

A DUNCAN AVIATION PUBLICATION

Duncan Debrief

JetResources Acquisition Edition



WHAT'S YOUR AIRCRAFT ACQUISITION STRATEGY?



Who is



What is



Duncan Aviation is one of the leading business aircraft service and support providers in the world. With more than 1,800 employees working at 23 civilian locations throughout North America, we are also one of the largest and offer one of the most comprehensive service packages in the industry. These services include airframe and engine maintenance, interior design and completions, avionics modifications and installations, paint, components overhaul and repair (including the capability to work on tens of thousands of avionics, instrument and accessory units) and parts support.

*J. Robert Duncan,
Chairman of Duncan
Aviation, Inc.*



We also help individuals and companies interested in purchasing a business aircraft identify their usage requirements and locate and negotiate the best aircraft for their needs. On the flip side, we provide marketing, pricing, advertising, negotiation and transactional expertise when an operator needs to sell a business aircraft.

How did Duncan Aviation start?

Duncan Aviation was founded in 1956 during the infancy of the business aircraft era. My father, Donald Duncan, was an avid pilot who used a personal aircraft as a business tool long before the term “business aviation” was coined.

When it was first founded, Duncan Aviation focused primarily on aircraft sales. We provided service and support, but only to a limited degree. Over the years, we began to increase our service support for customers and slowly increased our maintenance and modification capabilities. By the mid-1980s, our aircraft service revenue was more than our aircraft sales revenue. Today, nearly 95% of our total company revenues are based on aircraft service and support.

I share this information with you because it is important that you understand the motivation behind our JetResources acquisition and aircraft marketing/sales services: besides helping operators acquire the best aircraft for their needs, we hope to introduce them to our resources and expertise, which will be available to them as they continue their aircraft ownership experience.

How did JetResources start?

Our JetResources service began in 1991 when a personal friend of mine called requesting assistance with the purchase of a business aircraft. In helping him research his needs, choose the most appropriate aircraft models, locate and research available aircraft, evaluate his future needs, negotiate the best purchase price, represent him during the prepurchase inspection and close the transaction, I realized that there were probably many other potential aircraft owners out there who would benefit from the same acquisition assistance services.

As a result, we put together our comprehensive JetResources package and began offer-

ing assistance at a predetermined, flat fee not tied in any way to the purchase price of the aircraft. So far, we have helped hundreds of individuals and businesses locate and purchase an aircraft—many of them more than once.

If you have considered purchasing a business aircraft, you will want to explore your purchase options. The process is complicated and full of potential risk; Duncan Aviation's JetResources can help you minimize this risk.



J. Robert Duncan, Chairman

Some Interesting Facts About Duncan Aviation

Duncan Aviation was founded by aviation enthusiast Donald Duncan in Omaha, Nebraska, in 1956. The company is still family-owned, but has grown to include 1,800 employees working at 23 civilian locations. Besides servicing business aircraft, Duncan Aviation operates an active flight department. Many Duncan family members are active pilots, flying everything from gliders and hot air balloons to Falcons and Learjets.

In 2002, Duncan Aviation facilities received the top three placements for avionics services by readers of *Professional Pilot* magazine. Duncan Aviation's headquarters in Lincoln, Nebraska, placed #1; our full-service facility in Battle Creek, Michigan, placed #2; and our avionics shop in Teterboro, New Jersey, placed #3. Duncan Aviation has placed #1 in this survey every year since the survey began in 1985.

Duncan Aviation also received high ratings in *Professional Pilot* magazine's 2002 Maintenance Shop survey. Duncan Aviation-Lincoln placed #1 and Duncan Aviation-Battle Creek placed #4. Duncan Aviation has placed #1 every year except one since that survey began in 1987; in 1988, the company placed #2.

Professional Pilot readers also voted Duncan Aviation-Lincoln and Duncan Aviation-Battle Creek #1 Completions Centers in a new survey conducted for the first time in 2002 and published in the magazine's October issue. Readers rated service providers on quality, price, turntime and customer service issues.

Duncan Aviation's Duncan Design services (included at no charge for interior completions, refurbishments and paint work) received a First Place award for aircraft design and completion from the American Society of Interior Design. Duncan Aviation has received top design awards from ASID for the last five years.

For three years, Duncan Aviation has been listed as one of the "100 Best Companies to Work For" in FORTUNE magazine. In 2003, Duncan Aviation ranked #25; in 2002, we were #30; and in 2001, we ranked #62.

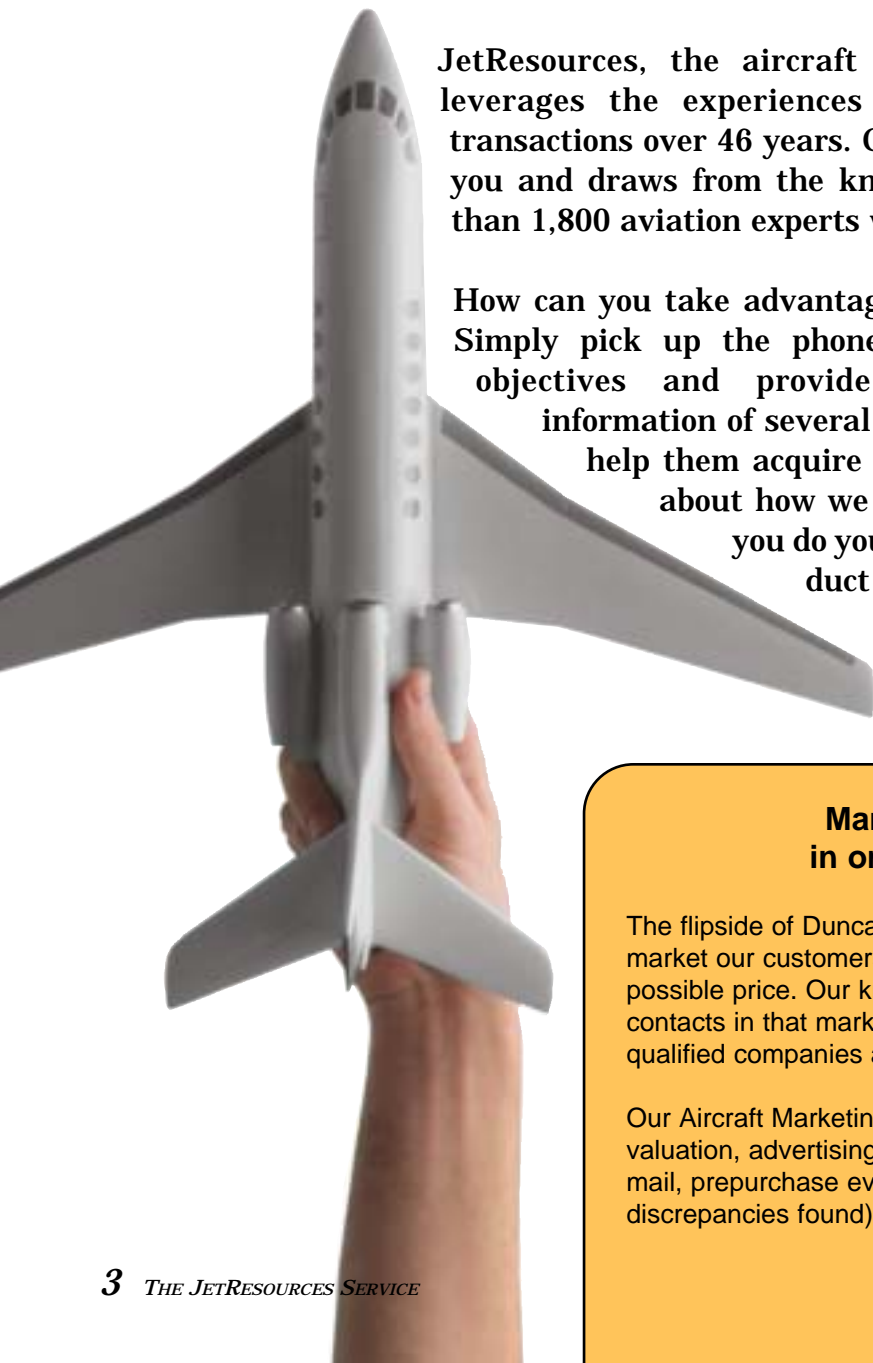


Insight or Oversight?


The process of locating and purchasing a pre-owned business aircraft is complex and risky. The stakes are huge. A small oversight can cost hundreds of thousands of dollars. A small insight can result in an equally large advantage.

There are three keys to the process: *Knowledge*, *Experience* and *Focus*. With these three things, you can avoid oversights and gain insights.

JetResources, the aircraft acquisition service of Duncan Aviation, leverages the experiences gained from more than 3,000 aircraft transactions over 46 years. Our team of acquisition specialists works for you and draws from the knowledge, experience and focus of the more than 1,800 aviation experts whom Duncan Aviation employs.



How can you take advantage of this knowledge, experience and focus? Simply pick up the phone. Call us. We will discuss your specific objectives and provide you with the names and contact information of several like-kind buyers who hired JetResources to help them acquire their aircraft. You can call them and learn about how we helped them. Experience tells us that once you do your research, you'll call us back and let us conduct research on your behalf.

Call our JetResources team today at 1.800.228.4277 or 402.475.2611. 

Marketing your current aircraft in order to receive the best price

The flipside of Duncan Aviation's JetResources service is our ability to market our customers' existing aircraft so they can receive the best possible price. Our knowledge of the preowned aircraft market and daily contacts in that market provide us with excellent prospects; we find qualified companies and individuals interested in purchasing aircraft.

Our Aircraft Marketing package includes a complete analysis and market valuation, advertising in magazines, on the Internet and through direct mail, prepurchase evaluation and support (including negotiation of any discrepancies found) and closing assistance.

The 10 Steps of Aircraft Acquisition

Duncan Aviation's JetResources acquisition service has helped hundreds of business operators join the efficient world of business aircraft ownership. Our JetResources team provides step-by-step assistance through the 10 main areas outlined here.

To learn more about these 10 steps and how we have helped customers make intelligent purchase decisions, you can review a nine-minute presentation in the comfort of your home or office. Simply point your web browser to www.DuncanAviation.com/acmarket.html, click on the "10 Steps of Aircraft Acquisition" link and enjoy. (You will need to have the free Macromedia Flash Player installed to watch the presentation.) Or feel free to give us a call.

- 1 Needs Assessment/Cost Analysis**
JetResources can help you determine and establish your needs for an aircraft, including: Aircraft type, Model, Year, Total time, Equipment, Usage profiles and Tax implications.
- 2 Research**
We will assess overall market strengths/weaknesses to determine the number of aircraft available, to evaluate current asking and selling prices and whether they are declining, stable or rising. We research past sales transactions to obtain estimated selling prices and determine the approximate number of buyers.
- 3 Locate**
Our team will identify all available aircraft in the market segment using the following resources:
 - Direct contact with owners.
 - Discreet survey of our customers.
 - Industry tracking services and Duncan Aviation's regional representatives.
 - Dealer network trade-ins.
 - Manufacturers' trade-ins.
- 4 Validate & Evaluate**
We determine the first round of aircraft selections based upon:
 - Total time
 - Year
 - Equipment
 - Engine times
 - Inspection status
 - Damage history
 - Paint/Interior
 - Ownership history
 - Maintenance history
- 5 Analyze**
We provide quantitative analysis by assigning values for equipment, condition, and maintenance. We compare value, look at recent sales and asking prices, perform an in-depth look at each aircraft, and incorporate "Bluebook"/ Vref comparisons. All this allows you to understand the value differences between selected aircraft.
- 6 Negotiate**
At your direction, Duncan Aviation's JetResources team will negotiate on your behalf for the best price and terms on selected aircraft, all subject to a pre-purchase evaluation.
- 7 Pre-Purchase Evaluation**
We will represent you during a comprehensive pre-purchase evaluation of airframe, engine and avionics at Duncan Aviation or the service provider of your choice. This will include:
 - Verification of equipment
 - Logbook research
 - Past maintenance history
 - Inspection status
 - Current one-year maintenance projectionsAny discrepancies in aircraft status or equipment are detailed and negotiated with seller.
- 8 Finalize**
The JetResources team expedites the closing by providing title search, obtaining lien releases and bill of sale, procuring financing and insurance (if required), applying for FAA registration and radio/telephone licenses, securing maintenance program enrollment or updating (if required), and assisting with the transfer of funds.
- 9 Delivery**
Duncan Aviation prepares your new aircraft for delivery. Interior and exterior refurbishment capabilities are available for your consideration. We also assist with location, onboard equipment, pilot transition training, insurance, hangar storage, and any other issues as needed. Pilot services for initial flights can also be arranged.
- 10 Ongoing Support**
Excellent business aircraft support is the foundation of Duncan Aviation's business. With over 1,800 dedicated employees to assist you with every aspect of your new business aircraft, you will be able to begin operating with confidence. Personal introductions can be made to our technical services, project management and maintenance tracking experts so you will know who to call when you need quick answers to specific issues.



Five highly qualified aircraft transaction experts, supported by 1,800 Duncan Aviation team members, make up

The JetResources Team

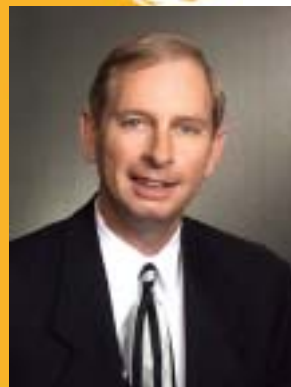
The JetResources team is made up of five aircraft transaction experts with 95 years of aviation and aircraft acquisition experience. They all have a unique passion for their work and truly enjoy what they do. We asked each of them to talk briefly about one aspect of the JetResources service and what they enjoy most about their careers.

For more information about JetResources, the current preowned aircraft market or to request a quote for our services, call Bob McCammon, Doug Kvassay, Rene Cardona, Doug Roth or Andy Biller at 800.228.4277 or 402.475.2611.



"A pre-purchase inspection/evaluation is a focal point of our JetResources service. The evaluation can be performed at Duncan Aviation's Lincoln or Battle Creek facilities, or at any authorized facility of your choice. While we believe the experience and resources of Duncan Aviation are unsurpassed in this area, the facility selection is completely up to you.

"One of the most gratifying aspects of working with JetResources clients is seeing many of them return time and again to use the services provided by our many departments. Once new JetResources customers become acquainted with our people and capabilities, a true relationship is developed that continues through future aircraft changes and upgrades."



Bob McCammon

Doug Kvassay



"Many individuals who attempt to purchase aircraft on their own do so without complete and accurate market information. Consequently, they leave themselves a large margin of safety and make offers considered unrealistically low. The market may favor the buyer right now, but it does have limits. By having an acquisition professional assist you, you have access to all the relevant information you need to make an informed decision. Information such as the "real" selling price of similar aircraft, the number of buyers you are competing with for a particular type of aircraft, and alternate aircraft types that will perform your mission and may currently be a better value.

"You can remove a lot of the uncertainty when making an offer by first completing a detailed spreadsheet analysis of available aircraft, as compared to recently sold aircraft. Analyzing the different available aircraft is one of the things I enjoy most. We have developed a spreadsheet system, detailing all the important attributes of the competing aircraft, to help us identify the best values. From there, we can price the aircraft on an equivalent basis to quickly eliminate unproductive pursuits and focus the search on aircraft that meet buyers' requirements yet provide the value they are expecting."

"The fluidity and complexity of the pre-owned aircraft market allows for ever-changing parameters: the age of the aircraft, their condition, the number of units available, recent macro-economic trends, specific aircraft-market trends, etc. This fluidity does not allow for deals to be done in the same fashion every time.

"I enjoy the challenges the market presents, as well as the process of serving my customers. We often feel a special bond with customers we work with over time and through the course of one or many transactions. That bond is based on their trust. We are part of their team, looking out for their interests. It is crucial to be professional, honest, and have the utmost integrity. We provide them with the information necessary for them to feel comfortable in making a decision to purchase an aircraft at a certain price and under certain terms and conditions. It is most satisfying when we help someone acquire an aircraft and, after several years have passed, they call us to handle the sale of the aircraft we originally helped them acquire as well as locate a replacement for them."



Rene Cardona

"I like the fact that I am truly partnering with a customer, not simply brokering a deal. With JetResources, the customer pays a pre-determined acquisition fee which is in no way tied to the price he pays for an aircraft. We are then free to select potential aircraft based on the needs of our customer and not the potential brokerage fee we could collect. This arrangement also has a positive affect with an aircraft seller, because it tells them up front that they will not need to negotiate a brokerage fee, and it seems to "qualify" the buyer by virtue of the fact that the buyer was serious enough to hire an acquisition agent."



Doug Roth

"With the numerous choices aircraft buyers have, it is very important to use all of the information available and to have a process for analyzing it. This takes considerable effort and the knowledge to know what to look for and where to find it. Making an aircraft purchase decision without all of the information needed can result in costly mistakes and surprises.



Andy Biller

The real beauty of Duncan Aviation's JetResources is that while there is a predetermined fixed-fee for our services, the value that we are able to contribute to the transaction through research, negotiation and saving your time more than justifies the cost. You of course are involved with any aspect of the purchase process that you desire, while we manage the details of the overall project."

PROCEED WITH CAUTION



Purchasing or selling aircraft are daunting tasks, especially in today's market. There are lots of available aircraft, with widely varying quality and prices. It can be overwhelming when your knowledge of the aircraft and the market is limited.

Duncan Aviation is the place to turn. Our JetResources aircraft acquisition service gives buyers the information they need to make educated decisions. Our Consignment service helps you market your aircraft to qualified buyers. Our team has the aircraft knowledge, the experience, the worldwide resources and the sharp focus required to give you the most negotiating strength.

Contact us today at 800.228.4277 or 402.475.2611 and let us put a proposal together for you.

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