



JETNET iQ *Snap!* Report

Q2 2015 Summary Report

Prepared for:
JETNET iQ Global Business Aviation Survey Respondents

June 30, 2015

JETNET iQ Snap!: 2nd Quarter 2015 - Private & Confidential

Thank You, Merci, Obrigado, Muchas Gracias, תודה, Danke, ありがとう, Grazie, شكرا, спасибо, 謝謝

Thank you for participating in our quarterly JETNET iQ Global Business Aviation Surveys. Your opinions and inputs are vital to the many people in the industry tasked with designing and developing aircraft, providing aviation services on the ground and in the air, financing / selling / and buying aircraft, and creating the operational framework for safe and efficient flight.

JETNET has been a trusted source of aviation market intelligence since 1988. From humble beginnings in Utica, NY, we have built one of the finest research teams and business aviation databases in the industry. Our people are professional and dedicated, and our data products and services are unique and innovative. We are committed to continuous improvement as

we provide our clients with unprecedented global coverage, data connectability, and market insights wherever they are.

We continue to focus on new products and services to keep our customers better informed. “Know More” – JETNET’s familiar tagline – is what we hope you will agree is amongst the primary benefits that we bring to the aviation community. Thank you again for participating in our quarterly survey - we hope this JETNET iQ *Snap!* Report is useful to you.

Navigating by JETNET iQ

JETNET iQ *Snap!* Reports are one of the ways we would like to say “thank you” for the time and opinions you provide us when participating in our quarterly JETNET iQ Global Business Aviation Surveys. With seemingly endless demands on your time, we appreciate your help and want to provide you useful information in return. In the attached pages you will find some of the latest market intelligence that we have collected and analyzed. Our goal is to be a resource to identify, analyze, and highlight issues that matter to the business aviation community. As an industry leader and aviation professional, you make a difference by participating in these surveys, providing us with objective and subjective perspectives into the state of the worldwide business aviation industry.

JETNET iQ *Snap!* Reports reflect the collaborative insights of you, our

respondents, and our JETNET iQ research team. Collectively, we have extensive experience in business aviation, from executive offices and boardrooms, to the cubicles, factory floors, design centers, situation rooms, cockpits, service hangars and flight lines of the industry. Much like a magnifying glass concentrates light and energy, JETNET iQ draws from a diverse set of intelligence sources to bring the power of this experience into sharp focus.

Since early 2011, our JETNET iQ research team has been reaching out to you – fixed-wing turbine aircraft owners and operators - with our quarterly JETNET iQ Global Business Aviation Surveys. As always, we hope that this latest issue of our JETNET iQ *Snap!* Report is insightful to you.

Rolland Vincent
JETNET iQ Creator / Director
rollie@jetnet.com

JETNET

- Founded in 1988
- Privately-owned family business
- Headquarters in Utica, NY
- 70+ employees (45+ in research)
- Daily contact with aircraft owners and operators globally



JETNET: Worldwide leader in aviation market intelligence

JETNET

- Solutions and services:
 - JETNET iQ
 - Evolution Marketplace
 - Evolution Aerodex
 - Marketplace Manager
 - Sales Price Index
 - Aviation Business Index
 - AvData Reports
 - Helidex
 - Rotodex
 - BigPlanes
- Data coverage:
 - 60,000 business aircraft (fixed and rotary wing)
 - 50,000 commercial aircraft



JETNET: Tracking more than 110,000 business and commercial aircraft worldwide

- about JETNET
- solutions & services
- contact
- testimonials
- alliances
- news
- blog
- videos



- Evolution Marketplace >
- Evolution Aerodex >
- BigPlanes >
- Marketplace Manager >
- Sales Price Index >
- JETNET Mobile >
- JETNET iQ >
- Aviation Business Index >
- AvData Reports >



Founding Member of



>> Know More.

JETNET iQ

- *Intelligence....quarterly*
- Focus: Business aviation research & forecasting
- Main features
 - Surveys – of aircraft owners and operators
 - Reports – of current and forecast market conditions
 - Summits – of industry thought leaders

JETNET iQ Surveys

- Turbine business aircraft owners and operators
- Quarterly
- Global
- On-line
- Multilingual
- Password-protected
- Password-linked

JETNET iQ GLOBAL BUSINESS AVIATION SURVEY - Q2 2015 English

WELCOME



* Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence. Your insights are critical to product and service development that will better meet your evolving needs.

Survey responses:

- 1) Will be strictly confidential
- 2) Will NOT be used in any way to directly market to you or your organization
- 3) Will take approximately 20-30 minutes to complete

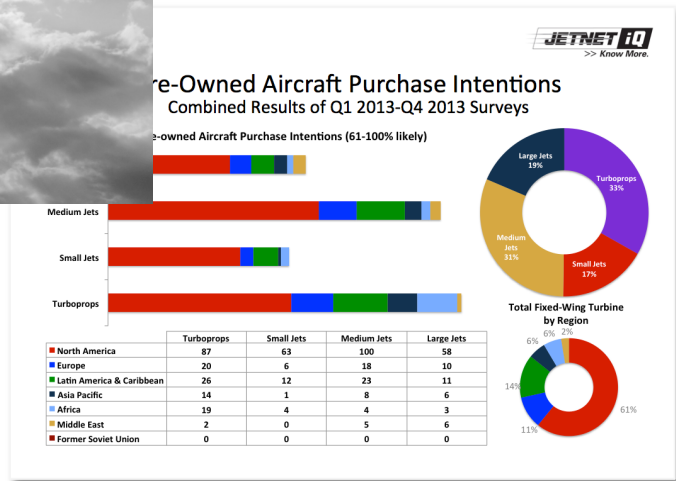
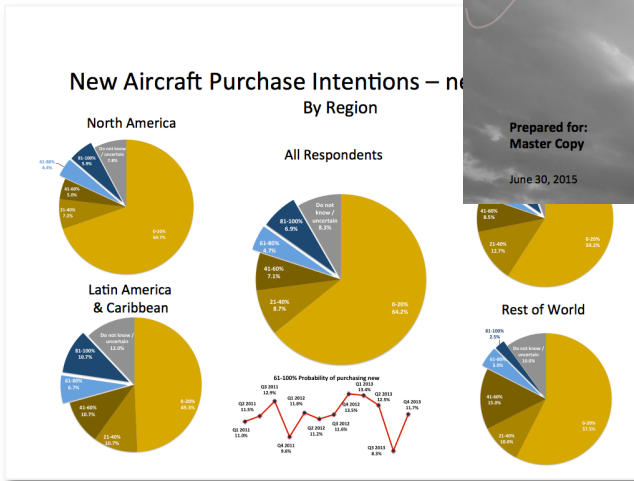
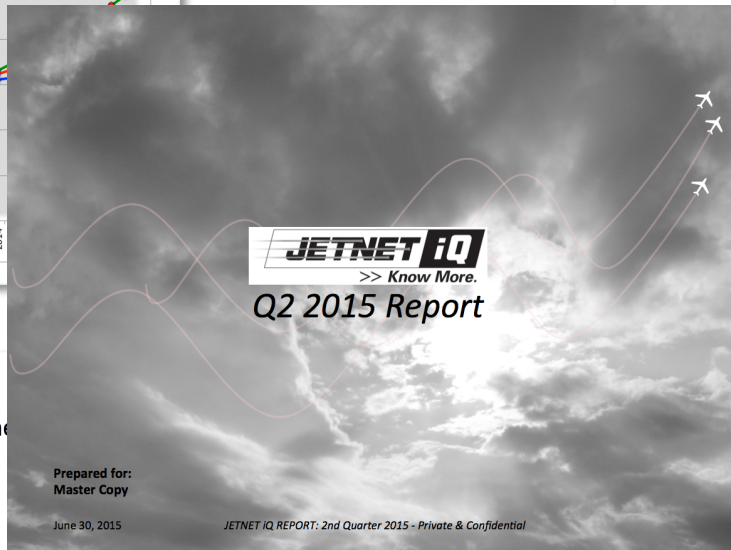
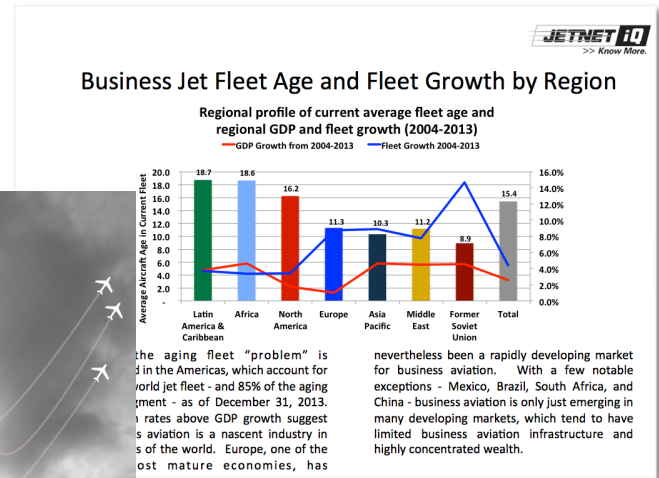
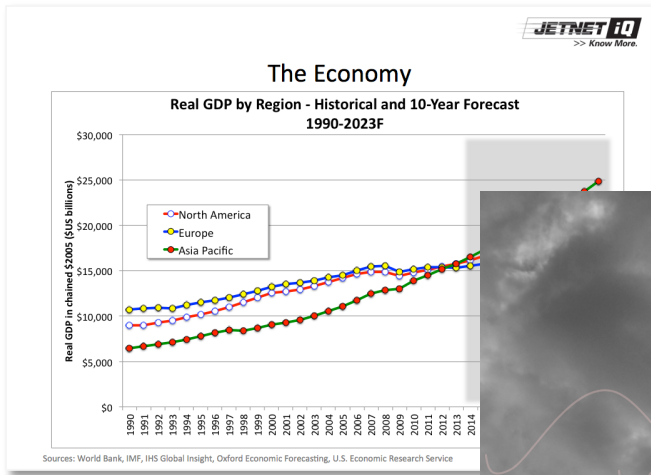
PASSWORD:

For questions about this survey, please contact:



ROLLAND VINCENT
JETNET iQ Creator / Director
Phone: 1-972-439-2069 (U.S. Central Time)
Email: rollie@jetnet.com

JETNET iQ Reports



JETNET iQ Summits

- Thought leadership and networking conferences
- 5th Global Business Aviation Summit:
 - June 23-24, 2015 - New York City
 - <http://www.jetnetiq.com/summit.shtml>



The Global Economy

Average Annual GDP Growth 1970-1980 (%)



Average Annual GDP Growth 1980-1990 (%)



Average Annual GDP Growth 1990-2000 (%)



Average Annual GDP Growth 2000-2010 (%)



Average Annual GDP Growth 2010-2015 (%)

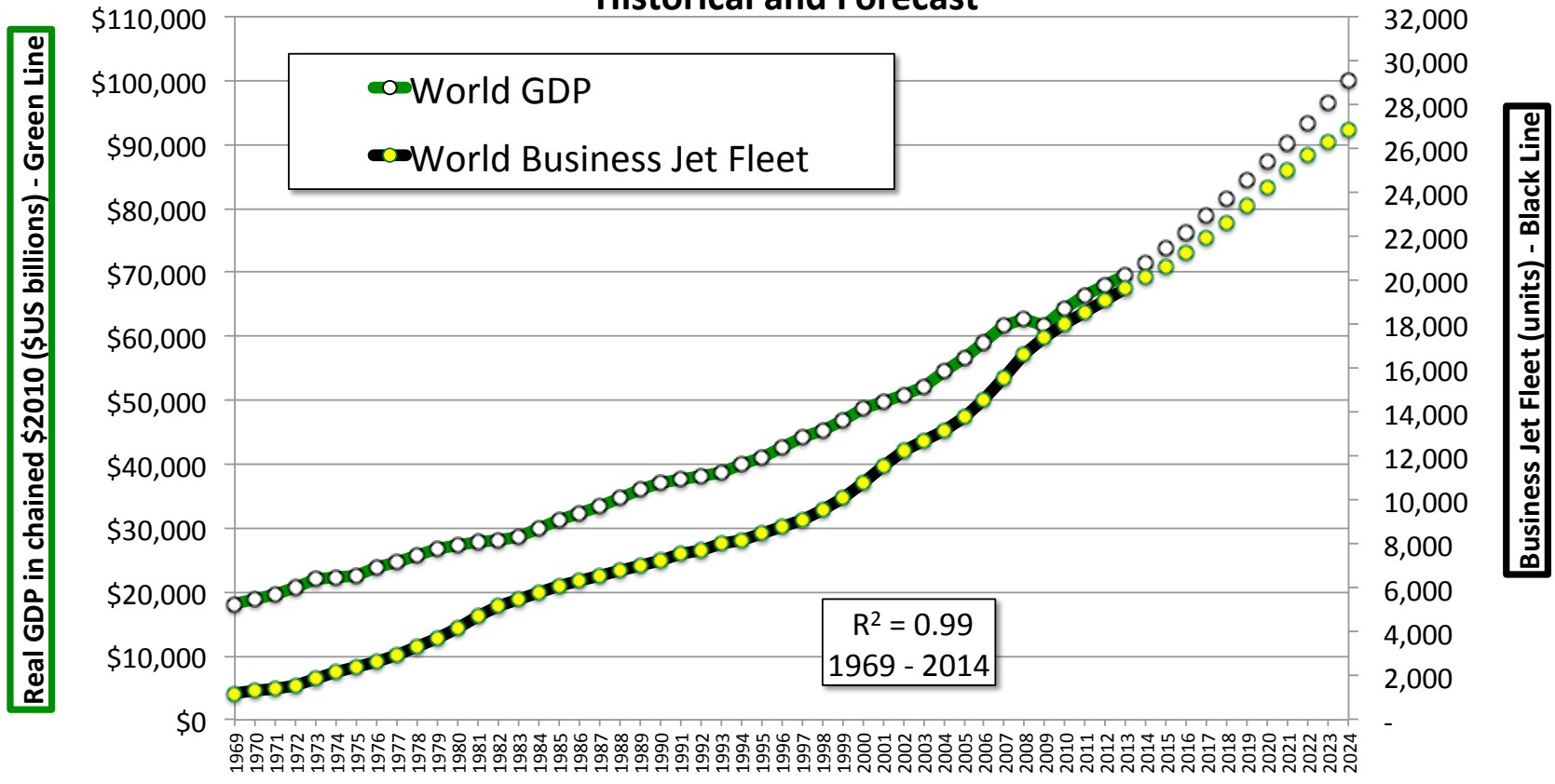


Sources: U.S. Economic Research Service

GDP growth has been strongest in the Asia, Latin America & Caribbean and Africa

The Economy

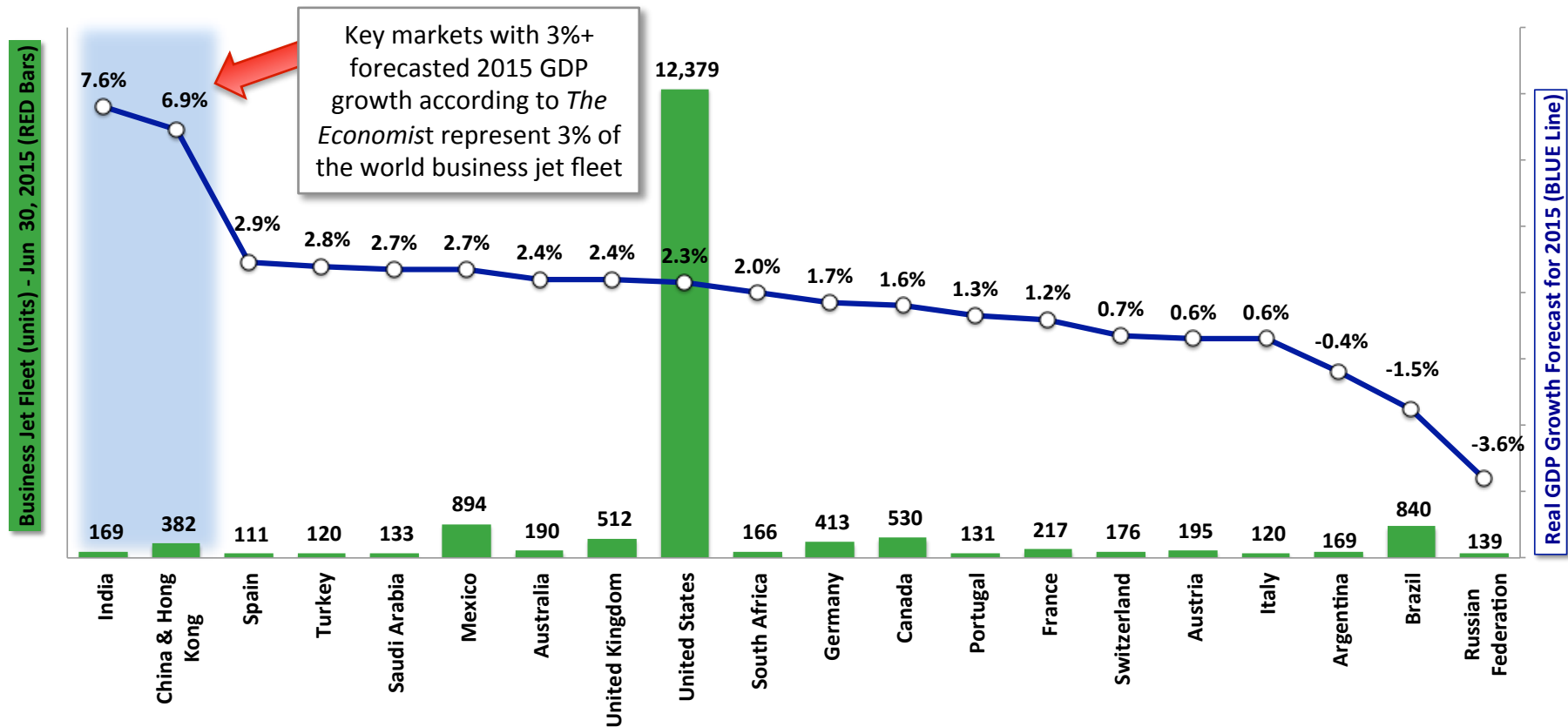
**World GDP and World Business Jet Fleet
Historical and Forecast**



Business jet fleet growth is tightly correlated with world GDP growth

The Economy

2015 GDP Forecasts and "Top 20" Business Jet Fleets

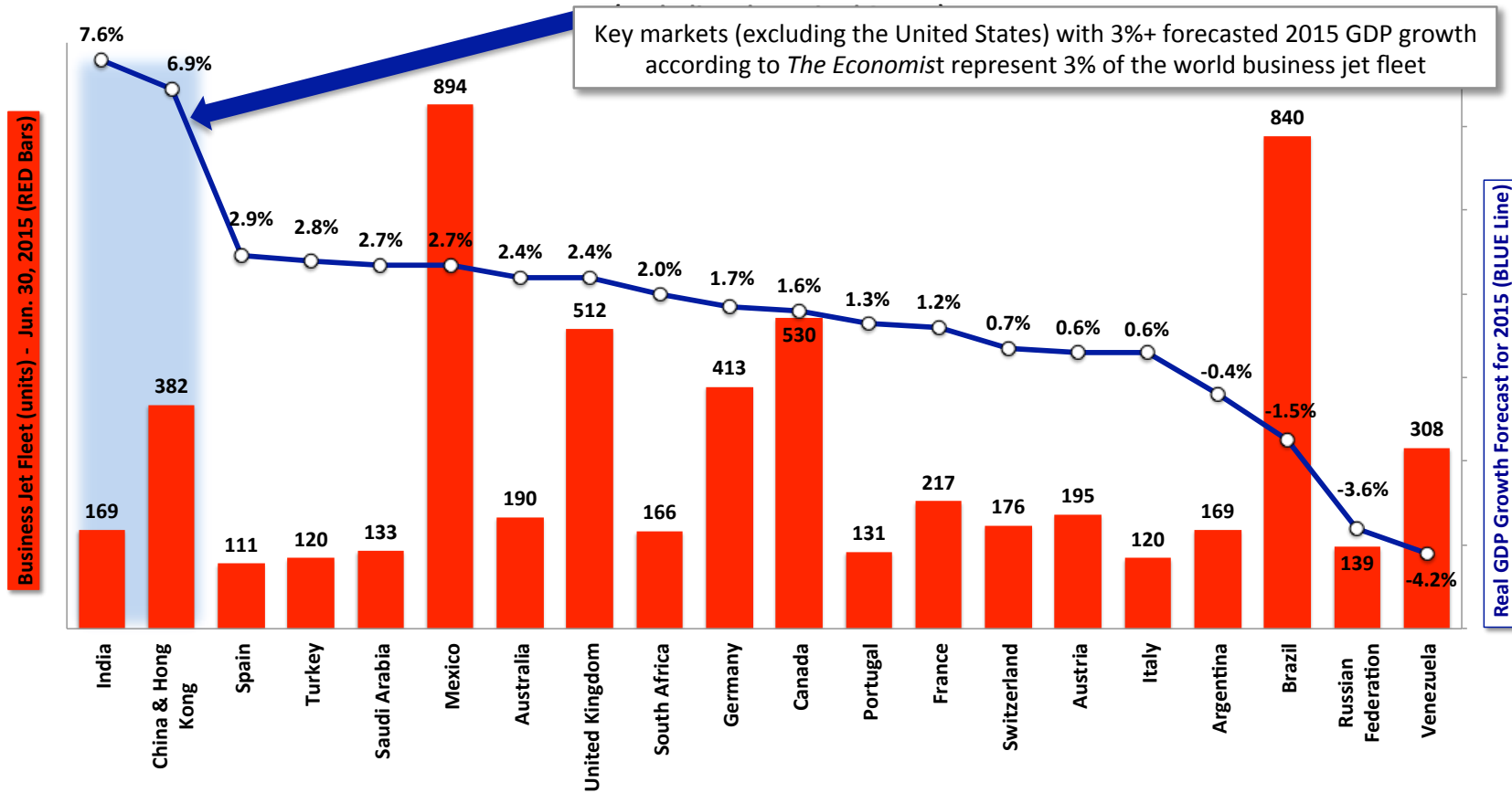


Sources: The Economist, July 18, 2015; JETNET

Mexico and Brazil have the next largest fleets after the USA; China is fastest growing

The Economy

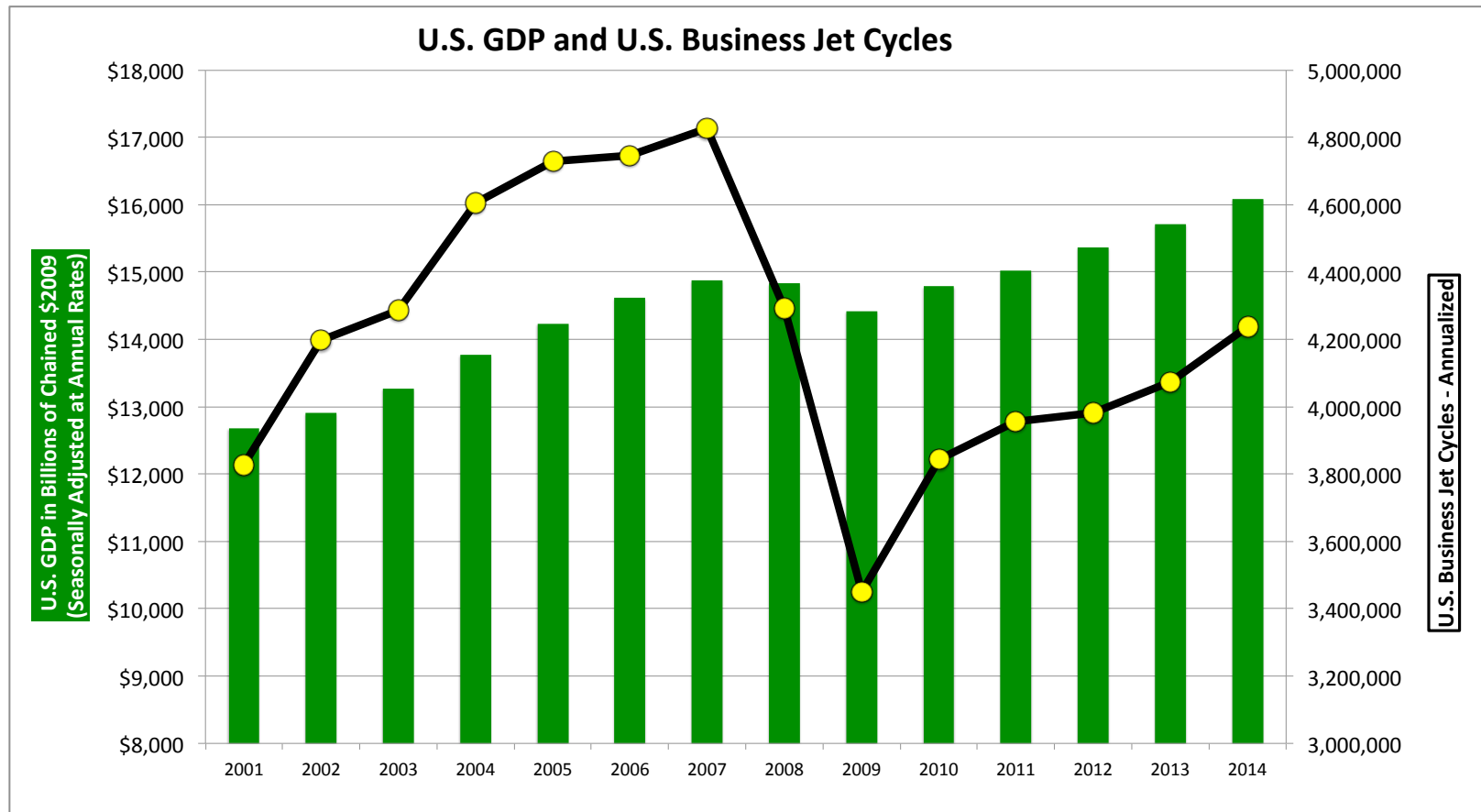
2015 GDP Forecasts and "Top 20" Business Jet Fleets



Sources: The Economist, July 18, 2015; JETNET

“Top 20” business aviation countries have widely divergent economic outlooks

The Economy



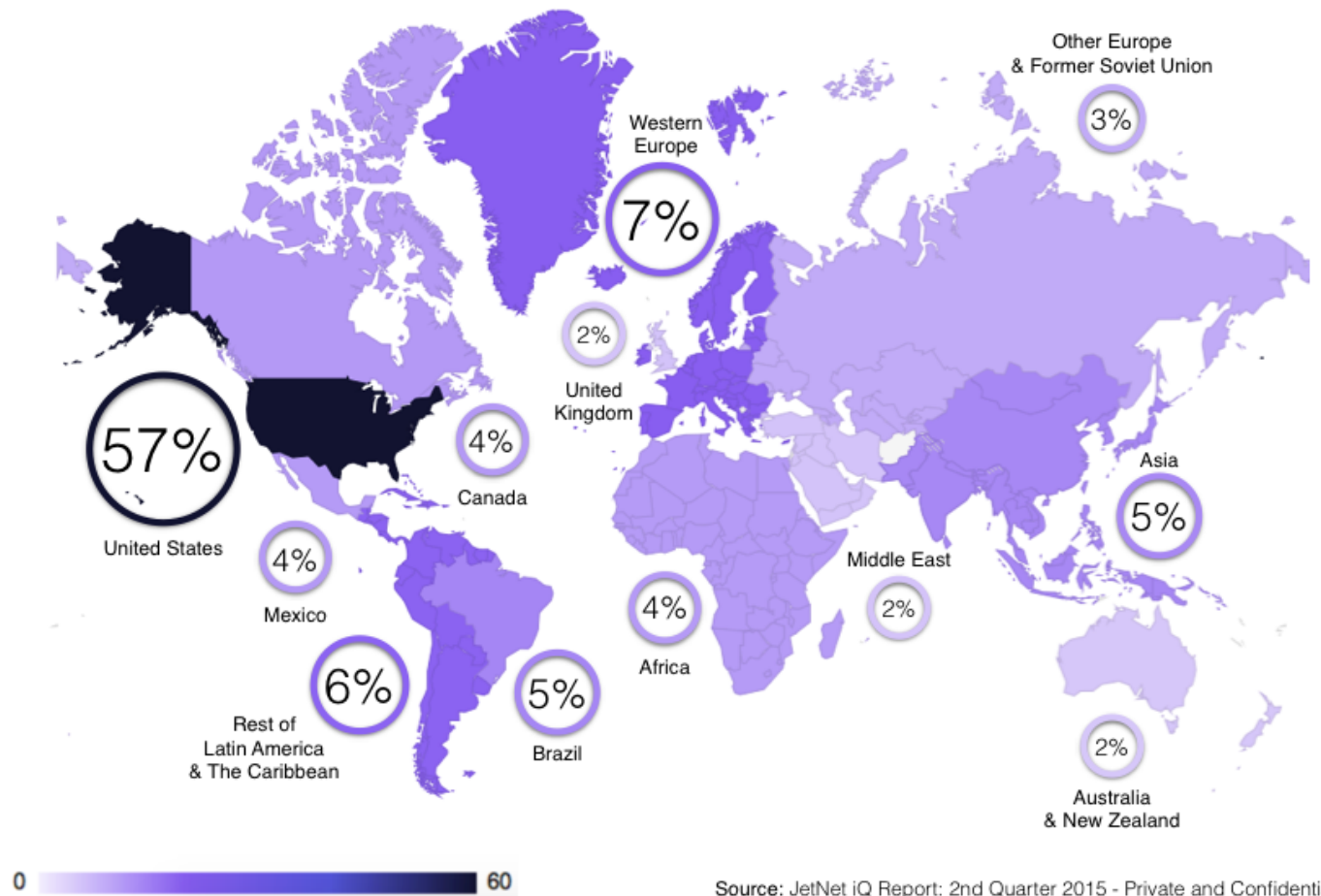
Sources: U.S. BEA, FAA

U.S. business jet cycles are steadily recovering, but remain below 2003-2008 levels

Business Aircraft Fleet by Region

Percentage of Total Fleet by Region

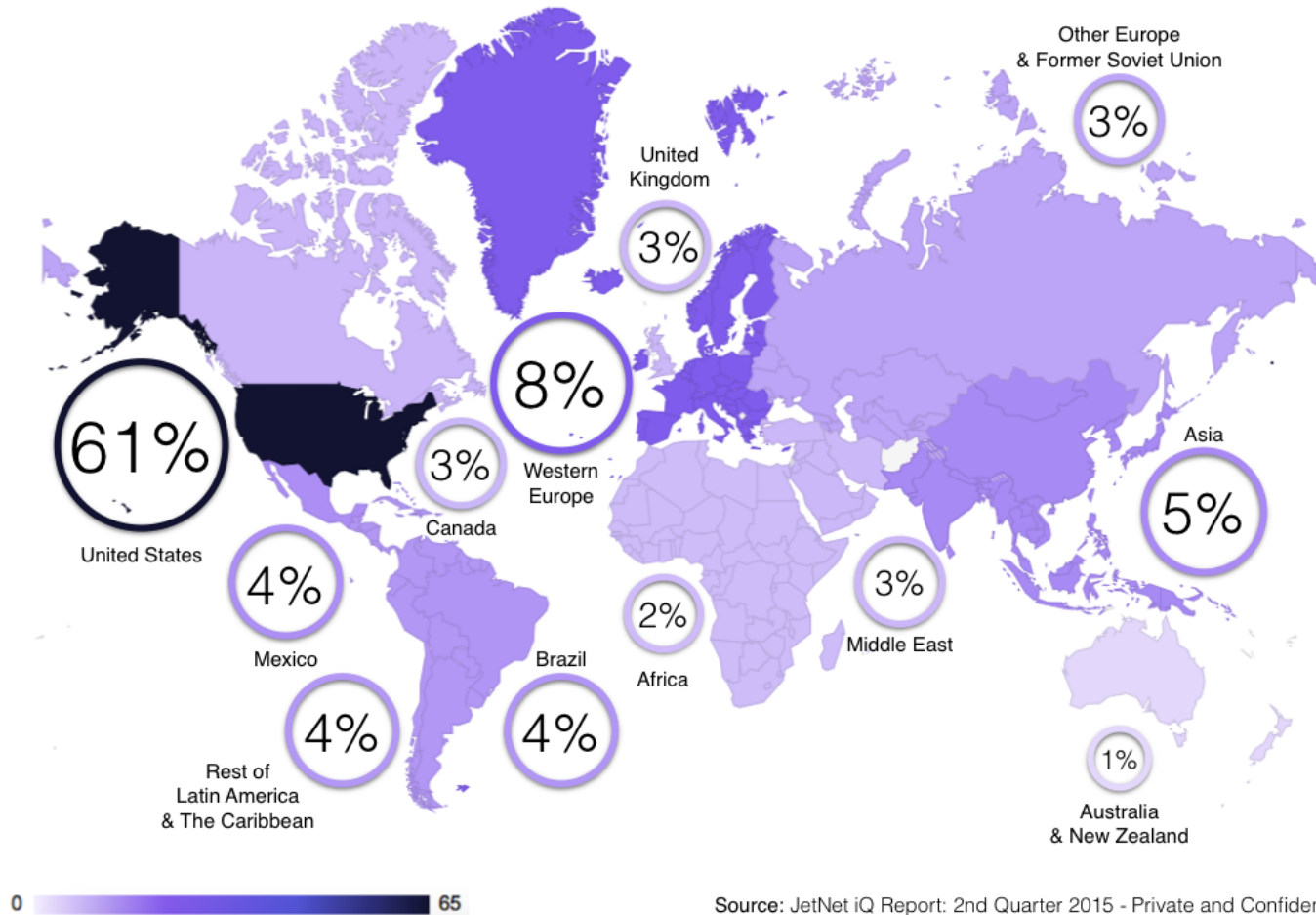
As of Q2 2015



Business Jet Fleet by Region

Percentage of Business Jet Fleet by Region

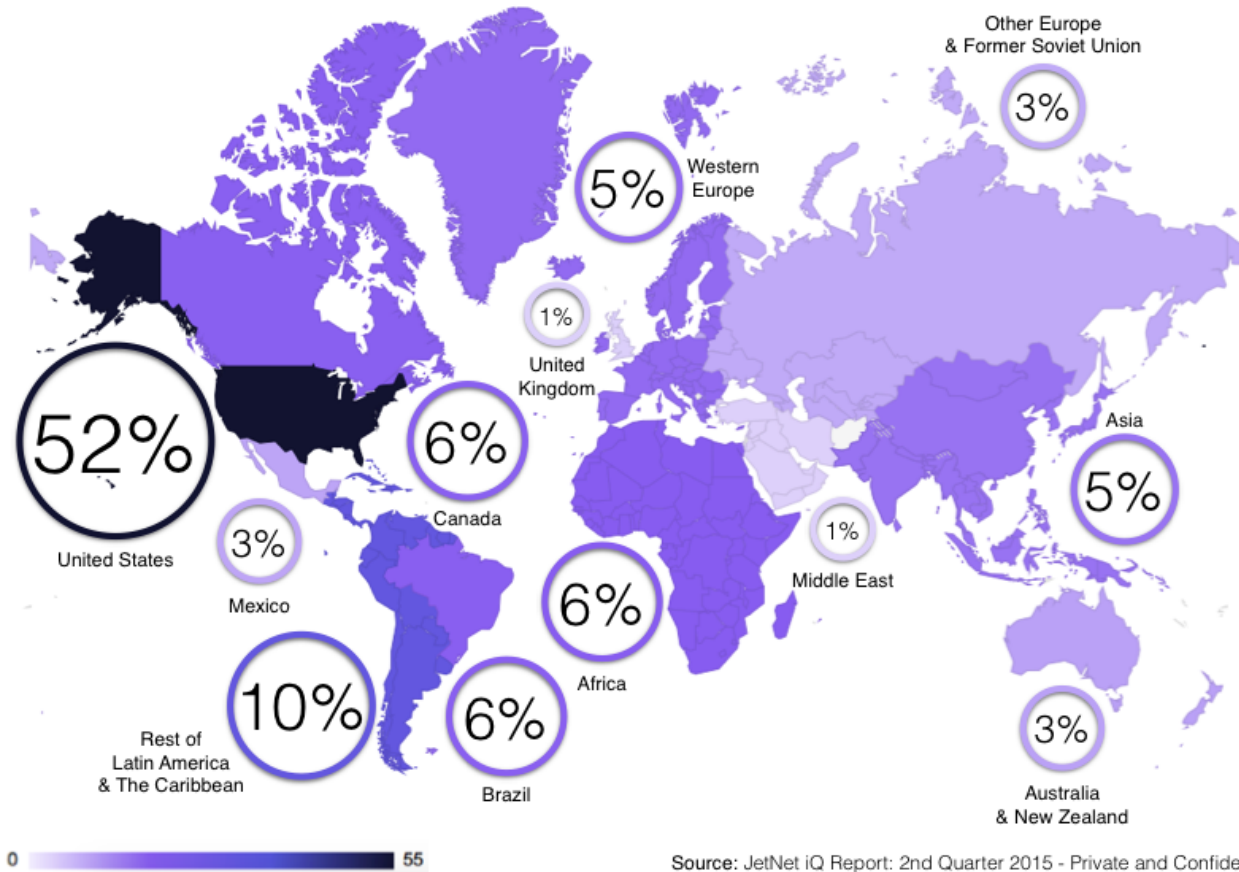
As of Q2 2015



Source: JetNet iQ Report: 2nd Quarter 2015 - Private and Confidential

Business Turboprop Fleet by Region

Percentage of Turboprop Fleet by Region
As of Q2 2015



Source: JetNet iQ Report: 2nd Quarter 2015 - Private and Confidential

Business Jet Fleet by Manufacturer

NORTH AMERICA OEM	Fleet as of Jun 30, 2015
Beechcraft	253
Bombardier	2,782
Cessna Citation	4,507
Dassault Falcon	1,282
Embraer	380
Gulfstream	1,691
Hawker	1,245
Other	769
Total	12,909

EUROPE OEM	Fleet as of Jun 30, 2015
Beechcraft	19
Bombardier	572
Cessna Citation	851
Dassault Falcon	456
Embraer	118
Gulfstream	194
Hawker	193
Other	133
Total	2,536

FORMER SOVIET UNION OEM	Fleet as of Jun 30, 2015
Beechcraft	-
Bombardier	75
Cessna Citation	18
Dassault Falcon	25
Embraer	25
Gulfstream	24
Hawker	39
Other	20
Total	226

MIDDLE EAST OEM	Fleet as of Jun 30, 2015
Beechcraft	4
Bombardier	115
Cessna Citation	59
Dassault Falcon	61
Embraer	39
Gulfstream	92
Hawker	62
Other	78
Total	510

LATIN AMERICA & CARIBBEAN OEM	Fleet as of Jun 30, 2015
Beechcraft	70
Bombardier	631
Cessna Citation	820
Dassault Falcon	153
Embraer	202
Gulfstream	185
Hawker	312
Other	166
Total	2,539

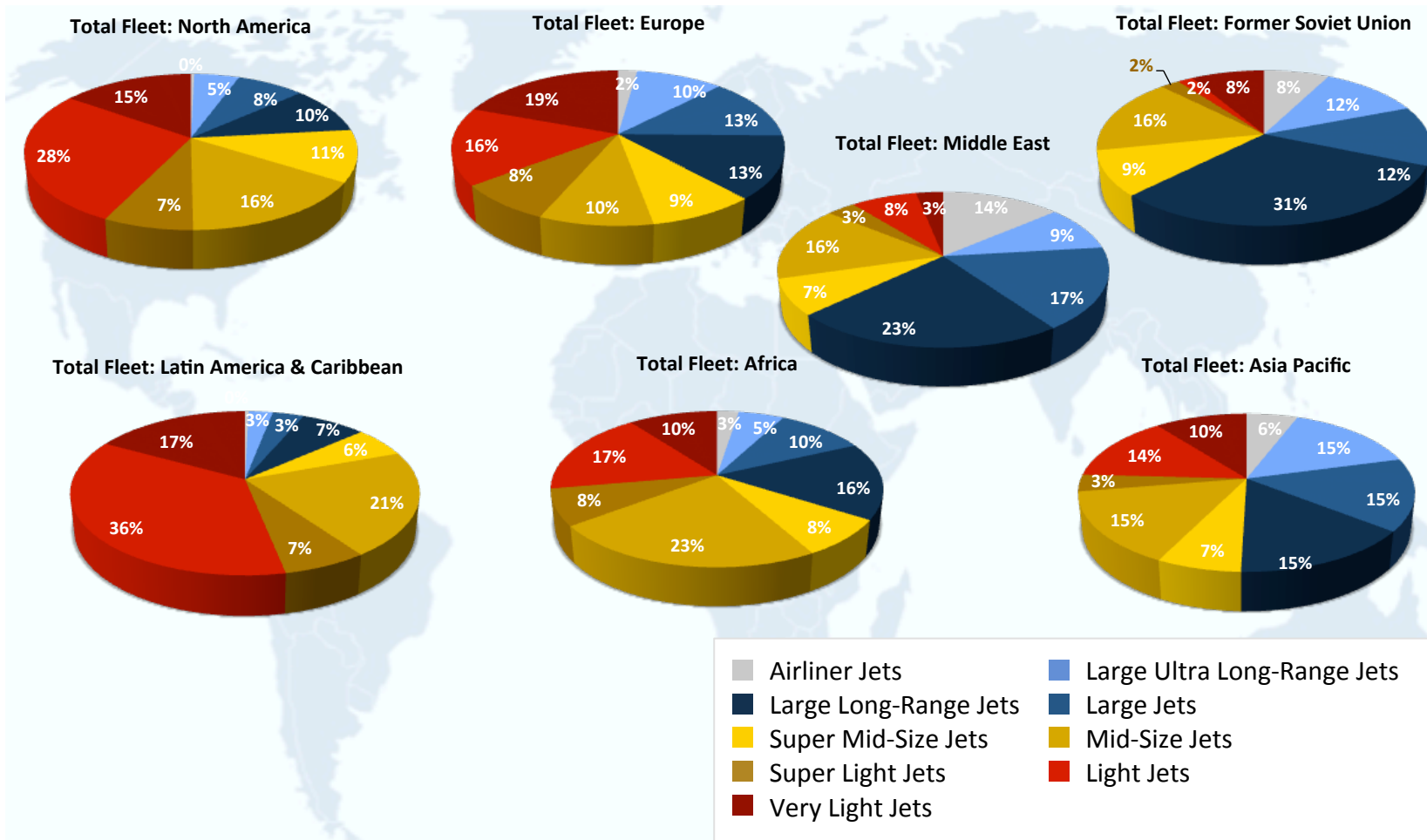
AFRICA OEM	Fleet as of Jun 30, 2015
Beechcraft	5
Bombardier	90
Cessna Citation	107
Dassault Falcon	65
Embraer	20
Gulfstream	60
Hawker	107
Other	22
Total	476

ASIA PACIFIC OEM	Fleet as of Jun 30, 2015
Beechcraft	10
Bombardier	258
Cessna Citation	218
Dassault Falcon	93
Embraer	71
Gulfstream	247
Hawker	145
Other	88
Total	1,130

World business jet fleet was 20,326 jets on June 30, 2015

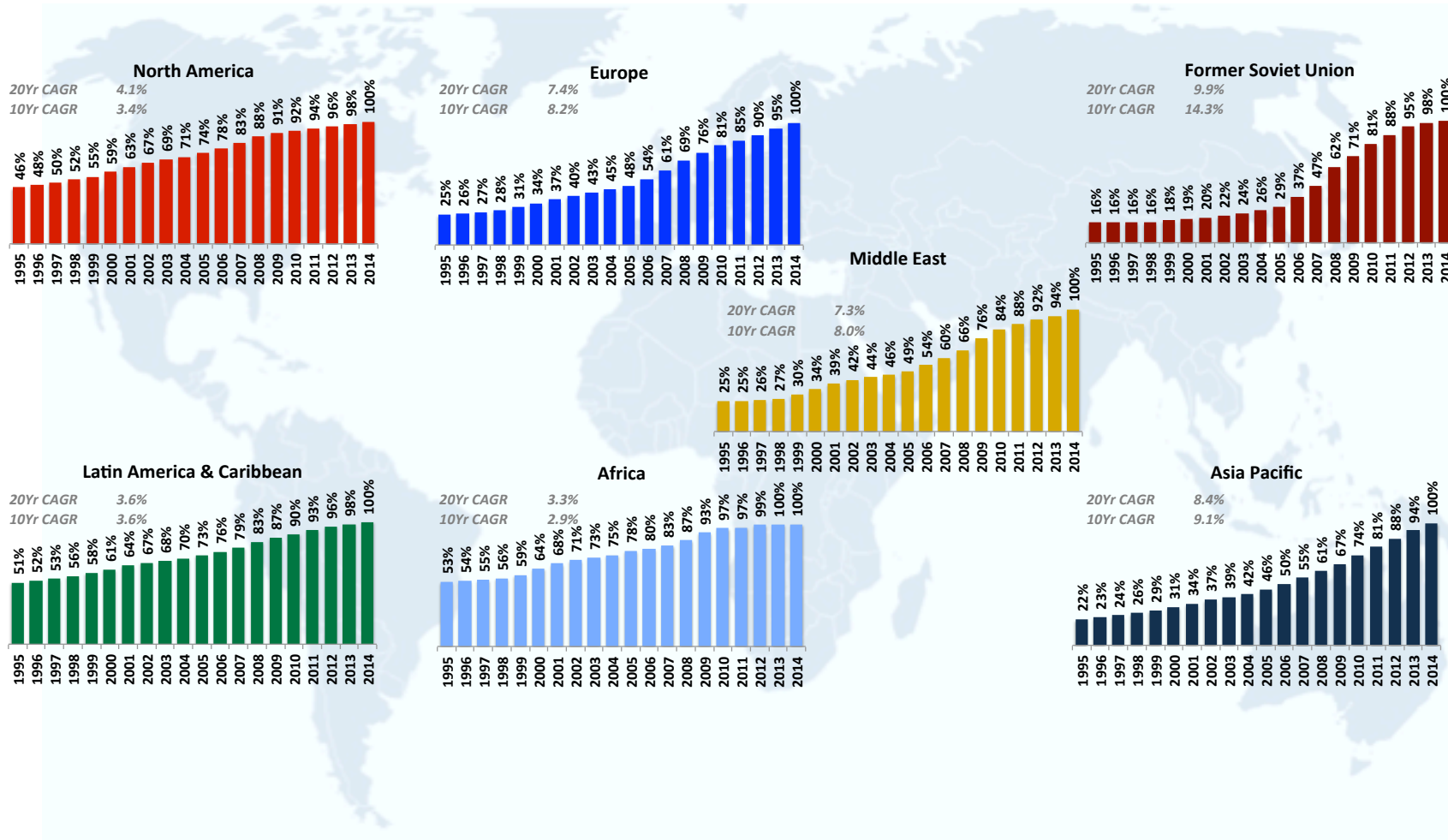
Business Jet Fleet by Size Category

June 30, 2015



Business Jet Fleet Growth: 1995-2014

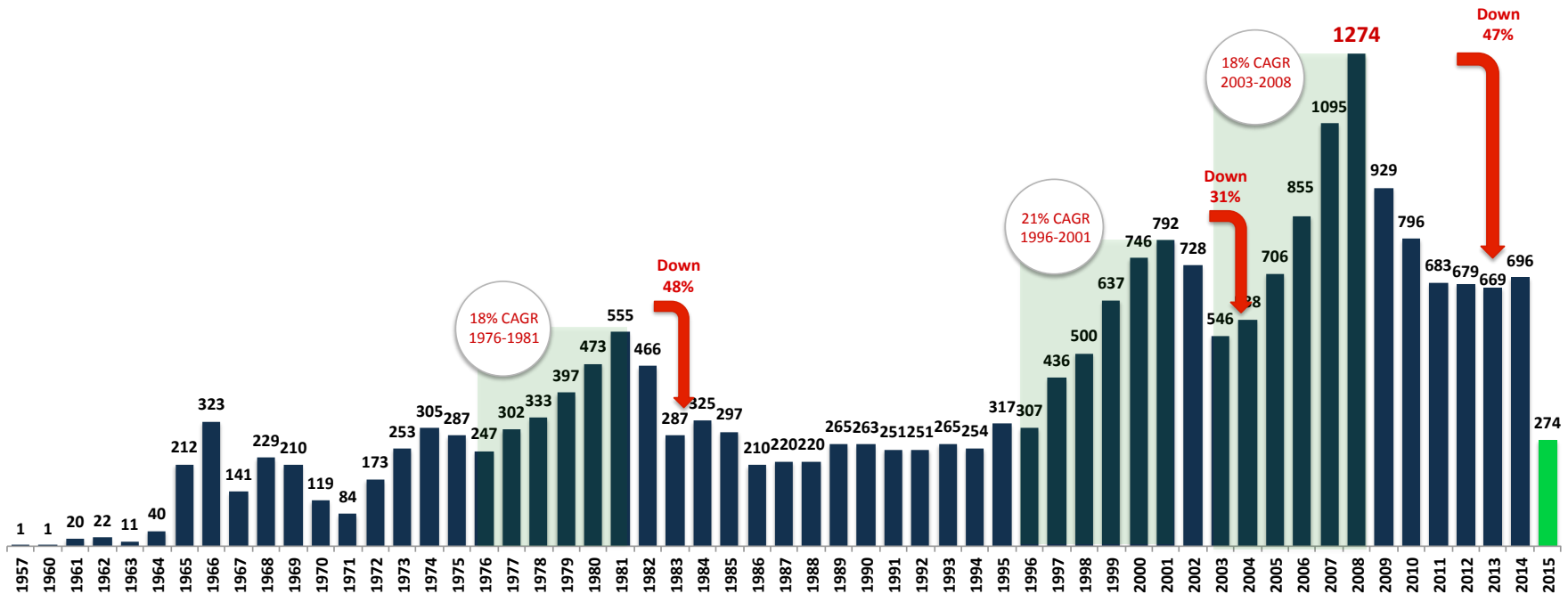
Fleet in Years 1995 to 2014 as a % of Year-End 2014 Fleet by Region



Business Jet Deliveries (units)

Note: 2015 deliveries are Year-to-Date through June 30, 2015

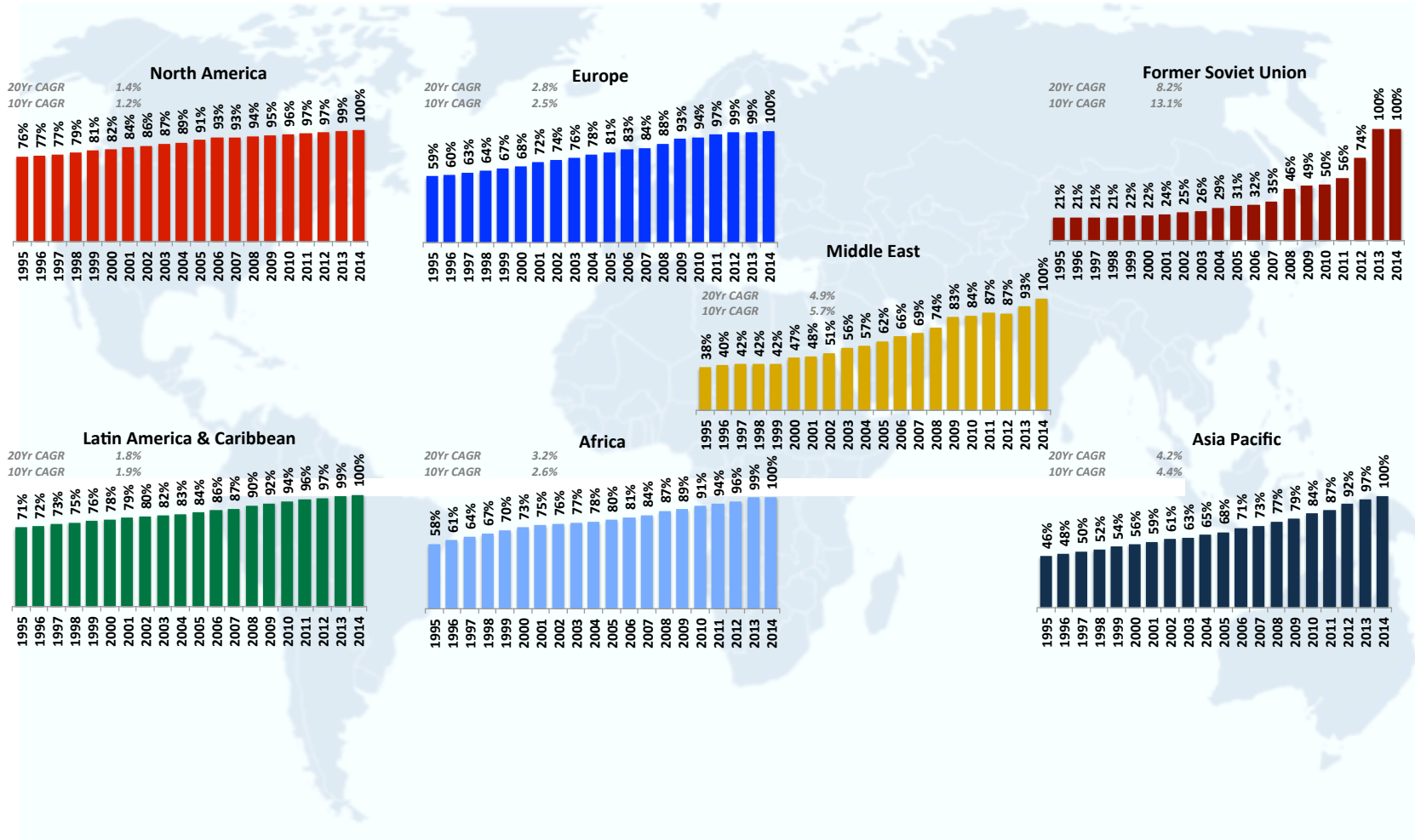
Business Jet Deliveries



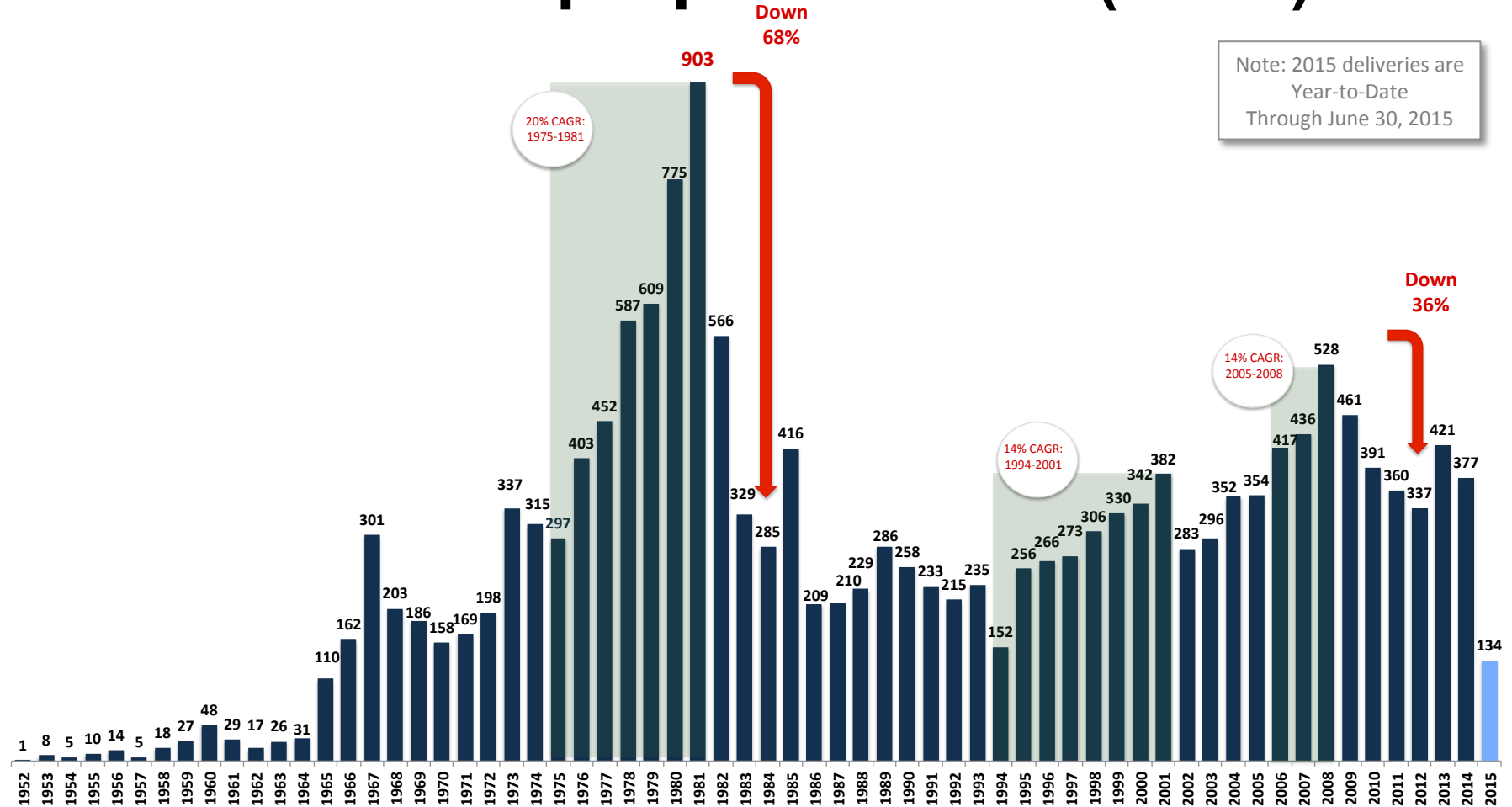
New business jet delivery units have remained relatively flat for 4 years;
 New business jet delivery value in 2014 was about \$22B based on equipped list prices

Turboprop Fleet Growth: 1995-2014

Fleet in Years 1995 to 2014 as a % of Year-End 2014 Fleet by Region



Business Turboprop Deliveries (units)

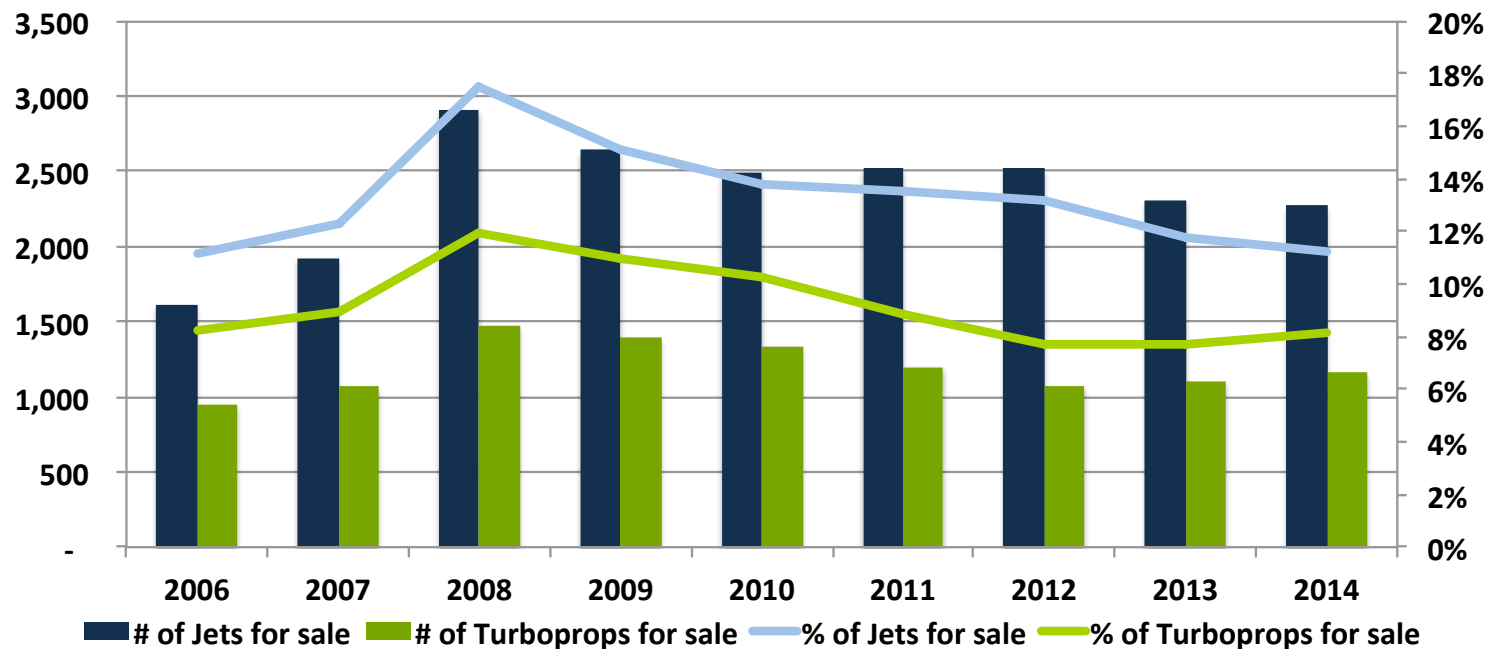


Note: 2015 deliveries are Year-to-Date Through June 30, 2015

New turboprop deliveries were down 10% from 2013 to 2014

Pre-Owned Business Aircraft Inventory

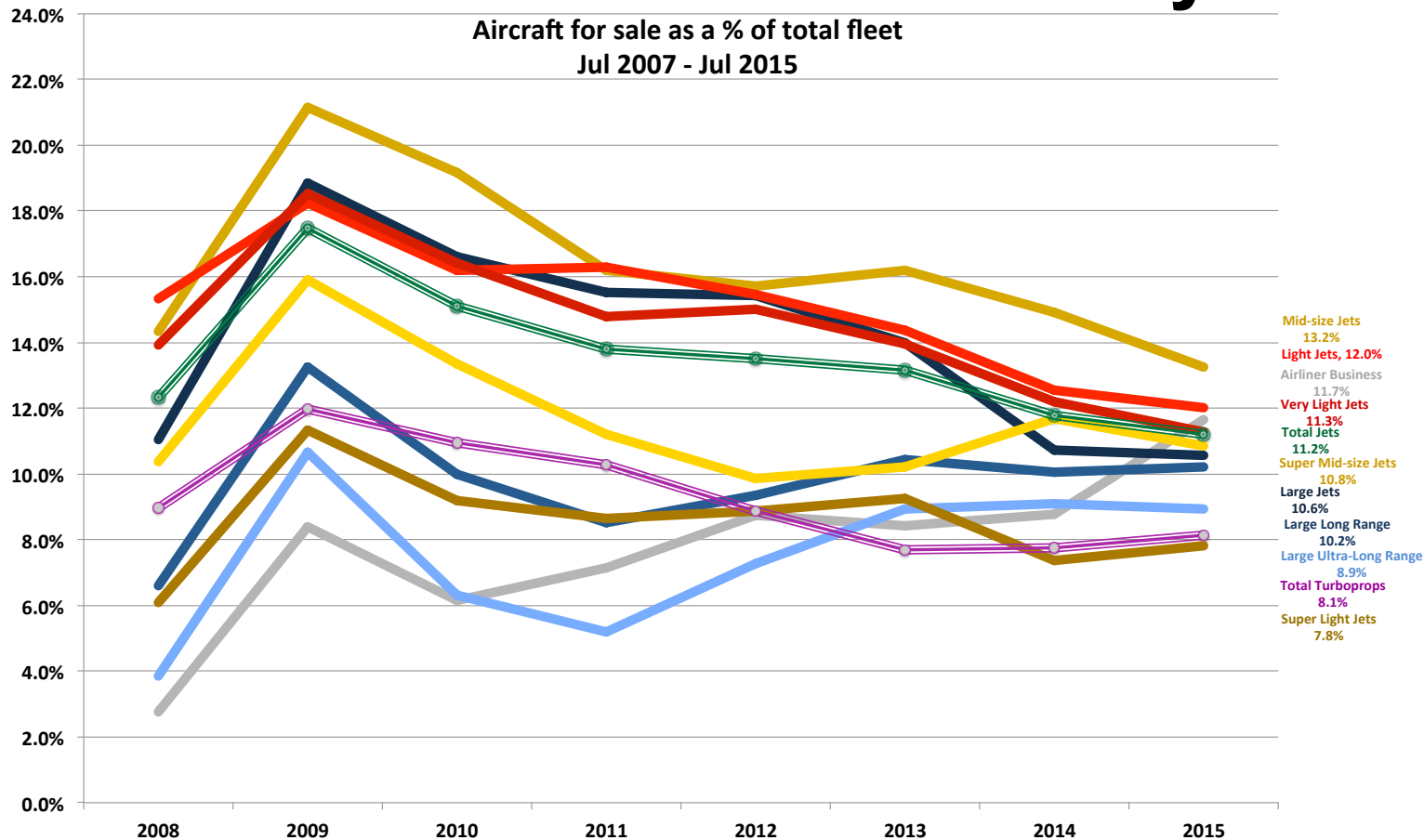
Business Jets and Turboprops for sale
Jul 2007 - Jul 2015



Aircraft Available for Sale as % of World Fleet (as of July 1)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business Jets	11.2%	12.3%	17.5%	15.1%	13.8%	13.5%	13.2%	11.8%	11.2%
Turboprop	8.2%	9.0%	12.0%	10.9%	10.3%	8.9%	7.7%	7.7%	8.1%

The percentage of pre-owned business aircraft for sale is below pre-recession levels

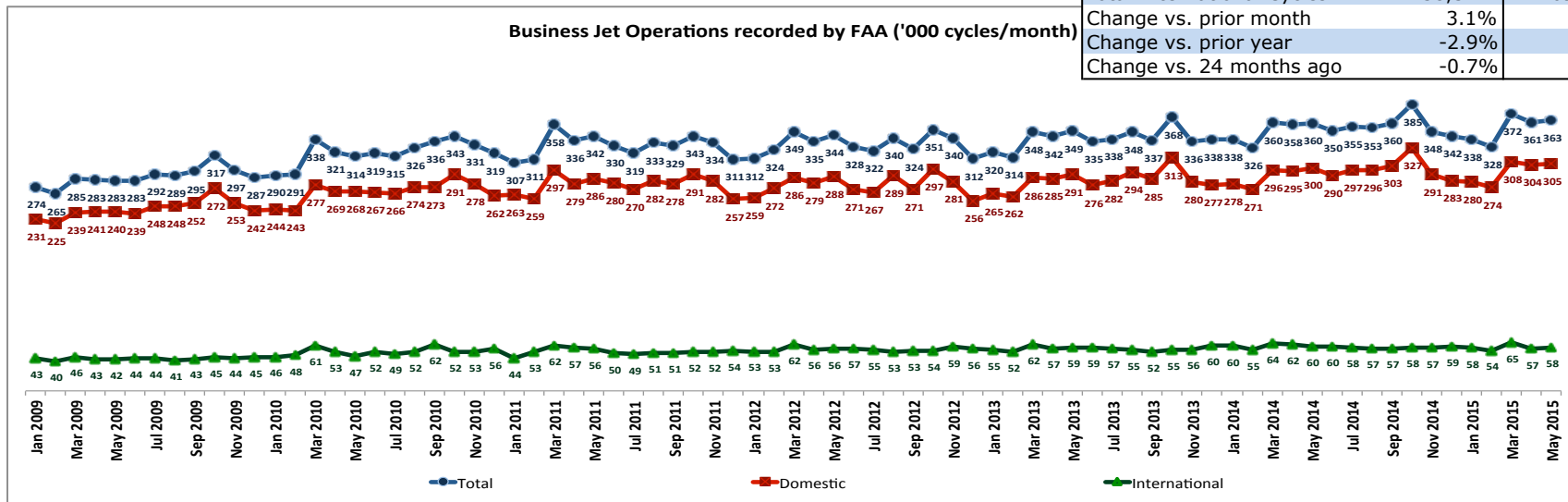
Pre-Owned Business Jet Inventory



Pre-owned jet inventory levels vary significantly by size category, with light, very light and mid-size still with highest % for sale (with downward trend since 2009)

U.S. Business Jet Utilization

FAA BUSINESS JET OPERATIONS - MAY 2015		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	363,240	4,256,074
Change vs. prior month	0.7%	0.1%
Change vs. prior year	0.9%	2.8%
Change vs. 24 months ago	4.0%	6.6%
DOMESTIC CYCLES		
Total Domestic Cycles	304,916	3,557,364
Change vs. prior month	0.3%	0.1%
Change vs. prior year	1.6%	3.2%
Change vs. 24 months ago	4.9%	7.1%
INTERNATIONAL CYCLES		
Total International Cycles	58,324	698,810
Change vs. prior month	3.1%	-0.2%
Change vs. prior year	-2.9%	0.6%
Change vs. 24 months ago	-0.7%	4.0%

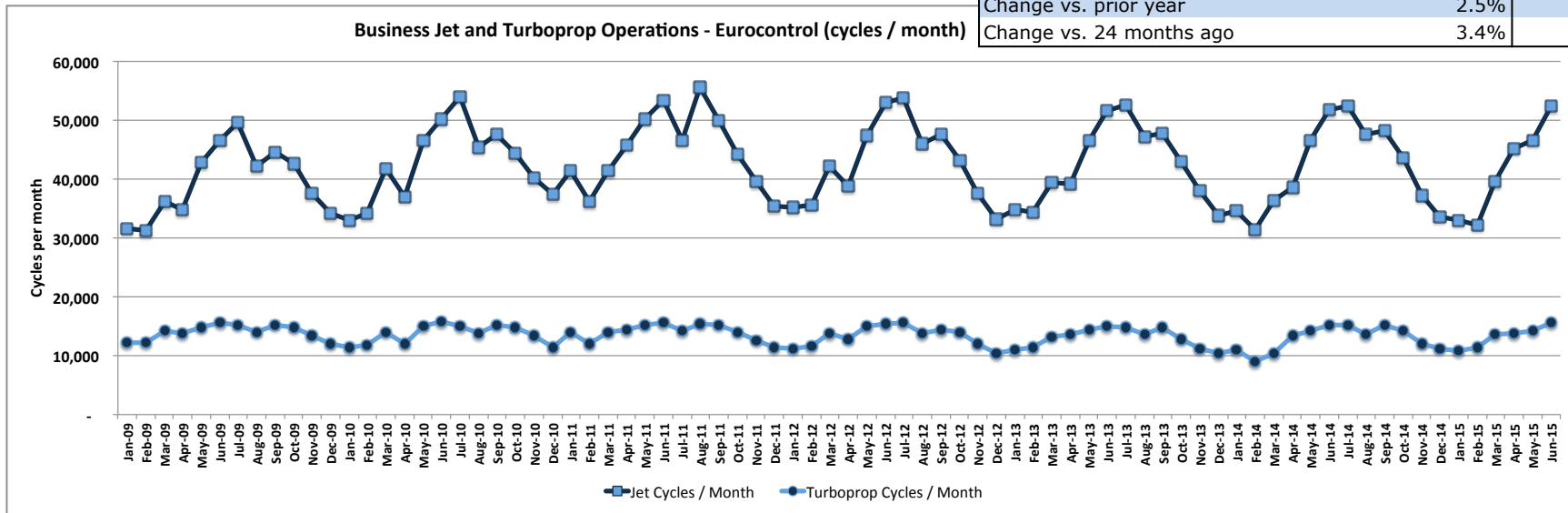


Source: U.S. FAA

Annualized U.S. business jet cycles through May 2015 are up 6.6% over 2 years ago

European Business Aircraft Utilization

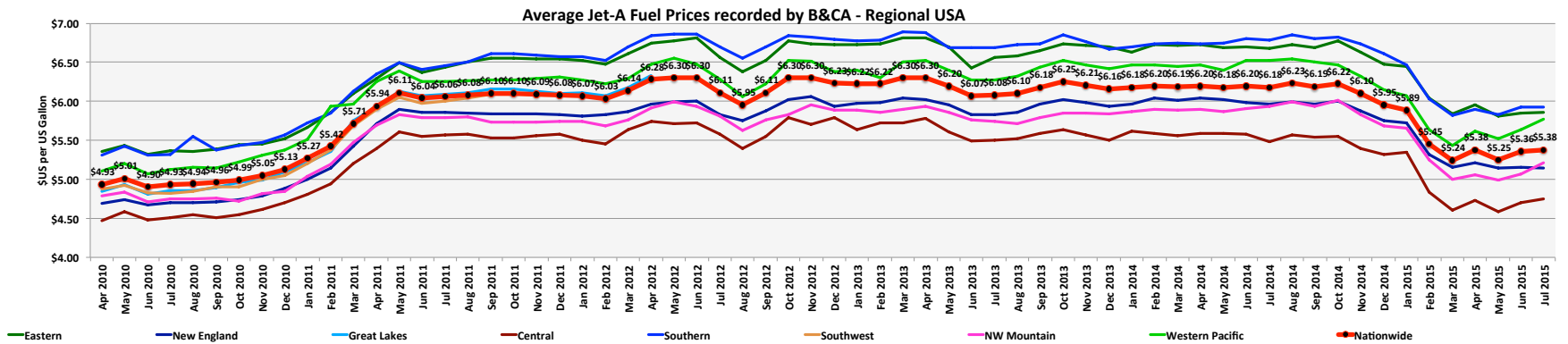
EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - JUN 2015		Trailing 12 Months
BUSINESS JETS (EXCLUDING AIRLINERS)		
Total Cycles	52,441	511,683
Change vs. prior month	12.5%	0.1%
Change vs. prior year	1.1%	1.9%
Change vs. 24 months ago	1.6%	0.8%
TURBOPROPS		
Total Cycles	15,603	160,908
Change vs. prior month	9.6%	0.2%
Change vs. prior year	2.5%	6.7%
Change vs. 24 months ago	3.4%	1.4%



Source: Eurocontrol

Annualized European cycles are up 1.9% for business jets and up 6.7% for business turboprops over the prior year on a trailing 12 months (TTM) basis

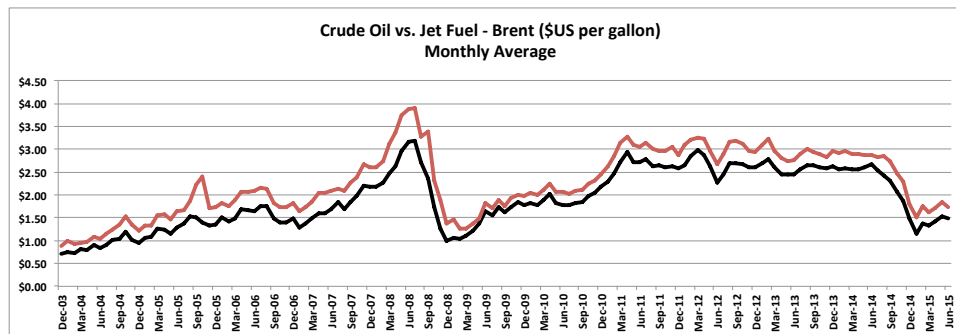
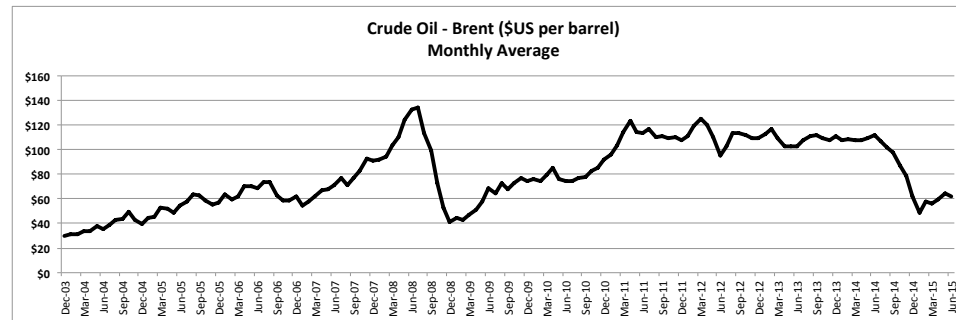
Jet-A Fuel Prices at U.S. FBOs



Source: [Business & Commercial Aviation](#)

Jet-A fuel prices in July 2015 are averaging about \$5.38 at U.S. FBOs, down from \$6.18 year-over-year

Crude Oil and Jet Fuel Prices



IATA Fuel Price Monitor Jul 3, 2015)	Share in World Index	\$/US gallon	\$/barrel	Index Value 2000= 100	vs. 1 week ago	vs. 1 month ago	vs.1 yr ago
Jet Fuel Price	100%	\$ 1.730	\$ 72.70	198.60	-1.8%	-4.8%	-40.2%
Asia & Oceania	22%	\$ 1.714	\$ 72.00	205.70	-2.4%	-7.0%	-40.2%
Europe & CIS	28%	\$ 1.734	\$ 72.80	196.30	-4.3%	-6.3%	-41.0%
Middle East & Africa	7%	\$ 1.626	\$ 68.30	203.90	-4.2%	-7.9%	-42.8%
North America	39%	\$ 1.744	\$ 73.30	194.70	0.6%	-2.0%	-39.4%
Latin & Central America	4%	\$ 1.824	\$ 76.60	212.20	0.7%	-2.4%	-38.7%

Global average price paid at the refinery for aviation jet fuel - IATA


Source: IndexMundi; IATA from PLATTS

JETNET iQ Quarterly Surveys

- Multilingual owner / operator surveys
 - Utilization patterns and expectations
 - Brand perceptions
 - Purchase criteria / inhibitors
 - Purchase / selling intentions
 - New product preferences
 - Special topics of interest (examples)
 - New products
 - The environment
 - China, oil prices, Ukraine / Crimea, etc.

JETNET iQ GLOBAL BUSINESS AVIATION SURVEY - Q4 2014 English

WELCOME



WELCOME!


Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence. Your insights are critical to product and service development that will better meet your evolving needs.

Survey responses:

- 1) Will be strictly confidential
- 2) Will NOT be used in any way to directly market to you or your organization
- 3) Will take approximately 20-30 minutes to complete

PASSWORD:

For questions about this survey, please contact:

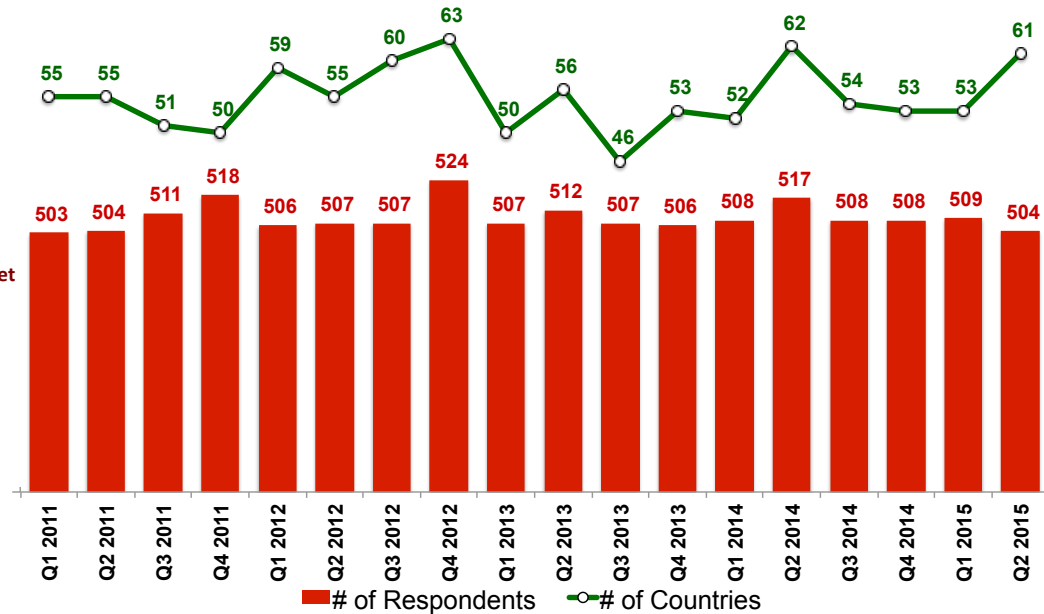
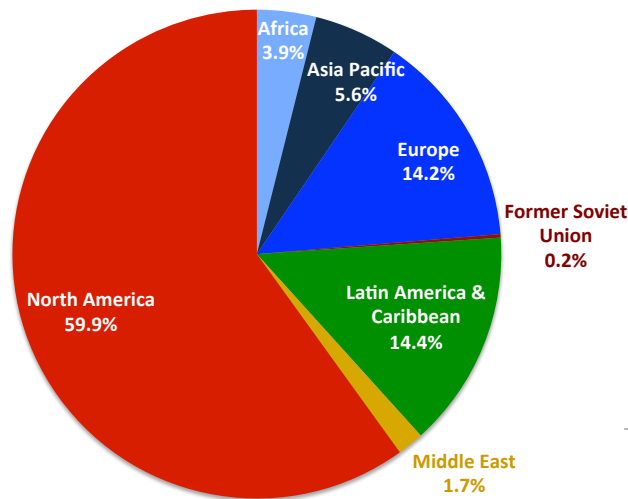


ROLAND VINCENT
JETNET iQ Creator / Director
Phone: 1-972-439-2069 (U.S. Central Time)
Email: rollie@jetnet.com

JETNET iQ Surveys: Quarterly, multilingual, worldwide

JETNET iQ Survey Respondents

Respondent Fleet Location Q1 2011 - Q2 2015



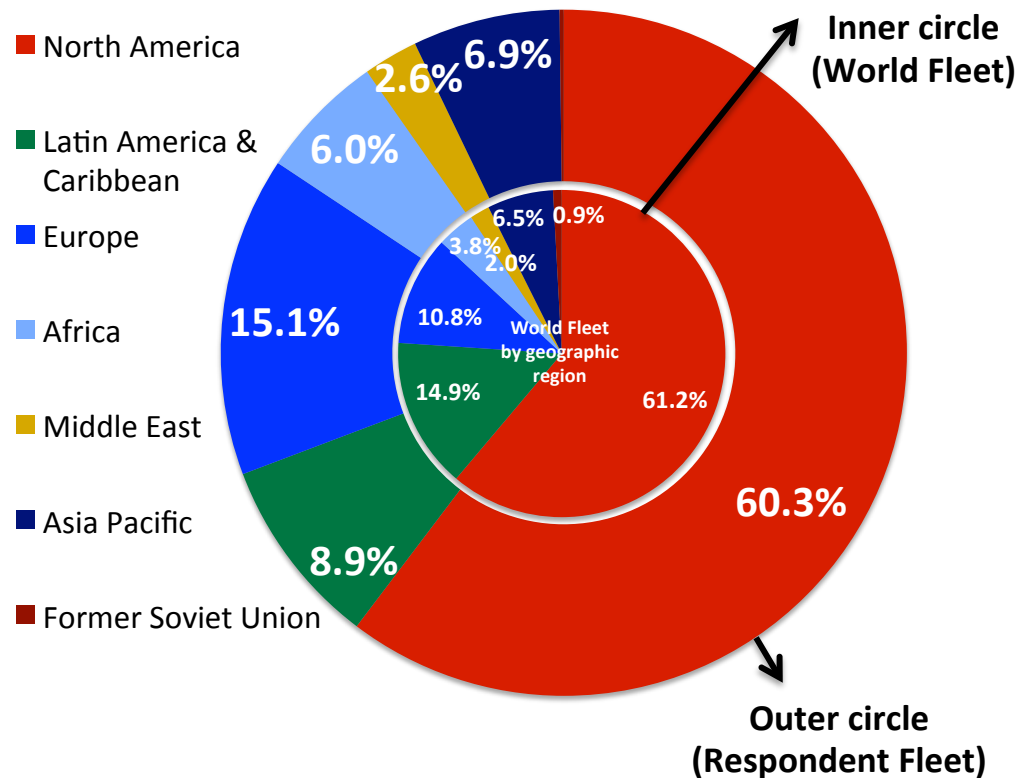
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Total
# of Respondents	503	504	511	518	506	507	507	524	507	512	507	506	508	517	508	508	509	504	9,166
# of Countries	55	55	51	50	59	55	60	63	50	56	46	53	52	62	54	53	53	61	124

JETNET iQ Surveys: Since Q1 2011, >9,000 respondents from 124 countries

Survey Respondents' Location By Aircraft Base Location

Q2 2015 Survey

RESPONDENT COUNTRIES FROM Q2 2015 SURVEY			
RESPONDENT COUNTRY	# of respondents	# of respondents	
ARGENTINA	4	NETHERLANDS	2
AUSTRALIA	9	NEW CALEDONIA	1
AUSTRIA	8	NEW ZEALAND	3
BARBADOS	1	NIGERIA	1
BELGIUM	2	PANAMA	1
BOLIVIA	1	PAPUA NEW GUINEA	2
BOTSWANA	1	POLAND	1
BRAZIL	16	PUERTO RICO	2
BULGARIA	2	ROMANIA	2
CANADA	17	SAUDI ARABIA	3
CHINA	1	SINGAPORE	4
COLOMBIA	2	SLOVENIA	1
CROATIA	1	SOUTH AFRICA	19
CYPRUS	2	SPAIN	3
CZECH REPUBLIC	3	SRI LANKA	2
DEM. REPUBLIC OF CONGO	2	SWEDEN	1
DENMARK	2	SWITZERLAND	9
FINLAND	1	THAILAND	2
FRANCE	1	TURKEY	3
GERMANY	14	UNITED ARAB EMIRATES	5
GREECE	1	UNITED KINGDOM	12
GUATEMALA	2	UNITED STATES	285
GUYANA	1	VENEZUELA	4
HONG KONG	4	ZAMBIA	2
INDIA	5	ZIMBABWE	2
INDONESIA	1	Total # of respondents	504
IRELAND	1	Total # of countries	54
ISRAEL	1		
ITALY	2	Africa	30
JAPAN	1	Asia Pacific	35
JORDAN	1	Europe	76
KAZAKHSTAN	1	Former Soviet Union	1
KENYA	3	Latin America & Caribbean	45
LUXEMBOURG	2	Middle East	13
MALTA	3	North America	304
MEXICO	13	Total	504



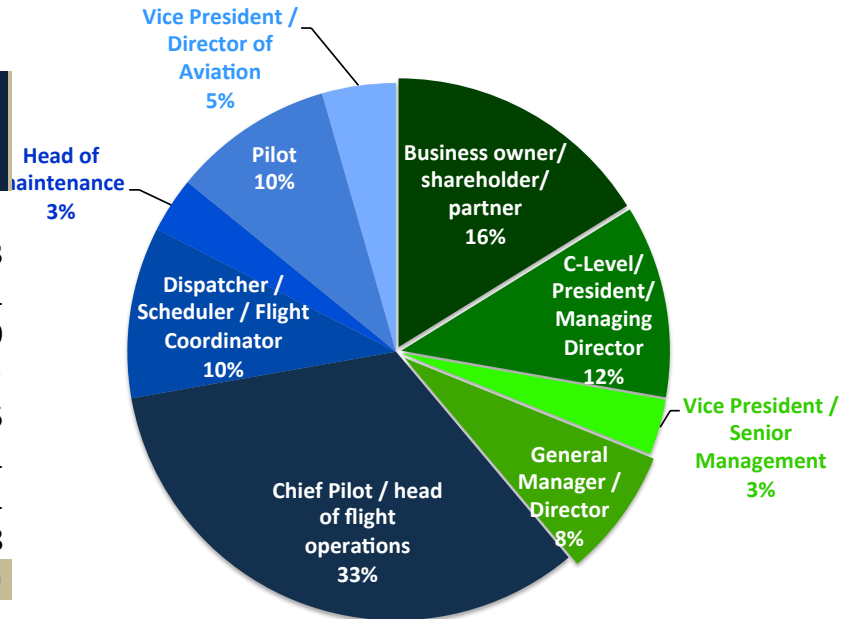
Survey Respondents' Roles

By Job Title

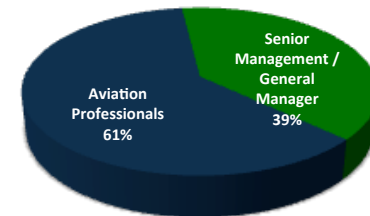
Q2 2015 Survey

Title of respondent	Completed
Business owner/shareholder/partner	102
C-Level/President/Managing Director	73
Vice President / Senior Management	21
General Manager / Director	49
Chief Pilot / head of flight operations	210
Dispatcher / Scheduler / Flight Coordinator	65
Head of maintenance	21
Pilot	61
Vice President / Director of Aviation	28
Total	630

Note: Respondent was able to chose whichever applied



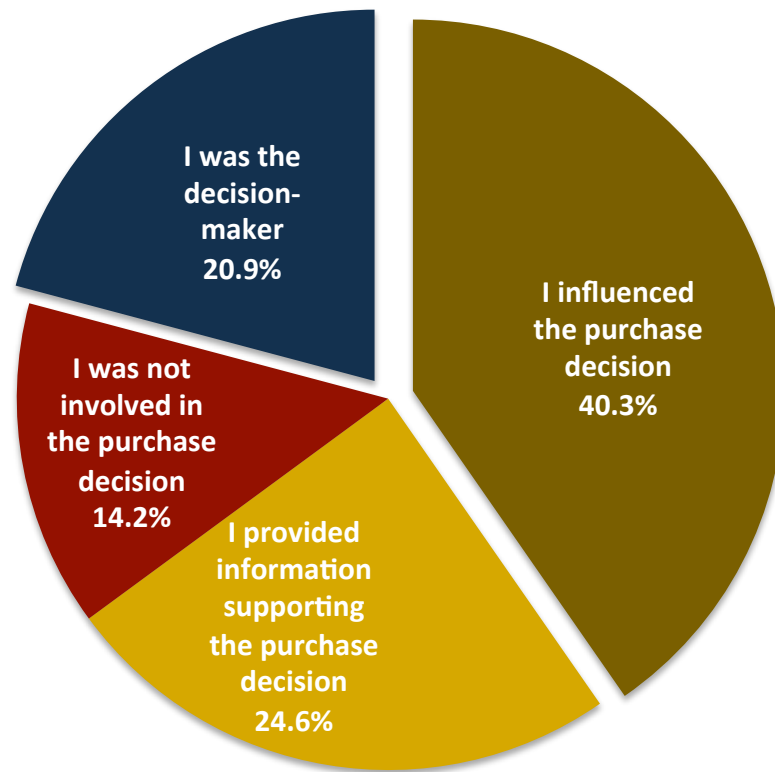
Aviation Professionals	385	61%
Senior Management / General Manager	245	39%



Survey Respondents' Roles

By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q2 2015 Survey

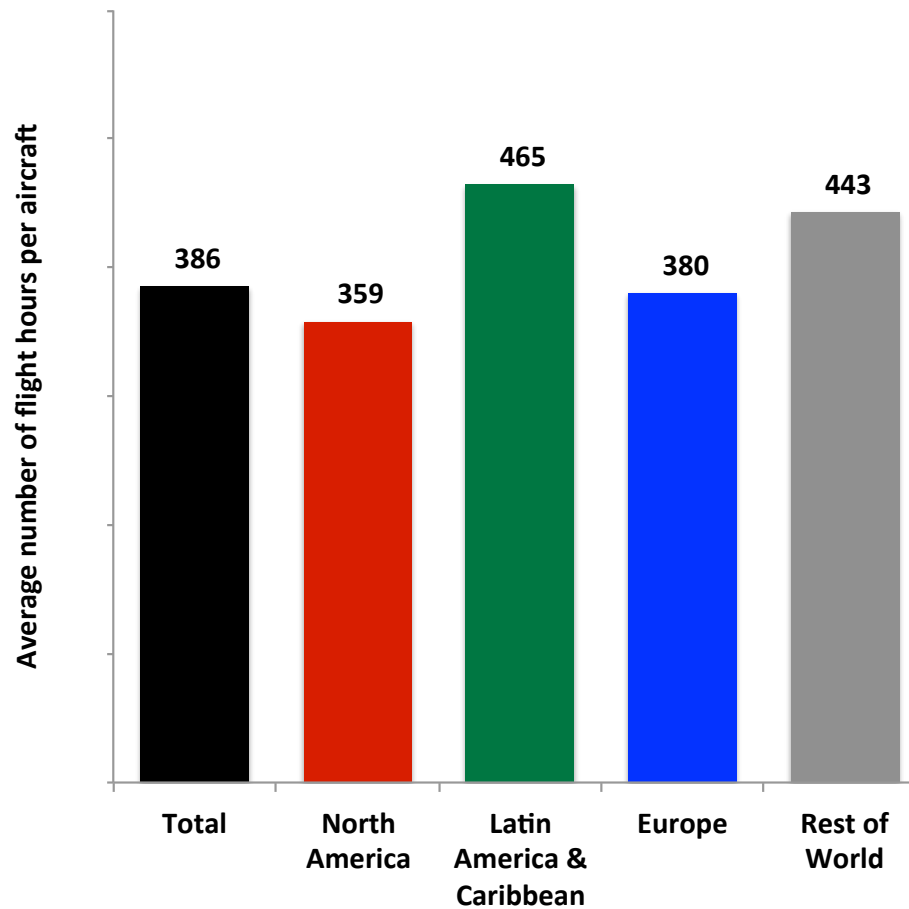


Survey Respondents' Flight Operations

Regional Average Utilization per Aircraft in Prior 12 Months

Average flight hours per year

Q2 2015 Survey

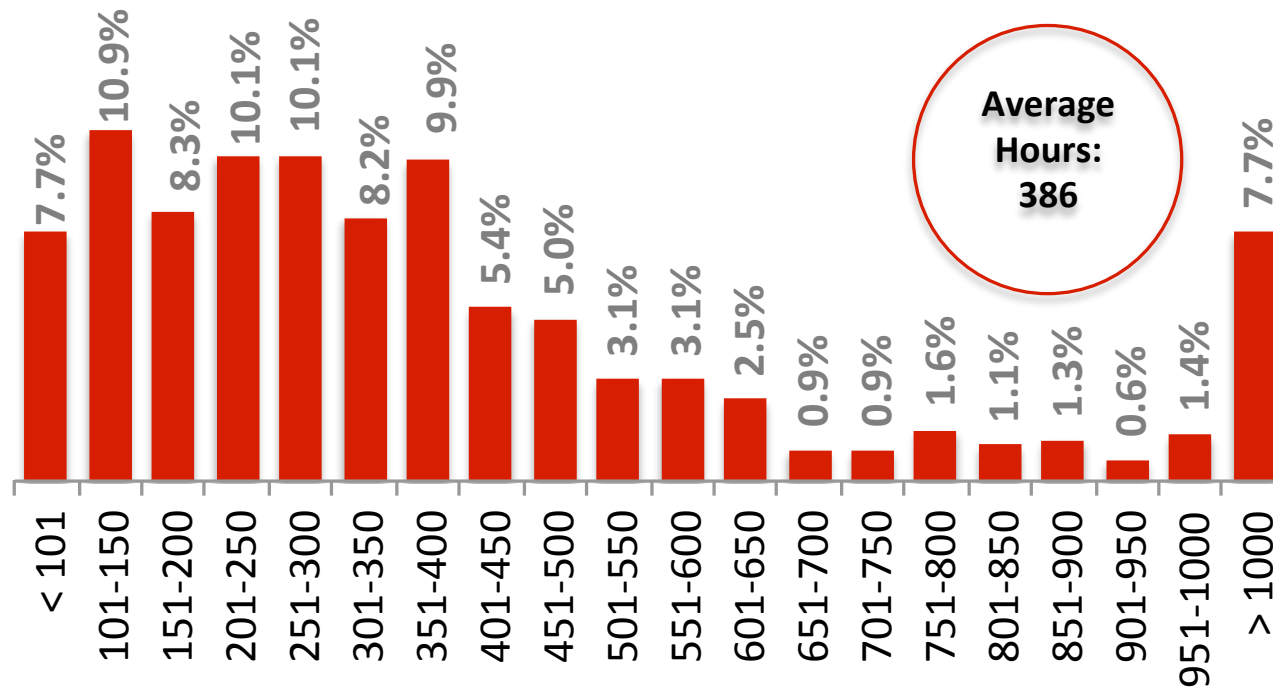


Survey Respondents' Flight Operations

Last 12 Months – Worldwide (Fixed-Wing Business Jets and Turboprops Only)

Q2 2015 Survey

Annual Flight Hours Per Aircraft



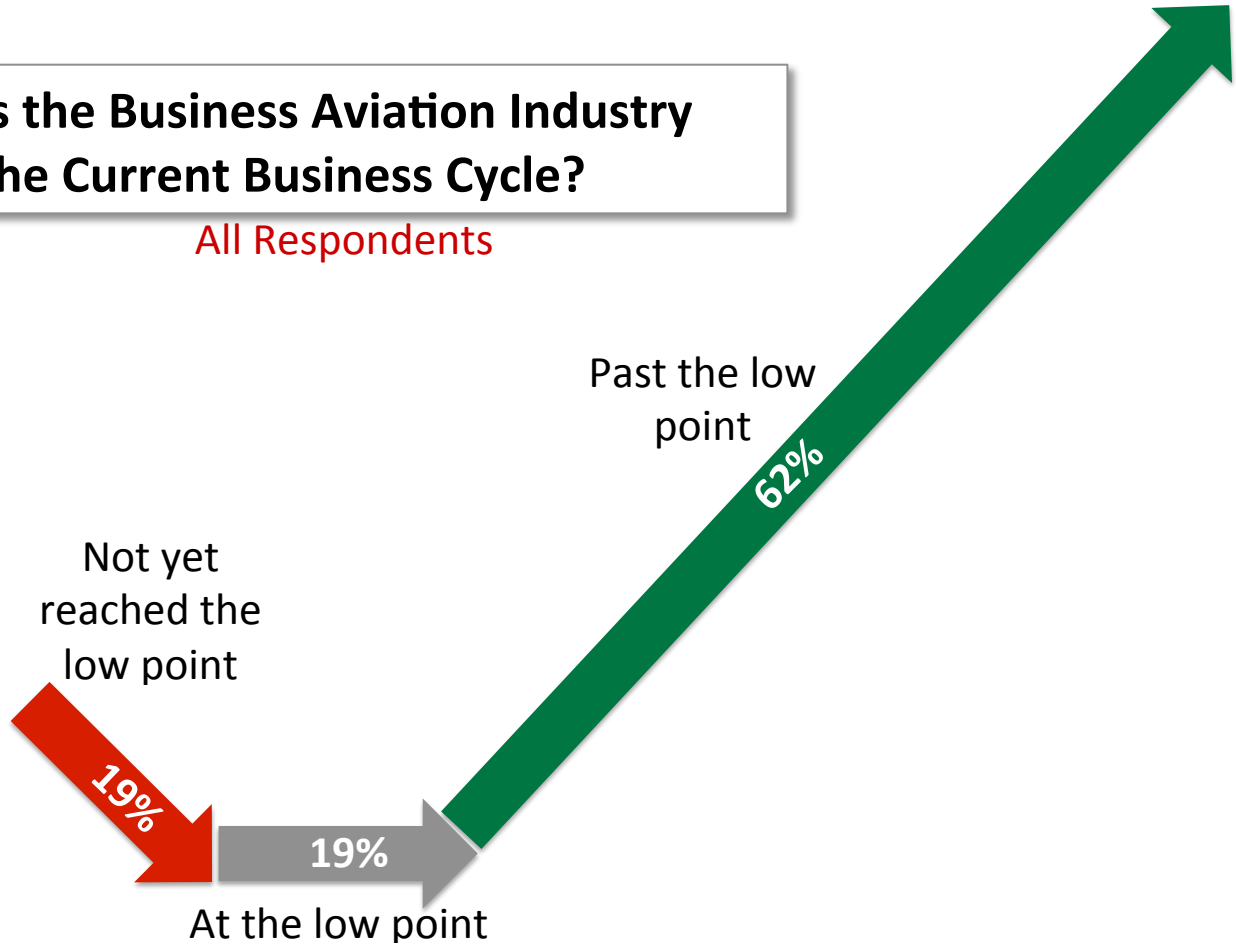
Survey Respondents' Sentiment

Current Market Sentiment

Q2 2015 Survey

**Where is the Business Aviation Industry
In the Current Business Cycle?**

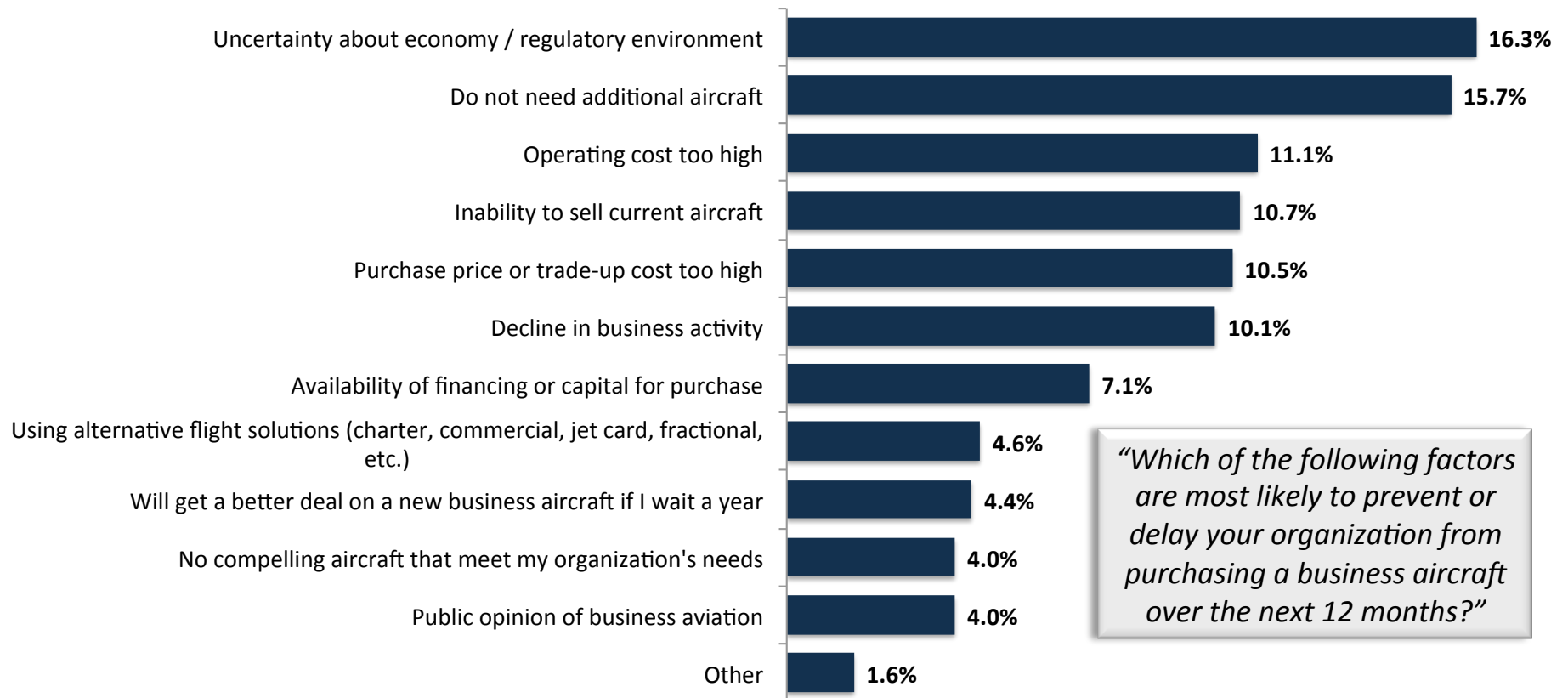
All Respondents



Aircraft Purchase Inhibitors

Top 3 Inhibitors – Weighted Average

Q2 2015 Survey

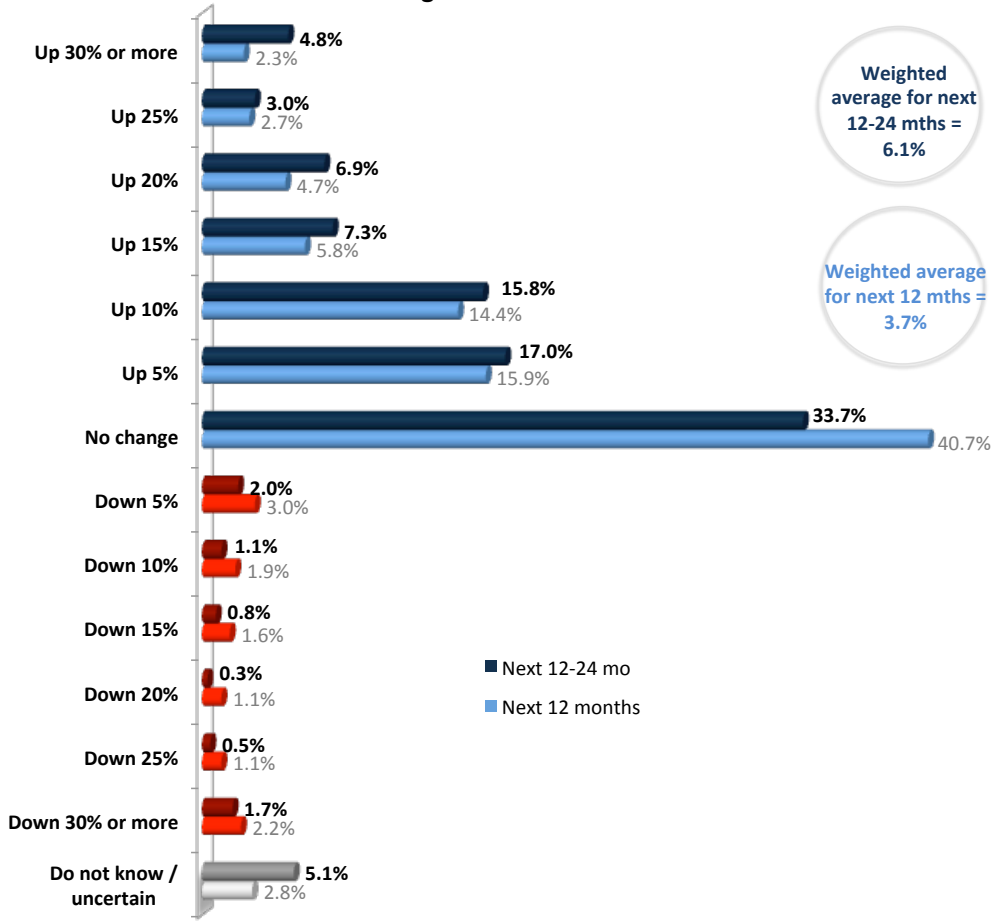


Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

Q2 2015 Survey

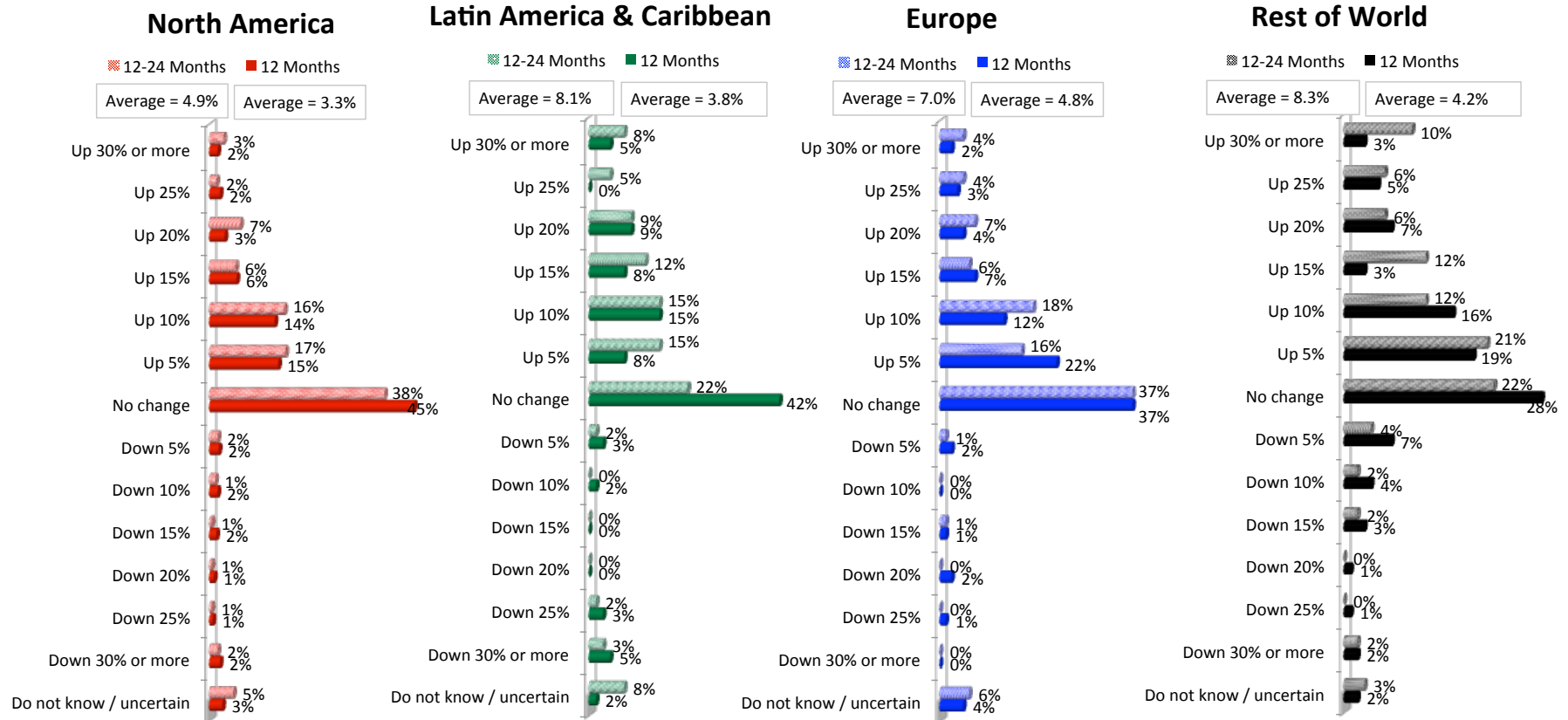
Compared with your past 12 months, what changes do you expect in your total annual flight hours over the next 24 months?



Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

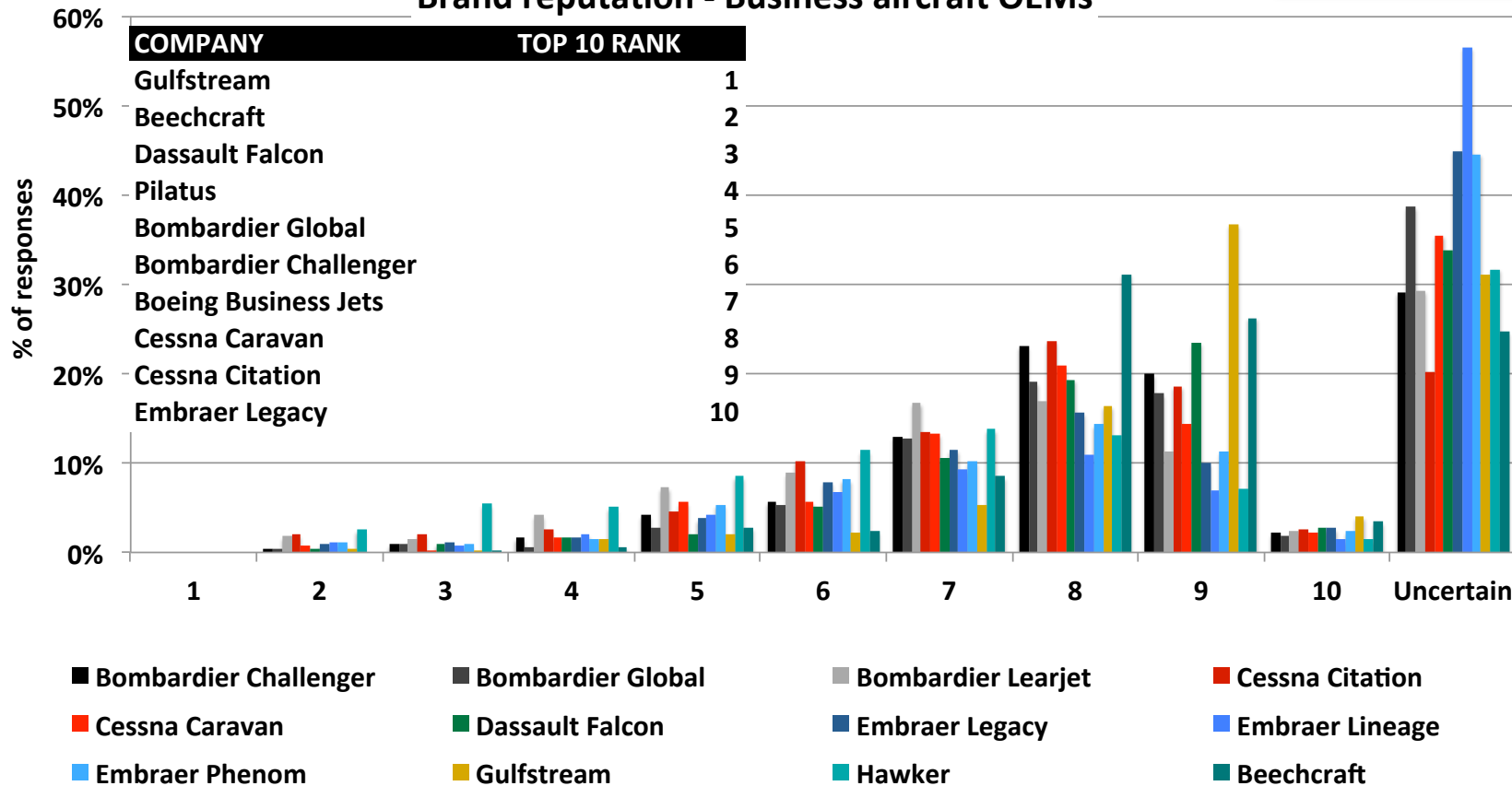
Q2 2015 Survey



Respondents expect to fly 3.7% more hours in the next 12 months vs. prior 12 months

Brand Reputations

Aircraft Manufacturers on a 1-10 Scale, where "10" = Highest Brand reputation - Business aircraft OEMs Q2 2015 Survey

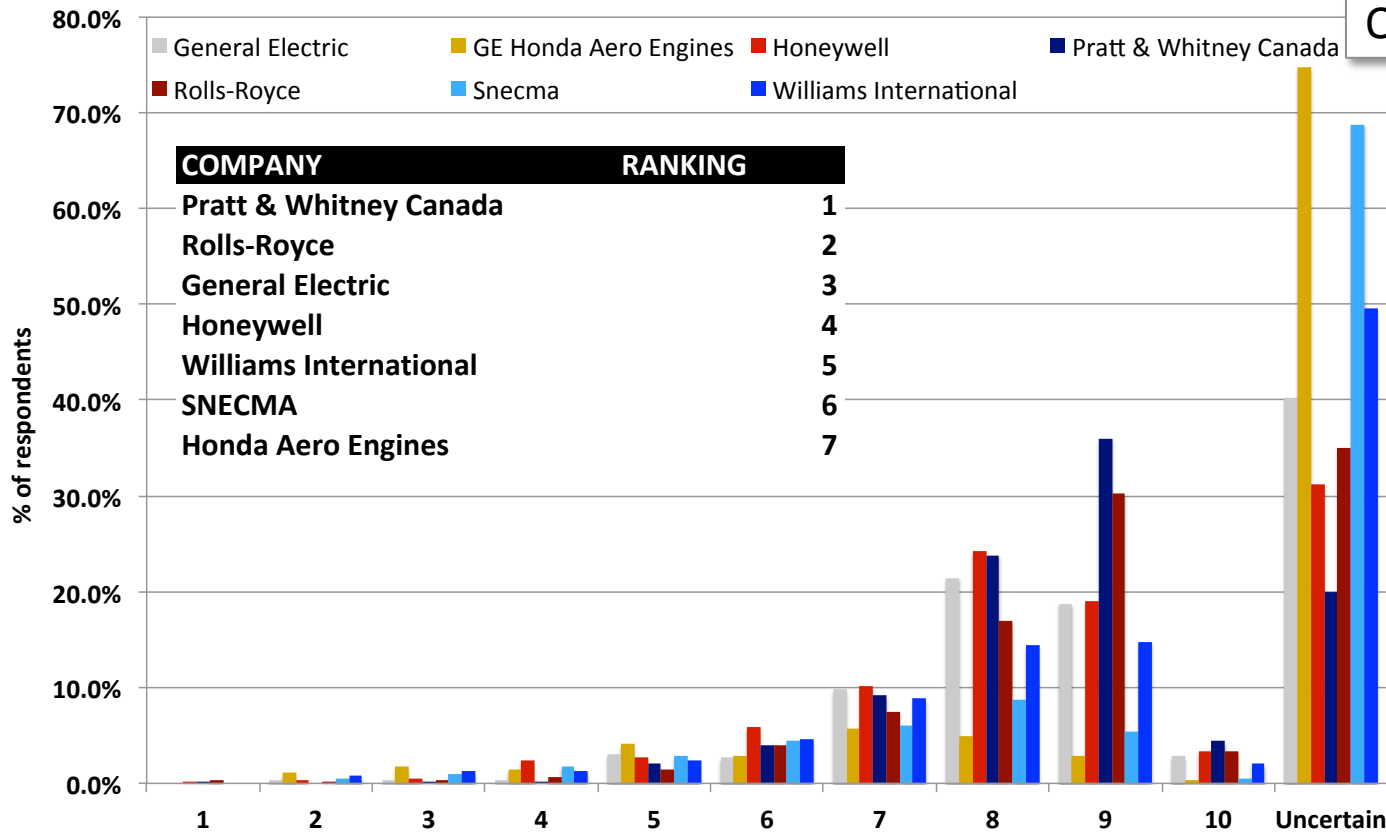


Gulfstream, Beechcraft and Dassault Falcon are the top rated business aircraft brands

Brand Reputations

Jet Engine Manufacturers on a 1-10 Scale, where “10” = Highest

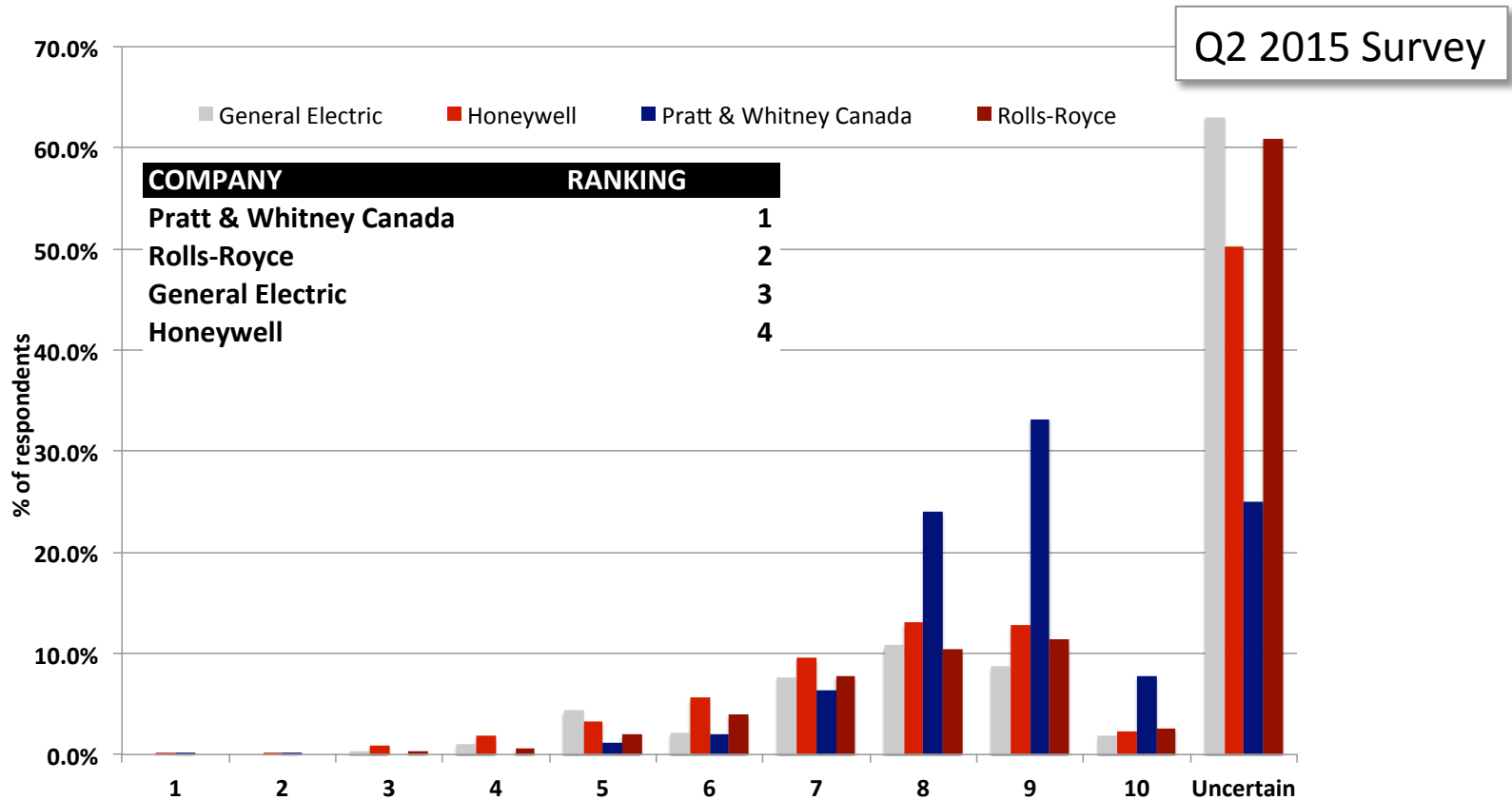
Q2 2015 Survey



Pratt & Whitney Canada, Rolls-Royce, and General Electric are the top-rated jet engine manufacturer brands

Brand Reputations

Turboprop Engine Manufacturers on a 1-10 Scale, where “10” = Highest

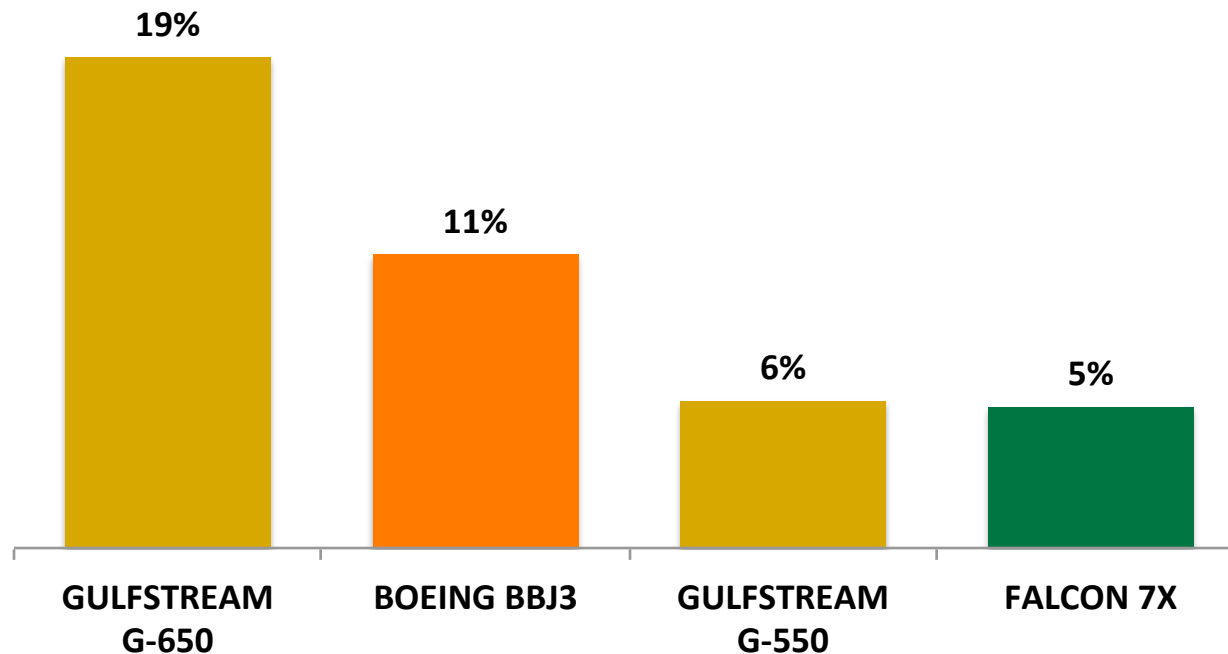


Pratt & Whitney Canada is the highest rated turboprop engine manufacturer brand, well ahead of Rolls-Royce and General Electric

Aircraft Brands

Comfortable and passenger-friendly cabin

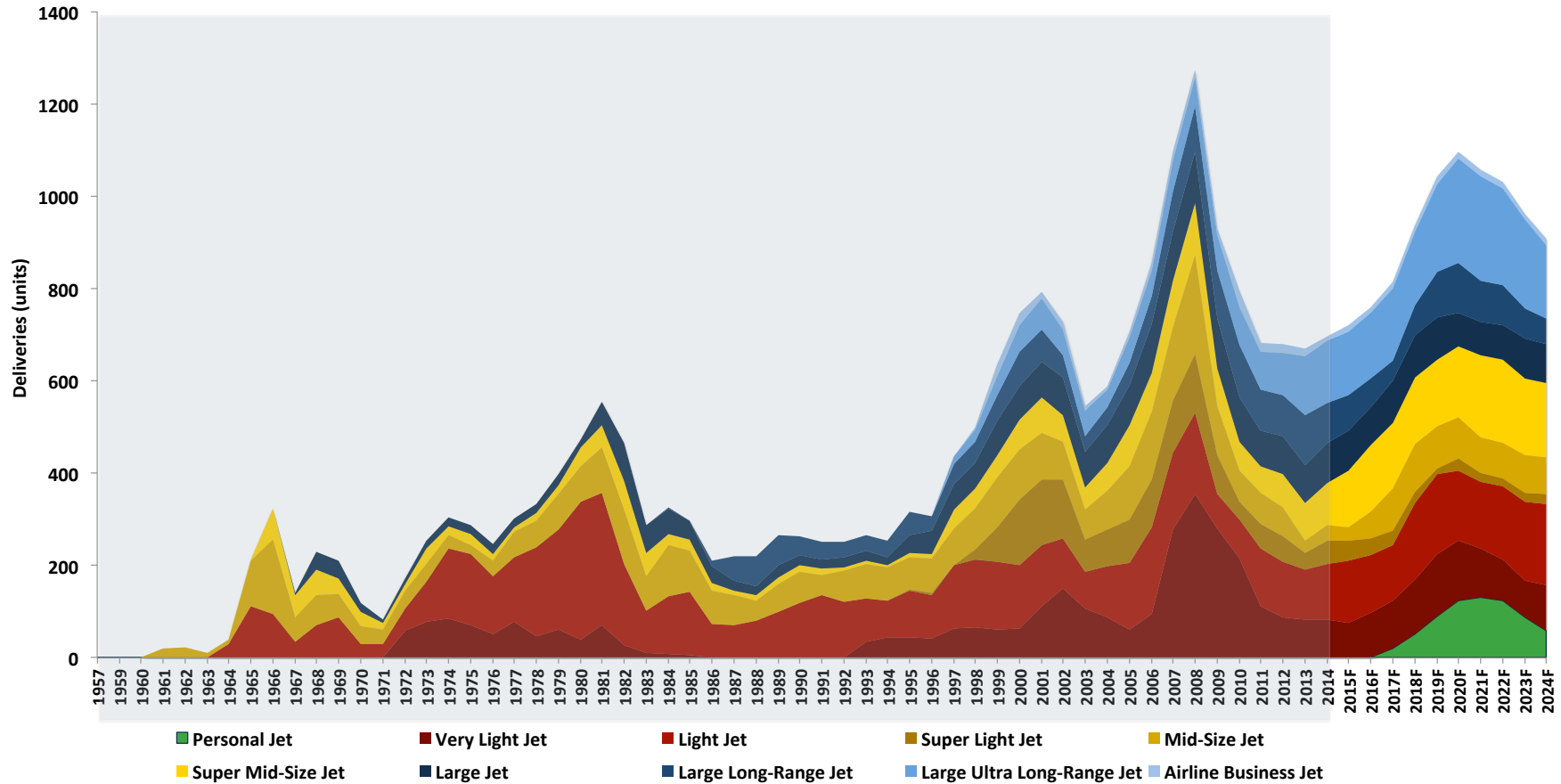
Brand you think offers the most comfortable
passenger-friendly cabin



According to Q2 2015 survey, the top 4 choices for models that are most comfortable and passenger friendly are G-650, Boeing BBJ3, G-550 and Falcon 7X

Business Jet Delivery History & Forecast

Business jet delivery forecast by size category: Historical - 2024



JETNET iQ 10-year forecast for 2015-2024 is for 9,328 new business jet deliveries valued at \$258 billion in \$2015

About JETNET iQ

Launched in January 2011, JETNET iQ is a forecasting and premium advisory service for the business aviation market, designed to help customers “Know More”. Available on an annual subscription basis, JETNET iQ has 3 main elements:

- 1) JETNET iQ REPORTS are the definitive analytical reference for the business aviation industry, incorporating state-of-the-industry analyses, proprietary aircraft owner/operator surveys, and detailed 10-year delivery and fleet forecasts, updated quarterly.
- 2) JETNET iQ SUMMITS provide fast-paced thought-provoking insights into the state of the industry, and unique networking opportunities.
- 3) JETNET iQ RESEARCH serves the needs of clients with customized research and analysis requirements on a project-by-project basis.

For more information on JETNET iQ, please log on to www.jetnetiq.com or contact Rolland Vincent, JETNET iQ Creator / Director at 1-972-439-2069 or rollie@jetnet.com.

About JETNET

Since 1988, JETNET has delivered the most comprehensive and reliable business aircraft research to its exclusive clientele of aviation professionals worldwide. JETNET is the ultimate source for information and intelligence on the worldwide business, commercial, and helicopter aircraft fleet and marketplace, comprised of more than 100,000 airframes. Headquartered in its state-of-the-art facility in Utica, NY, JETNET offers comprehensive user-friendly aircraft data via real-time internet access or regular updates.

For more information on JETNET LLC, please log on to jetnet.com or contact Paul Cardarelli, JETNET Vice President of Sales, at 800-553-8638 (USA) or paul@jetnet.com; for International inquiries, please contact Karim Derbala, JETNET Managing Director of Global Sales, at 41.0.43.243.7056 or karim@jetnet.com.