



## **“A Promise to Change the Industry”**

*Avatar Airlines Inc. will offer under SEC Reg D 506c up to \$75,000,000 of Senior Convertible Notes with accrued simple interest of 12% due in 48 months and convertible to common shares at 75% of the registered offering rate.*

### **Business Summary**

Avatar will operate ultra-low-fare point-to-point flights to and from high-density markets in the Continental U.S. and Hawaii. The Company will utilize the Boeing 747-400 jumbo jet, equipped with 539 Economy Class seats on the lower deck, and 42 Office Class seats on the upper deck.

Its business plan consists of multiple distinct profit centers all driven by its everyday ultra- low fares: Passenger Revenue, Cargo, Advertising & Promotions (Branding), Food & Beverage, Insurance, Travel Affiliate Program and Vacations (Hotel & Rent-A-Car). More seats (581) mean lower fares with all economy seats starting at \$19 and no economy fare over \$99 when purchased 30 days or more in advance. Most airlines look for ways to drive passenger costs up in order to maintain profitability, while Avatar looks to increase load factors and decrease its cost per available seat mile. Avatar’s goal is passenger affordability with no add on fees.

### **Management**

Team of seasoned, business and aviation professionals each with over 25 years of experience in their own field of expertise.

### **Service Routes**

Avatar’s initial markets will include Los Angeles, Las Vegas, Orlando, Dallas, New York, Philadelphia, Miami, Chicago, San Jose, Tampa, San Diego, San Francisco, Phoenix and Honolulu during the first year. The Company believes these markets are large enough to sustain near 100% load factors and plans to add a limited number of international routes during its third year of operations.

### **Customer Demographics**

Avatar expects to appeal to all age groups. Budget-conscious travelers, working class families with children, students and businesses looking to conserve their resources. Avatar intends to bring forth a new and different approach to air travel, one that is truly affordable with passengers paying far less, but getting far *more*.

### **Competition**

Use of the Boeing 747 will give Avatar a competitive edge on domestic routes. Avatar expects to have the lowest cost per available seat mile (CSM) in the industry, enabling Avatar to charge lower fares than the competition, increasing demand for Avatar’s flights. Competitors with smaller-sized fleet are unable

to haul cargo due to lack of capacity. Avatar expects to pioneer onboard advertising/branding opportunities for its partners with a captive audience of *581 sets of eyeballs* on each flight.

**Investment**

The offering consists of up to \$75,000,000 of Class A Senior Convertible Promissory Notes which carry 12% simple interest and accrues over 48 months. The minimum investment is \$5,000. The offering is written in accordance with SEC Reg. D506c and for accredited investors only.

If the company issues equity securities in a registered offering then the Notes, and any accrued but unpaid interest thereon, will automatically convert into the equity securities at a conversion price equal to 75% of the per share price paid by the purchasers of such securities.

If the Notes have not been previously converted by the Maturity Date, the Holders will have the right to repayment of any outstanding principal and accrued interest. Alternatively, Holders may elect to convert their Notes into Common Stock of the company at a price announced by the company at least 30 days prior to the Maturity Date.

**Use of Funds**

To obtain FAA & DOT certification, purchase and reconfigure 4 used 747-400 passenger aircraft and begin by building its corporate headquarters/training center complete with multiple 747 simulator bays. Its preliminary design consists of 66,000 square feet building having three floors and two separate wings attached by a central lobby. The final design will encompass Avatar’s employee friendly culture throughout its facilities.



On the same property as its headquarters will be a 300-room hotel located adjacent to the airport Avatar decides to call home. An ideal place for visitors to its training facility as well as for general tourism. Although the hotel will be owned by Avatar, it will be maintained and managed by an Avatar partner.

<b>Financials (<i>Flight-Certified</i>) (Projections)</b>						
<b>Financials</b>		<b>Year 1</b>		<b>Year 2</b>		<b>Year 3</b>
Revenues		\$ 412,374,108		\$ 1,008,291,383		\$ 1,351,931,861
EBITDA		\$ 11,839,992		\$ 79,540,273		\$ 117,789,976

**For investor inquiries:  
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