Early Retirement

(for aircraft, that is)
Generally Speaking

• Aircraft retirement ages are declining

• This is good for your business

• The trend is likely to continue (but notice I said “likely”)

October 7-10, 2012 • Atlanta, Georgia, USA
AIRCRAFT RETIREMENTS: AVERAGE AGE*

*2012 through June only

Source: Aviation Week fleet analysis
AIRCRAFT RETIREMENTS: MEDIAN AGE*

* 2012 through June only

Source: Aviation Week fleet analysis
Age is just a number

“The fact that you've aged 10 years in the last 6 months isn't accelerated depreciation, it's accelerated decrepitation.”
What and Why?

• Fuel costs
• Replacement aircraft
• Heavy maintenance
• Regulations
What and Why

• Spare engines
• Financing
• 50-seat jets
• Boeing 737s and Airbus A320s
What Happens Next?

![Jet Retirement Trends Chart]

**Jet Retirement Trends**

- **NB - Actual**
- **WB - Actual**
- **NB - CAMRO**
- **WB - CAMRO**

Source: Aviation Week's Commercial Aviation MRO Forecast (CAMRO)

**Graph Details:**
- **X-axis:** Years from 1990 to 2020
- **Y-axis:** Number of years
- **Legend:**
  - Blue squares: NB - Actual
  - Red squares: WB - Actual
  - Light blue circles: NB - CAMRO
  - Pink circles: WB - CAMRO

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Trend Reversers

- Jet fuel prices fall
- Airlines cancel orders
- Interest rates climb
- The anomaly argument
Outlook

• Which scenario is more plausible?
• The drivers of this trend still favor lower retirement ages, but there is a floor