







NEW YORK

FRANKFURT



FAI – Serving the Insurance- and Assistance- Industry, Government-Agencies, Health- and Relief-Organisations, Hospitals, Corporations and Private Individuals for 20 years

Report to Stakeholders

www.flightambulance.com

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FAI and the UN's Global Compact Initiative



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I. Chief Executive's Statement (1)



FAI expressed support for the UN's Global Compact Initiative in June 2005 and FAI fully supports and adheres to the Global Compacts ten principles covering human rights, fair labour practices, the environmental aspects and anti-corruption practices in our daily operations.

Since we are a Global Compact participating company we became more and more aware that a business approach to the issue of human rights becomes increasingly important. Especially as two of our Learjets are part of the United Nation's peacekeeping mission in Africa we are committed to paying regard to human rights. Since many years we support the UNESCO's foundation "children in need", which tries hard to reduce hunger and need of the children in our world. In the past two years we have deepened and developed our work in respect to the support of the 10 principles of the Global Compact.

In regard to sustainable development in the field of Air Ambulance FAI decided to apply for certification at the "European Aero-Medical Institute (EURAMI)", which has just certified FAI rent-a-jet AG in its highest category - that of special care. FAI has become therefore one of the six European service providers in the air ambulance industry to be recognized as meeting international quality standards of excellence after an external and neutral evaluation process.

I. Chief Executive's Statement (2)



After the USA, where accreditation of air ambulance providers through the "Commission on Accreditation of Medical Transport Services (CAMTS)" has been considered as an industry standard already for decades, such industry specific quality recognition systems have gained significant market value in Europe in the past few years.

With over 500 air ambulance flights worldwide per year, and a fleet of six aircraft, including two Learjets 55 on an exclusive service contract with the United Nations in West Africa and four fully dedicated to air ambulance service at our Nuremberg home base, FAI ranks among the top five air ambulance providers worldwide.

We at FAI are very proud to have been able to successfully get through the certification process in a relatively short time, and to have again proven our performance capacity through the award of this special care certificate. The EURAMI certificate differentiates us from non certified providers on the market, and confirms our expertise in this special field of Air Rescue.

Siegfried Axtmann, Chief Executive Officer

II. Human Rights Aspects



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights and Principle 2: make sure that they are not complicit in human rights abuses.

FAI is a certified EURAMI-member. The EURAMI-Institute is primarily involved in the medical aspects of air rescue. It harmonises and generalises European and International experience and insights in air rescue, facilitates and develops the practical work of its members and improves and increases the results of this work in order to guarantee step by step an equally good and high level of air rescue in all countries inside and outside the European Union.

The EURAMI-Institute is neutral in politics and religion. In fulfilling its tasks it abides by the principles of the Red Cross and of human rights and places all means at its disposal in the service of people in need, without regard to financial capabilities, sex, social position, nationality, race, creed or political conviction.

- FAI supports the goals of the Institute to the best of its ability -





Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour;

Principle 6: the elimination of discrimination in respect of employment and occupation.

General Facts:

FAI has fair recruitment practices (also in respect to gender equality), offers equal opportunities and does not allow discrimination in regard to racial, religious or ethnic reasons.

We invest in training and therefore offer our staff opportunities for professional achievement.

FAI offers performance-related payment - mostly above the general pay scale - plus a voluntary annual bonus in form of an extra months payment.

FAI managed to provide 10 new jobs in the company by doubling its hangar space at Nuremberg Intl. Airport, Germany in 2006.

III. Labour Standards (2)



Particular Facts:

Improvement of the Company's Safety Standards through Formulation of a Safety Programme Manual and Implementation of the revised Safety Standards throughout the Company in 2006

Active safety programs have long been recognized as an effective deterrent to accidents. The military services and large companies have had formal accident prevention programs over the years. Though we have constantly established procedures to accomplish our objectives with safety and safe practices in mind, it is our intention now to make safety an active word in our daily vocabulary and thoughts.

The primary aim of any safety program, "to reduce the risk of accidents", never changes. The secondary aim, "to promote safety awareness throughout the organization", is not so cut and dry. This promotion of safety has been successfully introduced into the work place so that workers do not resist wearing safety helmets, hearing protectors, and eye shields, but rather consider it a badge of their trade to be professionally equipped. In an aviation safety program we must achieve this same attitude, but in a wider context. FAI rent – a – jet AG safety policy is simple, unambiguous, and realistic in its approach. Its purpose is to reduce and try to eliminate all accidental injury to people, and damage to aircraft and property.

III. Labour Standards (3)



It is committed to the creation of a safe and healthy working environment and will not tolerate deliberate flouting of regulations, or of the safe standards of operation found in the Company's Operations Manual.

The benefits of a safety-conscience operation are obvious. It saves not only the company, but also the individual, money, time, pain and misery. Added to this is increased morale through recognition of individuals and groups for their achievements in the promotion of specified safety goals.

Everyone in the company ends up paying for an accident, which also could jeopardize the financial future of a company. We all know the high cost of insurance, we all have it, and we all resent the necessity for its cost. A vigorous safety program is in the best interest of everyone.

Generally spoken, safety has always been a by-product of the following:

- Training
- Awareness of others' experience
- Our own experience
- Sound practices and procedures

With this program, safety and the prevention of accidents will be foremost in our activities.

IV. Environmental Aspects



Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies

General Projects:

- We successfully implemented and now practice waste separation throughout the company.
- Our project "paperless office" with the aim to save the consumption of paper was implemented by adoption of revised software and hardware and the increasing use of new storage media in our operations and flight operations department.
- Economic utilisation of resources (project started, status: in progress)

Maintenance Projects:

- We now only have Freon-free airconditioning systems in service in every aircraft of our fleet
- Reduction of Fuel Consumption by implementing state-of-the-art fuel management systems





Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

- In respect to all our business relationships we insist on righteousness and integrity - attempt at bribery is an inacceptable instrument.
- As FAI is an authorized Air Operator we are subject to supervision and control
 of the Luftfahrt-Bundesamt (LBA), the German Civil Aviation Authority.
 Furthermore it is a part of FAI's company policy to comply with all the laws and
 regulations in force.
- The integrity of our financial reports is certified by a reputable auditing company (Rödl & Partner, Germany).

Service Scope











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Company Profile



FAI rent-a-jet AG (dba FAI Flight-Ambulance-Intl.) was founded in 1987 as a 100%-subsidiary of the private club "IFA e.V." under the company name of IFA-Flugbetriebs GmbH. In the year of 1989 the private club sold the company by outsourcing and the company's name was changed into FAI.

This year FAI is celebrating it's 20th anniversary.

Since that time the company is **owned by the Axtmann family** and is fully independent from the private club, although IFA e.V. is one of many frequent clients FAI has within the Assistance Industry. For many years FAI was busy in different ways within the General Aviation Market, doing Air Ambulance, Executive Charter, Maintenance and Aircraft Leasing.

Since 2001 when FAI acquired the first two Learjets (LR 35A + LR 55) the company is focusing mainly the Air Ambulance business and therefore the activities in other fields of Airservice have been reduced.

Meanwhile FAI is creating 75% of its revenue with Air Ambulance related services.

Market Position



FAI's market position:

- Top 3 (European, African and Asian market)
- Top 5 (worldwide)

FAI's major competitors:

A) In Europe (serving the European, African and Asian market):

- EAR (Europen Air Rescue) a joint venture of the non-profit organisations DRF + LAR
- Tyrolean Air Ambulance private ownership (Minor competitor)

B) In North America:

- Global Air Response USA
- SkyService Lifeguard Canada

FAI's Benefits within the Air Ambulance Market

- Fleet is based at the low-cost, 24/7 opened International Airport of Nuremberg
- Homebase located in the Centre of Europe
- FAI owns the aircrafts, the operation and the maintenance facilities
- being independent from 3rd parties in respect to maintenance, this fact is the base for maximum reliability and higher utilization of the fleet compared to operators having no own maintenance facilities
- private ownership combines a maximum of flexibility with a minimum of time-delay in making decisions.

Our Clientel





























A MAPFRE



EURO•ALARM

Assistance Prague s.r.o.





























Performance



A) Fixed-Wing-Fleet:

FAI's fixed wing fleet, consisting of six ea. aircraft (one Citation II, 2 ea. Learjet 35 A +3 ea. Learjet 55), has performed more than 600 missions (incl. 495 ambulance missions) worldwide in 2006, creating an airtime-utilization of close to 5500 hrs. Furthermore 500 flights have been performed on behalf of the United Nations. One Learjet 55 is under UNlongterm-charter-contract based in Abidjan/Ivory Coast, a second Learjet 55 has entered UN-service end of December 2006, a third Learjet 55 will enter into service.

FAI is the only **UNO approved** fixed wing airservice provider in Germany as per June 2007. FAI also is approved service provider of ICRC (Intl. Committee of the Red Cross), WFP (World Food Programme) and other global acting Health- and Relief-Organisations.

Although FAI had shut down its EMS-helicopter-Operations – which reflected a revenue of approx. € 1,5 mio p.a. in the past - in October 2005, again a revenue of more than € 17 Mio. was created during the fiscal year of 2006.

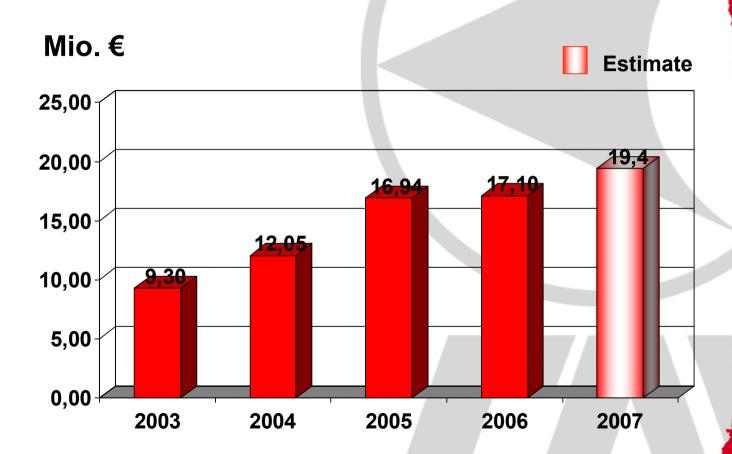
For the year of 2007 FAI is expecting a revenue close to € 20 Mio.

B) EMS-Helicopters:

One Rescue-Helicopter was leased out incl. Sept. 2006 by Dry-Lease-Contract to a German Helicopter Operator, operating the helicopter in Accra/Ghana (Africa). The helicopter was sold in June 2007 to Russia.

Revenue 2003 – 2007 (in Mio. €)

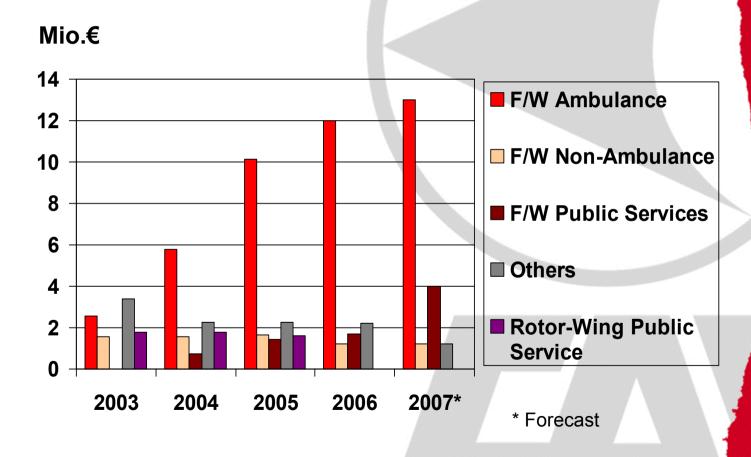




Revenue 2003-2007 by Type of Service (Graphic)

EXPERTS IN MEDEVAC

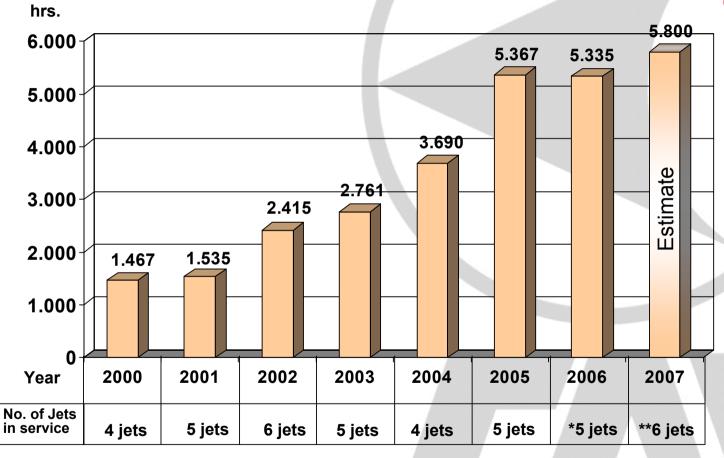
in reference to different services provided by FAI



Fleet Utilization

Air Time vs. Number of Jets in Service - Fixed-Wing only





^{*} Replacement of low utilized Citation I by a Learjet 55 in 12/2006 ** Jet No. 6 entering service End of 7/07

Range of Services – At a Glance



We offer a worldwide service without restrictions, even in areas of conflict (war-risk-areas)!

No matter where the patients are and who they are, we transport them at any time to any destination!

- Frequently Asked Question:
 Yes, we do MEDEVAC's from Iraq + Afghanistan + Sudan!
- Our customers receive a flat-rate quotation no later than half an hour after receipt of their request
- The configuration of our services (such as time table and specific scope of patient treatment) will be arranged according to customers needs
- We guarantee short activation times and rapid operational availability due to a large fleet of Ambulance Jets always ready for take-off
- All Ambulance Jets are approved for Dual-Stretcher-Operation
- We offer Bedside-to-Bedside Service without surcharges. This means our medcrew will pick up the patient at the hospital of origin and accompany him for admission at the hospital of destination



EXPERTS IN MEDEVAC

- FAI offers a maximized **patient-oriented service** without intermediaries. The customer receives the quotation directly from the owner and operator of the Ambulance Jets. FAI guarantees for a **maximum of availability** at a **minimum of preliminary lead time**
- FAI's fleet of Ambulance Jets is **positioned in the centre of Europe** and is operated and maintained by **FAI's inhouse-maintenance organization** according to the highest level in civil aviation

Operations: JAR-OPS1 Maintenance: EASA Part 145 License-No.: D-049 AOC License-No.: DE.145.0062

- Favourable pricing can be offered because of FAI's convenient geographic location, high aircraft utilization and efficient cost management
- FAI grants **flexible terms of payment** to obviate delay of transport

Our Experience – Your Benefit

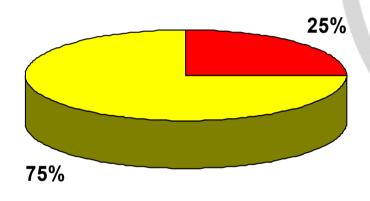
EXPERTS IN MEDEVAC

- The medical equipment of our aircraft meets all expectations for an intensive care unit. We employ specially trained doctors and paramedics – particularly in the area of intensive/critical care
- The treatment on board our aircraft adheres strictly to international standards and is co-ordinated with the hospitals and clinics that are involved at both ends of each specific transport and the client's medical manager, if applicable
- If desired the patient's personal physician can accompany the transport of the patient. Furthermore we offer a service that assists in finding the best medical facility at destination for the patient's individual/customised medical needs

Type of Patient Transport (2006)



Critical versus Non Critical

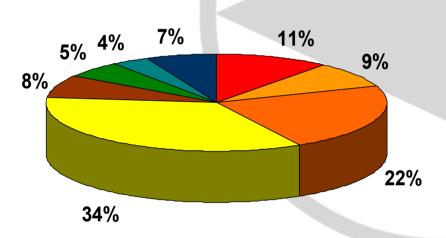


- Critical Care Patients (Ventilated, CVL, ArtL)
- Non Critical Care Patients

Type of Patient Transport (2006)







- Cardio Circulatory Diseases (ACS, Heart Failure)
- Cerebral Diseases (Ischaemia, Haemorrhage)
- Gastrointestinal Diseases (Haemorraghe)
- Infectious Diseases (Malaria, Tuberculosis etc.)
- Respiratory Diseases (COPD, Respiratory Insufficiency)
- ☐ Trauma (Multiple, CCI, Spinal, Extremities, Burns)
- Organ Failure (Multi Organ Failure, Septicaemia)
- Neoplasy (several tumor types)

Patient Transport Distance in Average (2006)



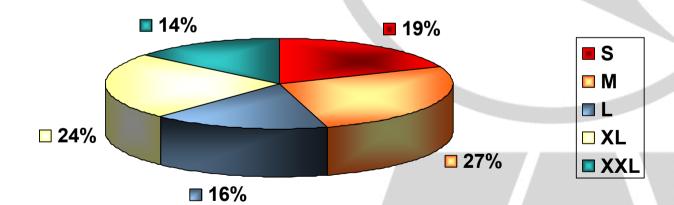
S = **S**hort Range = transport distance up to 700 NM (1440 km)

M = Medium Range = transport distance up to 1200 NM (2160 km)

L = Long Range = transport distance up to 1700 NM (2880 km)

XL = **Extra L**ong Range = transport distance up to 3000 NM (5400 km)

XXL = **Ultra** Long Range = transport distance more than 3000 NM









Your patient – Our responsibility