



PRESS RELEASE

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Kestrel to Manufacture in Superior, Wisconsin

Duluth, MN (January 16, 2012) Today, the City of Superior along with Douglas County and the State of Wisconsin formally announce that Kestrel Aircraft Corporation will be locating its headquarters and manufacturing facilities in the City of Superior.

Kestrel Aircraft was created in 2010 to certify and bring to market an aircraft that will re-define the single-engine turboprop market. The Kestrel Aircraft Project (the “Kestrel K-350” or “K-350”) will provide to the State of Wisconsin a company that will generate up to 600 permanent, non-seasonal jobs in a high tech industry by 2016. Kestrel’s staffing requirements will range from experienced senior executives to highly skilled engineers and designers to composite technicians and aircraft assembly personnel on the shop floor. Most of these positions will be recruited locally with many of the composite technician and aircraft assembly personnel being trained locally in conjunction with community colleges and Wisconsin Indianhead Technical College.

“Superior and Douglas County have a ‘can do’ attitude and today, that ‘can do’ attitude is on display,” declared Mayor Bruce C. Hagen. “Alan Klapmeier and his Kestrel Team have a vision for their company and I am delighted that they have decided to land their vision here in Superior.”

The K-350 is an all-composite (carbon fiber) single engine turboprop aircraft designed to carry a large load (5 passengers plus pilot) over a long range (approximately 1,500 miles) at high speed (approximately 375 mph), in a comfortable pressurized cabin, using short runways. Along with comfort and performance the K-350 will have the lowest “seat miles per gallon” cost of any aircraft in its class. For most missions, it will have journey times that are comparable with light jets, while burning significantly less fuel thus lowering direct operating costs and reducing emissions.

“Partnerships and cooperation are the keys to economic development here in Superior and Douglas County,” added Doug Finn, Douglas County Board Chairman. “I believe that without all of us working together, the State, County, City, and other members of the development team that this project would not have been possible.”

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With that said, below is the list of incentives the City of Superior, Douglas County and the State of Wisconsin put together to in order to make this day a reality.

City of Superior

- Tax increment financing and land grants totaling \$3.1 million.
- Low interest loan of \$2.4 million.

Douglas County

- Transfer of County owned property located adjacent to the Bong Airport
- \$500,000 loan through the Douglas County Revolving Loan Fund

State of Wisconsin

- Wisconsin Housing and Economic Development Authority (WHEDA)
 - \$30 million in New Market Tax Credits (NMTC) in 2012
 - \$60 million in future NMTC allocations
 - \$2 million loan through the US Treasury's State Small Business Credit Initiative Program
- Wisconsin Economic Development Corporation (WEDC)
 - \$18 million in Enterprise Zone Tax Credits
 - \$2 million economic development loan

Kestrel will begin construction on its Winter Street composite plant this spring and in 2013 will commence construction of its assembly plant at that the Richard I. Bong Airport in the heart of Superior.

“Today continues a relationship with Kestrel Aircraft Corporation that I know will be very positive relationship for years to come,” stated Mayor Hagen.

About Kestrel Aircraft

Kestrel Aircraft is a new airplane company led by general aviation entrepreneur, Alan Klapmeier. Based on the original work done by Farnborough Aircraft, the Kestrel airplane will be; six to eight seat, all composite, single-engine turboprop, boasting a broad performance envelope, and newest technologies available in personal and business aircraft. For additional information about Kestrel, please visit www.kestrel.aero

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