Appraising Helicopters – Why They’re Different

David Crick, Lloyds Asset Services
What Makes Helicopters Different To Other Assets

- Question – Who’s Asking??
What Makes Helicopters Different To Other Assets

Definition:

“A loose assemblage of spare parts flying in close formation.”
What Makes Helicopters Different To Other Assets

Design & construction
What Makes Helicopters Different To Other Assets

- Popular uses for helicopters include offshore oil support, emergency medical transport, Electronic News Gathering, firefighting, construction, logging, aerial patrol, executive transport, mining, seismic survey and support, sightseeing, fish spotting, ranching, and agricultural spraying.

- These markets all play a role in determining marketability & value.
What Makes Helicopters Different To Other Assets

- Performance (the “pick-up truck” of aviation - SUV)
- Most helicopters can lift their own (empty) weight from a confined space & deliver it exactly to a spot only as big as the cargo. (Planes need runways to land & take off; Helicopters need only your car-park to sleep overnight.)
What Makes Helicopters Different To Other Assets

- Usage (work missions)
What Makes Helicopters Different To Other Assets

- Initial: “Natural resources”
What Makes Helicopters Different To Other Assets

- While not on a par with jets or business aircraft, the offshore operators fly far more than any other helicopter operators.
  - The Gulf of Mexico, an area only 125,000 square miles, has over 700 helicopters, supporting over 5000 platforms, and making 2,572 trips per day. This comprises almost a million flights per year, carrying 2.33 million passengers per year in 334,000 flight hours. The North Sea, Brazil, and several other oil fields require even more helicopter operations.
  - The typical offshore helicopter flies 1,200-1,800 hours per year. Each helicopter requires from at least 1 to more than 5 hours of maintenance for each hour of flight time.
  - The oil industry is stretching as far as 150 miles offshore. Helicopter operators are buying ever-larger helicopters with long-range fuel, sophisticated electronics, and large payloads. Operators are moving away from short-range machines costing one to five million dollars that can carry 6-10 people, into heavy twins that cost up to twenty-five million dollars and can carry up to 20 passengers. Contracts for crew transport have not been increasing as quickly as hoped, stifling demand.
What Makes Helicopters Different To Other Assets

- Maintenance
Another significant market is Emergency Medical Services (EMS). The EMS sector alone uses over a thousand helicopters ranging from million-dollar single-turbine machines that barely fit a single stretcher up to sixteen-million-dollar medium twins that can carry several patients at a time, or can instead be fit with a flying emergency room.

This end of the market is undergoing constant mergers and acquisitions, leading to consolidation in the hands of very few operators.

A rapidly growing segment is Search and Rescue (SAR). SAR contracts are typically for ten- to thirty-million-dollar medium- to heavy twins with enough power to lift a great deal of sophisticated mission equipment including glass cockpits, icing conditions equipment, life rafts, Doppler auto-hover, rescue hoists and winches, emergency flotation gear, rappelling devices, and crews of 5 or more.

“Rapidly-growing,” however, refers to dozens, not hundreds or thousands, of SAR helicopters in the world at this time.
What Makes Helicopters Different To Other Assets
Why Isn’t Aircraft Lending/Leasing Improving More?

Continuing Concerns Over Value Retention

It’s All About the Asset Manager

**Role:** Provide management guidance on all classes of equipment

- Asset Quality & Useful Life
- Valuations – Fair Market Value vs. OLV - Today through the end of term (balloon or residual)

With the multiple asset classes, Asset Managers tend to rely on 3rd party experts
The Asset Management Team is the cross-functional group responsible for managing the asset management process.

The Asset Management Plan defines goals, objectives, and strategies involving all functions of aircraft leasing.

Each asset has an Asset Plan that defines the activities required by that asset — maintenance, refurbishments, and ultimate replacement.

Asset Condition Monitoring is the ongoing process of measuring asset condition. This is not just to determine if the asset should be replaced or repaired — the process helps evaluate the frequencies and activities involved in normal operation and is used to update the Asset Plans.

Periodic Audits — The asset management process includes periodic audits of all aircraft to ensure the aircraft meet the overall objective.
Basis of Value - Expectations

- **FMV** – Fair Market Value
- **OLV** – Orderly Liquidation Value
- **FSV** – Forced Sale Value
- **ARV** – Auction Realisable Value

The chosen disposal method has a direct effect on:

- Disposal Timeframe
- Marketing Approach
- Ultimate value placed on helicopter
Static curve vs business cycle

Residual Value curves - The residual value could be defined as an estimated amount that an entity can obtain when disposing of an asset after its useful life has ended. When doing this the estimated costs of disposing of the asset should be deducted.

Business Cycle - The fluctuations in economic activity that an economy experiences over a period of time. A business cycle is basically defined in terms of periods of expansion or recession.

- Residual Value curves are an effective tool in the prediction of future value during predictive markets, and factoring costs associated with owning the aircraft.
- Residual value curves never forecast price appreciation.
- Residual values must exhibit strict assumptions to predict value – utilization, asset life, residual value at the end of term.
- Residual Value curves do not take into account the seasonality of the business cycle.
- At any given point the residual value curve will most likely be different than the actual market conditions.
RV expectation can best be defined as the culmination and proper estimation of all forms of obsolescence on a given aircraft at some future point in time combined with forecasted economic conditions.

- **Functional Obsolescence** - Functional obsolescence is defined as a form of depreciation resulting in a loss in value caused by conditions within the property such as changes in design, materials, or process and resulting in inadequacy, lack of utility, or excess operating expenses.

- **Physical Obsolescence** - Defined as the loss in value due to physical wear and tear during usage and/or from the forces of nature.

- **Economic Obsolescence** - Economic obsolescence is defined as a form of depreciation, or an incurable loss in value, caused by unfavorable conditions external to the property, such as the government regulations, economics of the industry, availability of financing,
OLV Considerations

OLV is defined as an opinion of the gross amount, expressed in terms of money, that typically could be realized from a liquidation sale, given a reasonable period of time to find a purchaser (holding costs), with the seller being compelled to sell on an as-is, where-is basis, as of a specific date.

OLV is used by financial institutions to ascertain the value in which the bank could exit a lease with no financial impact to the banks portfolio. It is a moving target that needs to be calculated on a regular basis.

- Seek 3rd party valuations periodically for market
- Factor any STC or other import / export costs
- Factor the costs to return the aircraft to a normalized condition
So What Might “Non-Aviation” Asset Managers Do?

Search the Internet for Guidance

The Medium Jet chart depicts the average price (in thousands) of the six jets listed. Each model’s year will precede the name of the aircraft.

<table>
<thead>
<tr>
<th>YEAR/MODEL</th>
<th>%CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Bombardier Challenger 300</td>
<td>0.0</td>
</tr>
<tr>
<td>2005 Bombardier Lear 45XR</td>
<td>-4.5</td>
</tr>
<tr>
<td>2005 Cessna Citation Sovereign</td>
<td>-2.9</td>
</tr>
<tr>
<td>2005 Cessna Citation XLS</td>
<td>0.0</td>
</tr>
<tr>
<td>2006 Gulfstream G150</td>
<td>-1.5</td>
</tr>
<tr>
<td>2005 Hawker 800XP</td>
<td>-5.1</td>
</tr>
</tbody>
</table>

Data generously provided by Aircraft Blue Book
So What Might “Non-Aviation” Asset Managers Do?

_Trend Analysis is Problematic!!_

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**MEDIUM JET**

- 2007: 13616.7
- 2008: 14083.3
- 2009-2014: Decreasing trend

June 2014
So What Might “Non-Aviation” Asset Managers Do?

Aircraft “Sample” May Unfairly Portray Market or May Not Apply to Your Specific Aircraft

![Helicopter chart depicting average price in thousands for seven helicopters listed. Each model's year precedes the name of the aircraft.]

<table>
<thead>
<tr>
<th>MARKETLINE</th>
<th>HeliValue$</th>
</tr>
</thead>
<tbody>
<tr>
<td>% △ 2007/2008 to 1Q 2014</td>
<td>-50.3%</td>
</tr>
<tr>
<td></td>
<td>-2.4% *</td>
</tr>
</tbody>
</table>

**Ships In Sample**

**Light Single**
- EC130B4 (427)
- AS350B3 (1,290)

**Light Twin**
- A109E (388)
- Bell 407 (1,301)
- AS350B2 (1,134)

**Medium Twin**
- S76C+ (117)
- 430 (118)
- S76C (215)
- AW139 (610)
- Bell 412EP (522)
- Sikorsky S92 (268)

**Heavy Twin**
- None

**Piston**
- Robinson R44 Raven
- Enstrom 280FX
- Robinson Raven II

*Preliminary valuations*

June 2014
You don’t have to watch your airspeed … You can fly at 2 nmiles per hour and never stall

You can move a little left … move right … back up … change directions … or just hover

You are at zero nmiles per hour when you land

If you lose power, you can auto-rotate for a safer landing

2012 U.S. Accidents/100,000 Flight Hours

<table>
<thead>
<tr>
<th>Category</th>
<th>Accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Aviation</td>
<td>1.24</td>
</tr>
<tr>
<td>All Rotor</td>
<td>0.69</td>
</tr>
<tr>
<td>Single Engine Rotor</td>
<td>0.90</td>
</tr>
<tr>
<td>Twin Engine Rotor</td>
<td>1.06</td>
</tr>
</tbody>
</table>

Source: GAMA & HAI
### Helicopters Uneconomical to Operate?

Expensive … But Comparable to Fixed Wing

<table>
<thead>
<tr>
<th>Turboprop</th>
<th>VCPH</th>
<th>Business Jet</th>
<th>VCPH</th>
<th>Helicopter</th>
<th>VCPH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beechcraft King Air B200</td>
<td>$1,413</td>
<td>Beechcraft Premier I</td>
<td>$1,761</td>
<td>Agusta 109E</td>
<td>$1,155</td>
</tr>
<tr>
<td>Cessna Caravan 208B EX</td>
<td>$741</td>
<td>Cessna Citation CJ1</td>
<td>$1,536</td>
<td>Bell 407</td>
<td>$764</td>
</tr>
<tr>
<td>Cessna Conquest II</td>
<td>$1,304</td>
<td>Cessna Citation Mustang</td>
<td>$1,084</td>
<td>Airbus EC135P</td>
<td>$1,094</td>
</tr>
<tr>
<td>Pilatus PC12</td>
<td>$946</td>
<td>Embraer Phenom 100</td>
<td>$1,223</td>
<td>Sikorsky S76C+</td>
<td>$1,867</td>
</tr>
</tbody>
</table>

Source: Conklin & de Decker - Aircraft Cost Summary - Variable Cost per Hour (VCPH) - 1/14/2014
Unacceptable Aging Aircraft

Many Helicopters Produced 30+ Years Ago Retain Value

Helicopters are not pressurized; & major components are subject to a rigorous overhaul and retirement requirements

<table>
<thead>
<tr>
<th>Model</th>
<th>Class</th>
<th>Mfg Year</th>
<th>Age</th>
<th>Original Price</th>
<th>Today’s Resale Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bell JetRanger III</td>
<td>SET</td>
<td>1967</td>
<td>47</td>
<td>$105,500</td>
<td>$200,000</td>
</tr>
<tr>
<td>Bell 407</td>
<td>SET</td>
<td>1996</td>
<td>18</td>
<td>$1,275,000</td>
<td>$1,515,000</td>
</tr>
<tr>
<td>Bell 212</td>
<td>MET</td>
<td>1971</td>
<td>43</td>
<td>$599,000</td>
<td>$1,980,000</td>
</tr>
<tr>
<td>Bell 412</td>
<td>MET</td>
<td>1981</td>
<td>33</td>
<td>$1,750,000</td>
<td>$2,105,000</td>
</tr>
<tr>
<td>Eurocopter AS350B</td>
<td>SET</td>
<td>1978</td>
<td>36</td>
<td>$259,000</td>
<td>$413,000</td>
</tr>
<tr>
<td>MD 500D</td>
<td>SET</td>
<td>1976</td>
<td>38</td>
<td>$201,000</td>
<td>$585,000</td>
</tr>
</tbody>
</table>

Source: HeliValue$, Inc., The Official Helicopter Blue Book® 1-14-2014 in average configuration with Mid-Time components
## Value Retention

### Major Component Time Drives Values

<table>
<thead>
<tr>
<th></th>
<th>Original 1999 Price</th>
<th>High Time Components</th>
<th>Mid Time Components</th>
<th>Low Time Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bell JetRanger III</td>
<td>$800,000</td>
<td>$405,000 (51%)</td>
<td>$695,000 (87%)</td>
<td>$972,500 (122%)</td>
</tr>
<tr>
<td>Bell 412EP</td>
<td>$5,385,000</td>
<td>$4,785,000 (89%)</td>
<td>$5,635,000 (105%)</td>
<td>$6,485,000 (120%)</td>
</tr>
<tr>
<td>Eurocopter AS350B2</td>
<td>$1,240,000</td>
<td>$942,000 (76%)</td>
<td>$1,161,500 (94%)</td>
<td>$1,379,000 (111%)</td>
</tr>
</tbody>
</table>

Source: HeliValue$, Inc., The Official Helicopter Blue Book ®  1/14/2014
Helicopter Finance Asia 2014

How Helicopters Depreciate

- Primary Driver... Component Status
Component Status

- Component Status = TSO or TSN
  - Time Since Overhaul
  - Time Since New

- The percentage of flight time used is the primary determinant of a helicopter’s value relative to the resale market.
not every component depreciates over the same amount of flight time
Component Status

- Determining component status
  - Logbooks record every minute of flight time, every component change, every overhaul and inspection related to that particular airframe or engine
    - Unlike fixed-wing aircraft, there can be hundreds of components to track
    - Components move frequently from inventory to airframe, and from one airframe to another
    - Each is serialized and tracked separately
    - Every serial-numbered component has a “hard card” (the flight and maintenance records for each individual component) that follows it throughout its life regardless of the helicopter in which it is installed
Factors that impact Helicopter values?

- Component time
- Condition
- Maintenance
- Damage
- Programs
- Markets / Economy
Component Times

- The benchmark utilization for most helicopters depends on their market sector

- Higher component times have a punitive impact on helicopter values

- Lower component times have a beneficial impact on helicopter values

- Each helicopter has major inspection schedules

Data generously provided by Bombardier Inc
Condition Adjustments

- Condition adjustments represent aesthetics of the helicopter and the acceptance in the marketplace.

- Paint
  - Average paint is every 5 to 7 years
  - Costs can range from $40K to $150K depending on the size of the helicopter.

- Interior
  - Average interior refurb is every 5 to 7 years
  - Average Costs can range from $20K to $3.0M
  - Cabin configuration has a dramatic affect on value
  - The common cabin configuration is based on the type of operation.
Maintenance Adjustments

- Maintenance is broken down into scheduled and unscheduled. Scheduled maintenance can be based on hours, cycles, or calendar events.

- Unscheduled maintenance occurs when a random parts are U/S at random time intervals.

- Scheduled maintenance is either manufacturer or helicopter specific. Each aircraft will have a major inspection at regular intervals
  - Airframe – are usually performed on a hourly basis
  - Transmission, Main Rotors – are usually performed on a hourly basis
  - Engines – are generally both hourly and cycle driven

- Maintenance schedules can be based on high utilization (HUMP), low utilization (LUMP), or Chapter 5 (most common)

- Maintenance costs vary widely and require the helicopter to be out of use periodically
Damage History

- Damage is a very subjective matter and is best described as two parts – Curable and non-curable

- Curable damage constitutes damage to a specific portion of the helicopter that has been fixed.
  - A Tail Boom is damaged – part-off, part-on
  - From an engineering perspective the helicopter is repaired to a status that is as good, or better than prior to the incident.

- Non-curable damage constitutes the stigma associated with the damage event, log book entries and marketability of the helicopter.
  - From a re-sale aspect even though the helicopter has been repaired, it may suffer in price degradation due to poorly written log entries, or overall market perception of the incident.
There are programs from the different OEM suppliers. These programs help the owner in flattening the exposure to events over time, and allows the owner to better forecast costs.

- Components are therefore considered to always be guaranteed to be either actually in, or to be qualified for restoration to, a “zero” or “low” time service life condition.
- Components retain a high dollar value, regardless of their actual service life status, by virtue of remaining in “like new” condition as a result of the paid-up PBH program.
- Far more than an insurance contract.
- Engines – Cover a range of options depending on level of coverage.
- Tip To Tail – Ensures the entirety of the helicopter is covered.
  - More common on larger offshore configured helicopters.
The helicopter marketplace and overall economy have a major impact on aircraft values.

Saturation – The count of helicopters available for sale divided by the count of total aircraft in operation for any specific model.

- 12% saturation is commonly viewed as normalized markets, meaning an equal number of buyers and sellers (aircraft).
  - Nominal depreciation is observed
  - 0% to 10% is commonly viewed as a good market, meaning more buyers than sellers.
  - Little to no depreciation is observed
  - 15% or more is commonly viewed as a depressed market, meaning more sellers than buyers.
  - Greater amounts of depreciation are observed, often greater than 10% per quarter.
Drivers of World Aircraft/Helicopter Prices

- More demand and less supply = higher prices; less demand and more supply = lower prices
Drivers of World Aircraft/Helicopter Prices

- Percentage of Active Fleet For Sale
- Percentage/Number of Aircraft Selling
- Average Asking/Selling Prices
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Pre-Owned Business Jet Inventory

Business Jets for sale - July 1, 2006-2013

Pre-Owned Business Jet Inventory

Aircraft not for sale
Aircraft for sale
% Aircraft for sale

Data generously provided by JETNET iQ

June 2014
Jet Percent of Age 1-10

- May 2005
- May 2006
- May 2007
- May 2008
- May 2009
- May 2010
- May 2011
- May 2012
- May 2013
- May 2014

Data generously provided by JETNET iQ

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Jet Percent of Age 11-20

Data generously provided by JETNET IQ
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Jet Percent of Age 21 +

Data generously provided by JETNET iQ
Worldwide Turbine Helicopter Resale Market

**Aircraft Groupings**
- >> Single Engine
- >> Multi Engine

**Aircraft Segments**
- >> “New” <= 10 years old
- >> “Mid-Age” 11 – 20 years old
- >> “Older” >= 21 years old

**Market Parameters**
- >> % Active Fleet For Sale
- >> Resale Retail Transactions (as % of active fleet)
- >> Average Asking Prices $
- >> Financed and Leased

Data generously provided by AMSTAT
Worldwide Total Helicopters With Single & Twin Splits

Data generously provided by AMSTAT
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Worldwide Turbine Helicopter Resale Market Resale Retail Transactions as % of Active Fleet

Data generously provided by AMSTAT

June 2014
Helicopter Finance Asia 2014

% of in-operation fleet for sale

<table>
<thead>
<tr>
<th>Month</th>
<th>All Turbines</th>
<th>Twin Engine Turbine</th>
</tr>
</thead>
<tbody>
<tr>
<td>May-09</td>
<td>4.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>May-10</td>
<td>6.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>May-11</td>
<td>6.5%</td>
<td>6.0%</td>
</tr>
<tr>
<td>May-12</td>
<td>6.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>May-13</td>
<td>6.5%</td>
<td>6.0%</td>
</tr>
<tr>
<td>May-14</td>
<td>7.0%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

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Data generously provided by JETNET iQ
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Worldwide Single Engine Turbine Helicopter Resale Market Resale Retail Transactions as % of Active Fleet

Data generously provided by AMSTAT
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In-Operation Helicopters as a % for sale

- May-09
- May-10
- May-11
- May-12
- May-13
- May-14

- All Turbines
- Twin Engine Turbine
- Single Engine Turbine

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Helicopter OEM % For Sale Of Active Fleets

Data generously provided by AMSTAT
Risks To Residuals: Age Limits, New Technology & Others

- Mitigating Risk
Aircraft asset portfolio protection

- Utilization
- Maintenance event controls
- Avoiding Risks with programs
- Damage clauses
- Customization
Utilization controls can help maintain the value of your asset, and assist you accurately forecasting future values.

Know your customers utilization profile.
Maintenance Event Controls

Major maintenance events occur throughout the life of helicopters with some being very costly.

- Know the events so as to accurately forecast future residual values
- Mandate helicopter to be on programs to minimize the costs of each event
- Ensure favorable return conditions so the bank isn’t left holding the costs of the event.
- Ensure AD’s & SB’s are current
Avoiding Risks With Programs

Many aircraft Lessors are caught unaware of mitigating end of term risk. Simple steps can be taken to ensure this risks are minimized.

- Tripartite Agreements
- Confirmation of Program currency
Damage Clauses

Many helicopters suffer some form of damage in its life. Types of damage can range from hanger bumps to controlled crashes.

- Institute periodic visits to the aircraft and conduct log book reviews.
- Create language that allows the bank to assess any event that occurs to the aircraft.
- Use a third party appraiser to assess the market impact.
Customization

Many helicopter owners wish to personalize their helicopter either with logo’s, customized paint, or interiors. While re-painting the aircraft can be relatively easy the removal of vinyl logo’s can damage the undersurface of the paint requiring a subsequent re-paint.

Interiors do not have to be exotic to justify a customized interior and create costs at the time of sale.

- Institute periodic visits to the aircraft and conduct log book reviews.
- Create language that allows the bank to assess any event that occurs to the aircraft.
- Use a third party appraiser to assess the market impact of such an event
- Factor the costs to return the aircraft to a normalized condition
Installed equipment and avionics values are unique to each helicopter.

Best values include items that translate well across multiple usages or those that improve the performance of the helicopter.

Examples:

1) Carson Helicopters’ composite main rotor blades for the Sikorsky S-61 can increase the value of the helicopter by more than the cost of the blades.

2) Garmin 430 GPS is the most popular navigation aid in a helicopter’s cockpit across all models and all usages, and correspondingly adds more value than smaller or less popular models, and an equal amount to larger, more expensive units.

3) Restricted Category certificate of registration will reduce the value of the helicopter except in very specialized models and usages.
Some countries carry inherently higher risk, such as those which have been known to exercise eminent domain under questionable circumstances on assets with liens perfected by someone else.

Cape Town signatory countries offer better remedies for default conditions, and other improvements in perfecting their interests.
The impact of *force majeur* on helicopter operations, and therefore helicopter values, cannot be predicted, but can be considerable.

- As an example, look at the Gulf of Mexico’s Deepwater Horizon explosion in April 2010. By the end of May there was a U.S. moratorium on deepwater oil drilling. Gulf-area helicopter operators claimed a loss of contracts due to the moratorium, although Bristow Group was the only offshore helicopter operator to publicly release hard data. By June 11, nine of their helicopters had been affected by the ban, seven of which were released by their customers for the duration of the moratorium. These seven helicopters had been generating $3.8 million per month for Bristow. It is reasonable to believe that the other major Gulf operators saw a similar impact.

*Gulf drilling moratorium effects oil services industry* (Stock Watch, Submitted by Poonam Das Fri, 06/11/2010, [http://www.stockwatch.in/gulf-drilling-moratorium/effects-oil-services-industry-26852](http://www.stockwatch.in/gulf-drilling-moratorium/effects-oil-services-industry-26852))
The GE Passport sets a new standard for performance of ultra-long range business aircraft. Developed as an Integrated Propulsion System (IPS), the Passport is designed to meet the requirements of the business aviation operator with low cabin noise, emissions and fuel consumption. As a result of rigorous testing and improvements across GE's military and commercial platforms, the Passport is poised to deliver enhanced performance, reliability and efficiency.

The Passport features some of today’s most innovative aviation technology. With more than $1 billion in research and development invested annually in engines like the GEnx, F136 and LEAP-X, GE’s leading-edge engineering and ingenuity have culminated in the development of the Passport. With our history of existing on-the-shelf technology, GE is poised to deliver outstanding next-generation business aviation power for decades to come.

The GE Passport

GE's new Passport is setting a new standard in performance, efficiency, and reliability for business aviation.
New Technology – Avionics

Technology is moving fast. It is hard to think that the ubiquitous Smart Phone wasn’t even here 7 years ago.

Aircraft are in an increasingly faster technology change as consumer technology advances drives changes. The advance to software based features has enabled huge transitions with easier to modify equipment.

Understanding these advances is key to mapping the value of aircraft.

New Technology Changes Aircraft Values

Data generously provided by Honeywell Aerospace
New Technology

- First Generation of Helicopters now being superseded

- Helicopters are being developed BIGGER, BETTER, AND MORE ADVANCED

Agusta AW609
New Technology

- Bell 525
- Agusta AW189
- Sikorsky S76D
- Airbus EC225
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New Technology

Airbus X3
So – Why Not Helicopters? A Value Retention Asset

- “SUV” of aviation [Short-range Utility Vehicle]
- Easily reconfigured, multi-mission, essential use, revenue generating assets
- Not impacted by pressurization or aging aircraft issues
- Renewable Resource – major components are repaired, replaced, overhauled with technology improvements
The Helicopter Association International (HAI) has a Finance & Leasing Committee. Our committee has an outreach program to help other associations, societies and trade groups educate their members about the finance, leasing, valuation, taxation, and accounting associated with helicopter acquisitions and operations. We periodically publish a handbook of helicopter funding.

Our committee members and panelists are long-time specialists in helicopter transactions – from big banks & lessors to independent equipment financiers, from simple mortgages to complex lease facilities, from originate-to-own CSAs to multi-corporation syndications. We also have ASA-accredited appraisers, world-renowned helicopter brokers, specialists in aircraft law, accounting, insurance and taxes.

If you would ever like a group of our panelists to address your company or group, please just let us know and we will be happy to put together a speaking proposal for you. You can contract the group through myself (david@lloydsassetservices.com.au), through our current Chairman Chuck McGuire (cmcguire@avstarfinance.com), or through our liaison at the Helicopter Association International, Kevin Cooper (kevin.cooper@rotor.com).