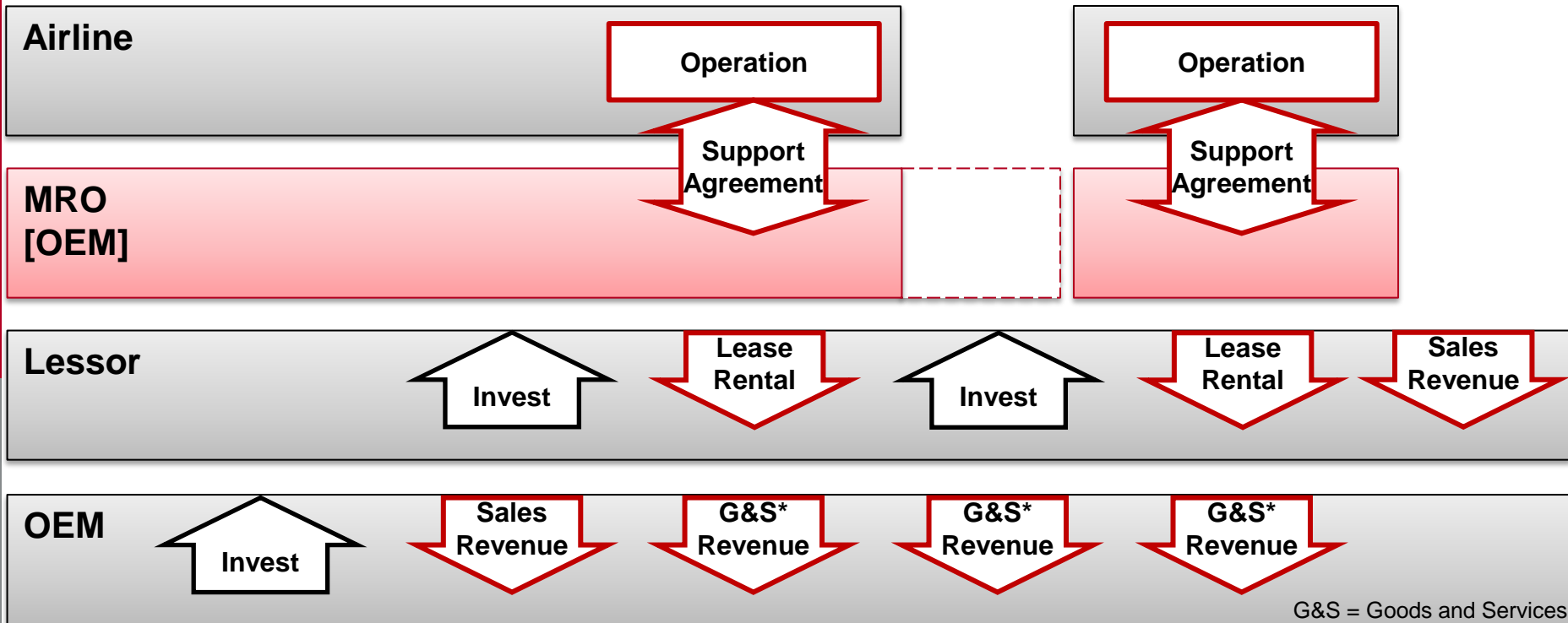


How Lessors Collaborate with OEMs to Support Airline Operational Efficiency

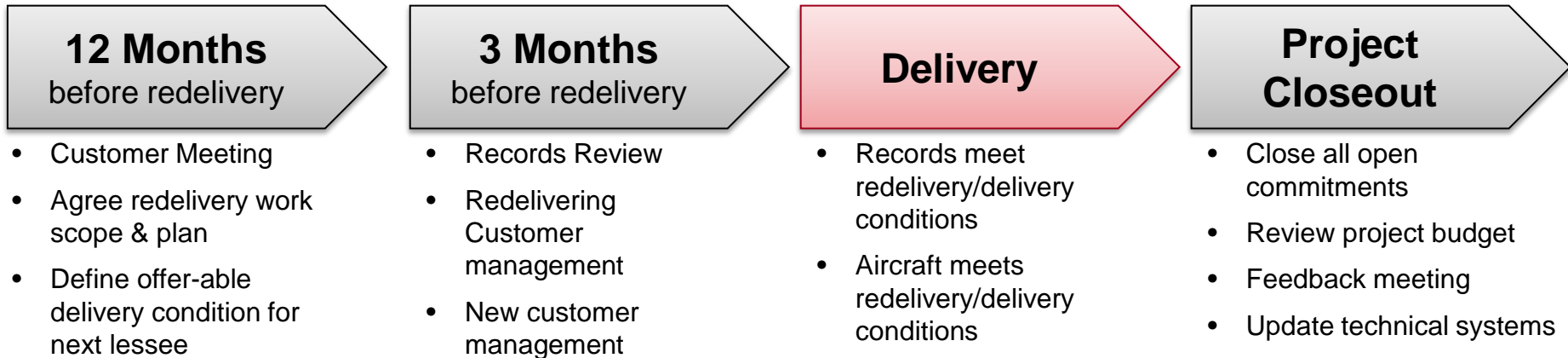
Dr. Chris Gruener
Senior Vice President Technical
MRO Asia 2016
29 Sept 2016



Airlines, OEMs, Lessors View of Aircraft Life Cycle



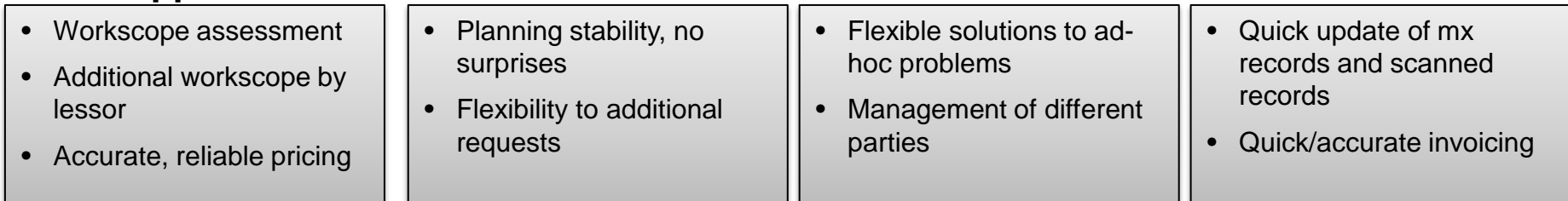
Transition Process and OEM/MRO support



OEM Support

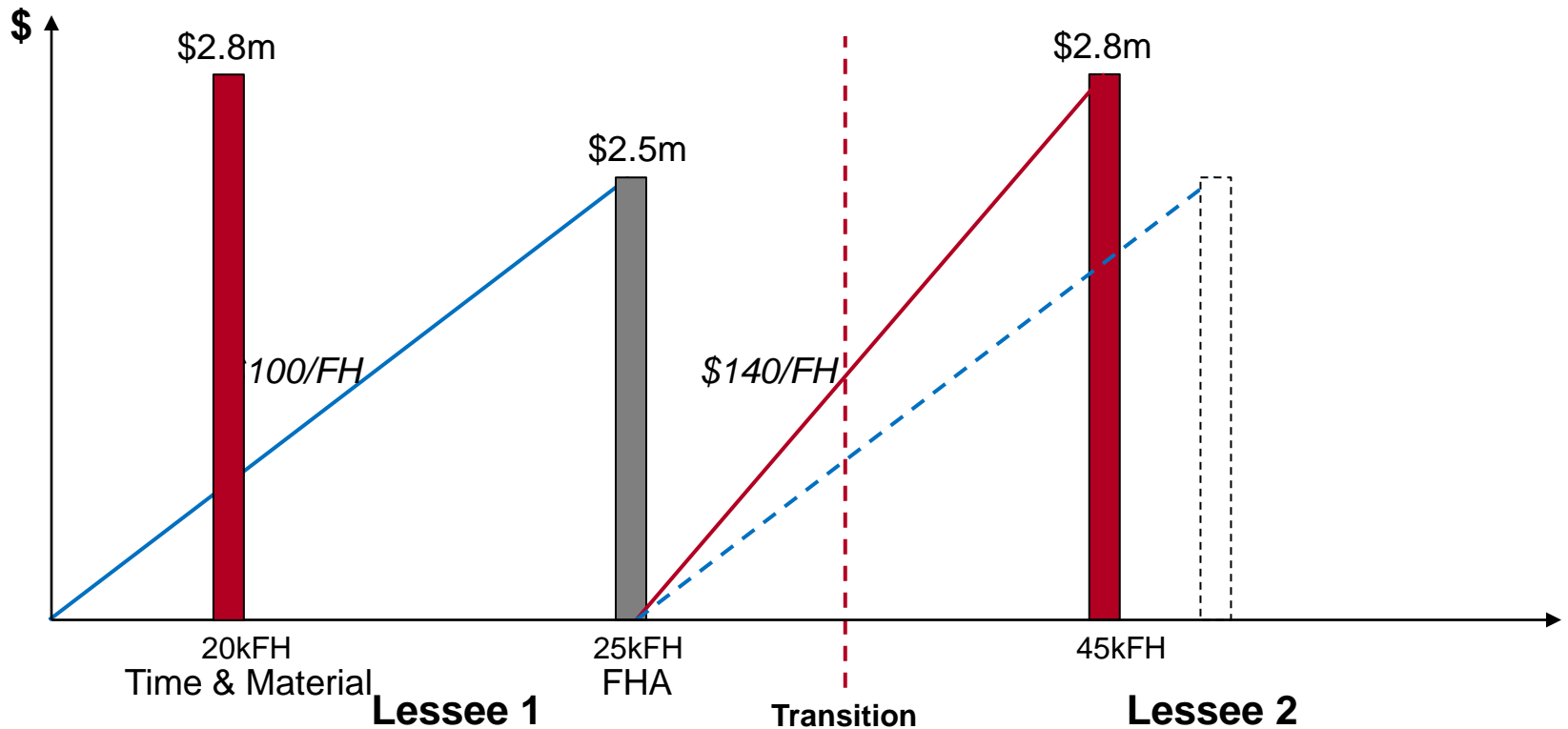


MRO Support



Example: “Flight-hour” Agreements (FHA)

- Typically customized to an airline’s requirement
- Lessor needs to look at the complete life cycle of the aircraft, including
 - follow-on lease requirements
 - recovery of capital (part-out / sales)



Discussion Topics

Typical challenges

- Transitions: aim of new lessee vs outgoing lessee
- Global versus “local” maintenance standards
- Fulfilment of lease return conditions in “full support” programs (aircraft / engine minimum maintenance condition at a specific date)
- FHA rate versus maintenance reserves
- Potential impact of FHA programs on MRO and part-out market

Common understanding and aims

- Efficient operation of aircraft asset, predictable maintenance cost
- Maintenance cost risk transfer to OEM (approx. 70% of new engines types are in flight-hour agreements with OEM)
- Hassle-free transition from one lessee to next (OEM have recognized and greatly improved support for aircraft transitions)
- Shaping of the industry with Aviation Working Group (AWG)
 - Working group on cross-border transferability of aircraft



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