

Security — Intel and Action

Security Enhancements Further Improve Corporate Aviation

Too much information is never enough today when it comes to the security of company CEOs, CFOs and others traveling overseas on corporate aircraft. Over the past several months, a significant shift has taken place with regard to how flight departments approach travel security. Security is no longer just what happens in and around the aircraft — security is also knowing what to expect once you are on the ground at your destination. Arming corporate travelers and flight crews with real-time intelligence information on international destinations is a significant piece of a comprehensive security process.



Air Security International (ASI) provides aviation security solutions and intelligence information to many of the nation's leading corporations. The company's unique SecureFlite program enhances safety and security for executives and their families, corporate pilots and flight attendants, and others operating in foreign countries. By utilizing a worldwide network of 250 representatives and support staff in 110 countries, ASI couples accurate local intelligence with the appropriate preventative measures — enabling corporate flight departments to take control of every business trip.

Every corporate aircraft operator should review security measures and upgrade preventative measures. In this time of heightened awareness and concern about aviation security, an uncompromising devotion to security by business aircraft owners is indispensable. This includes background checks of flight crews and maintenance personnel, strict identification requirements for booking and boarding a flight, careful inspection and monitoring while the aircraft is parked on the ramp, as well as observing and implementing these exacting security measures for both international and domestic flights.



For more information about Air Security International and the SecureFlite program, visit www.airsecurity.com or call 713-430-7300.

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Web Site Spotlight

www.gecorporateaircraft.com Functionality Enhances Productivity Benefits of Corporate Aviation

If you haven't visited our Web site, www.gecorporateaircraft.com, you're in for a surprise. We've added new functionality to help you find the aircraft you've been looking for, to answer financing questions and to help you maintain your current GE Corporate Aircraft Financing account.

The Financial Solutions Center provides recommended financing solutions based on your specific needs and allows you to request financing information right over the Web. Also, you can find that perfect aircraft in our available inventory or through one of our preferred dealers.

Finally, for GE Corporate Aircraft Group customers, our Web site functionality also includes secure access to all of your aircraft financing account information — 24 hours a day, 7 days a week.

Web Tip: If you don't know which financing solution meets your particular needs, use the "Help Me" option in the Financial Solutions Center! ✈

Ever Dream You Could Fly?

Move Up to the Cockpit with the "Be A Pilot" Program

You've been dreaming about it as long as you can remember. The exhilarating sensation of flight. Learning to fly is easier than you think — and more rewarding than you can imagine.

To learn more and for a free certificate to get your first flying lesson for just \$49 at any of 1,800+ flight schools in the U.S. and Canada, check out www.beapilot.com, or call 888-BE A PILOT. Stop Dreaming. Start Flying. ✈



GE
Corporate
Aircraft
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Skyward Solutions

www.gecorporateaircraft.com/nbaa.htm

Welcome to Skyward Solutions...

From **Dave Labrozzi**,
VP and GM, GE Corporate Aircraft Group

One of the most satisfying aspects of the aviation business is the great people we work with — customers, aircraft dealers, manufacturers and everyone else who works hard to make your experience as an aircraft owner and user as positive as it can be.

That's why we enjoy putting together a newsletter like this for our customers — we are reminded of the good things that corporate aviation brings to businesses and individuals — safety, security and productivity.

We have gathered information from some of the industry's leading providers of corporate aviation services to help make your ownership experience even better — safer, more secure and more productive. The services highlighted here will also be featured at the National Business Aviation Association (NBAA) convention in Orlando this September. The NBAA show will be a great opportunity to see some of the innovative products and services provided to corporate aircraft operators. Of course, GE Corporate Aircraft Group will be there at the GE Booth 633. Be sure to visit us and register to win our NBAA doorprizes — a GE wine chiller or gift packs of Chardelle wine.

Being one of the world's leading providers of financing for the corporate aviation market is extremely gratifying because we get to work closely with the most important people in the industry — you, the customer. The GE Corporate Aircraft Group has the depth of experience to make your aircraft transaction go as smoothly as possible. Our approach to aircraft financing provides you with the level of comfort you need when considering purchasing or leasing a new aircraft or upgrading your existing one.

We hope to continue to be your preferred financing partner by doing business the way we've done it for the past 25 years — one deal at a time. No matter how large the industry gets, it's still very much a one-on-one business. ✈

The High Cost of Paying Cash for Your Aircraft

Use of an Asset-Based Lender Can Provide Flexibility in Financing Your Next Aircraft

Whether you have recently received approval from the Board to expand your flight department, or you are an entrepreneur who wants to buy your first aircraft to grow your customer base, the decision of



Corporate aircraft are indispensable tools to help you run your business. GE Corporate Aircraft Group can help you make the most of this significant business asset.

how to pay for your aircraft can be a little overwhelming. Paying cash seems like an easy answer. However, using an asset-based lender can provide meaningful financing alternatives that match your financing to the asset being financed and can preserve your cash for core-business activities.

Considerations in Paying for Your Next Aircraft

Extra Cash?

First, what is your primary reason for keeping extra cash? Liquidity, new market expansion, R&D or buying back stock — in other words cash helps you run your business. Could any of these needs change or increase over the next few years? Are you using equity cash, revolvers or debt funds to pay for your aircraft? Most companies place a high value on cash and the flexibility that adequate cash levels provide.

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Skyward Solutions is a courtesy of GE Corporate Aircraft Group.
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www.gecorporateaircraft.com/nbaa.htm

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Third Quarter
2002

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The High Cost of Paying Cash for Your Aircraft
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Depreciation and Tax Implications

Depreciation and taxes can have a significant impact on the true cost of ownership for a corporate aircraft and need to be considered before the aircraft sale is completed. One recent tax development is the "Job Creation and Worker Assistance Act of 2002," which includes a first-year 30% bonus depreciation provision on the acquisition of many classes of new capital assets ordered and placed in service after September 11, 2001. One word of caution: If you are considering using cash to purchase your plane and then converting to a sale-leaseback down the road — you only have a 90-day window after the purchase of the aircraft to convert to a sale-leaseback to retain the bonus depreciation.

Also, if you are in a current year net operating loss position, the cost of asset ownership increases because the full tax shelter savings from depreciation deductions aren't available in that year.

Asset Management Considerations

How long do you plan to keep your airplane? Do you have an idea what its potential value will be when you're done with it? Aircraft values go through cycles and an asset-based lessor bears the risk of any future fluctuation in the plane's value. If you decide not to renew your lease or purchase the plane at end of lease, your only responsibility is to return the aircraft as mutually agreed, while the lessor takes full responsibility for remarketing.

The Asset-Based Lender Solution

An asset-based lender provides financing on the basis of the asset being financed and matches the financing instrument directly to that asset. In other words, the airplane is the collateral for your loan or lease, and you typically don't have to risk income-producing core business assets as collateral. By using an asset-based lender,

you will not only be diversifying your funding sources, but you will also preserve bank credit lines required for future business needs and will be preserving cash to invest in your business.

Leasing Benefits

Leasing can address some or all of the issues raised regarding paying cash for your aircraft. There are several benefits to leasing an asset:

- You only pay for your use of the asset vs. the full cost of purchasing it.
- Payments can be matched to your company's cash flow pattern.
- The lessor passes on the tax benefits of ownership, including bonus depreciation, through lease rental economics.
- A lower advance or down payment is required.
- You are protected against technological obsolescence.

Leasing can provide significant tax advantages depending on your specific situation. Leasing an aircraft instead of owning eliminates the risk of ownership depreciation deductions from increasing net-loss positions. Leasing can also prevent ownership accelerated depreciation deductions from contributing to a higher Alternative Minimum Tax Payment if that's a concern.

The result is that, depending on your circumstances, leasing can be less expensive than buying equipment when you adjust for the effects of taxes and the time value of money.

To learn more about asset-based financing and leasing, call us at **888-FLY-CORP** and register for your free copy of the 2002 edition of our popular "GE Guides You Through the Leasing Maze" booklet, or visit us on the Web at www.gecorporateaircraft.com/nbaa.htm. ✈

which is located within the emergency department of a regional tertiary care, level-one trauma center. MedLink is staffed by communication specialists who facilitate calls for the Center's team of 18 board-certified emergency physicians.

MedLink manages an average of 60 calls a day — from business jets in flight, yachts and ships at sea, commercial airlines and even business travelers in foreign countries. Clients also benefit from the Center's expert knowledge-base that covers airports, medical facilities and medical response resources throughout the world. The communication specialists advise the crew on which landing sites have the most appropriate care and then take care of making and managing the ground medical arrangements.

Recently featured in *The Wall Street Journal*, MedAire has achieved ISO 9000 certification — ensuring that its processes, procedures and protocols meet and exceed international standards for which the company is audited by outside firms every six months.

More information on MedAire can be found at www.medaire.com. ✈



MedAire Services Now Available Worldwide

MedLink Provides 24/7 In-Flight Access to Medical Care

Business jets are engineered to eliminate variables. Once in flight, the greatest mission variables become weather and the people onboard. Usually there's plenty of advance indication of weather problems. Unfortunately, when it comes to people... the problems occur without warning. Heart attack. Allergic reaction. Fainting. Stroke. Medical situations that could be made worse by not having access to immediate medical care.

However, many of today's top business jets now come equipped with a solution for managing in-flight medical problems — MedAire.

Since 1986, MedAire has been taking in-flight calls from aircraft around the world and providing real-time medical assistance. Calls are taken at the company's 24/7 MedLink® Global Response Center,

Upgrading Your Business Jet for Safety and Regulatory Compliance

Upgrades May Also Qualify for Bonus Depreciation



For owners of corporate aircraft, some aircraft upgrades and installations are not a matter of choice anymore. They are now a matter of "when." Fortunately, in addition to the operational benefits they provide, these upgrades may also qualify for additional bonus depreciation under the "Job Creation and Worker Assistance Act of 2002," reducing your after-tax cost of the upgrades.

Equipment requirements such as Reduced Vertical Separation Minimums (RVSM) and Terrain Avoidance Warning Systems (TAWS), for example, are quickly becoming facts of life for business jet owners. More discretionary installations such as upgrades to cockpit displays, may make sense to accommodate future cockpit requirements and to take full advantage of existing and future safety enhancements. Installation of TAWS or upgrades for RVSM compliance can often be combined with other improvements such as an upgrade of the cockpit display system or internal refurbishments and scheduled engine maintenance, thus reducing total aircraft downtime.

Let's take a look at the mandated equipment that is fast becoming part of the flight department's vocabulary.

RVSM — It's coming to U.S. Airspace

Aviation authorities began allocating RVSM airspace in 1997 to increase the capacity of our airspace system. Garrett Aviation took an early interest in these initiatives and has emerged as a leading supplier of RVSM solutions in the industry. The reason is simple: If our customers don't meet the requirements, they will not be able to use the RVSM airspace.

Here's How RVSM Works

RVSM reduces the vertical separation between aircraft flying above 29,000 feet from the current 2,000-foot minimum separation to a 1,000-foot minimum separation. This reduced vertical spacing allows aircraft to fly at more efficient altitudes, simultaneously saving fuel and increasing airspace capacity.

RVSM is being implemented throughout the world in stages. The first area to come under RVSM rules was the North Atlantic Tracks (NAT) area across the Atlantic Ocean. In November 2001, the Western Atlantic Route Structure (WATRS) came under U.S. RVSM rules. In January 2002, RVSM was implemented in the European Union airspace. Domestic U.S. airspace is expected to come under RVSM requirements in December of 2004.

Garrett works with all the major avionics equipment manufacturers to provide appropriate RVSM compliance solutions for Gulfstream, Falcon, Cessna, Hawker and other aircraft types.

TAWS — Terrain Warning Systems

Whereas an RVSM installation can provide an operator significant operational efficiencies, a Terrain Avoidance Warning System (TAWS) gives the greatest efficiency of all — a safer flight.

TAWS is designed to provide the pilot with increased situational awareness to reduce the possibility of accidents associated with Controlled Flight Into Terrain (CFIT). TAWS will be required for all turbine-powered aircraft with six or more passengers by March 2005.

Bonus Depreciation

An additional advantage of upgrading your aircraft now is that these upgrades may qualify for tax advantages under the recently enacted "Job Creation and Worker Assistance Act of 2002". Owners purchasing new equipment or making capitalized improvements to existing equipment may qualify for an additional first year 30% bonus depreciation deduction, providing further after-tax savings. Your GE Corporate Aircraft Financing Specialist can provide more information on qualifying for these tax advantages.

Needless to say, operators will make their own priorities for bringing aircraft investments up to spec. Garrett Aviation specialists stand ready to assist in this process, finding the optimal balance of cost, downtime and performance requirements to meet regulatory and safety standards.

For more information, call Mike Anderson at 480-377-3110 or visit www.garrettaviation.com. ✈

NBAA 2002 Update
Travel Solutions for a Global Market

Stop by and visit the GE Corporate Aircraft Group at booth 633 at the annual National Business Aviation Association convention (NBAA)! We'll be there with other GE businesses, GE Aircraft Engines, Garrett Aviation, GE Aviation Materials and GE Structured Services. We look forward to seeing you in Orlando. While you are there, stop by our booth to register for our door prizes — a GE wine chiller or gift packs of Gold Medal, award-winning Chandelle wine! ✈



(No purchase necessary — Register at NBAA. Entrants do not have to be present to win.)

Find the Aircraft You Need at GE Corporate Aircraft Group
Special Programs for GE Off-Lease Inventory

Each year, GE Corporate Aircraft Group leases hundreds of corporate aircraft. Many are eventually purchased by the user — but not all of them. As a result, we have a variety of pre-owned corporate aircraft that are available for purchase or lease. Check out our available inventory at www.gecorporateaircraft.com/nbaa.htm or contact us at **888-FLY-CORP** today. ✈