

XH558's 50th Birthday Appeal

XH558 needs £400,000 by Christmas

and a further £400,000 by 31st March.



Announcement on XH558's Future Funding

Joint statement by Dr Robert Fleming, Chief Executive, Vulcan to the Sky Trust and Richard Clarke, Chairman, Vulcan to the Sky Club.



At the start of the year, we promised that if we received £1 million in pledges from you, our supporters, we would give XH558 back to you through the 2009 air display season. **You delivered the pledges, and we made good on our commitment:** XH558 has been ecstatically welcomed at events throughout the UK this summer, and even ventured to mainland Europe.

Flying 21 display sorties to 33 events, **XH558 has been seen by over 2.5million spectators**, plus countless more that have sighted her in transit across the country. We have proved the "Vulcan Effect", with huge audiences flocking to the sight of XH558, the world's only flying Avro Vulcan.

HONOURING THE PAST – INSPIRING THE FUTURE!

As the year closes, we naturally look forward to the future. In May 2010, we will all celebrate the 50th Anniversary of XH558's first ever flight. We have two things to do to get there: we need to build on the success of 2009 and generate the funds for XH558's future, and we have some engineering work to do to prepare XH558 for 2010 and beyond.

Despite excellent reliability through most of the season, XH558 is due for a "Minor" service this winter, a more in-depth service than last winter. Certain calendar-lived components need to be overhauled or replaced. Importantly, with some experience now behind us, we need to ask BAE Systems and Rolls-Royce for very detailed advice and guidance on how best to manage XH558's remaining flying life. With the Vulcan's - & HM the Queen's - Diamond Jubilees in 2012, we must ensure XH558 continues to fly!

So our budget for the next year, including everything we need to do, is £2.4million.

The pie charts over the page show how this has been built up. As a baseline, our costs for the 12 months ending 31st August were £1.7million. This baseline rises to £2million for next year, mainly due to hangar & office rental costs and a large allowance for fuel. Including the one-off life management and overhaul costs this brings the bill for next year to £2.4million.

How are we going to meet this funding requirement? **We are now able with confidence to see £1.6million in firm revenue streams**, made up of £810,000 from known and secured sources, and a further £800,000 in planned income in which we have high confidence. **This leaves £800,000 to find** – see Income pie chart.

We are therefore now launching XH558's 50th Birthday Appeal! Given that only a fraction of those who were awed by the sight of XH558 in 2009 have contributed directly to her funding, we believe that there is a significant source of new funds into which we can tap!

This Appeal is urgent, because we need to commit to this Winter's work now, and that means committing to pay for it.

This time we are directly asking for donations, not pledges, because we feel we now have earned your trust to deliver what we promise. So please do what you can, and ask your family, friends and colleagues as well, to ensure XH558 flies on into the future.



XH558 FIFTIETH ANNIVERSARY
1960 - 2010

VTST Forecast Income for 1st Nov 2009 – 31st Oct 2010

**Total
Income
£2,410,000**

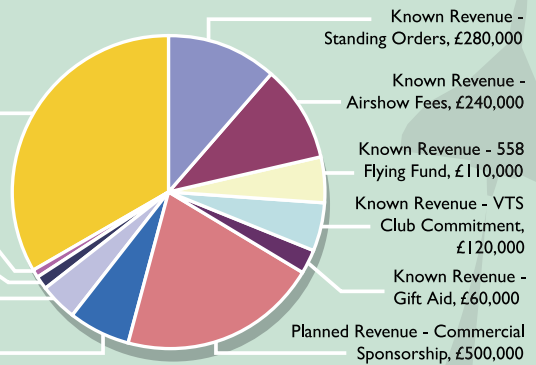
XH558 50th Birthday
Appeal, £800,000

Planned Revenue -
Education revenues, £20,000

Planned Revenue -
Engineering Services, £30,000

Planned Revenue - Merchandise &
Licensing, £100,000

Planned Revenue - Regional
airshow sponsorship, £150,000



Here are our main Revenue Streams and planned developments over last year:

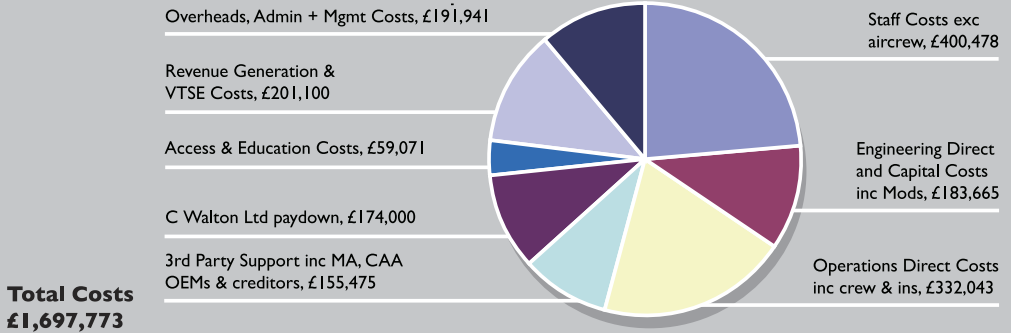
- Public and philanthropic donations:** We are seeking to fund the immediate Winter engineering activities and to increase our regular monthly income. The XH558 50th Birthday Appeal will leverage our high profile and grow Club Membership.
- Sponsorship:** With the power of the Vulcan Effect, we will be seeking more sponsorship, with a range of packages available offering good value at lower cost levels.
- Merchandise:** Direct purchasing will increase margins and the breadth of products available.
- Licensing:** More commission from authorised use of our Trademarks and Intellectual Property.
- Air Show Fees:** Our new Regional Sponsorship Programme is designed to generate funding for the benefit of both VTST and the event.
- Education:** We will be selling Teaching and Learning Packs to Local Authorities and as a powerful lever for sponsorship, strongly linked with the Regional Sponsorship Programme.
- Engineering services:** We will be selling our unique expertise in safety and project management to UK's Permit aircraft operators, an area of potentially major expansion.
- New home base:** i.e. shop, café, tours etc. Will be a focus once we have a permanent operating base.

Engineering Plan

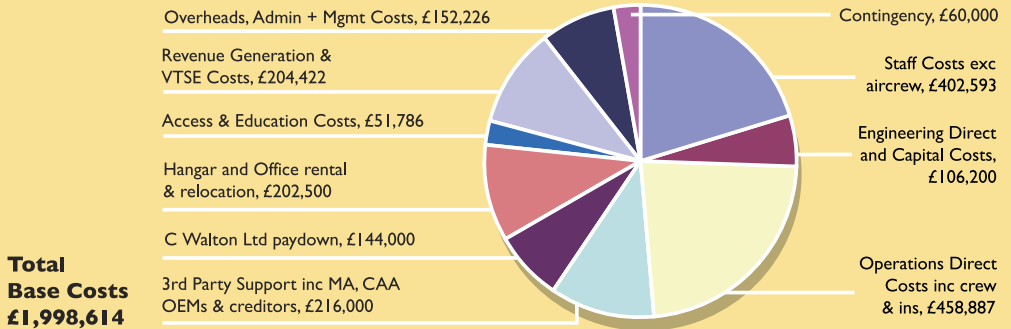
Life Management Investment		Calendar-lifed system overhaul/renewal	
Fatigue Formula revalidation	£20,000	Port Leg overhaul	£20,000
Engine Life Management Plan	£20,000	Ejection Seat overhaul	£15,000
Wing Mods 2429 & 2430	£170,000	Fire extinguisher cartridge replacement x 22	£30,000
Wing Mods 2429 & 2430 additional manpower	£14,000	Crew parachute inspection & repack	£1,000
Total	£224,000	Crash inertia switch replacement x 6	£12,000
		Fatigue meter overhaul x 2	£6,000
		Brake chute purchase x 2	£35,000
		Non destructive testing	£4,000
		Total	£123,000

The Facts

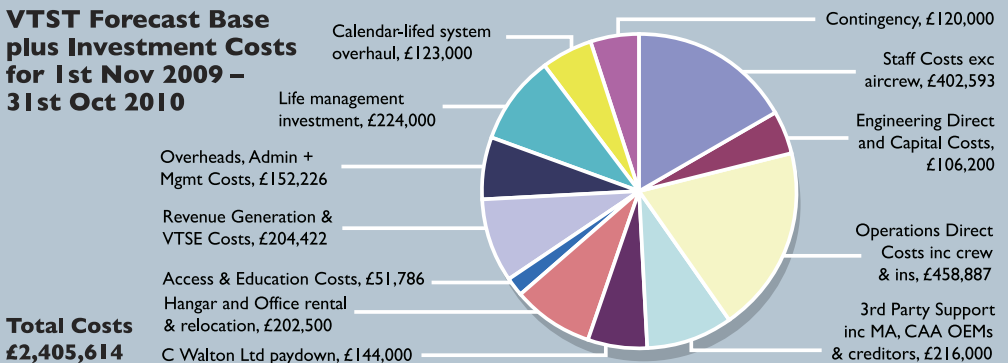
VTST Actual Costs for 1st Sep 08 – 31st Aug 09



VTST Forecast Base Costs for 1st Nov 2009 – 31st Oct 2010



VTST Forecast Base plus Investment Costs for 1st Nov 2009 – 31st Oct 2010



More details, Questions and Answers with regard to our future funding can be found on the Appeal pages at: www.vulcantothesky.org



You can donate and help in four ways....

1

On-line (anytime) by visiting:
www.vulcantothesky.org see: Appeal Pages

2

By phone (during office hours)
by calling **0116 247 8145**

3

By cheque: Please circle amount and enclose cheque payable to: VULCAN TO THE SKY TRUST

£10

£20

£30

£50

Or other amount: £

Please indicate if you are a UK taxpayer and we can claim Gift Aid on your donation.

YES! PLEASE CLAIM GIFT AID...

Please also complete your contact details on the form below, so we can acknowledge your cheque.

4

By Standing Order:

I wish you to mail a standing order to my bank in favour of VTTST to the amount of:

£3

£5.58

£10

£15

Or other amount: £

To start / / monthly / annually Select as appropriate

TO (Bank) _____

Address: _____

Please pay: Vulcan To The Sky Trust Sort Code: 40-46-39 Account No. 01542656

Name of Account: _____

Account No: _____ Sort Code: _____

Name: _____ Signature: _____

Name: _____ Signature: _____
(if joint account)

Please add your contact details below. We will pass on to your Bank once our database records are updated.

Name: _____

Address: _____

Postcode: _____

email: _____

Daytime Phone Number (in case of query): _____

YOUR DATA: The Vulcan To The Sky Trust will keep your data securely in accordance with the law. We will automatically update you about our progress, by post or email. If you DO NOT wish to get this, please put a CROSS here.

Also, if you wish to receive information from third parties approved by us, please TICK here.

Office use only:
Code: MOI-D

If donating by Cheque or Standing Order, please post this form to:

VULCAN TO THE SKY, PO BOX 7263, LEICESTER. LE5 6YR, UNITED KINGDOM