

BUSINESS PLAN

ROYAL AVIATION TANZANIA LTD.



JUNE 2023

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I. EXECUTIVE SUMMARY

Royal Aviation Tanzania is established in partnership between Local and foreign investors with a mission to provide unforgettable hot air balloon experience to its guests in Tanzania by combining the beauty and resources of country with its ultimate service with highest safety standards. Company has a vision to be one of the well-known brands in the country by providing sustainable quality.

With the aim of providing hot air balloon safari at Tarangire National Park In near future successful implementation of the product will contribute to economy, country and local community. This will even lead increase the days of stay of the tourists. By utilizing its equity company will invest in country and will create several jobs. It is one of the targets that local staff to be trained as per the international standards and certified by concerned authorities or organizations.

Royal Aviation Tanzania will operate with a business model based on win-win situation with local guides, hotels and travel agencies. Company dedicated to providing the service that comply with Tanzania tourism policies and has capability to increase the number of balloons quickly when the demand increases. Company stakeholders has wide capacity and experience to provide turnkey solutions starting from balloon operations, maintenance, hot air balloon production and hot air balloon pilot training school. With the continuous and exponential growth of Tanzania tourism sector, company will answer the increasing demand quickly. Investment is expected to reach more than 3 million USD in 5 years, company will utilize its experience for sales and marketing combining with the potential of the country.

This business plan covers the profile of project promoters who are well experienced in the sector, market analysis, financial model and sales and marketing.

II. PROFILE OF PROJECT PROMOTERS

Mr. Mehmet Dinler

B.A. Law diploma holder
PPL Hot Air Balloon Pilot License Holder
Vice Chairman of Dinler Group
Chairman Royal Balloon
Honorary Counsel of Romania for Nevsehir and Kayseri (Turkey)
20 years of experience in tourism, 15 years of experience in hot air balloon
Shareholder of Royal Balloon Rwanda
Shareholder of Royal Balloon Oman
Shareholder of Royal Balloon Jordan

Mr. Benson Mengi

B.A International Business Administration Degree Holder
Managing Director – Serensic Africa
Managing Director - Carina Limited
Vice chairman Carina Group (Hospitality, Mining, Manufacturing, Real estate)
15 years of experience in tourism and Hospitality
10 Years of experience in the Tech industry in Tanzania, Kenya and Rwanda

Mr. Yakup Dinler

B.A Tourism and Hospitality Diploma Holder
Chairman of Dinler Group
25 years of experience in tourism and 15 years of experience in hot air balloon
Shareholder of Royal Balloon Rwanda
Shareholder of Royal Balloon Oman
Shareholder of Royal Balloon Jordan

Dinler Group



DINLER GROUP

- Established 35 years ago in Cappadocia, Turkey
- One of the leading tourism group in Turkey
- First International hot air balloon operator in different continents
- Owner of award winning hotels recognized as UNESCO Heritage Site
- Owner of 3rd Luxurious Hotel in the World*

*By Tripadvisor

ROYAL BALLOON CAPPADOCIA

- Established in 2010
- 25,000 Passengers fled in 2019
- Total 12 Hot Air Balloons
- 14 experienced pilots most of them over 1,000 flight hours
- 8 Flight Instructor pilots
- 3 pilots with experience in Tanzania, Kenya, Rwanda, Jordan, Oman
- ISO 9001 Certified Company
- Member of ASTA (American Society of Travel Agents), BFA (Balloon Federation of America), BBAC (British Balloon and Airship Club)
- Recommended by CNN International, Forbes, Lonely Planet
- Certificate of Excellence Tripadvisor



ROYAL BALLOON RWANDA

- Established in 2019
- First Hot Air Balloon Company in Rwanda operates in Akagera National Park
- Total 2 Hot Air Balloons
- 2 experienced pilots



ROYAL BALLOON OMAN

- Established in 2019, first hot air balloon company in Oman
- Total 2 Hot Air Balloons
- Total 2 pilots
- Flight permit was granted Operations Started January 2023 at Sharqiya Sands, Bidiya



ROYAL BALLOON JORDAN

- Signed partnership agreement with Royal Aero Sports Club of Jordan which operates under Jordan Royal Airforce
- Started operations in September 2022, operating with 3 balloons



DINLER HOTEL

- 5 Star Hotel Located in Cappadocia, Turkey
- 188 Rooms



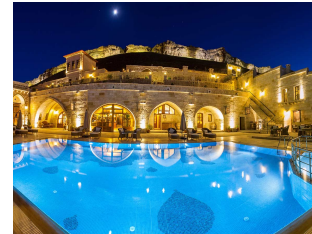
KAYAKAPI PREMIUM CAVES

- Luxury Cave Hotel Located in Cappadocia, Turkey
- 36 Rooms
- Top 10 Out of the Ordinary Hotels World #1
- Top 25 Hotels World #6
- Top 25 Hotels Europe #4
- Top 25 Most Luxurious Hotels World #3
- Top 25 Most Luxurious Hotels Europe #3

Travellers'
Choice™



2022
Best of the Best



ROYAL STONE HOUSE

- 3 Star Hotel Located in Cappadocia, Turkey
- 24 Rooms



Mr. Coskun Harun Gulluk

BSc. Civil Engineering Diploma Holder (2007)
CPL Hot Air Balloon License Holder (2012)
FI (Flight Instructor) Hot Air Balloon License Holder
More than 1,500 hours flight completed.

Experience in Turkey (Cappadocia), Tanzania (Serengeti), Rwanda (Akagera National Park), Jordan (Wadi Rum), Oman (Sharqiya Sands), Ghana (Aksombo)
Shareholder and Flight Operations Manager of Royal Balloon Rwanda
Shareholder and Flight Operations Manager of Royal Balloon Oman
Shareholder and Flight Operations Manager of Royal Balloon Jordan

Mr. Atilla Turkmen

BSc. Civil Engineering Diploma Holder (2007)
MBA Diploma Holder
Experience of work in multinational companies in Qatar and UAE (8 years)
Shareholder and Accountable Manager of Royal Balloon Rwanda
Shareholder and Accountable Manager of Royal Balloon Oman
Shareholder and Accountable Manager of Royal Balloon Jordan

Mr. Nihat Karayazi

CPL Hot Air Balloon License Holder (2009)
More than 1,800 hours flight completed
Experience in Turkey (Cappadocia), Tanzania (Serengeti) and Kenya (Masai Mara)
Shareholder and Country Manager of Royal Balloon Rwanda

III. PROJECT BACKGROUND

Tanzania has been showing significant growth in the tourism sector by utilizing its natural attractions combining with stability and safety in the country, strong policies

and targeting various tourist segments with successful marketing campaigns. Due to these reasons, country attracts high end tourists with the numbers increasing every year. In East and South Africa there has been hot air balloon flights for the last 20 years. Namely, Kenya, Namibia, Uganda, Zambia, South Africa and Botswana has utilized this service to the tourist. In the world there is no single description of the balloon flight zones which can be organized to show a temple, a river, animals, geographical formations, lakes etc. With the growth of communication and social media, hot air balloon flights also developed and generated tourist groups that want to have this experience in different countries.

With 50 percent of the company being local with vast experience in the Tanzania Aviation and Tourism sector and the other 50 percent from Cappadocia, the hot air balloon capital in the world with 150 balloons flight every day and more than 500,000 passengers a year, Company observed the contribution of balloon flights to tourism industry in Turkey by creation of more jobs and more income.

Company approached Tanzania Civil Aviation Authority and TANAPA to be one of the hot air balloon operators in Tanzania tourism sector by considering the availability of tourist profile in the country for hot air balloon flights and available flight zones in different parts of country.

IV. MARKET ANALYSIS

A) Existing Data

Number of Visitors of Tarangire National Park in 2019	
Year 2019	TOTAL
Total Visitors	288,000

Every year there is increase of arrivals to Tanzania. This increase includes number of tourists as well. As country has vast alternatives of every type of tourists mainly Serengeti is chosen for the safari travelers and secondly Tarangire is preferred. On the other hand, the ease of access to the park (70km from Arusha), concentration of several types of animals in dry season due to vast water reserves in the park is an excellent opportunity to have more number of tourists.

B) Future Projection

Low risk

- i One of the Africa's fastest growing economy
- ii Peace and political stability.
- iii Dedication of protection of national parks
- iv High level of governance

Ease of Access

Country's main airport Julius Nyerere Airport receives more than 2 million passengers every year. There are several flights from different countries. Also, there is Kilimanjaro Airport having international flights directly to cities such as Doha, Istanbul, Amsterdam which are main hubs. As per the above information and indications it is highly likely there will be exponential growth in the tourism sector of Tanzania.

C) Target Segment

1) Foreign Holiday Tourists

International tourists who visit the national parks are in this segment. To be more specific, middle, and upper middle class of foreign tourist are the main target segment.

D) Market Analysis Summary

Initially company plans to operate with two balloons with the capacity of 32 people It is estimated that in September 2023 two balloons will start the commercial flights Depending on the demand company has ability to increase its capacity very quickly. It is estimated that in one-year company will perform 200-220 days operation with total yearly capacity of 6,000 passengers per year after it is fully operational. Initially there will not be any problem to obtain passengers and company targets to concentrate on private flights which full basket to be hired by a family or couple.

INVESTMENT PLAN

Company utilizes its own equity for the investment. Company has financial power to invest and sustain until it becomes profitable. Company is ready to increase the number of the balloons with immediate effect once the demand rises. Below is the initial investment

Initial Investment

INITIAL INVESTMENT

	Unit Rate	QTY	TOTAL
Z-425 Hot Air Balloon	\$140.000,00	1	\$140.000,00
Z-425 Hot Air Balloon	\$140.000,00	1	\$140.000,00
Flight Instruments & Spare Parts	\$12.000,00	1	\$12.000,00
Airfreight	\$16.000,00	1	\$16.000,00
Land Cruiser	\$35.000,00	8	\$280.000,00
Tractor 75HP 4X4	\$32.000,00	2	\$64.000,00
Camp Construction (All Facilities)	\$120.000,00	1	\$120.000,00
Gas Tank	\$10.000,00	1	\$10.000,00
Field Kitchen and Equipment	\$60.000,00	1	\$60.000,00
Working Capital	\$100.000,00	1	\$100.000,00

TOTAL \$942.000,00

A) Future Investment

Increase in demand and operation will increase the investment.

Projected Cash Flow

1) Assumptions

Cost/Income Assumptions		No of Pax Assumption for Tarangire in 2024												
		Quarter	Q1			Q2			Q3			Q4		
Item	Cost (\$)	Month	Jan.24	Feb.24	Mar.24	Apr.24	May.24	Jun.24	Jul.24	Aug.24	Sep.24	Oct.24	Nov.24	Dec.24
Ticket Price Tarangire	\$600	No of Pax Tarangire	110	140	130	110	150	250	300	300	220	140	160	250
Commision	\$220													
Gas Cost Per Passanger	\$60	Increase in Year 2025		1,2										
Breakfast Cost Per Passenger	\$50	Increase in Year 2026		1,25										
		Increase in Year 2027		1,3										
		Increase in Year 2028		1,35										

No of Balloons	Unit Rate/Quarter	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Description	Unit Rate/Quarter	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025	Q4-2025	Q1-2026	Q2-2026	Q3-2026	Q4-2026	Q1-2027	Q2-2027	Q3-2027	Q4-2027	Q1-2028	Q2-2028	Q3-2028	Q4-2028
Pilot Salary (1 per balloon)	16.500,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00	33.000,00
Insurance of Balloons (per balloon)	2.400,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00	4.800,00
Ground Crew Salary (4 per balloon)	3.600,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00
Driver Salary (3 per balloon)	2.700,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00
Office Staff Salary (1 per balloon)	1.500,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00
Support Staff Salary (3 per balloon)	1.800,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00	3.600,00
Staff House Rent (1 per balloon)	1.500,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00	3.000,00
Crew House Rent (1 per balloon)	600,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00	1.200,00
Food Expenses (1 per balloon)	2.700,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00	5.400,00
Utility Bills (1 per balloon)	450,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00	900,00
Com. Expenses (1 per balloon)	300,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00	600,00
Travel Expenses (1 per balloon)	3.600,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00
Vehicle Maintenance (3 per balloon)	3.600,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00	7.200,00
Fuel (3 per balloon)	7.200,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00	14.400,00
Unexpected Expenses (1 per balloon)	4.500,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00	9.000,00

2) 5 Years Cash Flow (Quarterly)

PROJECTED CASH FLOW (\$)																								
CASH INFLOW																								
	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025	Q4-2025	Q1-2026	Q2-2026	Q3-2026	Q4-2026	Q1-2027	Q2-2027	Q3-2027	Q4-2027	Q1-2028	Q2-2028	Q3-2028	Q4-2028				
Pax Akagera	228,000.00	306,000.00	492,000.00	330,000.00	273,600.00	367,200.00	590,400.00	396,000.00	285,000.00	382,500.00	615,000.00	412,500.00	296,400.00	397,800.00	639,600.00	429,000.00	307,800.00	413,100.00	664,200.00	445,500.00				
TOTAL INFLOW	228,000.00	306,000.00	492,000.00	330,000.00	273,600.00	367,200.00	590,400.00	396,000.00	285,000.00	382,500.00	615,000.00	412,500.00	296,400.00	397,800.00	639,600.00	429,000.00	307,800.00	413,100.00	664,200.00	445,500.00				
CASH OUTFLOW																								
	Q1-2024	Q2-2024	Q3-2024	Q4-2024	Q1-2025	Q2-2025	Q3-2025	Q4-2025	Q1-2026	Q2-2026	Q3-2026	Q4-2026	Q1-2027	Q2-2027	Q3-2027	Q4-2027	Q1-2028	Q2-2028	Q3-2028	Q4-2028				
Gas	22,800.00	30,600.00	49,200.00	33,000.00	27,360.00	36,720.00	59,040.00	39,600.00	28,500.00	38,250.00	61,500.00	41,250.00	29,640.00	39,780.00	63,960.00	42,900.00	30,780.00	41,310.00	66,420.00	44,550.00				
Breakfast	19,000.00	25,500.00	41,000.00	27,500.00	22,800.00	30,600.00	49,200.00	33,000.00	23,750.00	31,875.00	51,250.00	34,375.00	24,700.00	33,150.00	53,300.00	35,750.00	25,650.00	34,425.00	55,350.00	37,125.00				
Commission	83,600.00	112,200.00	180,400.00	121,000.00	100,320.00	134,640.00	216,480.00	145,200.00	104,500.00	140,250.00	225,500.00	151,250.00	108,680.00	145,860.00	234,520.00	157,300.00	112,860.00	151,470.00	243,540.00	163,350.00				
Pilot Salary	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00	33,000.00				
Insurance of Balloons	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00	4,800.00				
Ground Crew Salary	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00				
Driver Salary	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00				
Office Staff Salary	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00				
Support Staff Salary	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00				
Staff House Rent	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00				
Crew House Rent	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00				
Food Expenses	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00	5,400.00				
Utility Bills	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00	900.00				
Travel Expenses	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00				
Vehicle Maintenance	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00	7,200.00				
Fuel	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00	14,400.00				
Unexpected Expenses	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00				
TOTAL OUTFLOW	230,700.00	273,600.00	375,900.00	286,800.00	255,780.00	307,260.00	430,020.00	323,100.00	262,050.00	315,675.00	443,550.00	332,175.00	268,320.00	324,090.00	457,080.00	341,250.00	274,590.00	332,505.00	470,610.00	350,325.00				
QUARTERLY PROFIT BEFORE TAX	- 2,700.00	32,400.00	116,100.00	43,200.00	17,820.00	59,940.00	160,380.00	72,900.00	22,950.00	66,825.00	171,450.00	80,325.00	28,080.00	73,710.00	182,520.00	87,750.00	33,210.00	80,595.00	193,590.00	95,175.00				
YEARLY PROFIT BEFORE TAX	2024				2025				2026				2027				2028							
					189,000.00				311,040.00				341,550.00				372,060.00				402,570.00			

3) NPV & IRR Analysis

Investment - \$942,000.00
 First Year Income \$189,000.00
 Second Year Income \$311,040.00
 Third Year Income \$341,550.00
 Fourth Year Income \$372,060.00
 Fifth Year Income \$402,570.00

NPV \$601,955.34

IRR 18,72%

V. PROJECT IMPLEMENTATION PLAN

A) Mobilization

The office of the company for Tarangire operations will be at Arusha. The camp shall be constructed including facilities for staff and ground crew. Generator and water tank shall be installed as well. As per the rules and regulations, gas tank to be installed close to balloon storage area which shall be also covered.

B) Recruitment

1) Foreign Staff

In hot air balloon industry obtaining experienced pilots is the biggest challenge. Due to the existing operations, company has several well experienced pilots. There shall be long term stationed pilots and short-term pilots. As the number of balloons increases in the operations company has no problem to bring required pilots.

2) Local Staff

Company is willing to recruit its local staff from local communities. For the ground staff company will arrange the necessary trainings such as first aid and fire. All the ground staff also to be trained by chief of ground staff and pilots and to be certified. Local staff other than flight operations for marketing, accounting, administration, support services and drivers also to be recruited from the region. It is estimated 12-14 jobs to be provided to locals per balloons. Once company is fully operational it is estimated that 28-30 locals will be employed.

C) Guest Booking and Collection

Guests will book their flight in advance through local guides, hotels, travel agencies and web site in advance. They will be contacted and visited before the flight if they want to get further information about the flight. Guest will be informed about their pickup time, and they will be carried to flight zone in the morning.

D) Technical Details of Flight

Various applications are used for the forecast of the next day's weather. If there is heavy rain or heavy wind is expected the flight will be cancelled. In the morning before the flight, small helium balloon will be left, and it will be tracked from the small light attached to it to understand the direction of the wind in different altitudes. If the directions are favorable for flight it will be performed otherwise it will be cancelled. Pilots may decide to change the take-off area due to the direction of the wind. It is estimated to have 200-250 available days to fly in one year.

E) After Flight Services

After successful landing of the first flight of the hot air balloon in the world in 1783, bottle of champagne was opened to successful landing. Since than it became a

tradition. After every landing company will serve champagne to its guests with bush breakfast. There will be also flight certificate and medals to be given to guests

F) Sales & Marketing

1) Web Site

Company will have professionally designed web site to give information to its guests and perform online sales. After the test flights professional photographer and drone shootings shall be arranged to provide visual material to web site. The web site may be integrated with its operations in Turkey so guests will have better perception about the company's capability and quality. There shall be specific employee who will reply the inquires of the guests which come through web site immediately.

2) Leaflets and Promotion Materials

Leaflets shall be provided and distributed to potential channels which the guests will come through.

3) Tripadvisor

Royal Balloon Turkey is the highest rated hot balloon company in the world in Tripadvisor. As guest most likely to check the company from internet they will come across with it. This will increase the trust with the guest.

4) Social Media

Company will utilize social media channels such as twitter, facebook and Instagram for marketing. There shall be a specific employee to manage these accounts.

5) Fly More Than One Balloon at the Same Time

Company noticed that guests are taking photo during flight and while taking photo they want other balloons to be in the frame. Even without filling the capacity, company will fly at least two balloons at the same time.

6) Advertisement

Company will utilize internet and social media advertisements. Besides that, advertisement board at the immigration while entering Tanzania to be hired.

7) Memberships

Company will apply to the memberships of respected organizations such as British Balloon and Airship Club and Balloon Federation of America. Moreover, company will get ISO certification.

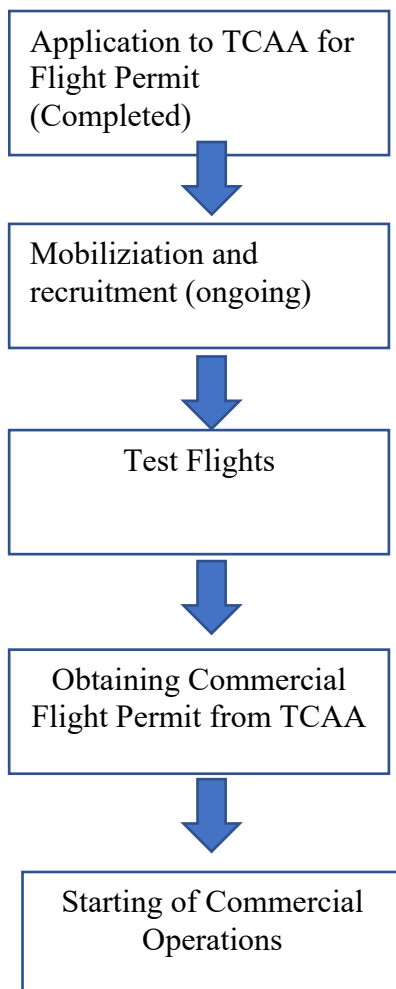
8) Corporate Social Responsibility

Company strongly believes giving back to community and with the guidance of RDB or concerned authorities CSR campaigns shall be organized.

9) Sales Channels

The sales will be performed from web site, through local guides, hotels and travel agencies. Company has commission scheme and all parties to be informed about this scheme.

G) Project Implementation Scheme



VI. NOTES AND ASSUMPTION

While assuming the number of passengers only two flight zones were considered with moderate numbers of passengers. Financial assumptions are shown in section V. Investment Plan C) Projected Cash Flow 1) Assumptions.