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INTERNATIONAL AIR LEASES, INC.

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FROM:	GEORGE E. BATCHELOR

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July 17, 1992

Dear ~~Dick~~: "Dick"

Thank you for your letter fax of June 2nd which was received in my office while Marianne and I were on our honeymoon trip. I am sorry that I was unable to write sooner.

As to the small 121 operator you mention, and the financing by Aviation Enterprises International, I have never heard of the company and do not know of a Michael T. Tarrant.

I would enjoy receiving your newsletter. I have some photos which I am going to locate and have copies made to send to you.

Enclosed is a copy of a recent article from the NEW MIAMI Magazine, May 1992 issue which I thought you might like to see.

Keep in touch; it was good hearing from you.

With kind regards and best wishes,

Sincerely

George B
GEORGE E. BATCHELOR
President

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COMPANY OF THE YEAR FINALIST: INTERNATIONAL AIR LEASES

Riding out a U.S. recession by working harder overseas

Aircraft leasing has become a tough business in the United States. Just ask George Batchelor, the owner and chief executive of International Air Leases.

He says his domestic customer base has wilted: "The U.S. airlines lost approximately \$5 billion last year. That is more money than all U.S. airlines have made in their history."

International Air Leases lost important customers when Eastern, Pan Am and Midway went out of business. The shrinkage of the U.S. market is underscored by the growing number of used jets available for sale or lease. "There were 500 used aircraft on the ground in January 1991," Batchelor says. "There were 1,100 on the ground in January 1992."

But Batchelor and his management team have fought back. He says his privately held company, based in Hialeah, managed to boost its revenues from \$207 million in fiscal 1990 to \$250 million in fiscal 1991. (The company's fiscal year ends in March.) The company did so largely by working harder in foreign markets.

Batchelor is no stranger to foreign markets. He built most of his business overseas, in underdeveloped countries, where both risks and rewards are greater than in the U.S.

This year, Batchelor's company has signed new aircraft lease deals in Argentina, Bulgaria, Chile, Czechoslovakia, Iceland and Uruguay, among other foreign countries.

"Historically, George made his money overseas, particularly in Latin America," says Scott Hamilton, editor of *Commercial Aviation Report*, a Dallas-based trade magazine. "Batchelor's high-risk, high-reward

approach has paid off very handsomely for him. He is widely considered to be one of the wealthiest people in the business."

Despite bigger revenues, the bottom line

have continued to make generous philanthropic contributions. Beneficiaries include the Easy Street Project of the Baptist Hospital Foundation and the cystic fibrosis

clinic of the University of Miami pediatrics department. Batchelor's company also is an important supporter of WPBT-Channel 2, where he serves as vice chairman of the board.

In addition, International Air Leases is a major supporter of the Sunny Shores Sea Camp for Children with Cystic Fibrosis, the Miami Museum of Science and Space Transit Planetarium, and the Zoological Society of Florida.

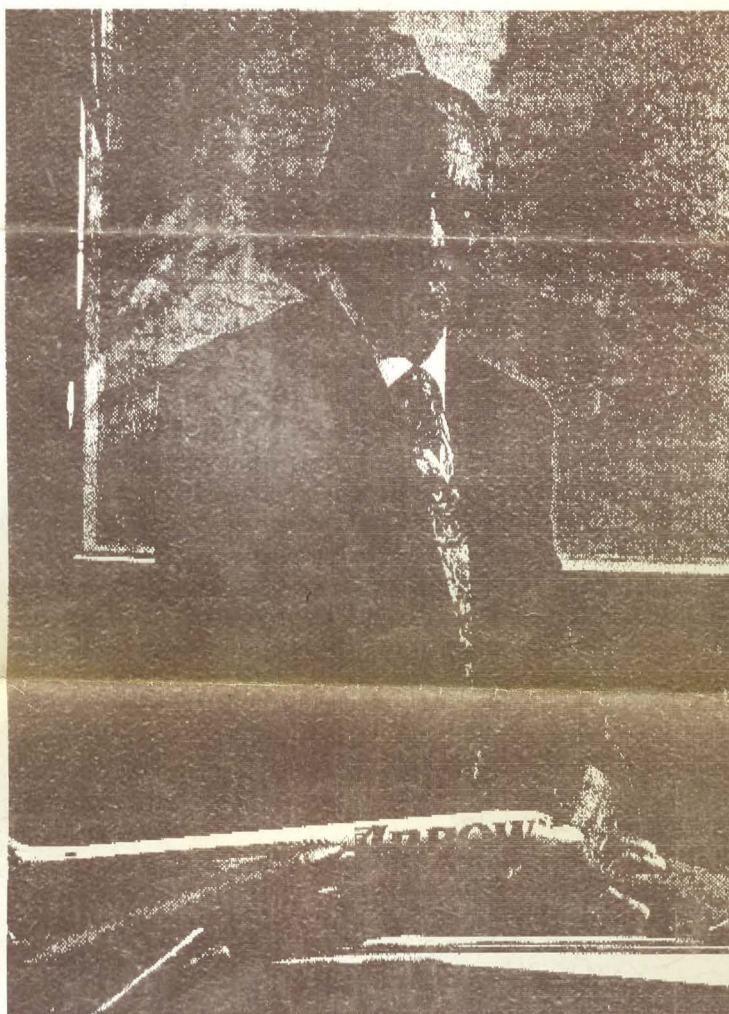
The company also contributes to CAP Inc., Daily Break Food Bank Inc., the Florida Philharmonic Orchestra, Hospice-by-the-Sea, New Hope Foundation, the Hearing & Speech Center of Florida Inc., and USO of Dade County.

Funds for those contributions come a variety of businesses, not just aircraft leasing. International Air Leases also sells aircraft parts. "We furnish almost all of the [aircraft] parts for Yemen, Morocco, Algeria—weird places where we furnish no aircraft," Batchelor says. An affiliated company, Arrow

Air, was the number one air cargo carrier at Miami International Airport in 1991, based on tonnage.

Batchelor foresees improvement in the leasing business. In preparation, he's buying more aircraft than he's selling. The company has slightly more than 100 airplanes in its fleet.

"We'll see a fair increase in the bottom line of the business in the year starting March 31, 1992," Batchelor says. "And I see the whole industry starting to turn up in the summer and fall—worst case scenario, next spring."—Michael Seemuth



George Batchelor thinks the U.S. airline industry will revive this year.

at International Air Leases has been hurt, partly because soft business conditions have depressed aircraft lease rates. Many airplanes are being leased for "approximately half of what we were getting before," Batchelor says. He says his privately held company never has suffered an annual loss, but "we've come close in the last two years. The last two years have been the worst two years."

Nevertheless, employment at International Air Leases has held steady at about 360 for the last two years.

Moreover, Batchelor and his company