

**From:** "Lesley Groff" <[REDACTED]>

**To:** "Jeffrey Epstein" <jeevacation@gmail.com>

**Subject:** FW: UBS Business Jet Update: Used Inventories Continue Downtrend

**Date:** Mon, 07 Dec 2009 14:19:52 +0000

**Attachments:** Update\_120709.pdf; disclaim.txt

---

**From:** Sean J. Lancaster [mailto:[REDACTED]]

**Sent:** Monday, December 07, 2009 9:07 AM

**To:** 'Alan Goldman'; 'Alex Hsu'; 'Amy Lopez'; 'Bart Cohen'; 'Becky Easley'; 'Bill Houston'; 'Brad Martin'; [REDACTED]; 'C & J Aviation Partners, LLC'; [REDACTED]; 'David M. Zucchero'; [REDACTED]; [REDACTED]; 'Eileen M. Gleimer Esq.'; [REDACTED]; 'Jack Gulbin'; 'Josh Tarnow ([REDACTED])'; 'Ken Gilman'; Lesley Groff; [REDACTED]; 'McLemore, Samantha'; [REDACTED]; [REDACTED]; 'Pete Seidlitz'; 'Rob Zeitinger'; 'Royce L. Stevens'; 'Sam Redditt'; Todd Crowley CEO; [REDACTED]; [REDACTED]; [REDACTED]; [REDACTED];

**Subject:** FW: UBS Business Jet Update: Used Inventories Continue Downtrend

\* **Fourth straight decline:** We estimate available business jet inventories declined 1% in November and are now 7% below the May peak. Despite this fourth straight sequential decline, available for sale inventories are still 4% higher from the prior year and represent over 16% of the installed base. Young aircraft inventories (0-10 years old) declined 2% in November and are now 14% below the April peak. New delivery position inventories declined 7% in November, the eighth straight sequential decline, and are now 37% below the prior year (ex Eclipse) and 40% below the recent peak.

\* **Pricing down slightly on young models:** Of the five major manufacturers, Bombardier had the highest percentage of its respective fleet available for sale at 17%, followed by Cessna and Hawker Beechcraft both at 16%, Dassault at 14% and Gulfstream at 13% as the build up in large cabin business jet models is now reversing. We estimate average asking prices for most young aircraft models have fallen roughly 30% from peak levels, including on average another 1-2% decline this month.

\* **Prefer BBD/COL:** While our key indicators point to a market that is stabilizing at low levels, we still see risk of an extended downturn given significant oversupply, fractional weakness and tight financing, although weak dollar should help. Of the OE manufacturers, we prefer BBD on the strength of its Transportation business. Among the suppliers, Buy rated COL is our preferred play on business jets.

Best regards,

EFTA00767548

Sean J. Lancaster

Bristol Associates Inc.

 [REDACTED] direct

 [REDACTED] ext 1130 Main Office

 [REDACTED] Mobile

 [REDACTED] FAX

 [REDACTED]

 [www.bristolassociates.com](http://www.bristolassociates.com)

*This message may contain confidential and/or legally privileged information. If you are not the intended recipient of the message, please destroy it. Any unauthorized dissemination, distribution or copying of the material in this message, and any attachments to the message, is strictly forbidden. (c) 2009 all rights reserved.*