



Leadership for Success

Commercial Aviation



RUSSELL REYNOLDS ASSOCIATES



New Leaders for New Challenges

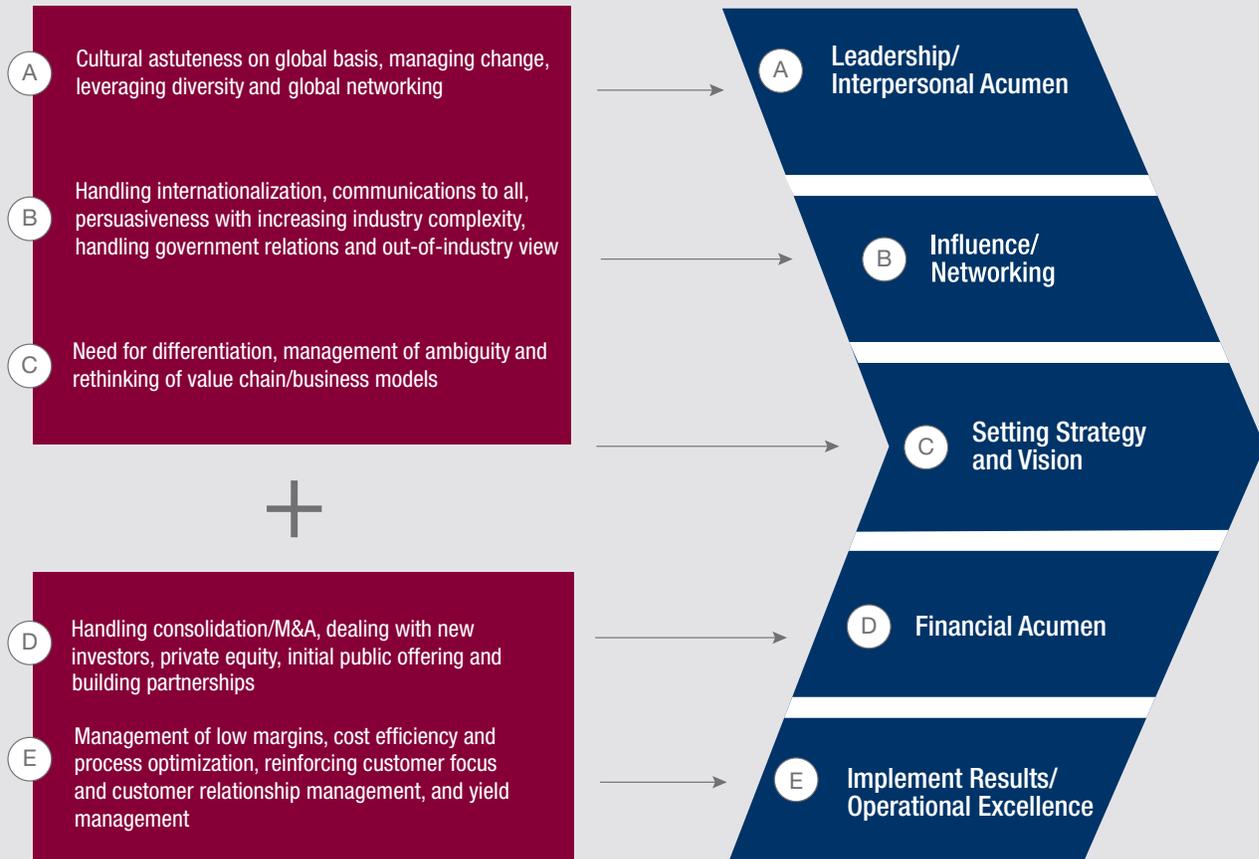
The commercial aviation sector has been in a period of significant upheaval for the last few years. Airlines are fighting to maintain profitability and must continue to focus on achieving further cost reductions and higher levels of operational excellence in an era of dramatically rising fuel costs and increased competition from low-cost carriers from the Middle East and elsewhere. The consolidation which has ensued means that simply running a business is not enough; CEOs and boards must decide which role within the landscape the firm is to adopt: acquirer, target or partner? Manufacturing is undergoing its own transformation, as firms in emerging markets are preparing to enter an industry that has long been dominated by a few major players in Europe and the United States. This increased competition will force existing manufacturers to become more focused on managing quality and increasing innovation through greater technology transfer and strong leadership. Commensurately, infrastructure companies are feeling the pressure to optimize returns in the face of greater interest from private equity firms.

Succeeding amidst these forces requires aviation executives to have an array of competencies. Best-in-class leaders must be able to look past the industry and draw upon ideas from retail, technology and elsewhere to develop and execute new, revolutionary business models. Others on the senior team must be able to manage costs through efficiency and complex instruments, such as hedged purchasing agreements, instill a greater differentiation within the market and manage relationships with investors.

Executives that meet these criteria are in predictably short supply. Forward-thinking commercial aviation companies are adopting a competency-based approach to identifying senior leaders, allowing them to cast a wider net and target top-tier executives from other capital-intensive industries, such as automotive, energy and utilities, who have successfully grappled with issues such as significant raw material price increases and pressures brought from heightened environmental awareness.

Regardless of their specific functional domain, aviation executives today must have a true global orientation that reflects the marketplace in which threats and opportunities know no borders.

Core Future Competencies



Chairman and CEO Major U.S. Airline

The board of one of the world's leading passenger and cargo carriers, with \$16 billion in annual sales, 80,000 employees and a fleet of more than 540 jet aircraft asked Russell Reynolds Associates to identify and recruit its new Chairman and CEO. We worked closely with the board to conduct a detailed survey of the strategic needs of the airline to determine the experience, competencies and personal characteristics sought, which included a national profile and experience in forming good working relationships with unions. We then drew upon our extensive networks and research resources to identify a pool of initial candidates from a range of sectors. We worked with the board to identify and recruit the finalist, an energy executive with broad domestic and international operations experience.



Finding the Right Aviation leader

Russell Reynolds Associates has a core team focused specifically on commercial aviation. As part of the Aviation, Aerospace and Defense Sector, the Commercial Aviation team works with airlines, manufacturers, airports, aircraft financing and leasing firms and industry suppliers to help them identify, assess and retain the right executives for the challenges they face.

Peer-Level Executive Experience

Many of the members of the Commercial Aviation team are former senior commercial aviation executives themselves, who have faced the same business issues as our clients in operations, business development, strategy, sales and finance. This peer-level experience allows us to work with our clients in a truly consultative manner in defining their current and future talent needs and then in representing them in the highly competitive talent market through our extensive professional networks.

Board Services: Making the Board a Truly Strategic Resource

In the age of greater shareholder expectations and a greater awareness of regulatory issues, board member searches carry heightened importance and sensitivity. The Commercial Aviation team can call upon the firm's Board Services Practice and its dedicated resources to help companies recruit the board members who advise them. In its board searches, the engagement team works closely with the nominating committee to identify the experience and competencies needed to make the board a truly strategic resource to the CEO and then identifies and recruits candidates from its global, cross-industry network.

Our Track Record

Russell Reynolds Associates' Aviation, Aerospace and Defense Practice has helped airlines, airports, manufacturers, leasing and financing companies, government agencies and service providers to identify and recruit executives at all levels, including board members, CEOs, C-suite officers and business unit leaders across functions.

A representative sample of successful commercial aviation assignments includes:

Chairman and Chief Executive Officer for a major U.S. airline with more than \$16 billion in annual revenue, 80,000 employees and more than 540 aircraft

Chief Executive Officer for a leading European airline handling over 10 million passengers per year

Chief Financial Officer for a recently established Middle/Near East aviation provider with substantial local government and private sector backing

Management Board Member, Operations for a leading European airline serving over 10 million passengers per year

Board Chairman for a civilian aviation authority with a budget in excess of €500 million

Chief Commercial Officer for a top-five global aircraft leasing company

Division Director, Cargo for an airport service company handling 70,000 aircraft, 140,000 tons of cargo and 10 million passengers per year

Chief Technical Officer for an international airline serving over 70 destinations

Chief Investment Officer for a top-five global aircraft leasing company

Managing Director for a newly established aircraft financing company managing private equity funds and direct investment in new aircraft projects

General Manager for a top-five producer of cabin interiors for commercial aircraft and business jets

Managing Director of a fast-growing Central European airport

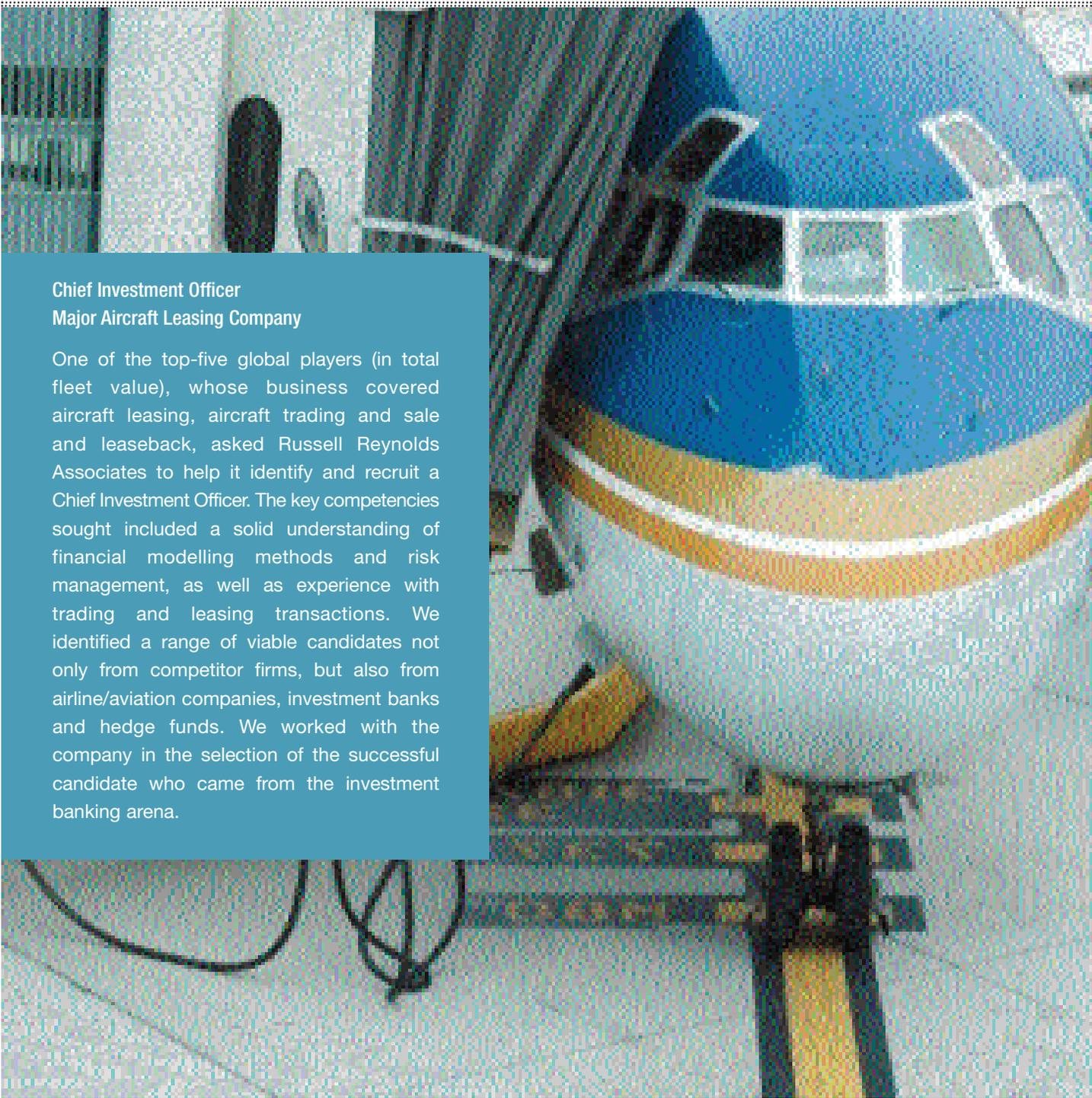
Chief Executive Officer of an aircraft component manufacturer

Vice President, Non-Aviation for a major European hub airport



Managing Director Central European Airport

A rapidly growing Central European airport sought an experienced Managing Director to help it further advance its competitive position and leverage its large share of low-cost carrier traffic. Russell Reynolds Associates worked with the search committee to identify the successful candidate's qualifications, which included a background in the travel/transport industry, strong business expertise, strong negotiating skills and outstanding leadership and personnel management skills. We then developed a list of potential candidates drawn from ground, sea and air transport companies, infrastructure providers and capital-intensive industries. The successful candidate was recruited from a leading low-cost carrier.



**Chief Investment Officer
Major Aircraft Leasing Company**

One of the top-five global players (in total fleet value), whose business covered aircraft leasing, aircraft trading and sale and leaseback, asked Russell Reynolds Associates to help it identify and recruit a Chief Investment Officer. The key competencies sought included a solid understanding of financial modelling methods and risk management, as well as experience with trading and leasing transactions. We identified a range of viable candidates not only from competitor firms, but also from airline/aviation companies, investment banks and hedge funds. We worked with the company in the selection of the successful candidate who came from the investment banking arena.

Leveraging Our Cross-Sector, Cross-Border Capabilities

Russell Reynolds Associates is able to assemble engagement teams from industry and functional practices that work across sectors and regions in 39 offices around the world. The Commercial Aviation team can draw upon the expertise of not only the Aviation, Aerospace and Defense Practice, but also, for example, the firm's Technology Sector and its CEO/Board Services, Corporate Officers, Retail and Real Estate Practices, which each bring their own resources, contacts, and experience to bear in fulfilling the assignment. Individual team members might be based in Hamburg, Los Angeles, Sydney and Washington, D.C., but we work as an integrated, global unit. This allowed us to recruit, for example, a U.S.-based CIO from the investment banking sector to join a major European aircraft leasing company, and to find a Director of Real Estate from the leisure sector for a major European Airport System.

In our work for our clients, we are also able to leverage our commitment to the commercial aviation industry. Our support of such industry leadership forums as the Salon International de l'Aéronautique et de l'Espace—Paris Le Bourget (Paris Airshow) and the Wharton Aerospace Conference provides us with ongoing peer-to-peer interaction with the industry's most influential leaders and our consultants regularly speak at major industry conferences.

Executive Assessment: A Powerful Method for Developing and Retaining Commercial Aviation Leaders

The changing capabilities profile of the best-in-class commercial aviation executive means that more CEOs and boards are seeking an empirical measure of performance referenced to the talent marketplace. To provide boards of directors and CEOs with a clearer sense of the strengths and weaknesses of their senior executives, Russell Reynolds Associates offers complete, customized Executive Assessment services. Our approach, which combines a rigorous assessment methodology with deep industry-specific expertise, includes competency interviews, psychometrics, organizational culture assessments and referencing to create a complete picture of executive competencies and development opportunities.

Our Process

While every search is tailored to meet our clients' unique timeline and decision-making requirements, we work within an overarching structure that ensures candidate quality and provides the foundation for an orderly, timely and successful outcome.

Organizational review—We begin with a thorough review of the context of the search, the expectations of the search committee and other key constituents, the strategic goals of the organization, the competitive landscape and the other factors that define the environment.

Position specification and qualification matrix—Our findings are distilled into a document specifying the position's responsibilities in detail as well as the corresponding qualification matrix, that serves as a benchmark against which potential candidates are measured.

Research and candidate identification and screening—Drawing upon our extensive confidential database and broad network of contacts across a range of industries, we develop a list of qualified, viable candidates.

Candidate evaluation and selection—We then conduct competency-based interviews of selected candidates, focusing on the competencies outlined in the position specification. This process can also be augmented by psychological testing and in-depth behavioral interviews conducted by our assessment specialists.

Referencing—As priority candidates are identified, we begin an extensive referencing process. As a final candidate emerges, we expand our contacts to a full slate of supervisors, peers and subordinates qualified to provide meaningful, confidential insights, which are gathered into a report.

Negotiation—We then work with you on the structure of a compensation package calculated to attract the finalist. We can also serve as an intermediary to resolve differences or details in order to successfully complete the negotiation.

Follow-up and succession planning—After an offer is accepted, we follow up regularly with your organization and the candidate to ensure that expectations on both sides are being met. We are also available for executive assessment and development services to assist in galvanizing the team for future success.

About Russell Reynolds Associates

Russell Reynolds Associates is a leading global executive search and assessment firm. We have more than 275 consultants based in 39 wholly owned offices across the Americas, Asia/Pacific and Europe. Our consultants conduct senior-level search and assessment assignments in a range of sectors for public and private organizations of all sizes. With our deep knowledge of major industries and our commitment to outstanding client service, we ensure that our clients find and develop the best leadership teams for the ongoing success of their businesses. For more information, please visit www.russellreynolds.com.

RUSSELL REYNOLDS ASSOCIATES | Global Offices

Americas

Atlanta

1180 Peachtree St., NE
Suite 2250
Atlanta, GA 30309-3521
United States of America
Tel: +1-404-577-3000

Boston

One Federal Street
25th Floor
Boston, MA 02110-1007
United States of America
Tel: +1-617-523-1111

Buenos Aires

Buenos Aires Plaza
Manuela Sáenz 323
Seventh Floor,
Suites 14 and 15
C1107CBP Buenos Aires
Argentina
Tel: +54-11-4118-8900

Chicago

200 South Wacker Drive
Suite 2900
Chicago, IL 60606-5802
United States of America
Tel: +1-312-993-9696

Dallas

8401 N. Central Expressway
Suite 650
Dallas, TX 75225-4404
United States of America
Tel: +1-214-220-2033

Houston

600 Travis Street
Suite 2200
Houston, TX 77002-2901
United States of America
Tel: +1-713-754-5995

Los Angeles

11100 Santa Monica Blvd.
Suite 350
Los Angeles, CA 90025-3384
United States of America
Tel: +1-310-775-8940

Menlo Park

2500 Sand Hill Road
Suite 105
Menlo Park, CA 94025-7015
United States of America
Tel: +1-650-233-2400

Mexico City

Torre Reforma
Paseo de la Reforma
115-1502
Lomas de Chapultepec
México 11000, D.F.
México
Tel: +52-55-5249-5130

Minneapolis/St. Paul

225 South Sixth Street
Suite 2550
Minneapolis, MN 55402-3900
United States of America
Tel: +1-612-332-6966

New York

200 Park Avenue
Suite 2300
New York, NY 10166-0002
United States of America
Tel: +1-212-351-2000

San Francisco

101 California Street
Suite 2900
San Francisco, CA 94111-5829
United States of America
Tel: +1-415-352-3300

São Paulo

Av. Nações Unidas, 8501
11º Andar
05425-070 São Paulo - SP
Brazil
Tel: +55-11-3566-2400

Stamford

301 Tresser Boulevard
Suite 1210
Stamford, CT 06901-3250
United States of America
Tel: +1-203-905-3341

Toronto

Scotia Plaza, Suite 3410
40 King Street West
Toronto, ON
M5H 3Y2
Canada
Tel: +1-416-364-3355

Washington, D.C.

1701 Pennsylvania Avenue,
NW
Suite 400
Washington, D.C. 20006-5810
United States of America
Tel: +1-202-654-7800

Asia/Pacific

Beijing

Suite 1320, China World Tower I
No. 1 Jian Guo Men Wai Avenue
Beijing 100004
China
Tel: +86-10-6505-2688

Hong Kong

24th Floor, Central Tower
28 Queen's Road Central
Hong Kong
Tel: +852-2523-9123

Melbourne

15th Floor
Bourke Place
600 Bourke Street
Melbourne VIC 3000
Australia
Tel: +61-3-9603-1300

Mumbai

Unit 9(A), Grand Hyatt Plaza
Santacruz (East)
Mumbai 400 055
India
Tel: +91-22-6733-2222

New Delhi

A4, Tower A
The Qutab Hotel and
Apartments
Shaheed Jeet Sing Marg
New Delhi 110 116
India
Tel: +91-11-4603-4600

Shanghai

Room 4504, Jin Mao Tower
88 Century Avenue
Pudong, Shanghai 200121
China
Tel: +86-21-6163-0888

Singapore

2 Shenton Way
#08-01 SGX Centre 1
Singapore 068804
Singapore
Tel: +65-6225-1811

Sydney

Level 40, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia
Tel: +61-2-9258-3100

Tokyo

Izumi Garden Tower 14F
1-6-1 Roppongi
Minato-ku, Tokyo 106-6014
Japan
Tel: +81-3-5114-3700

Europe

Amsterdam

World Trade Center
Tower H, 18th Floor
Zuidplein 148
1077 XV Amsterdam
The Netherlands
Tel: +31-20-305-7630

Barcelona

Edificio Prisma
Avda. Diagonal, 613, 2ªA
08028 Barcelona
Spain
Tel: +34-93-494-9400

Brussels

Boulevard St.-Michel 27
B-1040 Brussels
Belgium
Tel: +32-2-743-12-20

Copenhagen

Østergade 1, 1st Floor
DK-1100 Copenhagen K
Denmark
Tel: +45-33-69-23-20

Frankfurt

MesseTurm
60308 Frankfurt/Main
Germany
Tel: +49-69-75-60-90-0

Hamburg

Stadthausbrücke
1-3/Fleethof
20355 Hamburg
Germany
Tel: +49-40-480-661-0

London

24 St. James's Square
London SW1Y 4HZ
United Kingdom
Tel: +44-20-7839-7788

Madrid

Calle Miguel Angel, 11
Seventh Floor
28010 Madrid
Spain
Tel: +34-91-319-7100

Milan

Via Mascheroni, 5
20123 Milan
Italy
Tel: +39-02-430-0151

Munich

Ludwigstraße 7
80539 Munich
Germany
Tel: +49-89-24-89-81-3

Paris

7, Place Vendôme
75001 Paris
France
Tel: +33-1-49-26-13-00

Stockholm

Biblioteksgatan 6-8
SE-111 46 Stockholm
Sweden
Tel: +46-8-545-074-40

Warsaw

Sp.z.o.o
Belvedere Plaza
ul. Belwederska 23
00-761 Warsaw
Poland
Tel: +48-22-851-68-38

Zürich

Genferstrasse 21
8002 Zürich
Switzerland
Tel: +41-44-447-30-30



© 2008
Russell Reynolds Associates, Inc.

RUSSELL REYNOLDS ASSOCIATES is a trademark of Russell Reynolds Associates, Inc. Other brand names and marks referenced herein are trademarks of their respective owners.