

Business Aviation and the Competitive Edge  
An Interview with Allen Howell, CEO Corporate Flight Management  
January 19, 2008

*The financial downturn has impacted every sector of the global economy. Recently, Corporate Flight Management's CEO Allen Howell commented about the overall state of business aviation and how his company is retaining its competitive edge.*

**Q: How has your industry been impacted by the downturn?**

**AH: The most visible impact has been downsizing in flight departments that are owned and operated by corporations. Some organizations are selling a portion of their fleets while others have elected to close down their departments entirely.**

**Q: Have charter operators been affected as well?**

**AH: There has been some fall off in traffic. However, unlike dedicated flight departments, charter operators serve a broad spectrum of clients. As a result, we are in a better position to ride out economic downturns.**

**Q: Does CFM have a competitive advantage over other operators?**

**AH: Most charter operators focus solely on priority airlift services and must rely on outside vendors for support services. Corporate Flight is a global aviation resources firm. In addition to charter, we provide aircraft management, in house maintenance, aircraft sales and acquisition, financial services and a full range of ground support options through our FBO's.**

**Q: Is the ability to offer "one stop shopping" a significant competitive advantage?**

**AH: It's a matter of flexibility. For example, a corporation decides to close their flight department and sell their aircraft. CFM has the flexibility to build a comprehensive package including charter services plus selling or arranging a leaseback option on their aircraft. Because we provide all these services "in house," the static and extra fees resulting from dealing with multiple vendors are virtually eliminated.**

**Q: How does "fleet flexibility" figure into CFM's business plan?**

**AH: We have a client who needs to transport 12-15 of their key managers to facilities located 400-600 miles from Nashville. Another**

**client is an entertainer with a concert schedule that requires travel to destinations over 1,000 miles from Nashville.**

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**CFM's charter fleet includes 12-18 passenger turboprops and 8-10 passenger mid sized jets. Between the two aircraft types we have our client spectrum covered.**

**Q: Do you have plans to expand your charter fleet?**

**AH: We are currently adding a Hawker 900XP and will begin phasing in the Embraer 100 Very Light Jet later this year. The Hawker is a medium size business jet featuring a stand up cabin and coast to coast range. The E 100 is a new class of business jet. The relatively low acquisition cost and fuel efficiency of these aircraft will significantly reduce operating costs. This, in turn, will increase the potential market of charter customers.**

**Q: Is price a factor for clients?**

**AH: Price is always a factor. Having a flexible fleet allows us to work with clients to insure that mission requirements are met within their stated budget.**

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