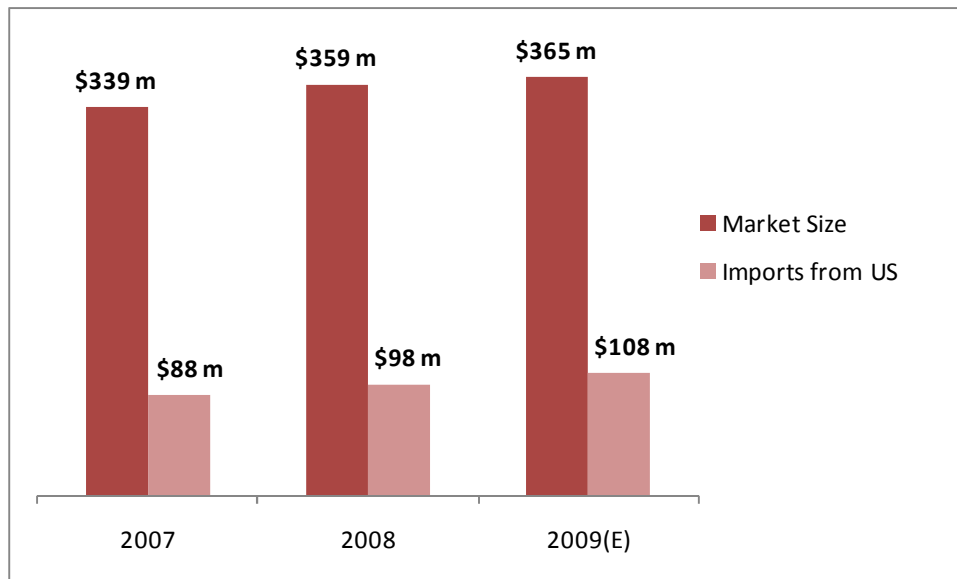


Indian Airport and Ground Support Equipment Market Opportunities for US Companies

With a total market size of \$5.6 billion and an average growth rate of 18 percent per year in passenger and air cargo over the last five years, the civil aviation sector in India has witnessed a rapid development. India currently has 310 aircrafts with another 480 on order. By the year 2020, the Indian airports are expected to handle around 100 million passengers, including 60 million domestic passengers and an estimated 3.4 million tons of cargo per annum.

Various international companies have shown an interest in the Indian aviation industry since this sector holds a great promise for potential investors. Hawker Beechcraft Corporation (HBC), a US-based business jet maker, has opened its first authorized service center in Delhi with an investment of \$8 million. Over the next four to five years Boeing is also expected to sell an additional 100 planes, worth \$17 billion, to India. According to Airbus, India will require 1,100 new aircrafts (including freighters), worth approximately \$105 billion.



Airport Equipment and Ground Support Services Market in India (*source – www.export.gov)

This growth will spur increased investment in airports and ground equipment. The present market size for airport equipment and ground support services is estimated to be \$360 million. Successful privatization of airport maintenance and ground support services will lead to another \$60 million in market growth over the next few years.

In addition, the Government of India has announced its plans to upgrade 35 non-metro airports to world-class entities at an estimated cost of \$1.3 billion.

Opportunities in Maintenance, Repair, and Overhaul (MRO) Facilities in India

As a support service to the aviation industry, India's Maintenance, Repair & Overhaul (MRO) sector is estimated to grow at 10 percent and reach \$1.17 billion by 2010 and \$2.6 billion by 2020, according to Changing Dynamics, a study on India's aerospace industry undertaken jointly by the Confederation of Indian Industry and PricewaterhouseCoopers. The globalization of MRO services, manpower cost arbitrage, the availability of talent, geographic advantages and the presence of specialist capabilities all combine to make India a potential global/regional MRO hub.

Apart from Boeing and Airbus there are several MRO projects being planned, including:

-  Bird Air Services Pvt. Ltd., a wholly-owned subsidiary of Bird Group, recently signed a comprehensive marketing agreement with Pacific Propeller Intl.
-  Indamer Company Pvt. Ltd., a wholly owned subsidiary of European Aviation Holding Co. Pvt. Ltd, was chosen by Embraer as the first authorized service center for Embraer's Legacy 600 and Phenoms in India.
-  TIMCO Aviation Services and Hindustan Aeronautics Ltd. plan to set up a MRO joint venture to service both Boeing and Airbus aircrafts in India.
-  Malaysia Airlines has tied up with GMR Hyderabad International Airport Ltd to establish a joint venture company to tap into India's MRO market.

Another promising sub-sector in the airport equipment and ground-handling services continues to be technology-driven communication and ground services. The Airport Authority of India has an annual budget of approximately \$100 million for procurement of equipment that is dependent on foreign technology. Analysts also estimate that there will be a need for 8,000 pilots by 2020. This presents unique opportunities for American flight schools to train Indian pilots and other aviation officials. The Ministry of Civil Aviation and the Federal Aviation Authority of the United States signed a Memorandum of Agreement paving the way for technical assistance from the United States on a host of aviation-related matters. This is expected to provide opportunities for American companies in the Indian aviation sector.

About IMaCS Virtus Global Partners

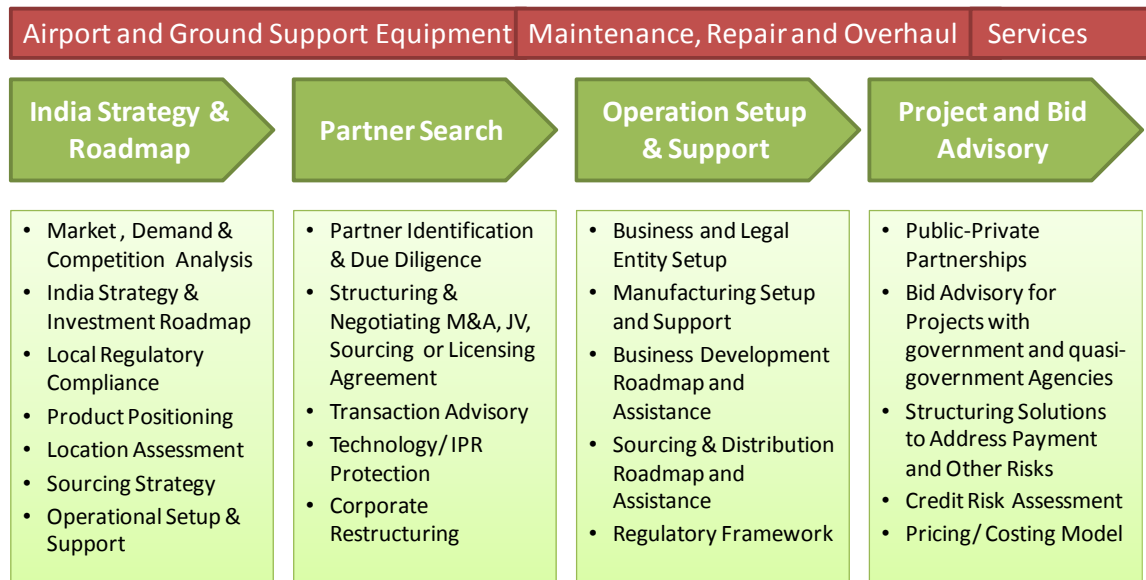
IMaCS Virtus Global Partners, Inc. (IVG Partners) offers advisory services to North American companies and private equity funds seeking India related growth, investment and sourcing opportunities. Our mission is to enable our clients to transform their business by adding India as a key part of their global footprint. Our clients benefit from our local presence, strong relationships, knowledge of local business practice, experience and financial expertise.

We provide India related Strategy & Roadmap Consulting, Partner/ Target Search, Operation Setup & Support, Cross-border M&A Advisory, Project/ Bid Advisory and Transaction Advisory services.

Our team possesses a deep understanding of the business environment both in the US and India and is well connected with companies, financial institutions, governmental agencies, and private equity firms in both markets.

We have an established track record of over 15 years and 900 engagements providing advisory services to a diversified client base across manufacturing, infrastructure, energy, technology, industrial commodities, and retail. We also work with multilateral and bilateral government agencies, banks & financial institutions, and regulators. We are headquartered in New York with eight offices in India.

Our Services



Our Representative Experience

Below is a partial list of our aeronautics related engagements in India:

Financial advisory to an international corporate finance firm/Airports Authority of India (AAI) for renovation and modernization of two major metro airports

As part of the engagement, we estimated aeronautical and non-aeronautical sources of revenue for the airports, commented on feasibility of various financing structures that enable privatization of airports, conducted sensitivity analysis with respect to key variables affecting project viability, and provided inputs on regulatory issues pertaining to the institutional framework for privatization. We also provided supervision for the work carried out by a transaction adviser, prepared the bid documents and carried out bid process management leading to selection of private developers.

Pre-feasibility study for state government for establishment of a Greenfield international airport in North India

The objective of the study was to assess the viability of the development of an international airport near the domestic airport of a major city in North India. Our key tasks included studying the existing policy and regulatory framework especially with respect to setting up Greenfield airports, studying past traffic scenario at the national and regional level, estimating likely passenger and cargo traffic from the proposed airport, determining the technical/user requirement for the airport and identifying areas to be created to build a sustainable operating revenue model, carrying out risk assessment and suggesting means to minimize risk under limited financial resources, examining technical and financial viability of the project covering revenue estimates including project implementation strategy plan, and developing an appropriate project structure involving PSP and proposing the mechanism to be adopted for establishment of the airport.

Techno-economic feasibility study for establishment of a Greenfield airport in North East India by Airport Authority of India (AAI)

In partnership with a technical consulting firm, we performed a feasibility study for establishment of a Greenfield airport in North East India. The scope of work included undertaking financial analysis of the proposed airport project and financial and economic assessment of the proposed airport and calculation of project IRR.

Project development and bid process management for development of cargo complex on BOT basis at a major metro airport for Airports Authority of India (AAI)

We evaluated the bids received for the cargo complex at a major metro airport in India. AAI received varied bids from disparate consortia, which then had to be brought onto a common measuring scale for evaluation and final selection. We drafted the bid documents, evaluated the technical and financial proposals submitted by the bidders, developed selection criteria/matrix of desired variables for ranking of proposals/bids, and carried out negotiations with the selected developer on behalf of AAI.

Our Offices

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