



LSA Flyers, Inc.
 PMB #264
 9524 W. Camelback Rd. #130
 Glendale, AZ 85305
www.lsaflyers.com

Increasing Flight School Profitability with Light Sport Aircraft

Flight schools can increase annual profitability by replacing their aging fleet with new light sport aircraft. Light sport aircraft have lower direct costs associated with fuel purchase, engine overhaul, and routine maintenance inspections, and can generate school profit of over **\$175,000** per aircraft over a 10-year span. In addition to increased long term profit, the light sport aircraft require a smaller initial investment, include state-of-the-art technology not available on 20-year old aircraft, and qualify within FAA rules to instruct both general aviation and light sport pilots.

LSA Flyers is the southwest's distributor of the Czech Air Works line of light sport aircraft. Both the low-wing *SportCruiser* and the high-wing *Parrot* are ideal for entry into flight training in schools across the region. Using manufacturer's data and a thorough knowledge of the light sport market, LSA Flyers will show you why this new category of aircraft will change the economics of flight.



SportCruiser



Parrot

Current **fuel costs** for 100LL/AVGAS average just over \$4.00/gallon. LSA Flyers' line of aircraft use premium unleaded fuel, typically a full dollar cheaper than normal aviation fuel. This reduction in operational cost, in addition to the noticeably lower rate of fuel consumption from the ROTAX 912 ULS engine, results in a significant savings to the flight school operator.

Aircraft Type	Piper Warrior III	Cessna 172R	Cessna 172	Cessna 152	SportCruiser
TBO (hours)	1800	1800	2000	1800	1500
Consumption (GPH)	9.0	9.5	8.0	6.0	4.5
Fuel Cost/Gal	\$4.00	\$4.00	\$4.00	\$4.00	\$3.00
Fuel Costs to TBO	\$64,800	\$68,400	\$64,000	\$43,200	\$20,250

Figure 1. Total Fuel Costs Prior to 1st Engine Overhaul

The **ROTAX 912 ULS engine** is a liquid cooled, gear-reduced power plant with proven reliability. Despite a lower TBO, the ROTAX 912 stands out for its overall cost effectiveness in comparison to the engines of other popular training aircraft.

Aircraft Type	Piper Warrior III	Cessna 172R	Cessna 172	Cessna 152	SportCruiser
TBO (hours)	1800	1800	2000	1800	1500
Overhaul Cost	\$16,000	\$16,000	\$16,000	\$12,000	\$9,000
Engine Reserve (\$/hr.)	\$8.89	\$8.89	\$8.00	\$6.67	\$6.00

Figure 2. Hourly Engine Reserve



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Maintenance inspection costs on the ROTAX 912ULS are low due to the proven reliability of the engine. In addition to reduced time and costs for the scheduled inspections, research shows the overhaul cost for the engine to be significantly lower than engines for other training aircraft.

Considering the major variable costs of operation – fuel costs, engine life (TBO), and maintenance fees – the *SportCruiser* is profitable to the flight school within 4 years. This includes the initial investment to purchase the aircraft, and assumes a utilization rate of 40 rental/training hours per month using current hourly rates.

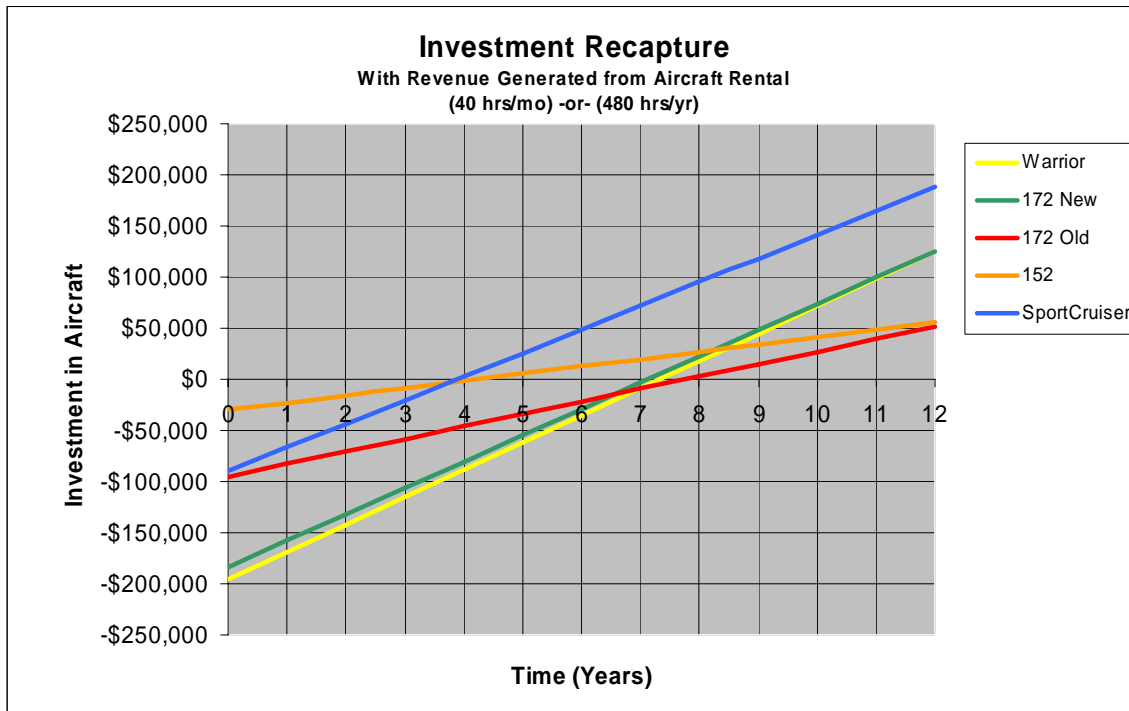


Figure 3. Investment Recapture Plan for Training Aircraft
 See Appendix A for Complete Data and Assumptions

Student flight training will significantly increase in the next decade, and flight schools with low operating costs will see substantial profit from this demand.

“Optimists see job opportunities ahead because of the pending mandatory retirement of nearly 30,000 pilots in the next 10 years as they reach the 60-year-old age limit. Even this year, some 10,500 additional pilots are needed at small, regional and major carriers, according to AIR (employment tracking service).”

-Douglas Sams, Gwinnett Daily Post, July 23, 2006

“Training Schools See Increase in Students as Pilots Still in Demand”

“There is a high demand for pilots, industry experts say. Older pilots are retiring and regional airlines are expanding and hiring...The number of new hires at airlines has been steadily rising since 2003...About 12,000 pilots will retire in the next five years.”

-Becky Pallack, Arizona Daily Star, July 13, 2006

“Careers in Aviation Soaring”



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Airline retirees and the large “baby boomer” population of the southwestern U.S. are a unique opportunity for flight school operators, one with significant profit potential. These pilots, both new and old to aviation, are attracted to the dominantly VFR conditions in the region, and are encouraged to pursue light sport flight by the FAA’s basic requirements for the category. Based on 2005 U.S. Census Survey data, the 45-and-over population for Maricopa County, Arizona is nearly **1.2 million** residents – **32.8%** of the Phoenix valley population. Educating and training members of this demographic has unlimited light sport profit potential for the flight school.

A complete discussion and analysis of light sport flying is available through AOPA’s website:
<http://www.aopa.org/sportpilot/>

Flight schools will increase long term profit by utilizing light sport aircraft *But why choose LSA Flyers?*

New and old students to aviation will consistently return to an aircraft with state-of-the-art technology, excellent handling characteristics, and a price point comparable to that of airplanes 20 years older or more. In addition, your flight school can significantly increase its profit margin with an aircraft that has cheaper operating costs (Figs. 1,2) combined with that undeniable draw on its students to return for more (Fig. 4). Your investment now in the *SportCruiser* or *Parrot* aircraft establishes your organization for definitive long term success (Fig. 3).



Figure 4. SportCruiser, with DYNON D100/D120 glass cockpit upgrade

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APPENDIX 1: SUMMARY OF CALCULATIONS AND ASSUMPTIONS

Aircraft Type	Piper Warrior III	Cessna 172R	Cessna 172	Cessna 152	SportCruiser
Notes	New, Factory Price	New, Factory Price	Used, 10+ yrs old	Used, IFR Capable	New, Factory Price
Engine Type	Lycoming O-320	Lycoming O-320	Lycoming O-320	Continental O-200	ROTAX 912ULS
Engine Horsepower	160	160	150	100	100
Airplane Purchase Cost	\$195,300	\$183,225	\$95,000	\$30,000	\$90,000
Lifetime Maintenance Costs					
TBO (hours)	1800	1800	2000	1800	1500
Lifetime Inspection Cycles	18	18	20	18	15
Hours to Complete Inspection	15	15	15	15	12
Maintenance Rate (\$/hr.)	\$75	\$75	\$75	\$75	\$75
Oil Filters and Changes	\$1,800	\$1,800	\$2,000	\$1,800	\$1,500
Maintenance Subtotal	\$22,050	\$22,050	\$24,500	\$22,050	\$15,000
Lifetime Fuel Costs					
GPH	9.0	9.5	8.0	6.0	4.5
Fuel Cost/Gal	\$4.00	\$4.00	\$4.00	\$4.00	\$3.00
Fuel Subtotal	\$64,800	\$68,400	\$64,000	\$43,200	\$20,250
TCO: Purchase to 1st overhaul	\$282,150	\$273,675	\$183,500	\$95,250	\$125,250
Long Term Projections:					
Engine Overhaul Price	\$16,000	\$16,000	\$16,000	\$12,000	\$9,000
Engine Reserve Cost (\$/hr.)	8.9	8.9	8.0	6.7	6.0
Total rental hours over 10 years	4800	4800	4800	4800	4800
Number of 100-hr. Inspections	48	48	48	48	48
Number of Engine Overhauls	2.7	2.7	2.4	2.7	3.2
Overhaul costs over 10 years	\$42,667	\$42,667	\$38,400	\$32,000	\$28,800
Total fuel costs over 10 years	\$172,800.00	\$182,400.00	\$153,600.00	\$115,200.00	\$64,800.00
Inspections/Oil Changes (10 years)	\$58,800.00	\$58,800.00	\$58,800.00	\$58,800.00	\$48,000.00
Ten Year Operating Cost	\$469,567	\$467,092	\$345,800	\$236,000	\$231,600
Hourly Rental Fee	\$120	\$120	\$85	\$65	\$85
10 Years Flight Time (hrs)	4800	4800	4800	4800	4800
Total Cash Flow (Rental Fees)	\$576,000	\$576,000	\$408,000	\$312,000	\$408,000
Total 10-year Profit	\$106,433	\$108,908	\$62,200	\$76,000	\$176,400
Annual Cost Estimates					
Annual Flight Hours	480	480	480	480	480
Engine Costs	\$4,267	\$4,267	\$3,840	\$3,200	\$2,880
Fuel Costs	\$17,280	\$18,240	\$15,360	\$11,520	\$6,480
Inspection Costs	\$5,880	\$5,880	\$5,880	\$5,880	\$4,800
Number of 100-hr. Inspections	4.8	4.8	4.8	4.8	4.8
Insurance Costs	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Subtotal All Costs	\$30,927	\$31,887	\$28,580	\$24,100	\$17,660
Annual Hours (Break Even)	258	266	336	371	208
Monthly Hours (Break Even)	21	22	28	31	17
Annual Profitable Hours	222	214	144	109	272
Annual Profit for Owner	\$26,673	\$25,713	\$12,220	\$7,100	\$23,140

Key Factors:

- Airplane Purchase Costs, TBO Figures, Inspection Time/Rates, Current Fuel Costs, Engine Overhaul Price and Hourly Rental Fees** input based on internet research and telephone quotes from local flight training facilities. *LSA Flyers is not responsible for specific cost accuracy with any of the above estimates.*
- Insurance Costs for aircraft in training fleet estimated from recent quote to insure 2006 Light Sport Aircraft from Falcon Insurance.
- Annual and Long Term Cost Projections based on 40 hr/mo. or 480 hr/yr. rental rate. Contact LSA Flyers to adjust bottom line figures specific to your operations.
- Hanger or tiedown fees and miscellaneous unexpected repair costs are either fixed or are unable to be projected.
- SportCruiser prices subject to change based on desired configuration. SportCruiser may be ordered with Jabiru or ROTAX engine.