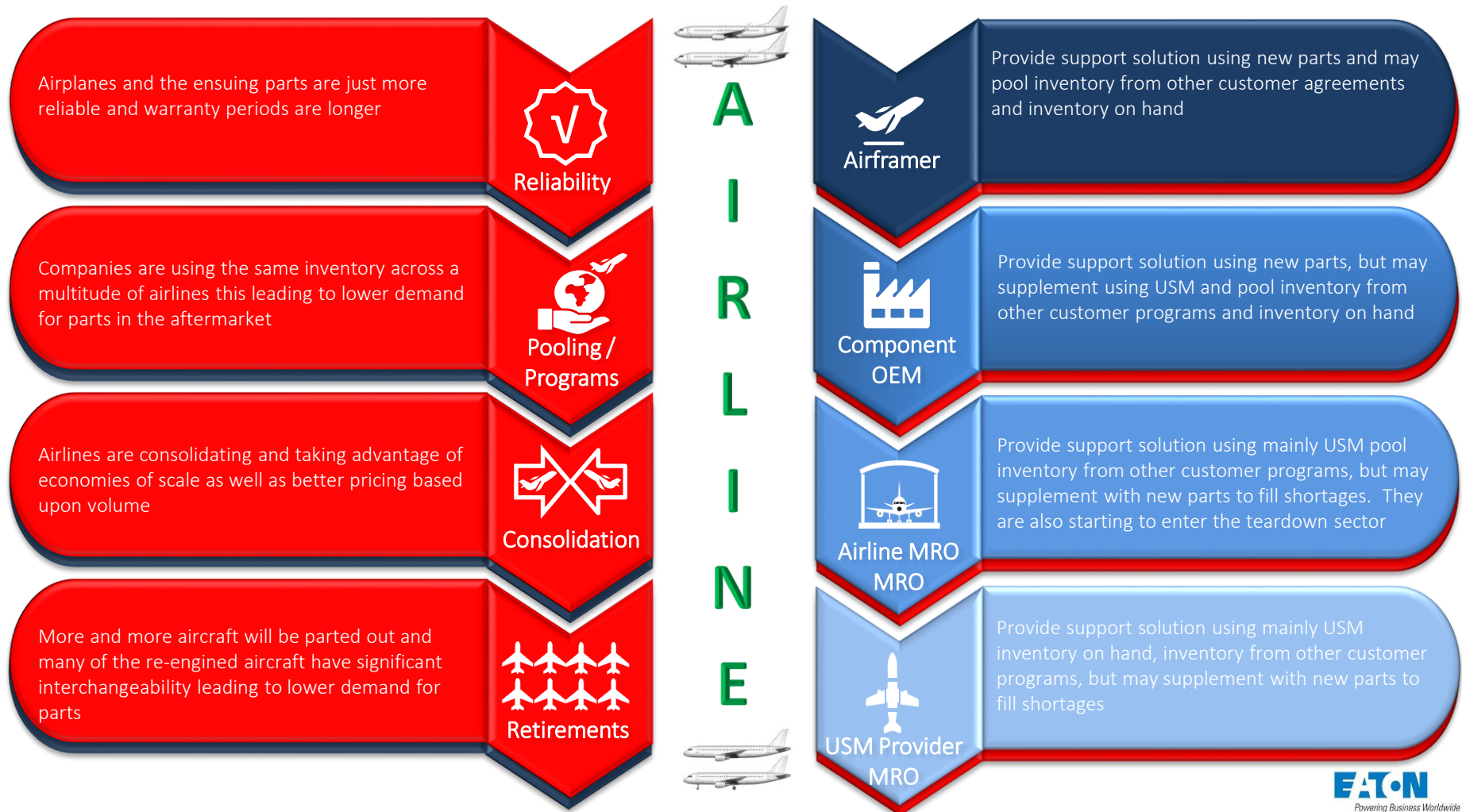




The Aftermarket Factors



Leveraging the same inventory across multiple airlines is a significant cause

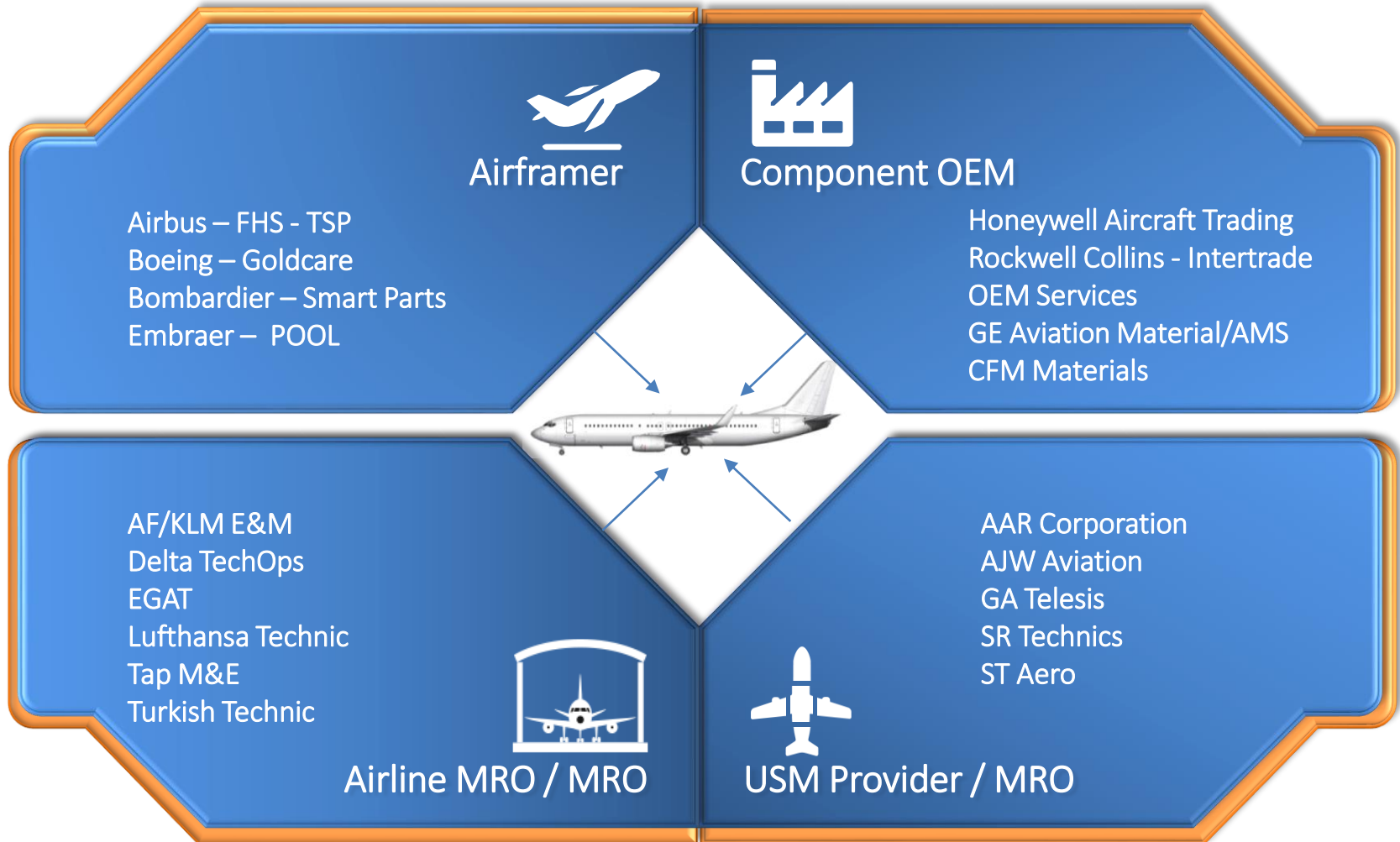




All Participants in Market are Chasing the Same Customer



The result is a need for **less** New and USM inventory





Aftermarket Requires Flexibility



The Airline/MROs/USM providers are better suited towards providing a comprehensive after-market solution for an operator because they often have a greater diversity of inventory to support the airlines' needs and can offer programs across multiple OEM platforms



Airframer

AFTERMARKET TENDENCY

- Only support their own proprietary parts and platforms
- Does not have pulse on market pricing
- Has to maintain slow moving inventory on shelf as insurance items
- Sales are often centralized and are a pull versus a push
- Can tie deal to an aircraft order



Component
OEM

AFTERMARKET TENDENCY

- Only support their own proprietary parts
- Often have difficulty winning big airline support RFPs for whole airplane coverage
- Often use price discounts to win business
- Can leverage future platform support in exchange for legacy support business



Airline MRO
MRO

AFTERMARKET TENDENCY

- Most often leverage off of airline inventory and in-house MRO capabilities
- Use leverage with OEMs to have greater aftermarket reach
- Are sometimes limited by the airline budget for capex
- Can have difficulty in proposing services with direct competitors
- Often target alliance partners



USM Provider
MRO

AFTERMARKET TENDENCY

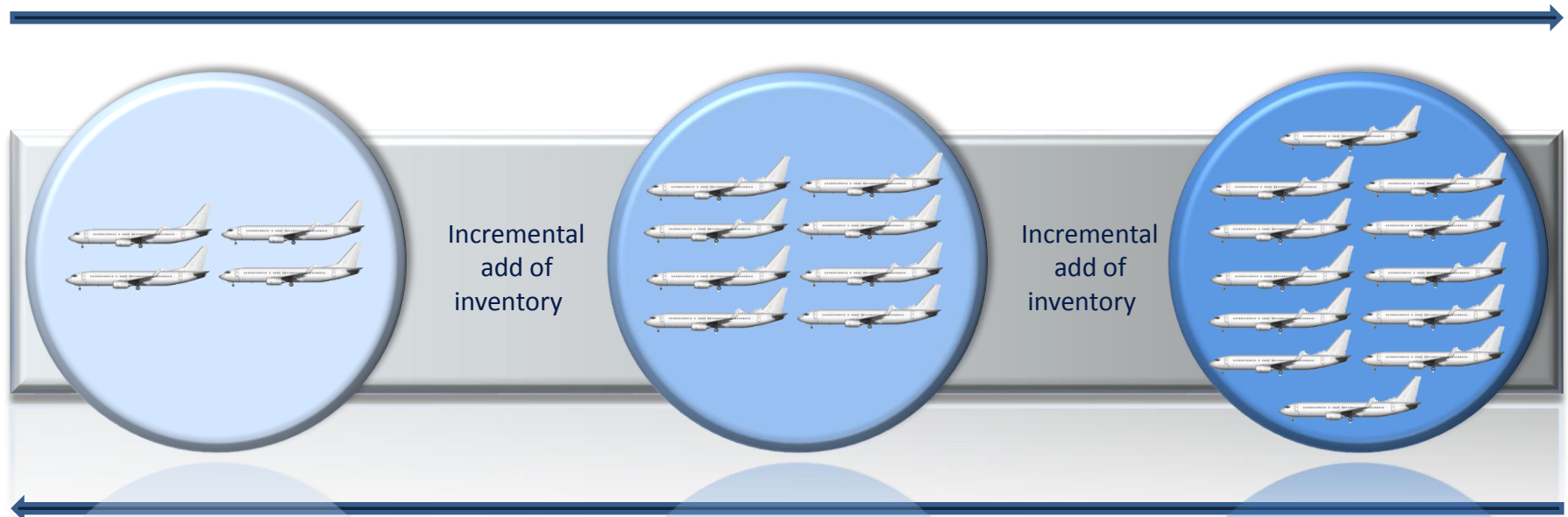
- Provide parts from all OEMs
- Agnostic to platform
- Supply limited to availability of USM
- Are able to capture more of the value chain because they cover multiple platforms and products
- Can integrate solutions containing multiple services, parts, MRO, financing etc



Pressure on the Aftermarket – Why?



More aircraft or airlines added to support program



Inventory

Initial inventory or RSPL acquired to support primary fleet parts requirements

Inventory Added

As additional aircraft are added or additional airlines are brought into the program there is an acquisition of a incremental amount of inventory to support the expanded fleet

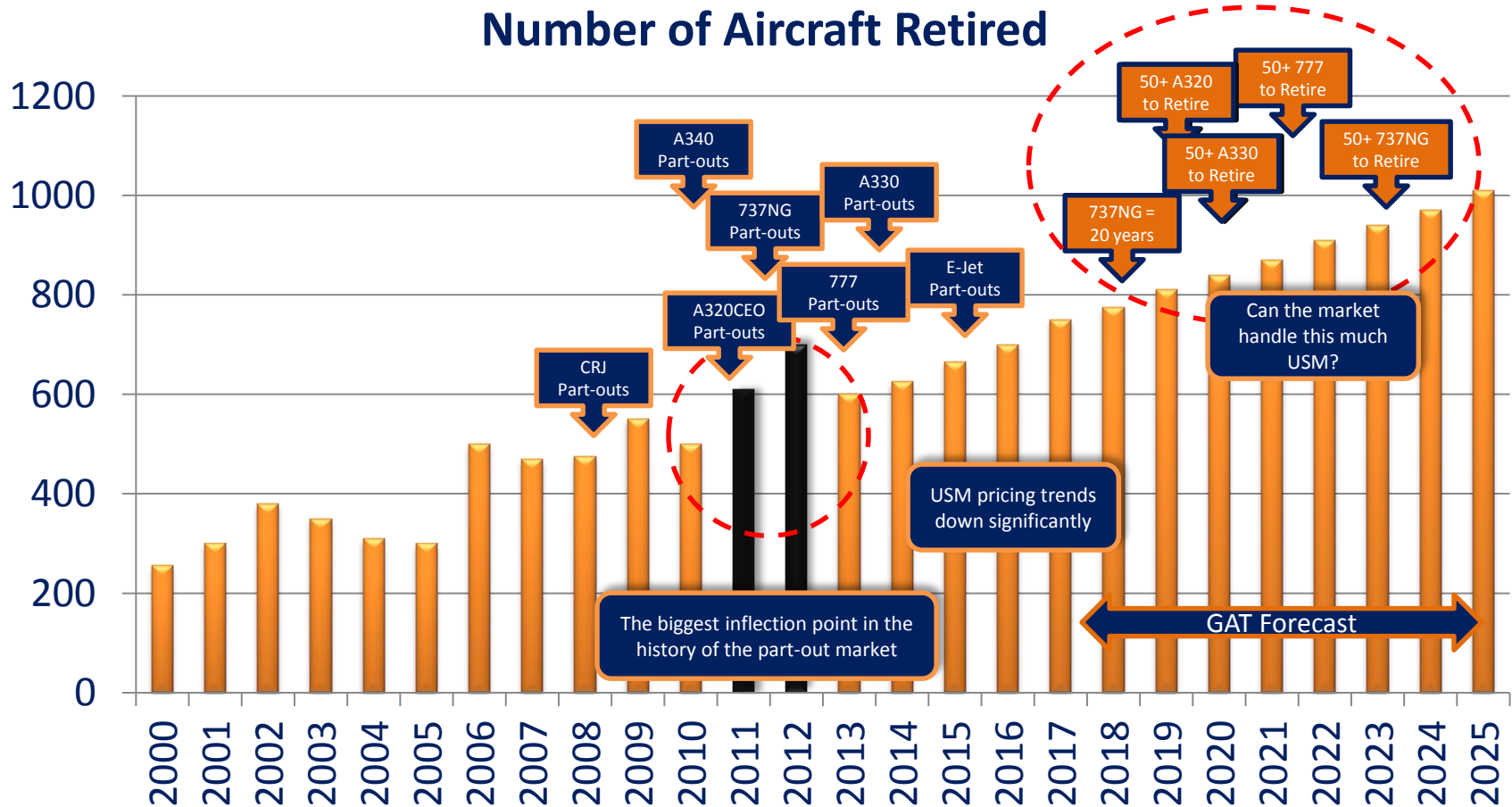
Inventory Added

As additional aircraft are added or additional airlines are brought into the program there is an acquisition of a supplemental amount of inventory to support the expanded fleet





Retirement Forecast is Robust



Sources:

ICFI
Ascend
GA Telesis Internal Forecast



Aerospace Customer Support Conference

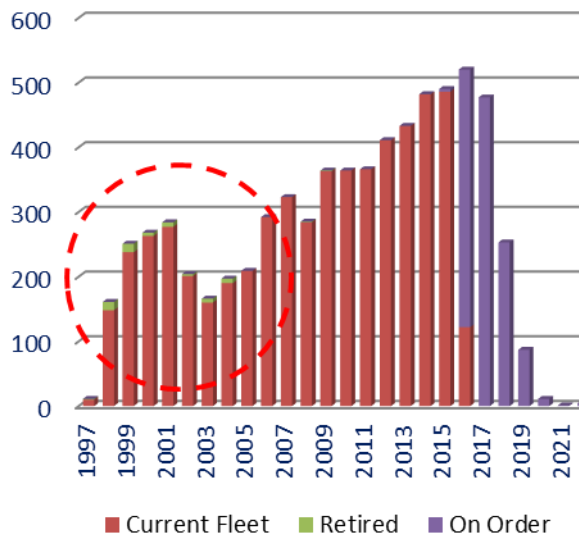


Younger Aircraft are Being Parted-Out



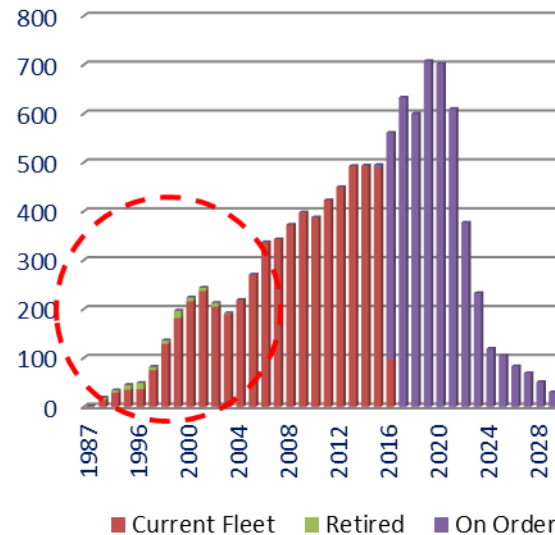
Too many current technology aircraft being parted-out can lead to market saturation

737NG Fleet by Build Year



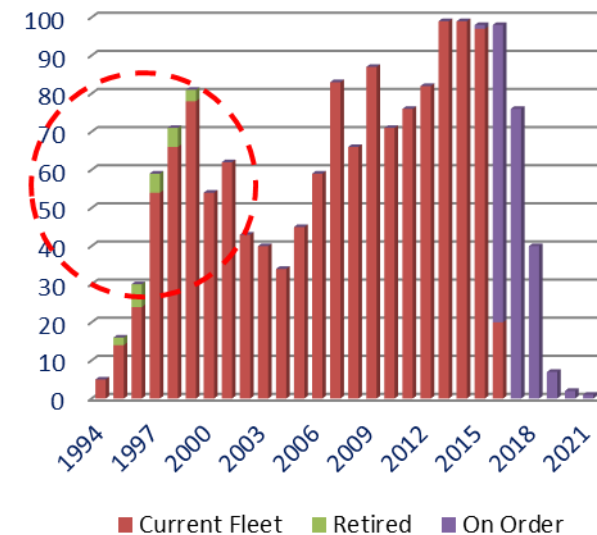
57 retired < 20 years old

A320 Family by Build Year



87 retired < 20 years old

777 Fleet by Build Year



21 retired < 20 years old

The premature retirement of in-production aircraft has lead to margin pressure on OEMS and USM providers

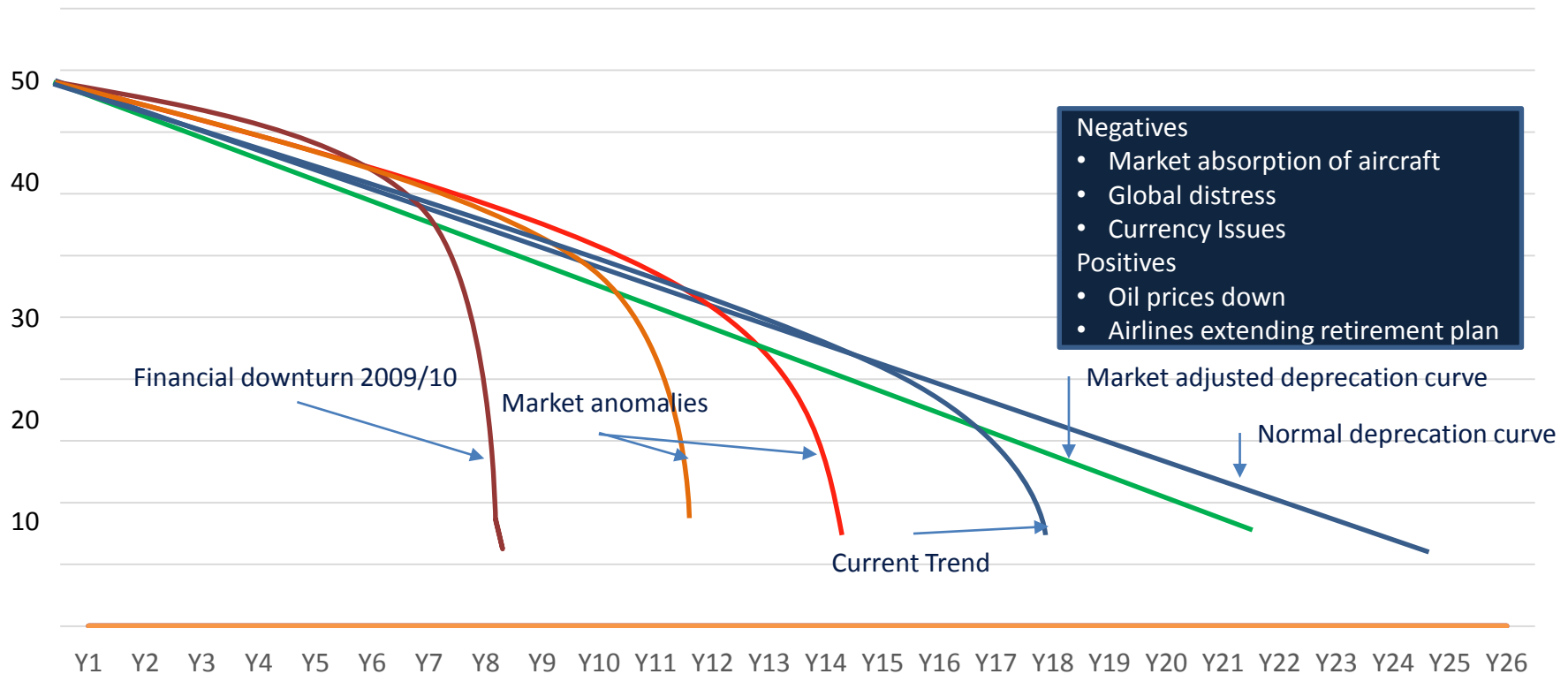


It Doesn't Take Many to Move the Needle



A handful of aircraft disassemblies can impact USM market pricing and margin because the additional inventory in the market is incremental to the market demand

Airbus/Boeing Single Aisle In-production Aircraft



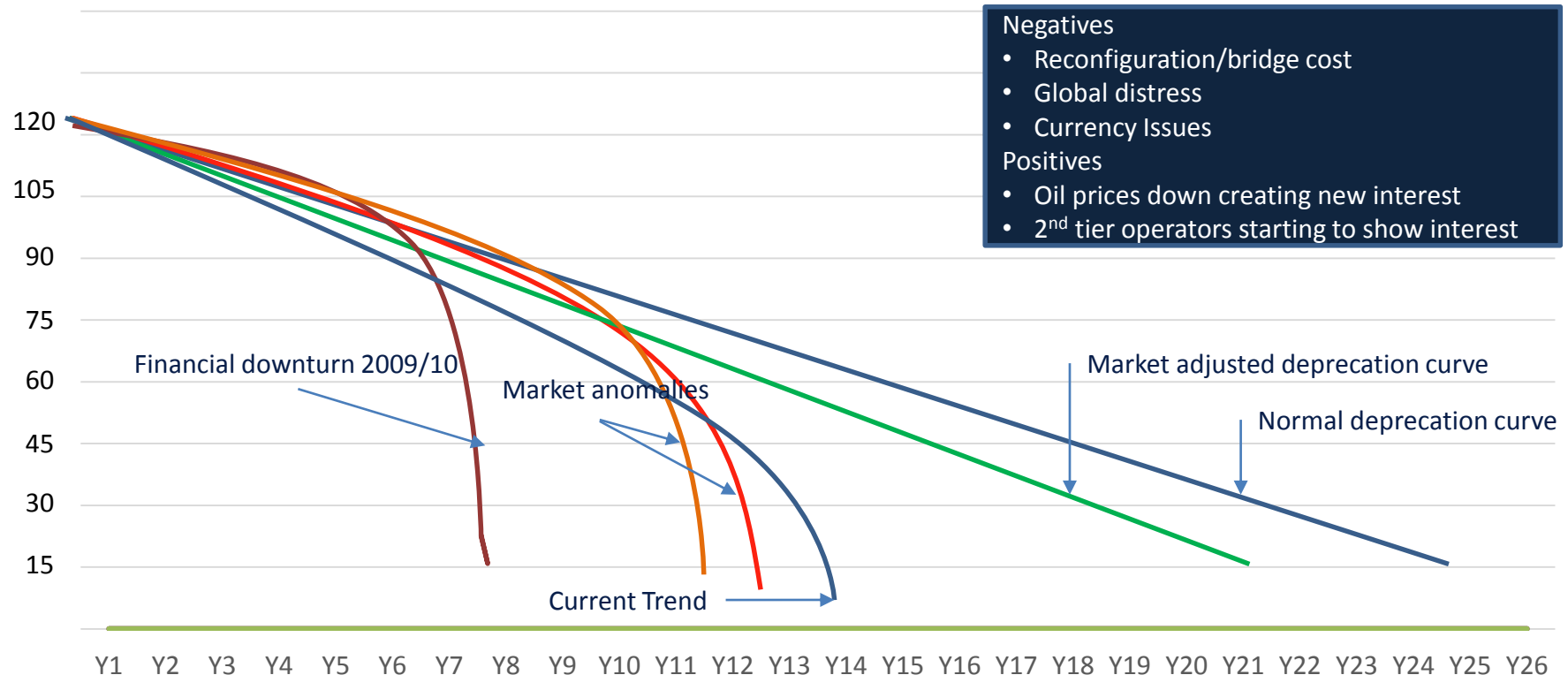


Other Factors



The market was caught off-guard by the early retirement of 777-200ERs by two major Asian carriers

Boeing 777-200ER Aircraft (Trent)






Boeing Part Page Marketplace



Boeing Parts Page Marketplace:

- Transparent interface to GA Telesis SV Material
- One Click Order
- Boeing Dependability
- Access to GA Telesis SV Materials:
 - Repaired/Overhauled
 - Price
 - Location
 - Airworthiness Date
 - Airworthiness Image
 - Trace Images



MyBoeingFleet
The Boeing PART Page

HomePART PageSite MapContact UsHelpLogoff

Parts - Search ResultsSearch ForPart NumberGo

Parts
[Search](#)
[Catalog](#)

Orders
[Search](#)
[Enter](#)
[Revise](#)
[Cancel](#)

Quotes
[Search](#)
[Request](#)
[Cancel](#)

Returns
[Search](#)
[Request](#)

Ship To
[Search](#)
[Add](#)
[Revise](#)

[Info Desk](#)

Part Number 10121B02Y02

Replacement Parts

displayed
10121B02Y02
In Stock

↔ S271U121-8
Fully No Longer Available

View Details

Noun	Unit of Measure	Supplier Code	US Harmonized Tariff	Export Control Classification Number
MODULE	EA	61349	9026102080	9A991

PART Page Marketplace

! PART Page Marketplace parts are available. PART Page Marketplace orders are packed and shipped by Boeing or Certified Boeing Partners. Parts come with documentation provided in accordance with FAA (AC) 20-62E. [Read more>>>](#)

Available Aftermarket Inventory (subject to prior sale)

Select	Condition	Qty	Location	Price	Cert Date	Cert Type	Trace	Docs
<input type="checkbox"/>	Overhauled	1	London	\$18946.20	01APR13	FAA Form 8130-3 / EASA Form 1 / CAAC AAC-038	View	View
<input type="checkbox"/>	Serviceable	1	Fort Lauderdale	\$13262.34	22JAN14	FAA Form 8130-3 / EASA Form 1	View	View

Notes

NOTE: PART Page Marketplace parts must be ordered through the PART Page or by contacting aftermarketparts@boeing.com. Spec 2000 and fax orders are not available for this part.

NOTE: PART Page Marketplace parts are only [eligible for return](#) based on quality rejections.

NOTE: PART Page Marketplace parts have a 2 day lead time.

Boeing selected GA Telesis to become its aftermarket used parts distributor.



Key Aftermarket Take-Aways



- **A robust aftermarket is vital in protecting a residual value of an aircraft**
 - **If there is no aftermarket, aircraft will be parted-out prematurely**
- **Technology has simply made aircraft more reliable and therefore less reliant on spares**
- **Global MRO footprint and supply-chain technologies have allowed airlines to take advantage of regional inventory**
- **Airlines/MROs/USM support providers are leveraging inventory across multiple customers thus leading to the need for fewer spares**
- **If the market does become saturated with USM, PMA manufacturers will struggle to justify their business models**
- **Airline consolidation is causing an aggregation of inventory**
- **Commonality of parts between re-engines aircraft with previous model will lead to a lesser need of replacement parts**

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THANK YOU

