

**THE LUSCOMBE ENDOWMENT, Inc.**  
2487 S GILBERT RD., STE. 106, PMB 113  
GILBERT, AZ 85295  
October 24, 2008

WIN ME! Luscombe promotion

Dear Luscombe Endowment supporter,

The 2008 Luscombe WIN ME drawing was conceived in 2006, then modestly promoted in 2007-2008. With some 12 prior WIN ME promotions upon which to draw experience, we understand the makings of a successful promotion, and the response profile upon which we can typically rely. The costs of such a promotion are as follows:

The Aircraft procurement and restoration usually represents some \$60K to \$65K- This year's airplane ran into a budget of more than \$71K for parts, component procurement, and labor expenses, due to some very unique parts fabrication.

Other prizes, Advertising, promotion, transportation, and expenses add about \$5K-9K. Processing costs, bank fees, and professional fees related to the WIN ME are about \$2K-5K. The total projected cost is roughly \$80K to 86K for a WIN ME promotion. The 'average' ticket price is just \$32, so it is necessary for us to sell nearly all of the 2500 tickets to meet the financial obligations. Historically speaking, the WIN ME drawing sells about 45-50% of its tickets prior to the last 4 months of the contest, simply because people procrastinate.

The remaining 50-55% of the tickets typically sell in the final three to four months of the drawing. Within those final months, sales have consistently risen through September, with a final sales frenzy during the last 3-4 weeks of the WIN ME promotion in October. All but two (very early) drawings have sold out completely by Mid October. I do not ever recall a shortfall of revenues in a WIN ME drawing since 1993 when we first began the WIN ME program.

The 2008 WIN ME Luscombe promotion has been different. Ticket sales behaved normally through about September 25, 2008. There was a slowing of sales through October 4, and then a dramatic flattening of the October ticket sales curve for 10 days. Sales volume recovered considerably during the following 14 days, but the WIN ME promotion still remains some 500 tickets behind its sales goal as of October 25, 2008.

It was suggested to us by some financial advisors last week, that this slowing of ticket sales was tied to unrelated, but over-riding issues in the American economy due to mortgage valuations/ Wall street problems/ and failed congressional oversight which might have impacted the American consumer confidence levels and spending. The Luscombe Endowment's board agrees that the special times and recent economic conditions have negatively affected our historical projections and ticket sales profile upon which we have relied.

This leaves us in a difficult position where the Luscombe Endowment board believes that the best, and the fairest solution to the situation is to extend the WIN ME promotion and marketing period for the sale of 500 more tickets to fully met our financial obligations to all involved in the WIN ME drawing. We will continue advertising the WIN ME, and we will post updates at the [www.luscombe.org](http://www.luscombe.org) website as those tickets sell. We anticipate that ticket sales will close by the end of 2008, but we will continue the promotion until the necessary financial goals are met, at which time the prizes will be awarded.

Thanks for your support of our Luscombe preservation efforts, and your understanding of this very unusual situation that has affected the drawing schedule. Please ask for WIN ME flyers, and post them at your airport so that we can market the final 500 tickets necessary to close the promotion.

Most Sincerely Yours,

Doug Combs,  
For the Luscombe Endowment Board

Press release

The Luscombe Endowment extends Luscombe WIN ME promotion drawing for 6 months / 500 tickets due to October 2008 economy changes Additional details and ticket sales results are available at [www.Luscombe.org](http://www.Luscombe.org).