

WHAT'S NEWS

at Gippsland Aeronautics

Issue 10 December 2009



PHOTO: Mr Hemant Luthra, President- Systech along with Mr George Morgan, Founding Director, Gippsland Aeronautics, Australia finalising the agreements in presence of Mr. Arvind Mehra, Senior VP-Strategy & Director-Mahindra Aerospace and Mr V S Parthasarthy, EVP - M&A and Corporate IT and Directors, Investors and Senior Staff of Gippsland Aeronautics.

Mahindra soars into Aerospace

Mahindra & Mahindra, one of India's largest automotive conglomerates, has acquired major share holdings in Gippsland Aeronautics and another Australian aerospace company Aerostaff Australia.

This move signals Mahindra's strategic entry into the global general aviation aircraft and aerospace components markets. The acquisitions of Gippsland Aeronautics and Aerostaff Australia have been made jointly with Kotak Private Equity.

Gippsland Aeronautics (GA) is an established brand in general aviation and has delivered more than 200 FAR 23 certified planes in 34 countries. Aerostaff Australia (AA) is a component manufacturer of high-precision close-tolerance aircraft components and assemblies for large aerospace OEMs. Mahindra will retain the existing managements of GA and AA, securing the services of the founders who developed this technology.

Mr. Anand Mahindra, Vice Chairman and Managing Director, Mahindra Group, said, "M&M's move into the Aerospace segment is deliberate, bold and timely, and is supported by a renewed demand for economical air transportation around the world. Our investment in component capability addresses the growing needs of both the civil and defence markets."

George Morgan, Founding Director, GA, said, "Both organizations will benefit enormously as a result of

their association with Mahindra, given its strong global brand, impeccable standards of corporate governance and its ability and willingness to expand both component facilities and the GA product line-up."

Gippsland Aeronautics (GA), a reputed aircraft producer, was formed in 1984 by George Morgan and Peter Furlong and has designed various aircraft types to international safety standards. GA is based in Latrobe Valley, in eastern Victoria Australia. It has IP/type certificate approvals for four aircraft and has successfully produced in excess of 200 aircraft, which fly in 34 countries around the world, including USA, Australia, EU etc.

Mahindra embarked on its journey in 1945 by assembling the Willys Jeep in India and is now a US \$6.3 billion Indian multinational. It employs over 100,000 people across the globe and enjoys a leadership position in utility vehicles, tractors and information technology, with a significant and growing presence in financial services, tourism, infrastructure development, trade and logistics. The Mahindra Group today is an embodiment of global excellence and enjoys a strong corporate brand image.

DIRECTORS CUT

The major news at Gippsland Aeronautics, as detailed elsewhere in this newsletter, is the acquisition by Mahindra and Mahindra of a major share holding in the company. This substantial investment by Mahindra will provide a way forward for the company in developing and marketing our existing and proposed product line.



Looking to the future I consider that high amongst the many challenges facing the lighter end of general aviation will be environmental concerns and the declining availability of aviation gasoline (AVGAS).

On the environmental question I am pleased to note that our piston engine Airvan is able to meet the IATA fuel consumption benchmark for jet transport aircraft in terms of litres per 100 passenger kilometres, a remarkable achievement. The Airvan meets both ICAO and US noise standards and recent work to certify the Hartzell 3 blade propeller on the Airvan promises further reductions in the type's already small noise footprint.

Regarding Avgas availability, one promising solution that we are following closely is the initiative by Textron Lycoming to certify conventional four stroke engines capable of running on various grades of automotive fuel.

I am pleased to advise that we are cutting metal for the prototype of the GA10, a turbo prop powered, 10 seat aircraft, which will bring an affordable entry level, turbine powered, utility aircraft to the world market place.

With the company celebrating it's 25th anniversary this year I would like to thank all those who have contributed to the Company's ongoing success over those two and a half decades. In particular I thank our talented and dedicated staff, our suppliers and contractors and the officers of the various aviation authorities throughout the world. I would especially like to thank our customers for their continued interest in the Airvan and for their all-important orders that make it possible to bring this exciting aircraft range to the world market.

George Morgan
Co Founding Director



MAF Turbocharged Airvan on PNG highland airstrip. Photo by Clint Smith

TURBO CHARGED AIRVANS FOR MAF IN PAPUA NEW GUINEA

Mission Aviation Fellowship (MAF) has taken delivery of two Turbocharged Airvans for their operation in the rugged highlands of Papua New Guinea and a third is on the way.

MAF is a not for profit Christian aviation organisation. It draws highly specialised staff from many nations, to provide air transport in places of deepest human need - remote places where flying is not a luxury, but a lifeline. MAF is often a community's only link with the outside world, providing people with access to the essentials of life.

In Papua New Guinea, which is widely recognised as one of the most challenging flying environments in the world, MAF provides air services to communities in the country's remotest areas.

Through the flights, the people in the remote areas obtain health, education and other essential services which otherwise would not be available to them. MAF is often the only aircraft operator willing and able to provide a service to these remote areas. MAF also supports the work of the churches and missions.

MAF has a commitment to a progressive long-term fleet replacement program and the Airvan, particularly the Turbocharged and turboprop models, will figure prominently in this program. Gippsland Aeronautics is proud that the dedicated people at MAF have found the Airvan so admirably suited to their important work.

TURBO CHARGED AIRVAN CERTIFICATED

Earlier this year the Australian Civil Aviation Authority (CASA) issued an amendment to the Type Certificate for the GA8 Airvan utility aircraft to cover a turbo charged variant. In recent weeks the US Federal Aviation Authority (FAA), the European Aviation Safety Agency (EASA) and the Argentinean ANAC have also certificated the new turbocharged GA8-TC 320 Airvan.

Turbo charging enhances the performance of the already extremely versatile Airvan with improved climbing and high altitude performance.

The GA8 - TC 320 is powered by the very reliable Lycoming TIO-540-AH1A turbocharged fuel injected engine turning a Hartzell 80 inch (2032 mm) diameter, scimitar design, three blade, constant speed propeller.

Several GA8-TC 320 Airvans have already been delivered to customers in Australia, New Zealand, two for Mission Aviation Fellowship in Papua New Guinea and two for Australian skydiving operators. A further example will shortly be registered in France to skydive operator ChuteXtrem.



AUSSIE AVIATION ICON TO RETURN TO THE SKY.

Some major news at Gippsland Aeronautics since the last newsletter is the acquisition of the Type Certificate from Boeing Australia Limited for the Australian designed Nomad twin turboprop multi role aircraft.

The Australian Government Aircraft Factory, later renamed Aerospace Technologies of Australia Ltd. (ASTA), designed the Nomad in 1965 with the prototype first flying in 1971. Production ended in 1984 with 170 aircraft manufactured. Boeing acquired the Nomad type certificate in 1996 with the acquisition of ASTA.

Gippsland Aeronautics is committed to continuing the high standard of support that Boeing has delivered to existing Nomad operators around the world. To this end the company has been awarded a Certificate of Manufacturing Approval authorizing the manufacture of Nomad parts from the Australian Civil Aviation Authority (CASA). Initially the company is providing engineering and spares support for the existing world fleet of the type but the long-term plan is to bring the 18 seat version back into production as the Airvan GA24. The versatile GA24 will complement the company's rugged GA8 and GA10 utility aircraft.

Airvans Over the Okavango

The City of Maun, which is situated at the gateway to the fabulous Okavango Delta, is recognised as the tourism capital of Botswana. Maun is also the undisputed Airvan Capital of the World with nine Airvans based at the Maun Airport and two more on the way.

The Okavango Delta is Africa's largest and most beautiful oasis. Described as "the river that never finds the sea", the Okavango River flows in from the highlands of Angola and soaks into the sands creating the largest inland delta system in the world.

The distance from the river source to the Delta results in the flood period occurring during Botswana's dry period, creating a vast oasis in a harsh desert environment. It is this contrast in

environments that makes a visit to the Okavango Delta such a unique and exciting African experience attracting tourists from all over the world.



The Airvans are operated by the leading safari companies and are primarily engaged in the tourist trade, lodge hopping over the Okavango Delta. The services these companies provide includes

camp transfers, supply runs, scenic flights, and, if needs be medical evacuations. Light aircraft provide tourists with a means of time saving where roads are difficult to traverse and often provide the only access to areas that are inaccessible by road.

The Airvan is not only very popular with the tourists but also proving very profitable for the operators.

Our PEOPLE

Chief Executive Officer



When I was introduced to Gippsland Aeronautics (GA) I found it to have a solid foundation; comprising diligent engineering capability, CASA approved quality assurance practices and a uniquely positioned aircraft family, which is a good enough reason to want to be part of this exciting manufacturing company.

Having gained aerospace and defence industry experience from UK, US and Australian programs, I am pleased to report that the general aviation market is equally tasteful. Some of the companies I lent my talents to include Thales Air Systems, Honeywell Aerospace and Vision Systems.

During my time at GA I am pleased to note that company resources have been fully integrated and in doing so has created a sharp focus on aircraft development timelines to expand it's Airvan brand including variants of the Airvan GA8 (8 seats), the Airvan GA10 (10 seat) development programme and a return to manufacture program for the Nomad aircraft, named the Airvan GA24 (18 seat).

These fresh development activities will create a family of aircraft on a scale not previously witnessed in Australia, creating Intellectual Property, new Jobs and export revenue. In addition there are a number of GA8 development programs including new seat cover material, increased take-off gross weight, air-conditioning and winterisation.

GA has positioned itself as a configurator of aircraft solutions to meet specific customer needs. GA offers make-to-order configuration, full turn-key operations, financial partners and maintenance facilities. Knowing that GA's innovative aircraft are certified to the highest safety standard and offer the lowest operating cost per seat or Kg, something unique to GA, presents a compelling value proposition.

GA, as an aviation business, offers a unique working experience: incorporating the full breadth and depth of skills required to design, certify, manufacture, market, operate and support an aircraft in its chosen market sector: General Aviation.

The business is full of passionate people who pour their hearts into this business and I am personally pleased to be a member of the GA team and will support its team members in every success.

Dr Terry Miles

RECENT DELIVERIES



RED BARON FLIES AIRVAN

Red Baron Adventures, a Sydney Australia based adventure flight operator that conducts open cockpit aerobatic flights has added a new facet to it's operation with the addition of a sparkling new GA8 Airvan to it's fleet of Pitts biplanes.

Red Baron's harbour tours provide a bird's eye view of Sydney's iconic landmarks including the world acclaimed Opera House and Harbour Bridge.

Joel Haski, Director of Red Baron says "Sydney harbour is the most spectacular harbour in the world. Red Baron Sydney scenic flights in our new Airvan provide the best seat in the house offering the best view in the world."



TURBOCHARGED AIRVAN FOR THE PARACHUTE SCHOOL

Skydiving operator The Parachute School, based at Euroa in central Victoria in Australia took delivery of the first production example of GA8 -TC 320 Turbocharged Airvan to be purchased solely for parachute operations.

The new Airvan proudly displays the Skydive Schools distinctive "Go Jump" logo 'IDM is fitted with the Airvan parachute options kit, further enhancing it's suitability for the parachute role.

Owner and Chief Instructor of the Parachute School, Ian Matthews, who says his life motto is "Live life to fullest! Give everything a go!! NOW!!" is delighted with the performance and economics of the new aircraft.

