

OWNING A SHARE OF AN AIRCRAFT SOON

WHEN GETTING IN AND OUT OF CITIES TAKES TIME, A PRIVATE AIRCRAFT PROVIDES FLEXIBILITY

Vijay Kumar had been pursuing Rajiv Saxena, CEO of a large home appliances brand. Vijay's state of the art factory near Hubli, in northern Karnataka, was perfect to make the range of modern appliances for Rajiv's company. Rajiv had not been able to make the two-day trip to Hubli to inspect Vijay's facility, but a quick morning trip in a private aircraft solved the problem. They signed the contract soon thereafter and today Vijay supplies products worth Rs. 60 Crore to Rajiv's brand. Situations like this occur frequently.

Especially in a country like India, where getting in and out of cities takes a long time, a private aircraft provides immense strategic flexibility. With the government prioritizing development in backward areas, it is natural for businesses to locate manufacturing facilities in hard-to-reach small towns. Unfortunately, small towns have infrequent airline service if at all, with inconvenient schedules. That means overnight stays, long drives, or train journeys, and expensive assets lie neglected, or inadequately supervised, and customers rarely visit.

Despite over 200 airports across India, just 60-odd have airline service. A light aircraft can access most within a two-hour flight from major cities with a convenient schedule. You could visit a factory, meet government authorities, and be back home in time for dinner.

Thus far, the only options to fly private were either by owning your own aircraft, or by chartering one from the market. Full ownership of an aircraft, with the associated costs and headaches, makes sense only for the wealthiest corporate houses, whose annual flying justified such an expense.

Charter, on the other hand, is unpredictable - you never know what kind of aircraft you might get, and the rates, with repositioning costs and minimum billing, might be exorbitant.

A large part of mature aviation markets in USA, Canada and Europe, have another alternative - professionally



managed fractional aircraft ownership programs. For customers needing regular use of a private aircraft, it brings down costs, and significantly enhances service consistency with none of the hassles associated with aircraft ownership.

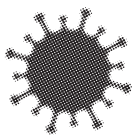
How does it work? - You buy a share of an aircraft most suited to your needs from the program - a jet, a turboprop, or a helicopter. Your share entitles you to fly a certain number of hours - for example, a 1/8th share typically gives you 50 hours annually. Owners share

the fixed costs such as crew, maintenance, parking, insurance etc. and pay an hourly rate for every flight. Schedule your flights by calling the program provider, who takes care of everything.

The owner's share of the aircraft is an asset that can be sold anytime in the future, as arranged by the fractional program manager. You can also offer surplus hours for charter, thereby offsetting fixed costs. If you need more hours, the program manager arranges that too.

Over time, fractional programs offer additional flexibility by way of aircraft type and base. For example, a customer in Mumbai who needs to fly from Calcutta to the North-East could use a program aircraft based in Calcutta. Or in case he needs a larger aircraft for an international trip, or a helicopter to fly to a place with only a helipad, say a vacation home in the hills, he can exchange his hours for another aircraft in the program, at a predetermined exchange rate.

Within the scope of current DGCA regulations, Flightshares, a new-age aviation management company, has developed a fully compliant model to bring the globally proven model of fractional aircraft ownership to India. Promoted by seasoned aviation and business professionals, Flightshares is now accepting initial bookings from its first set of customers.



Flightshares, a new-age aviation management firm, has developed a fully compliant model to bring globally proven model of fractional aircraft ownership to India