



JETNET iQ Q2/Q3 Business Aviation Report

World and Africa

Prepared for:
JETNET iQ Global Business Survey Respondents

September, 2014

JETNET iQ 2nd & 3rd Quarter Business Aviation Report - 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 you with unprecedented global coverage, data connectability, and market insights wherever you are.

On June 3-4, 2014, we hosted our 4th annual JETNET iQ Global Business Aviation Summit in New York City (www.jetnetiq.com). Attended by leaders from across the industry, the Summit generated very positive feedback. Presentations and panels included market and economic analyses and forecasts, regulatory environment, wealth insights, aircraft sales, product development, financing, aircraft values and maintenance. Thank you again for participating in our quarterly survey - we hope this JETNET iQ *Snap!* Report is useful to you.

Vincent Esposito
President, JETNET LLC

Navigating by JETNET iQ

JETNET iQ *Snap!* Reports are one of the ways we would like to say thanks 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 and work the 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.

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

JETNET

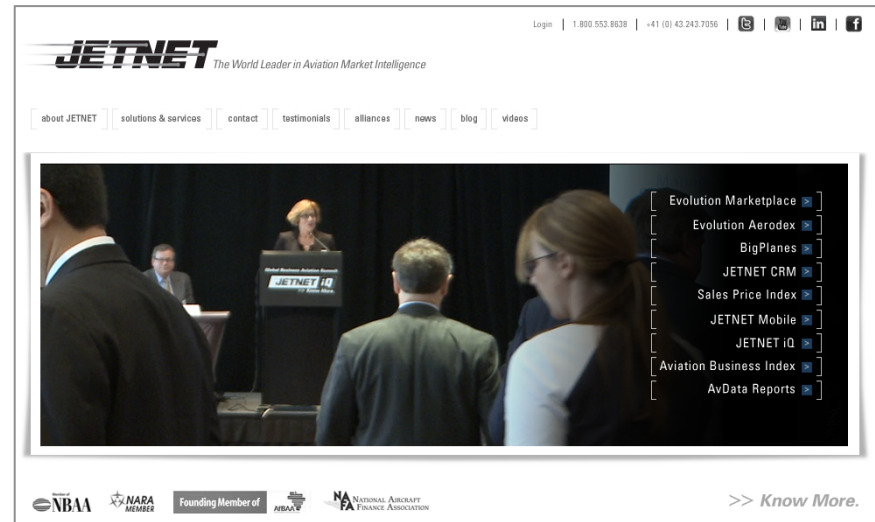
- Founded in 1988
- Privately-owned family business
- Headquarters in Utica, NY
- 70+ employees (47 in research)
- Daily contact with aircraft owners and operators globally



JETNET: Worldwide leader in aviation market intelligence

JETNET

- Main products:
 - JETNET iQ
 - JETNET Evolution / Mobile
 - AERODEX
 - Aviation Business Index (ABI)
 - AvData
 - JETNET CRM
 - Helidex
 - Rotodex
 - BigPlanes - Commercial Airliner Database
 - Sales Price Index (SPI)
- Data coverage:
 - 60,000 business aircraft (fixed and rotary wing)
 - 50,000 commercial aircraft



JETNET: Tracking more than 110,000 aircraft worldwide

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

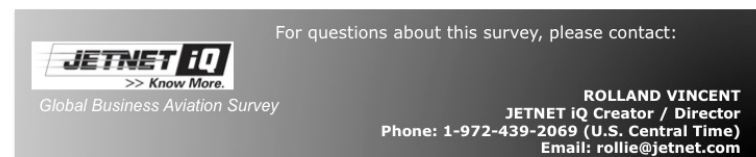


Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence. Your insights are critical to product and service development that will better meet your evolving needs.

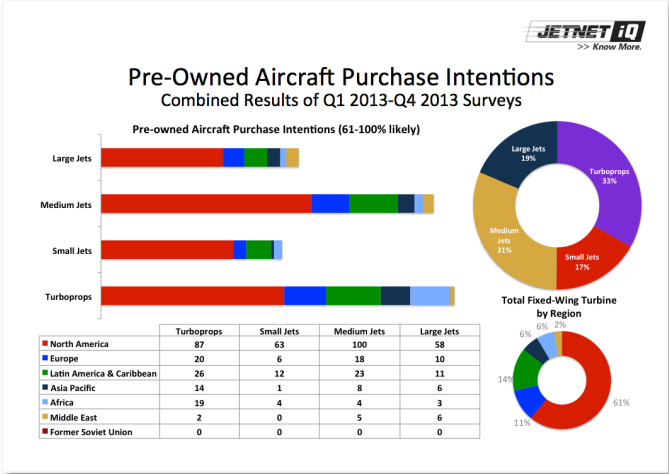
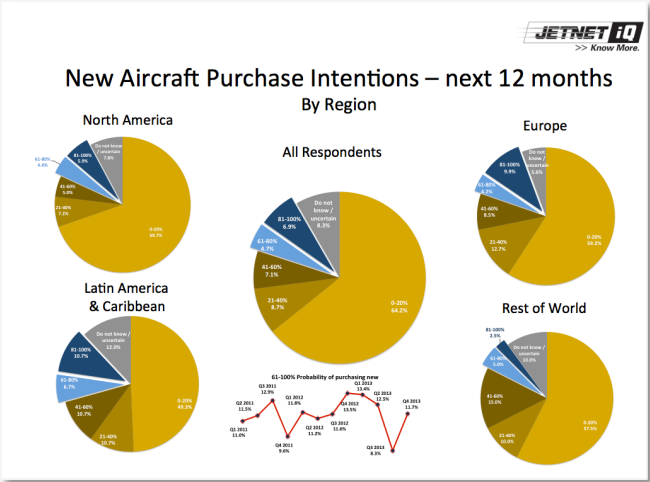
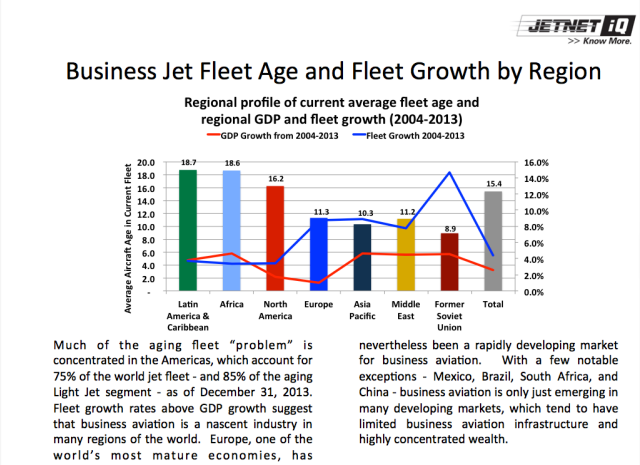
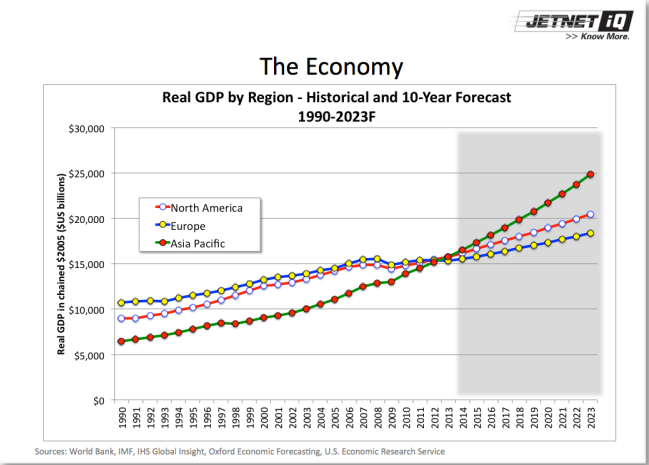
Survey responses:

- 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:



JETNET iQ Reports

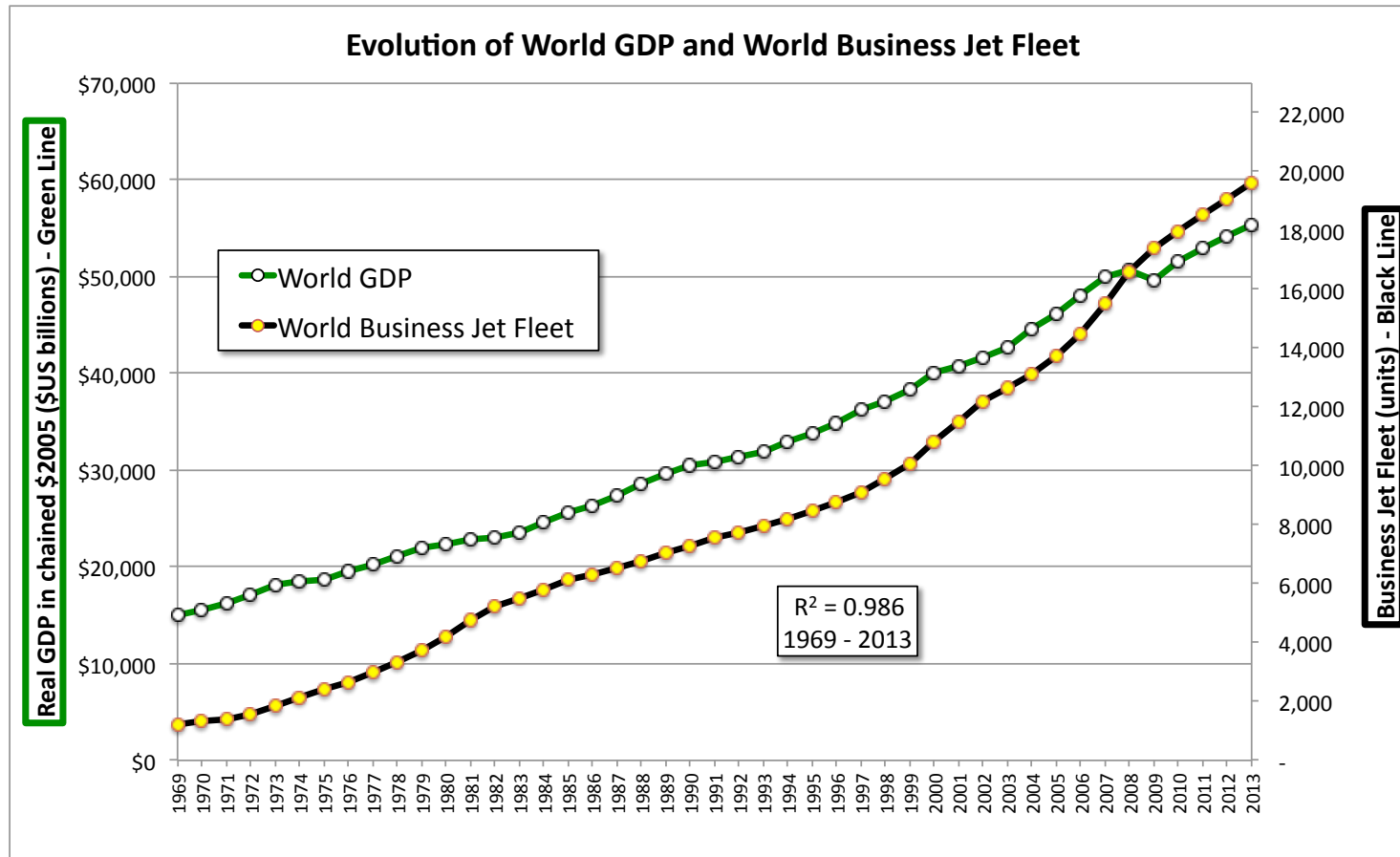


JETNET iQ Summits

- Thought leadership and networking conferences
- 4th Global Business Aviation Summit:
 - June 3-4, 2014 - New York City
 - <http://www.jetnetiq.com/summit.shtml>



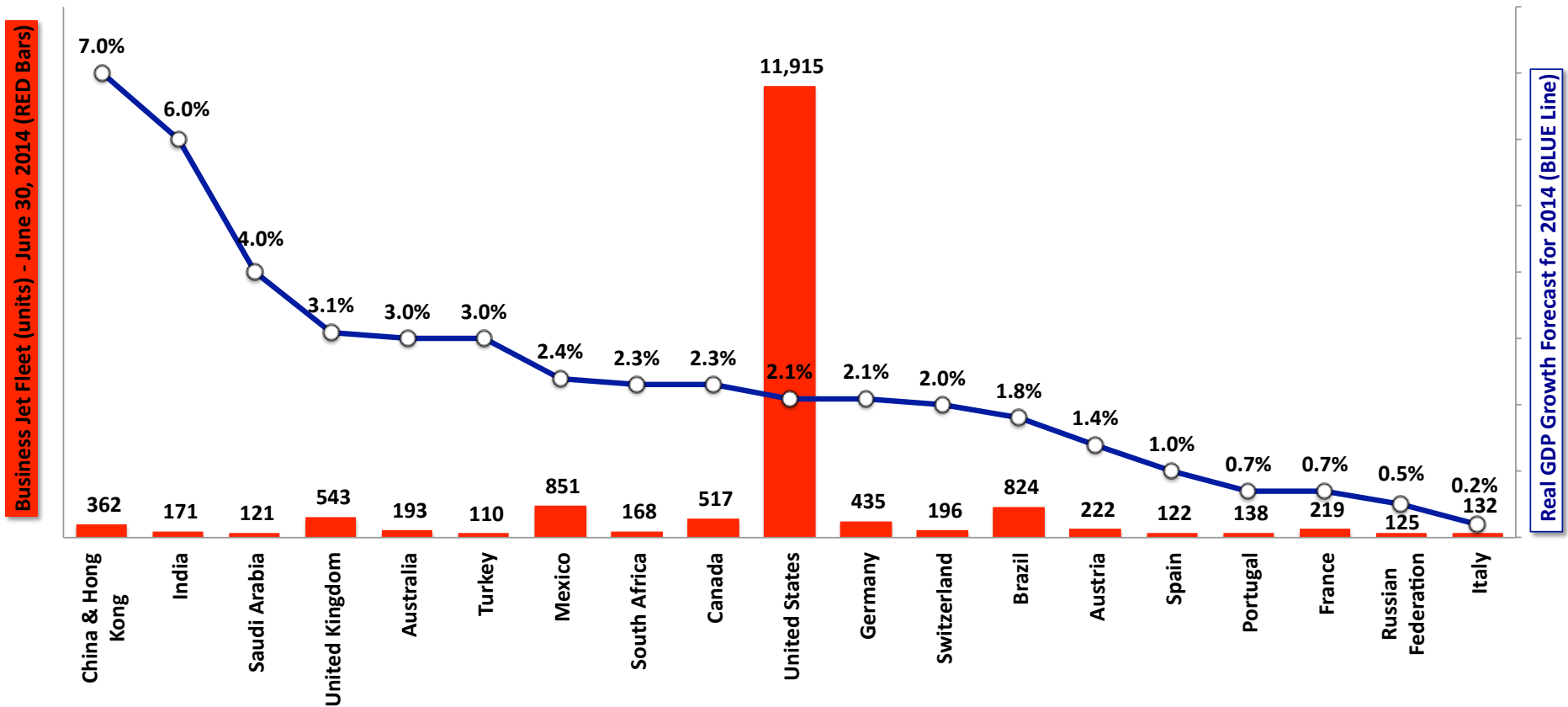
The Economy



The business jet fleet continues to grow even faster than the world's economy

The Economy

2014 GDP Forecasts and "Top 20" Business Jet Fleets

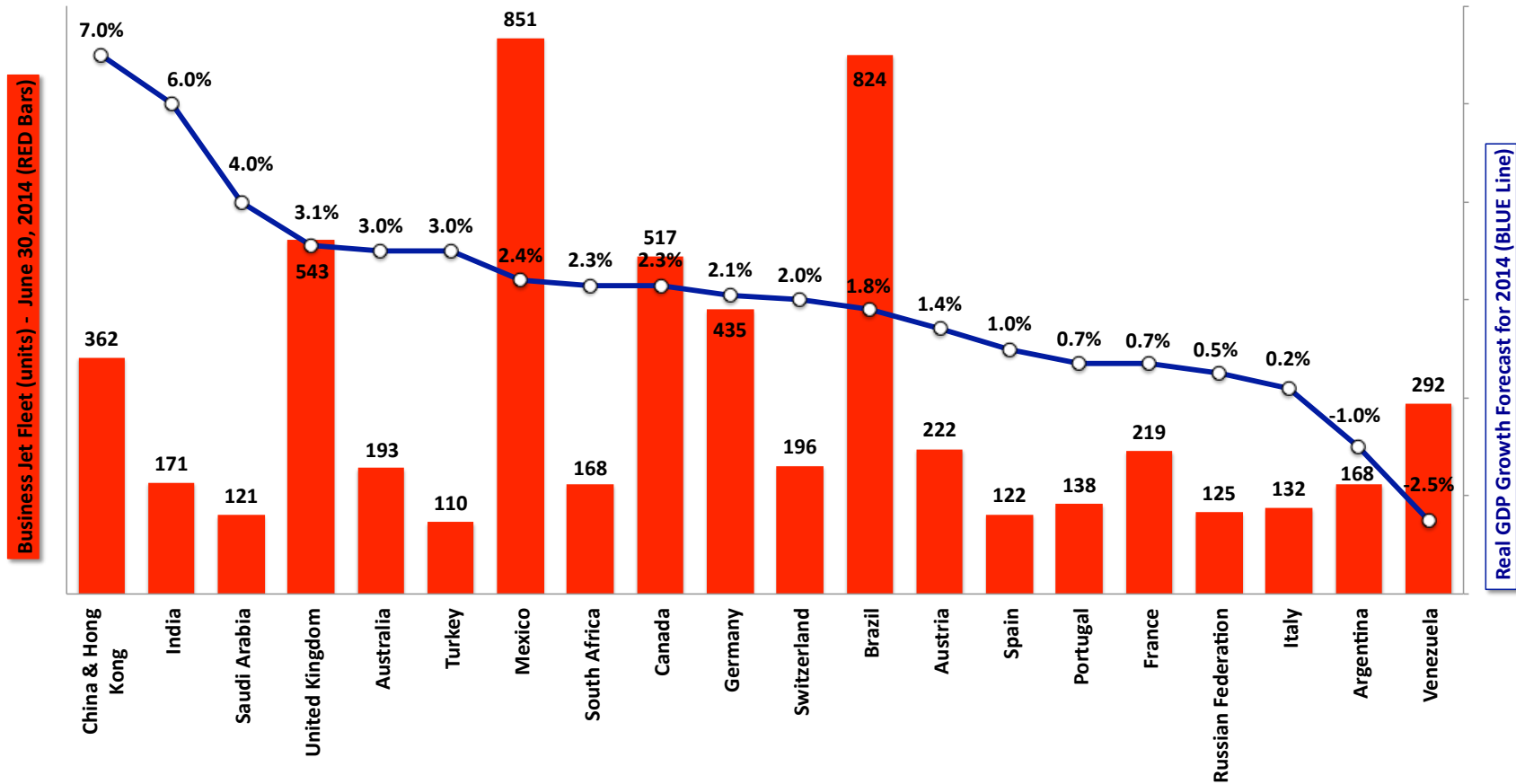


Sources: EIU; JETNET; 2014 GDP forecasts as of July 5, 2014

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

The Economy

2014 GDP Forecasts and "Top 20" Business Jet Fleets
 (excluding the United States)

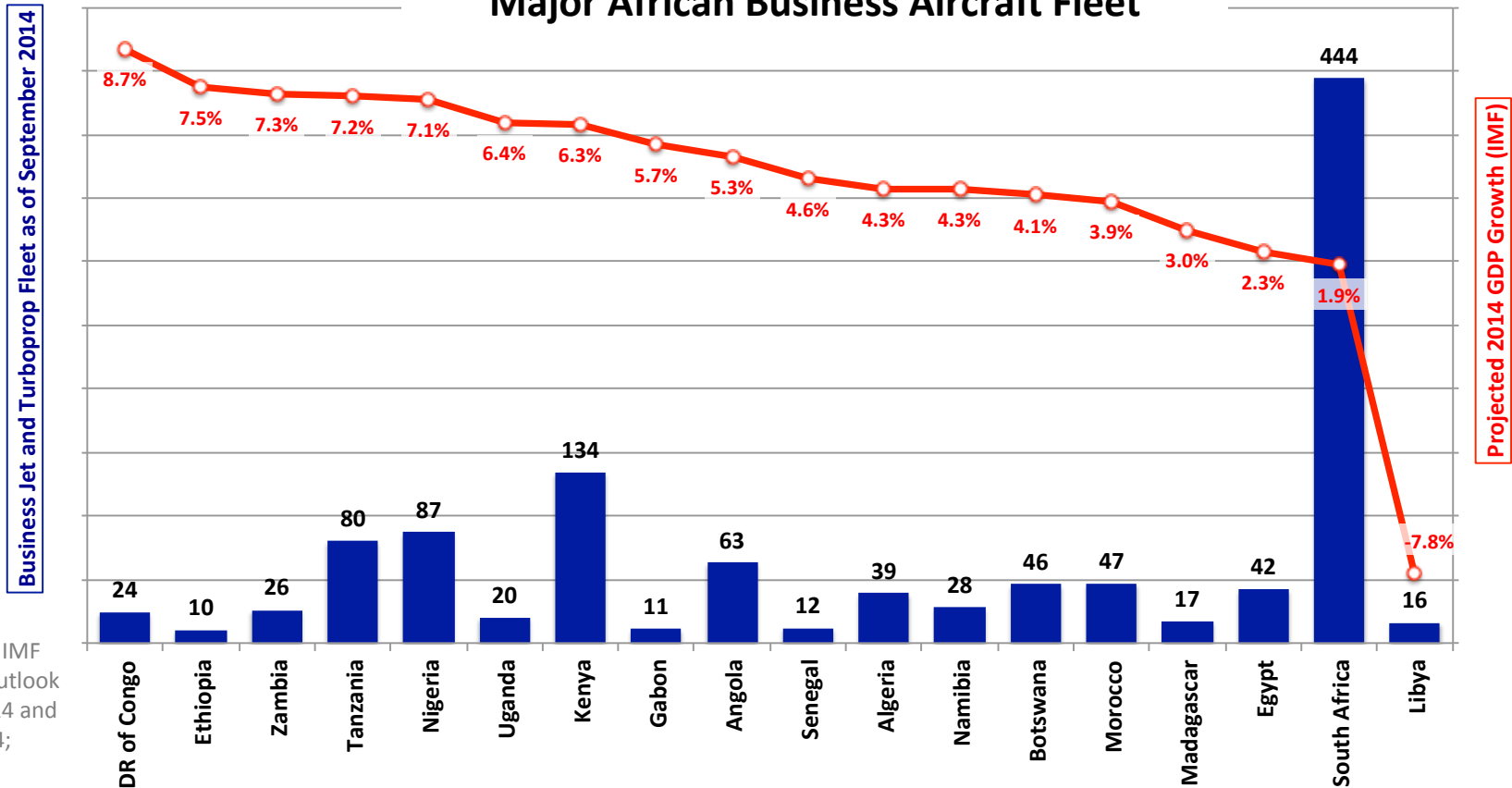


Sources: EIU; JETNET; 2014 GDP forecasts as of July 5, 2014

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

The African Economy

Fleet versus GDP Growth Projections for 2014
 Major African Business Aircraft Fleet

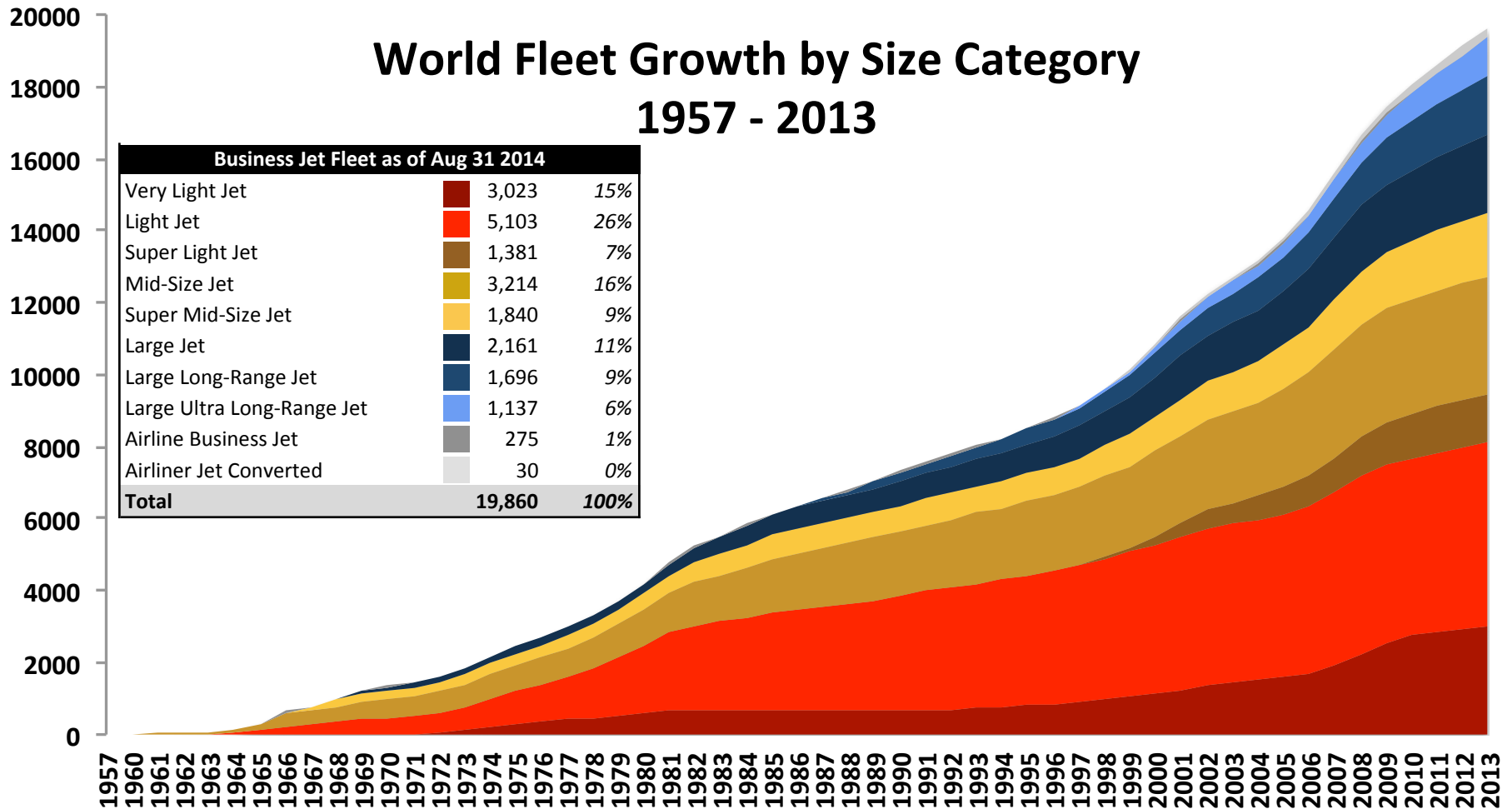


Sources: IMF World Outlook April 2014 and July 2014; JETNET

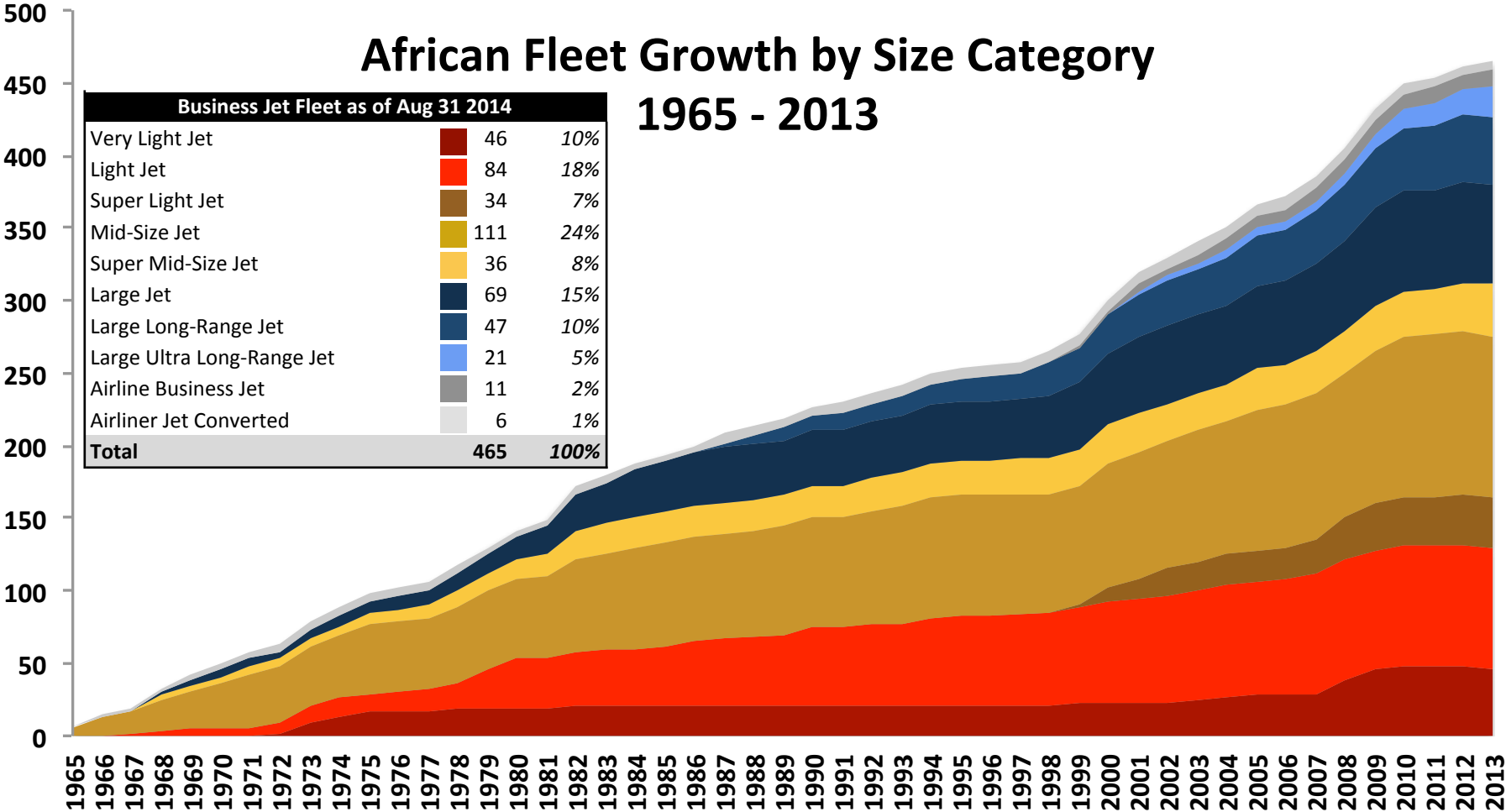
“Top 18” business aviation countries within Africa ranked by GDP forecast”

Business Jet Fleet by Size - World

World Fleet Growth by Size Category 1957 - 2013



Business Jet Fleet by Size - Africa



Business Jet Fleet by Manufacturer

NORTH AMERICA OEM	Fleet as of Jun 30 2014
Beechcraft	264
Bombardier	2,717
Cessna Citation	4,371
Dassault Falcon	1,233
Embraer	336
Gulfstream	1,629
Hawker	1,219
Other	663
Total	12,432

EUROPE OEM	Fleet as of Jun 30 2014
Beechcraft	22
Bombardier	589
Cessna Citation	909
Dassault Falcon	476
Embraer	115
Gulfstream	205
Hawker	221
Other	98
Total	2,635

FORMER SOVIET UNION OEM	Fleet as of Jun 30 2014
Beechcraft	-
Bombardier	65
Cessna Citation	18
Dassault Falcon	28
Embraer	21
Gulfstream	21
Hawker	35
Other	17
Total	205

MIDDLE EAST OEM	Fleet as of Jun 30 2014
Beechcraft	4
Bombardier	95
Cessna Citation	59
Dassault Falcon	58
Embraer	36
Gulfstream	87
Hawker	64
Other	70
Total	473

LATIN AMERICA & CARIBBEAN OEM	Fleet as of Jun 30 2014
Beechcraft	66
Bombardier	595
Cessna Citation	817
Dassault Falcon	156
Embraer	180
Gulfstream	183
Hawker	296
Other	164
Total	2,457

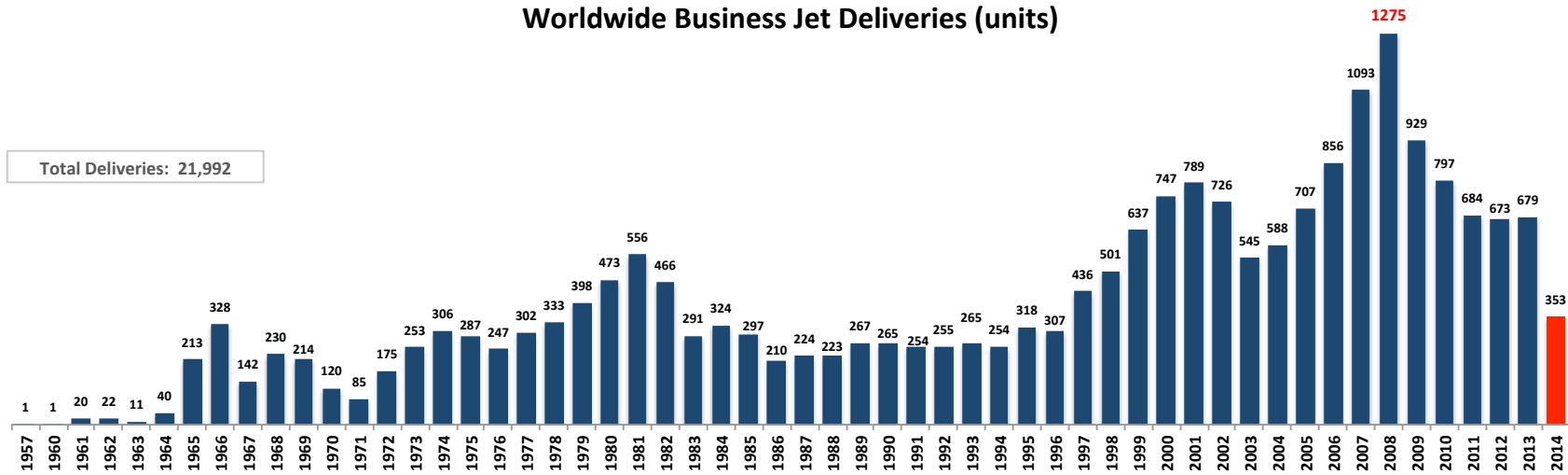
AFRICA OEM	Fleet as of Jun 30 2014
Beechcraft	5
Bombardier	86
Cessna Citation	106
Dassault Falcon	61
Embraer	18
Gulfstream	59
Hawker	107
Other	19
Total	461

ASIA PACIFIC OEM	Fleet as of Jun 30 2014
Beechcraft	9
Bombardier	252
Cessna Citation	220
Dassault Falcon	84
Embraer	64
Gulfstream	239
Hawker	156
Other	71
Total	1,095

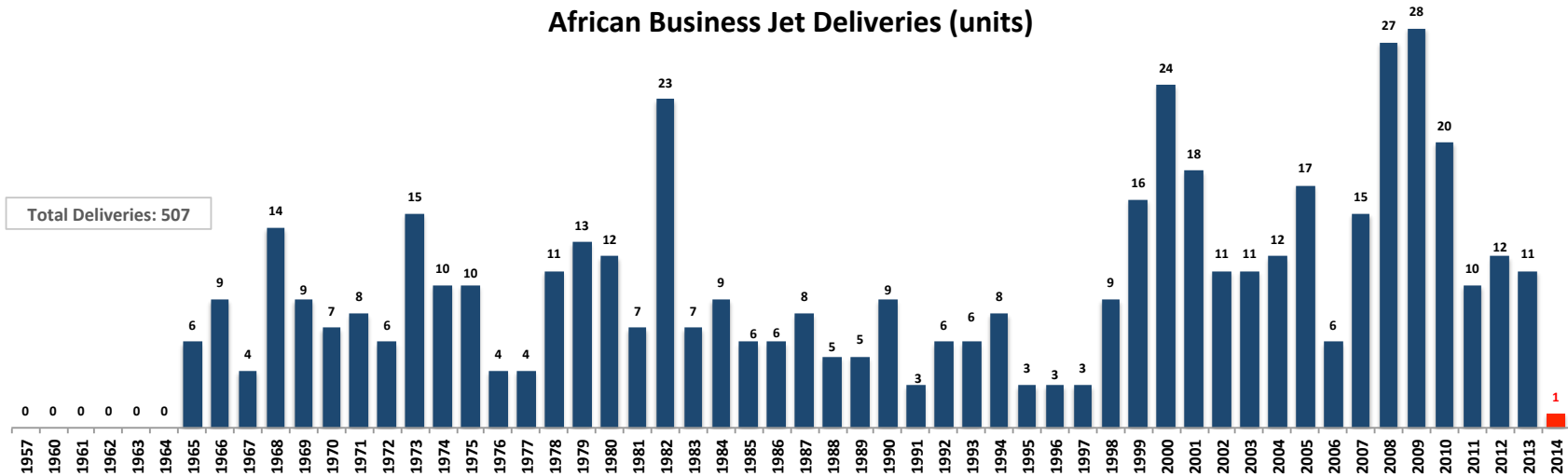
World business jet fleet was 19,758 jets on June 30, 2014

Business Jet Deliveries (units)

Worldwide Business Jet Deliveries (units)

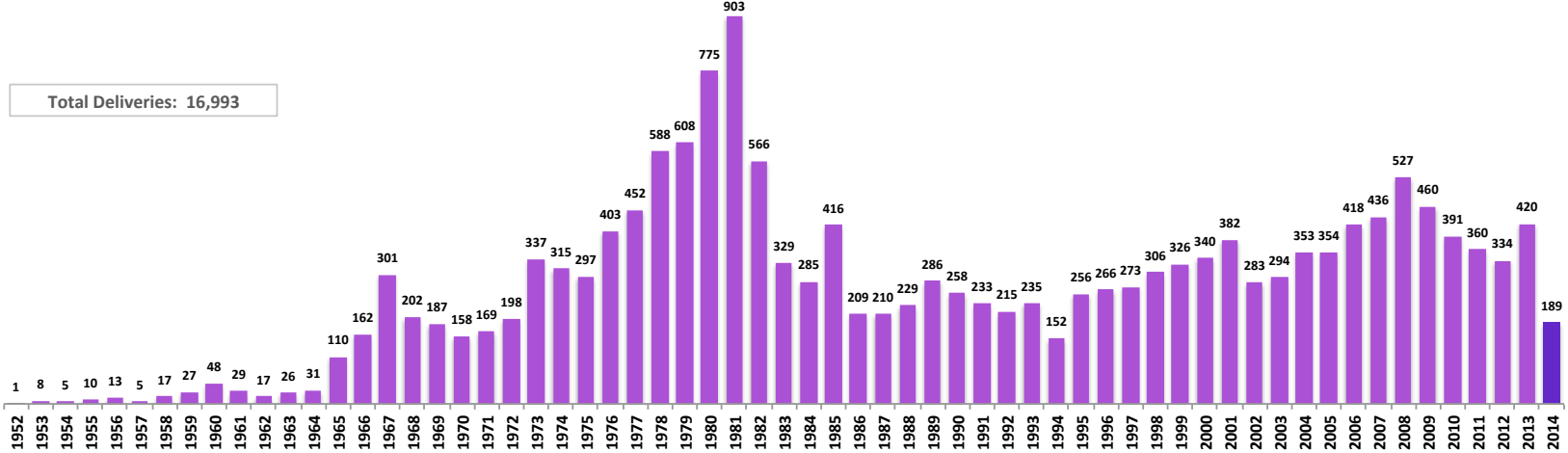


African Business Jet Deliveries (units)

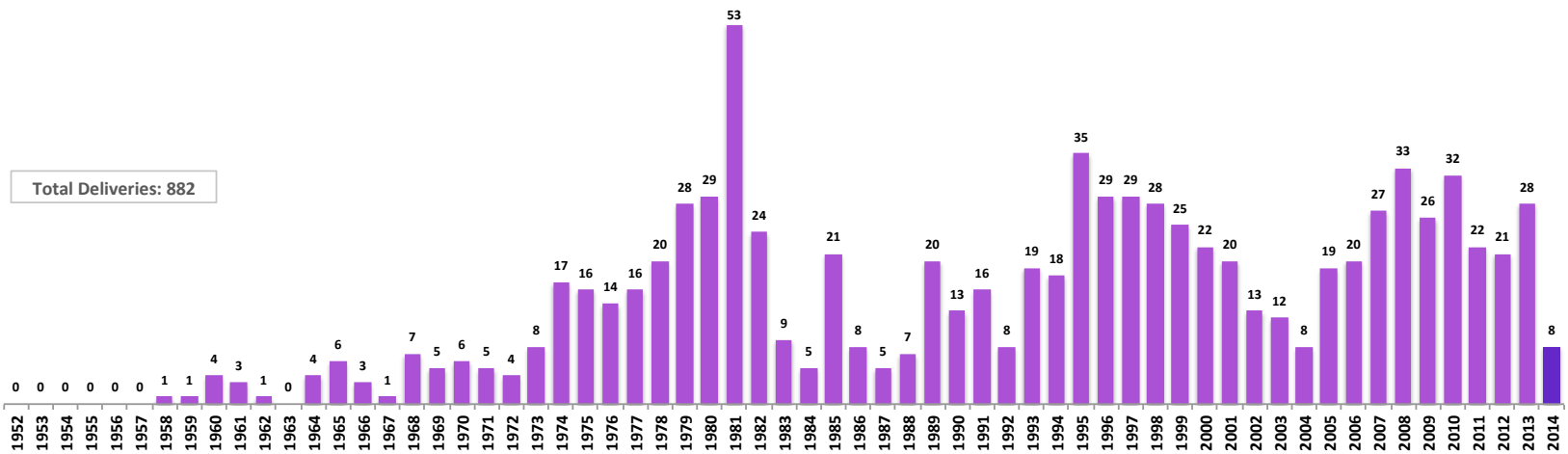


Business Turboprop Deliveries (units)

Worldwide Turboprop Deliveries (units)



African Turboprop Deliveries (units)

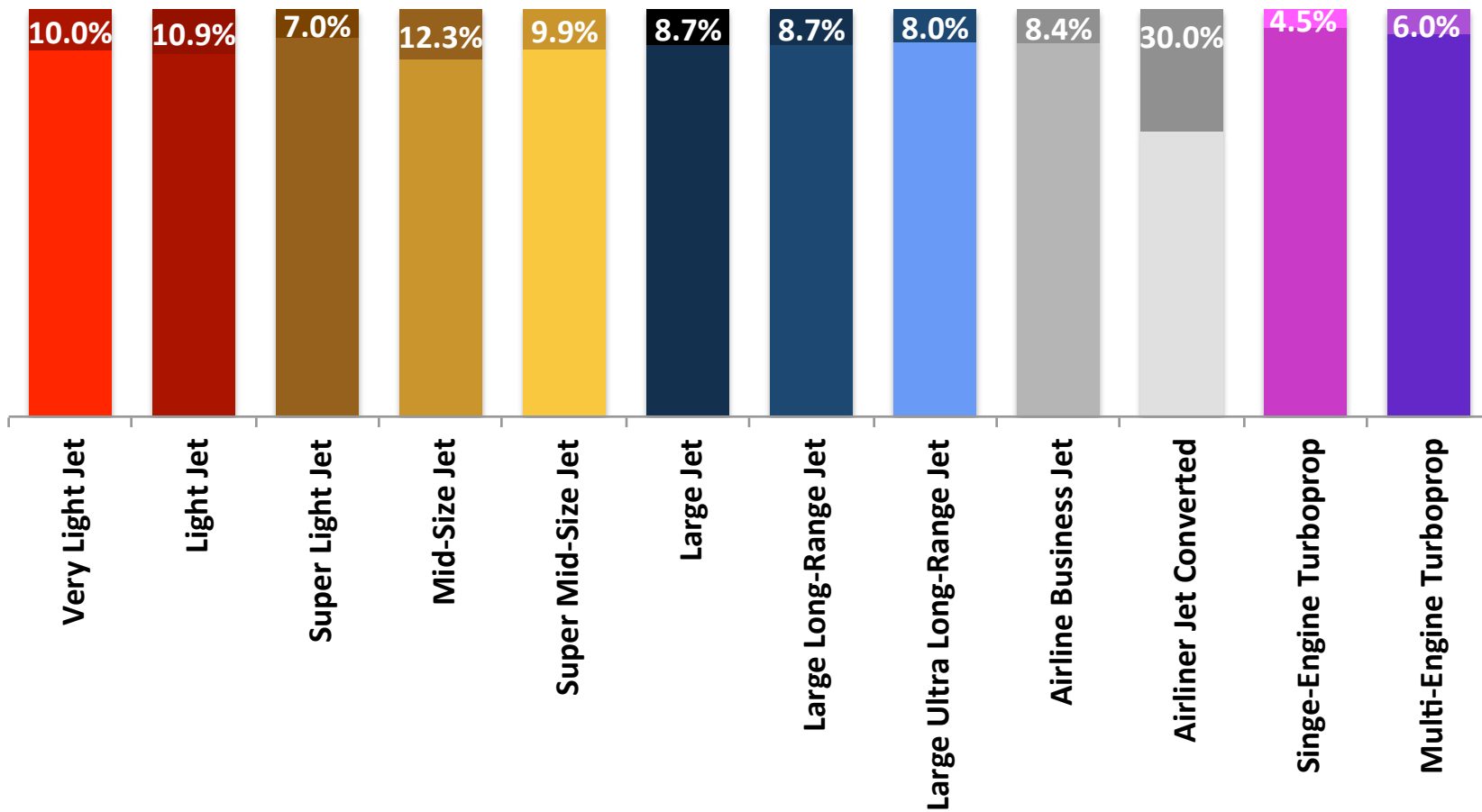


Pre-Owned Business Aircraft Inventory

% of Fleet for Sale

World

September 2014

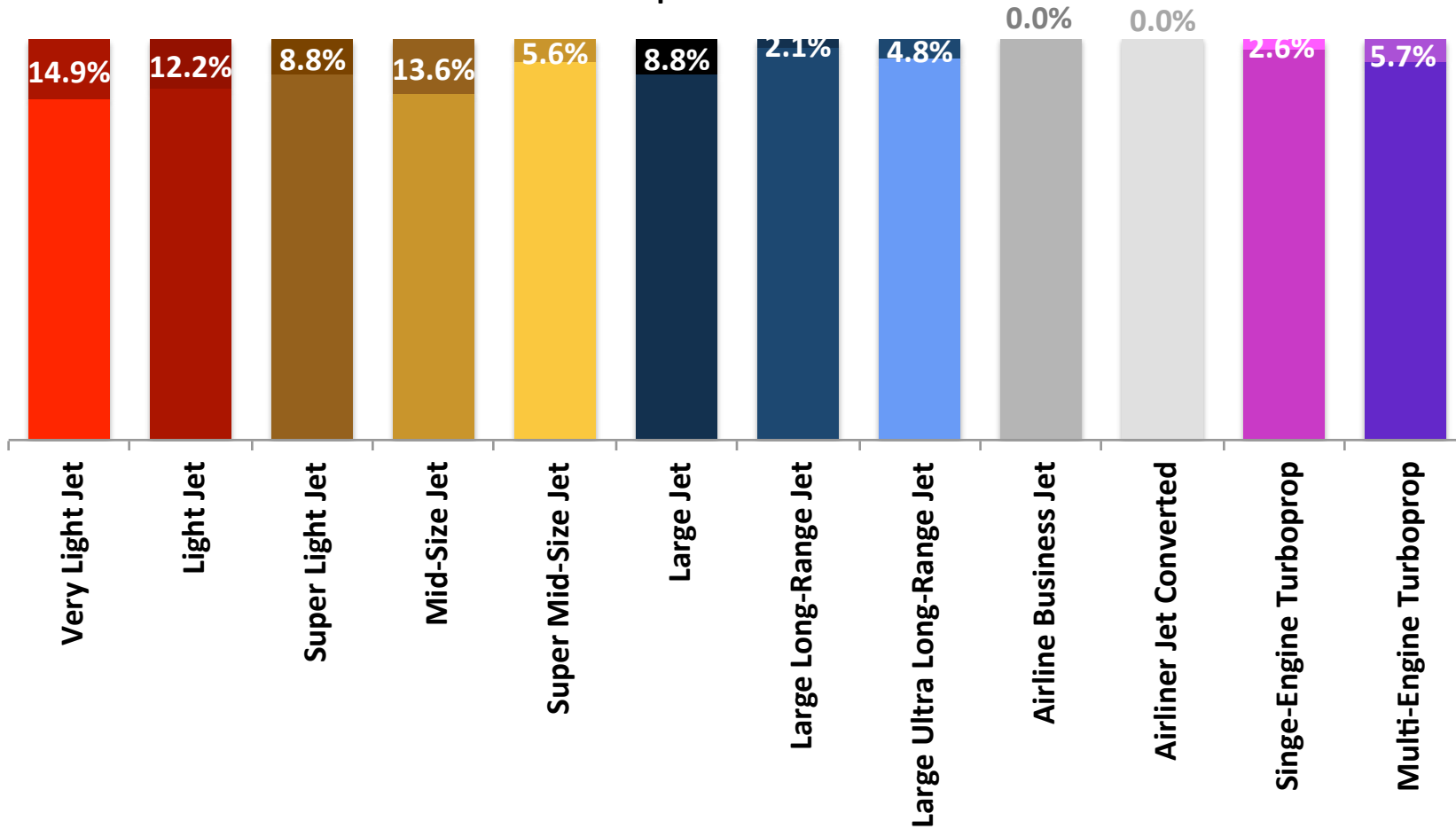


Pre-Owned Business Aircraft Inventory

% of Fleet for Sale

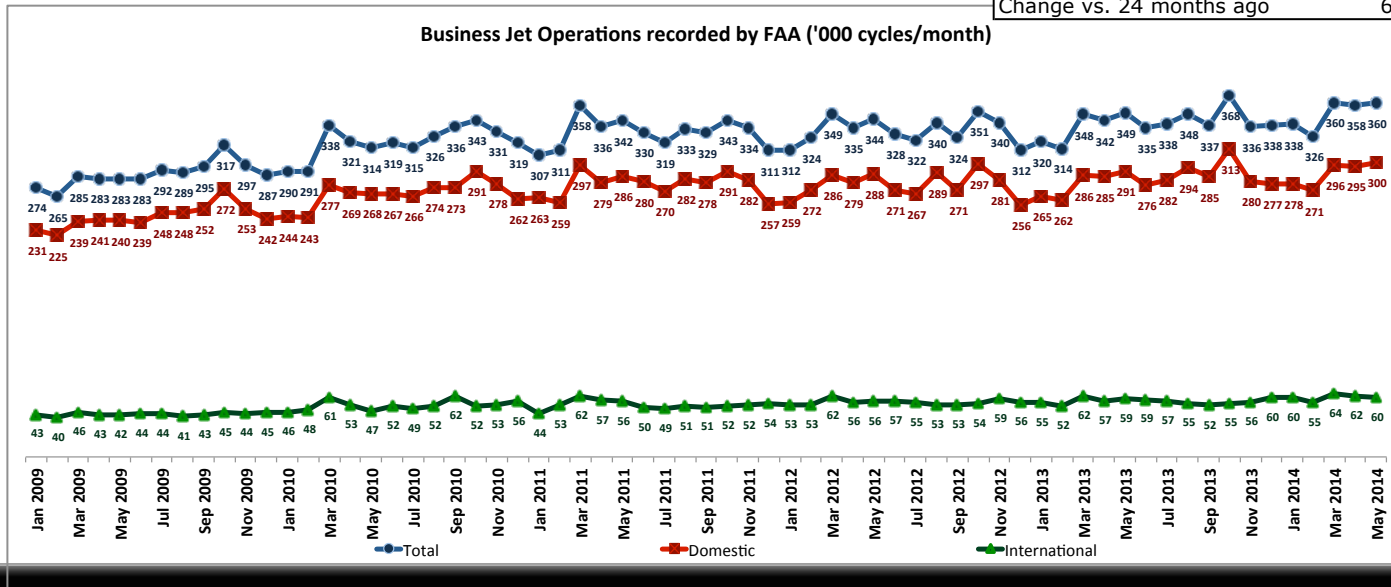
Africa

September 2014



U.S. Business Jet Utilization

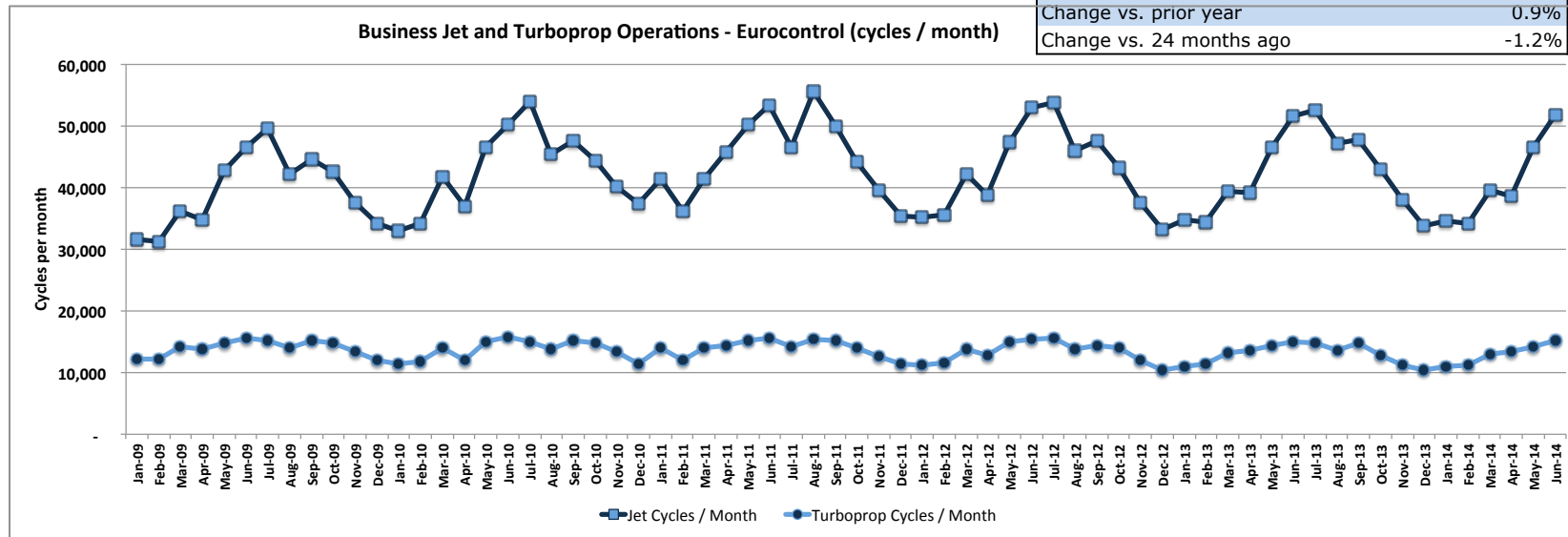
FAA BUSINESS JET OPERATIONS - MAY 2014		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	359,572	4,141,166
Change vs. prior month	0.5%	0.2%
Change vs. prior year	2.9%	3.8%
Change vs. 24 months ago	4.6%	4.5%
DOMESTIC CYCLES		
Total Domestic Cycles	299,610	3,446,782
Change vs. prior month	1.4%	0.3%
Change vs. prior year	3.1%	3.8%
Change vs. 24 months ago	4.1%	3.7%
INTERNATIONAL CYCLES		
Total International Cycles	59,962	694,384
Change vs. prior month	-3.5%	0.2%
Change vs. prior year	2.1%	3.3%
Change vs. 24 months ago	6.9%	8.6%



Annualized U.S. business jet cycles are up 3.8% over the prior year

European Business Aircraft Utilization

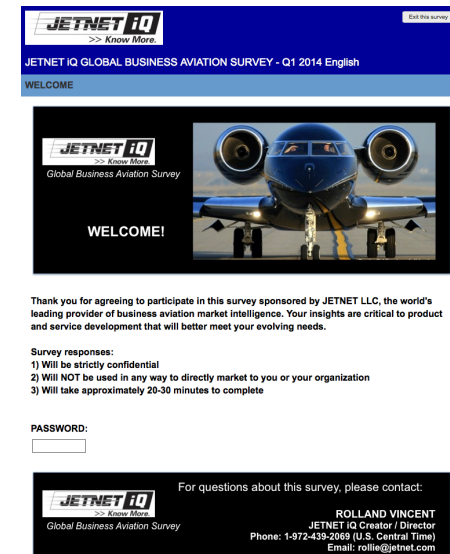
EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - JUN 2014		Trailing 12 Months
BUSINESS JETS (EXCLUDING AIRLINERS)		
Total Cycles	51,876	508,081
Change vs. prior month	11.5%	0.1%
Change vs. prior year	0.5%	0.1%
Change vs. 24 months ago	-2.2%	-2.9%
TURBOPROPS		
Total Cycles	15,226	155,629
Change vs. prior month	7.8%	0.1%
Change vs. prior year	0.9%	-1.9%
Change vs. 24 months ago	-1.2%	-4.5%



**Annualized European cycles are flat for business jets
and down 1.9% for business turboprops over the prior year**

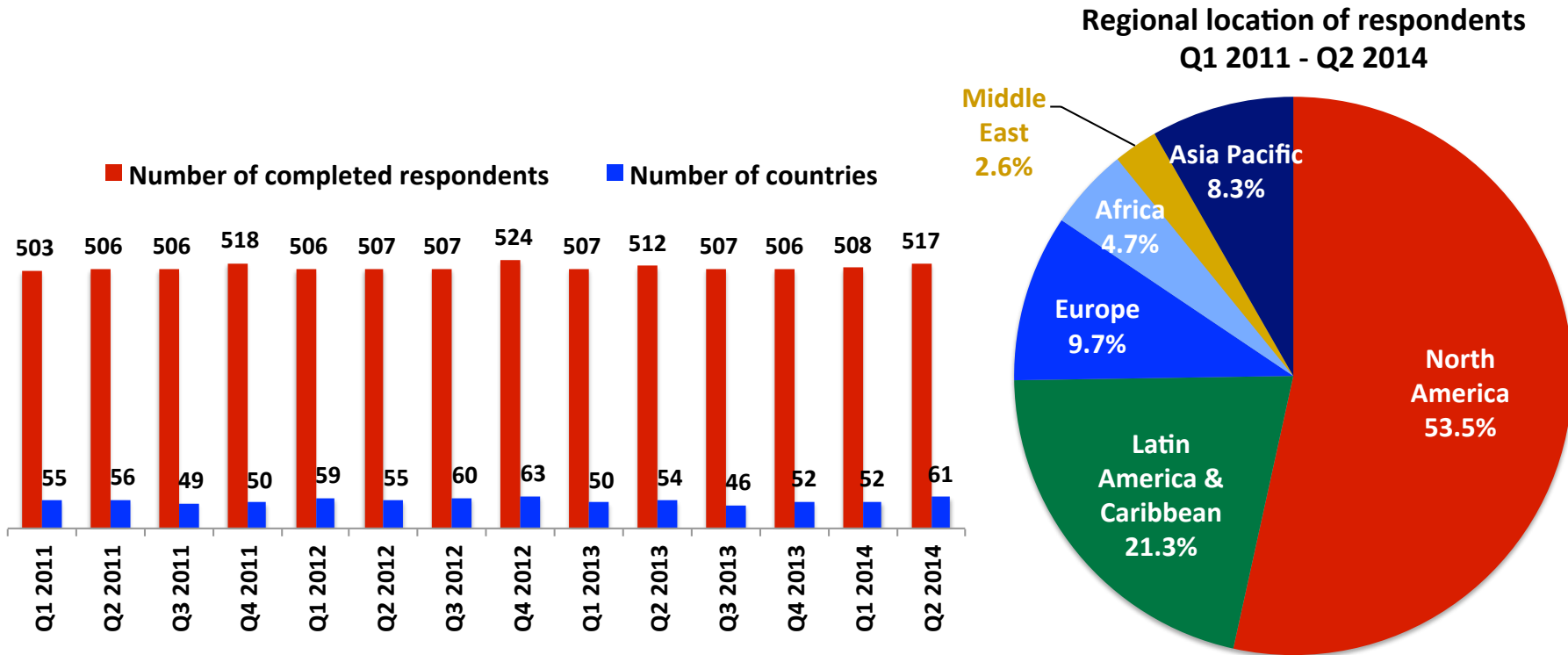
JETNET iQ Quarterly Surveys

- 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, etc.



JETNET iQ Surveys: Quarterly, multilingual, worldwide

JETNET iQ Survey Respondents

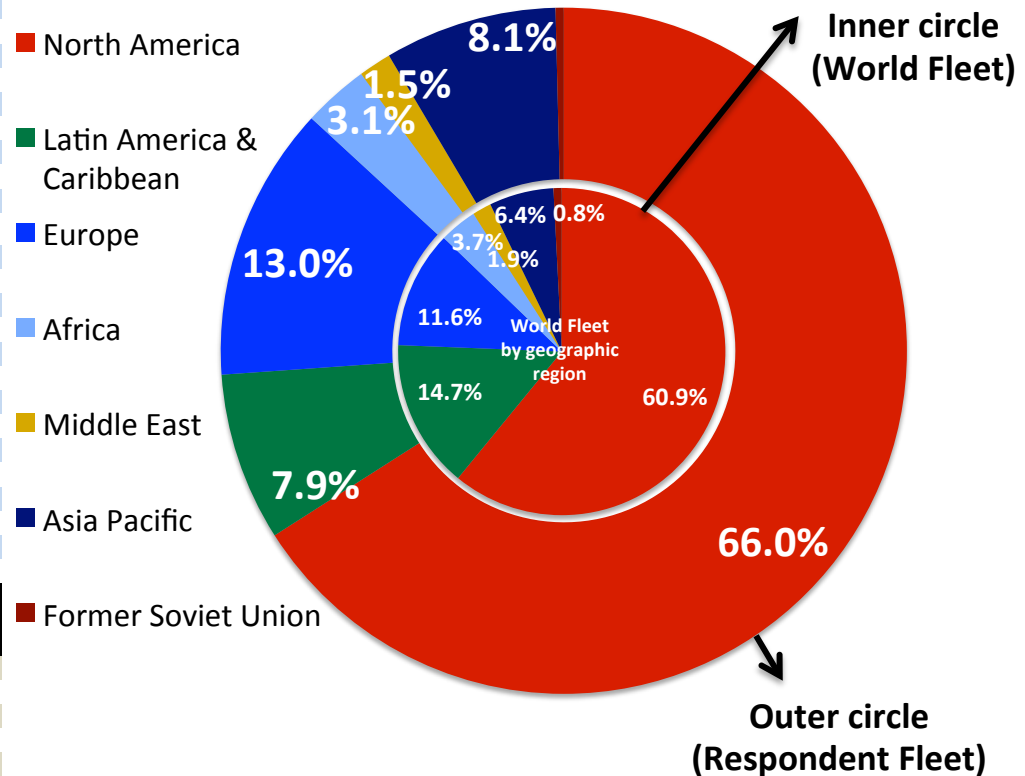


JETNET iQ Surveys: Since Q1 2011, >7,000 respondents from 119 countries

Survey Respondents' Location By Aircraft Base Location

Q2 2014 Survey

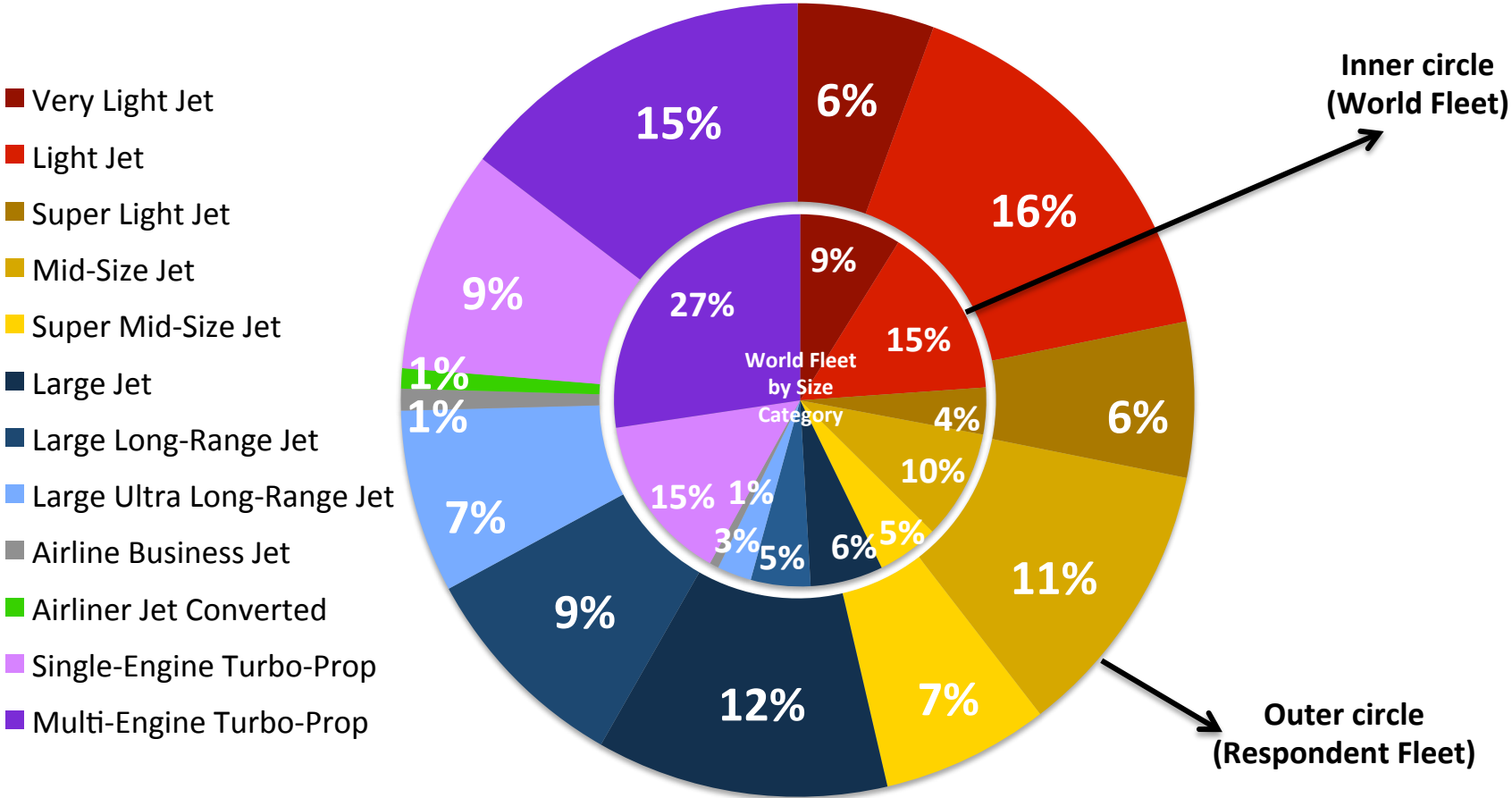
RESPONDENT COUNTRIES FROM Q2 2014 SURVEY			
	# of respondents		# of respondents
ARGENTINA	2	NIGERIA	1
AUSTRALIA	18	PAPUA NEW GUINEA	3
AUSTRIA	5	POLAND	1
BARBADOS	1	ROMANIA	2
BOTSWANA	1	RUSSIAN FEDERATION	1
BRAZIL	19	SAUDI ARABIA	2
BULGARIA	2	SERBIA	1
CANADA	15	SINGAPORE	2
CHILE	1	SLOVAK REPUBLIC	1
CHINA	1	SOUTH AFRICA	9
COLOMBIA	1	SOUTH KOREA	1
DENMARK	1	SRI LANKA	1
DOMINICAN REPUBLIC	2	SURINAME	1
ECUADOR	1	SWEDEN	2
EL SALVADOR	1	SWITZERLAND	10
FRANCE	4	TANZANIA	1
GERMANY	13	THAILAND	1
GREECE	1	TRINIDAD AND TOBAGO	1
GUATEMALA	1	TURKEY	1
HONG KONG	1	UKRAINE	1
ICELAND	1	UNITED ARAB EMIRATES	1
INDIA	7	UNITED KINGDOM	13
INDONESIA	1	UNITED STATES	326
IRELAND	1	YEMEN	1
ISRAEL	1	ZAMBIA	1
ITALY	4	Total # of respondents	168
KENYA	1	Total # of countries	61
LEBANON	2		
LIECHTENSTEIN	1	Africa	16
MALAYSIA	3	Asia Pacific	42
MEXICO	10	Europe	67
MONACO	1	Former Soviet Union	2
MOROCCO	2	Latin America & Caribbean	41
NETHERLANDS	3	Middle East	8
NEW CALEDONIA	1	North America	341
NEW ZEALAND	2	Total	517



Survey Respondents' Fleet

By Aircraft Size Category

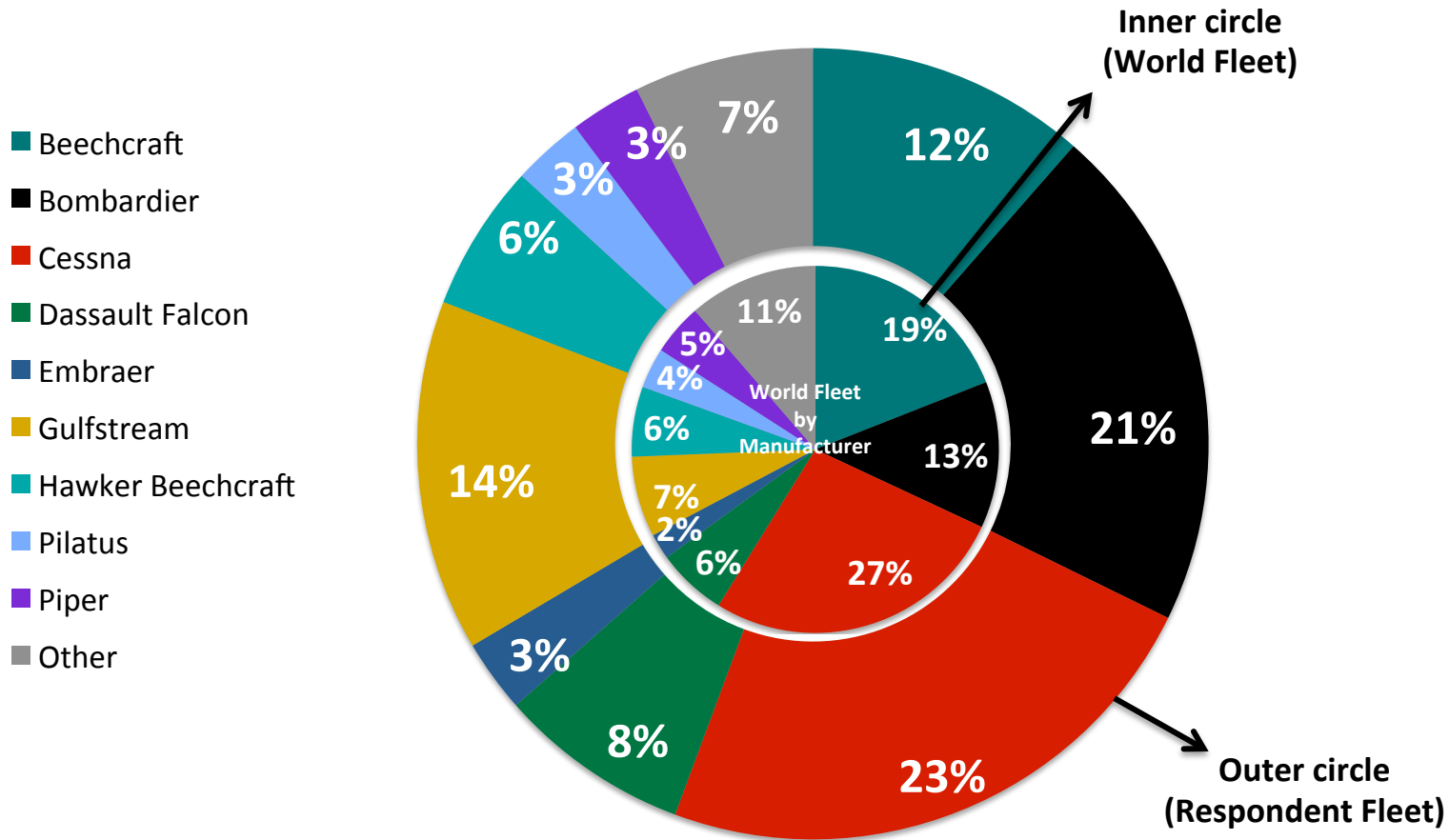
Q2 2014 Survey



Survey Respondents' Fleet

By Aircraft Manufacturer

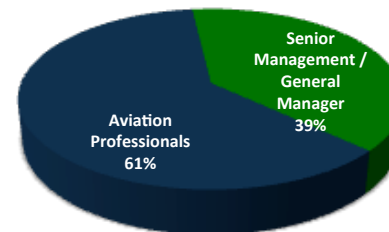
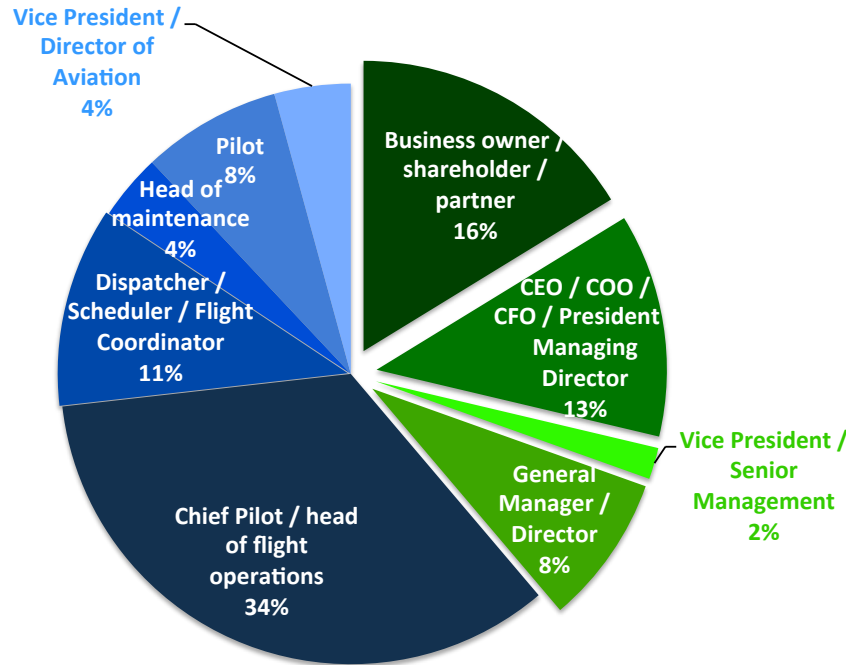
Q2 2014 Survey



Survey Respondents' Roles

By Job Title

Q2 2014 Survey



Survey Respondents' Flight Operations

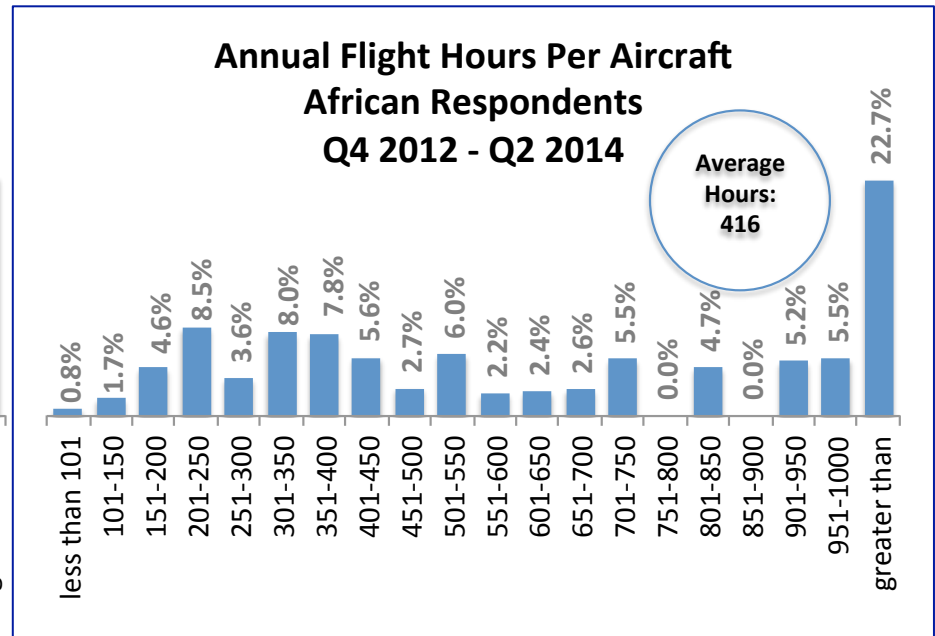
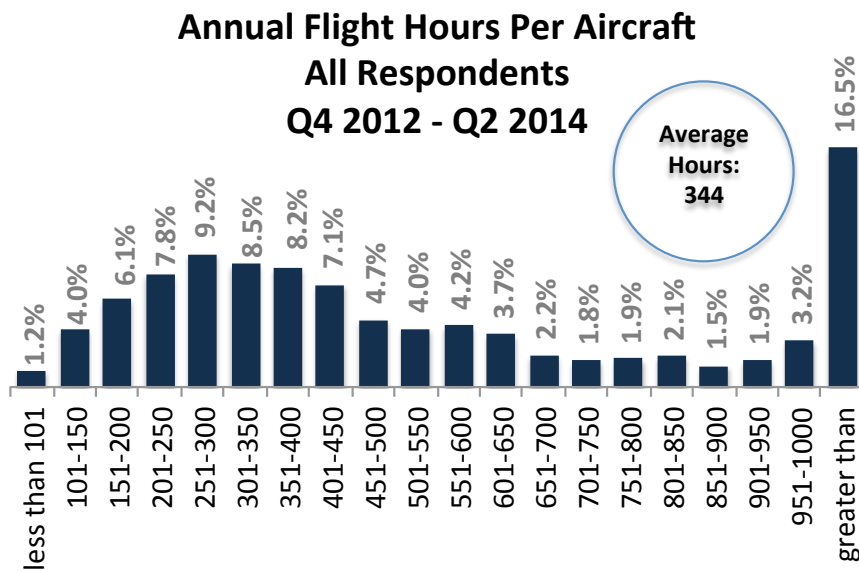
Where respondents land their fleet

Q2 2014 Survey

Weighted by size of fleet	WHERE THE FLEET LANDS							Total
	North America	Latin America & Caribbean	Europe	Africa	Middle East	Asia Pacific	Former Soviet Union	
North America	84%	6%	5%	0%	1%	3%	1%	100%
Latin America & Caribbean	20%	79%	1%	0%	0%	0%	0%	100%
Europe	7%	3%	59%	6%	8%	6%	12%	100%
Africa	2%	0%	8%	89%	2%	0%	0%	100%
Middle East	7%	0%	30%	12%	32%	11%	8%	100%
Asia Pacific	3%	0%	6%	2%	4%	81%	3%	100%
Former Soviet Union	2%	0%	30%	1%	1%	0%	66%	100%
Total Respondents	58%	8%	14%	4%	3%	11%	3%	100%

Survey Respondents' Flight Operations

Average Annual Utilization per Aircraft in Prior 12 Months

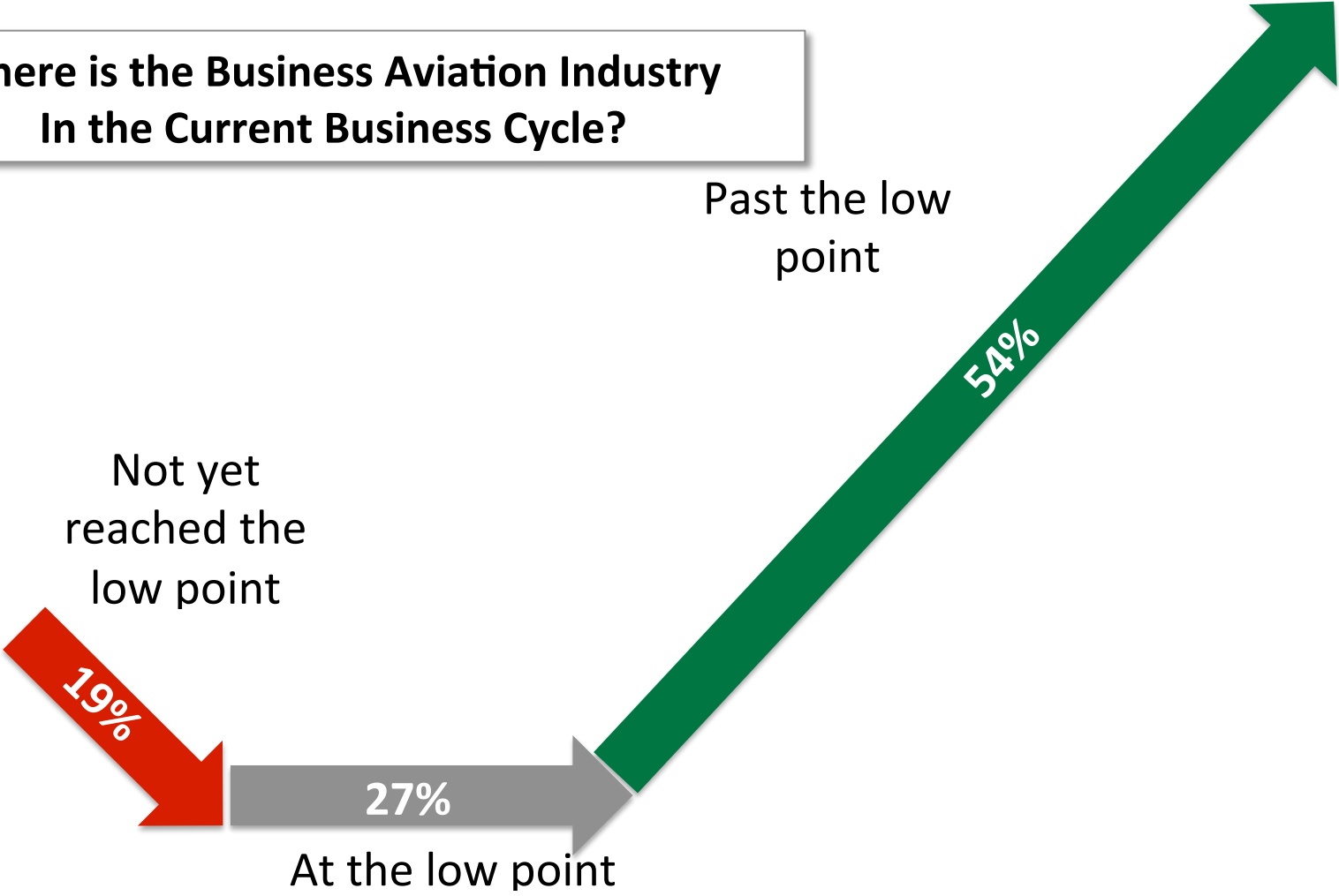


Survey Respondents' Sentiment

Current Worldwide Market Sentiment

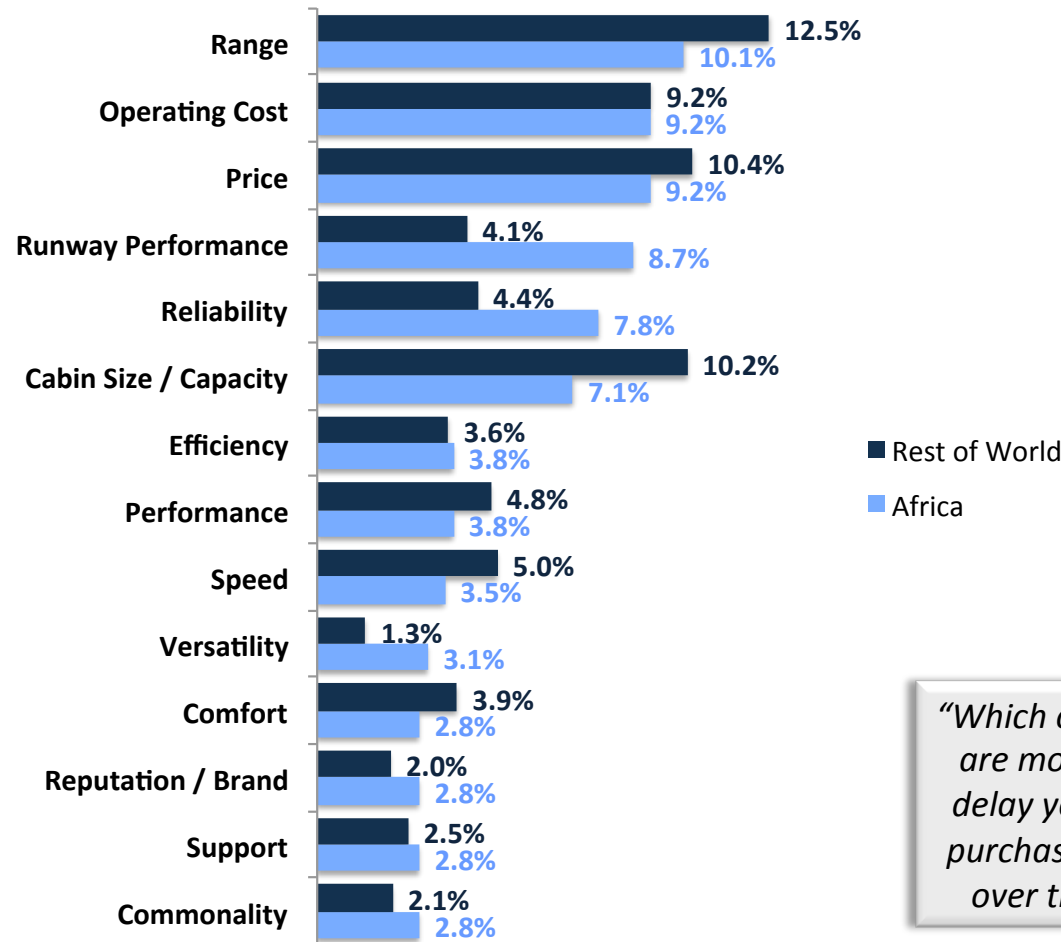
Q2 2014 Survey

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



Aircraft Purchase Criteria

Africa compared to the Rest of World

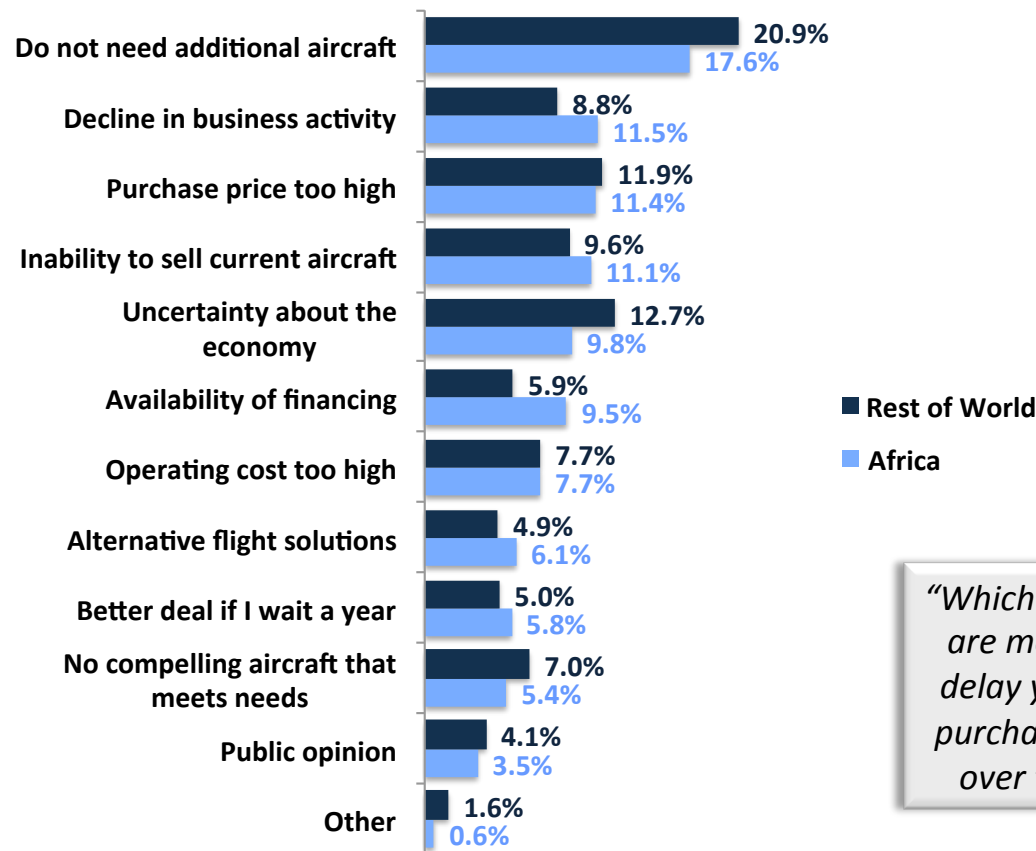


“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”

Aircraft Purchase Inhibitors

Africa compared to the Rest of World

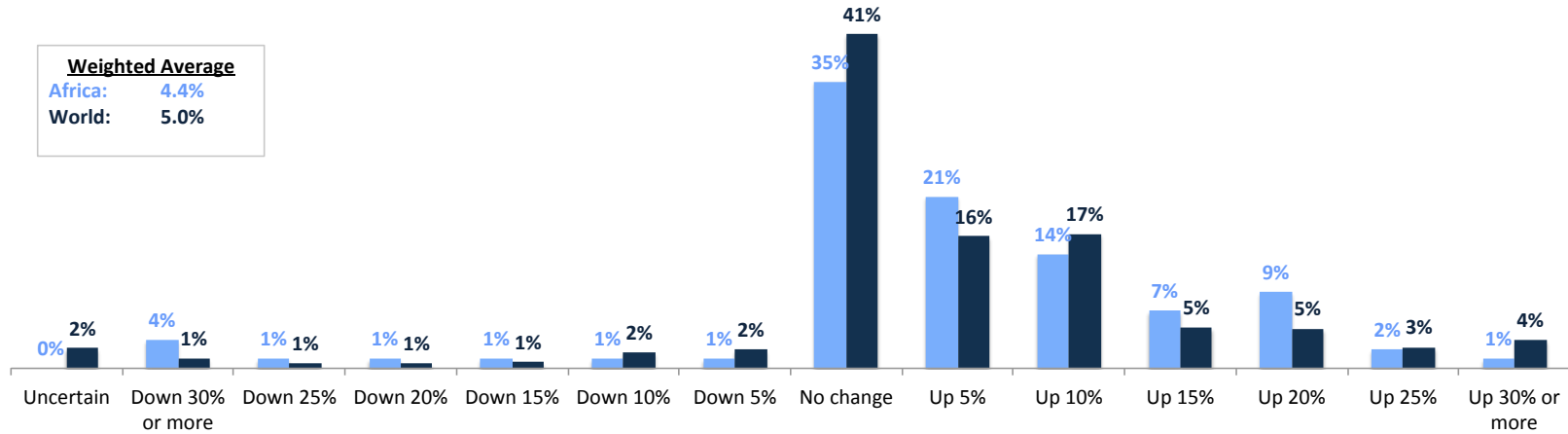
Purchase Inhibitors
African Operators compared to Rest of World
Q3 2013 - Q2 2014



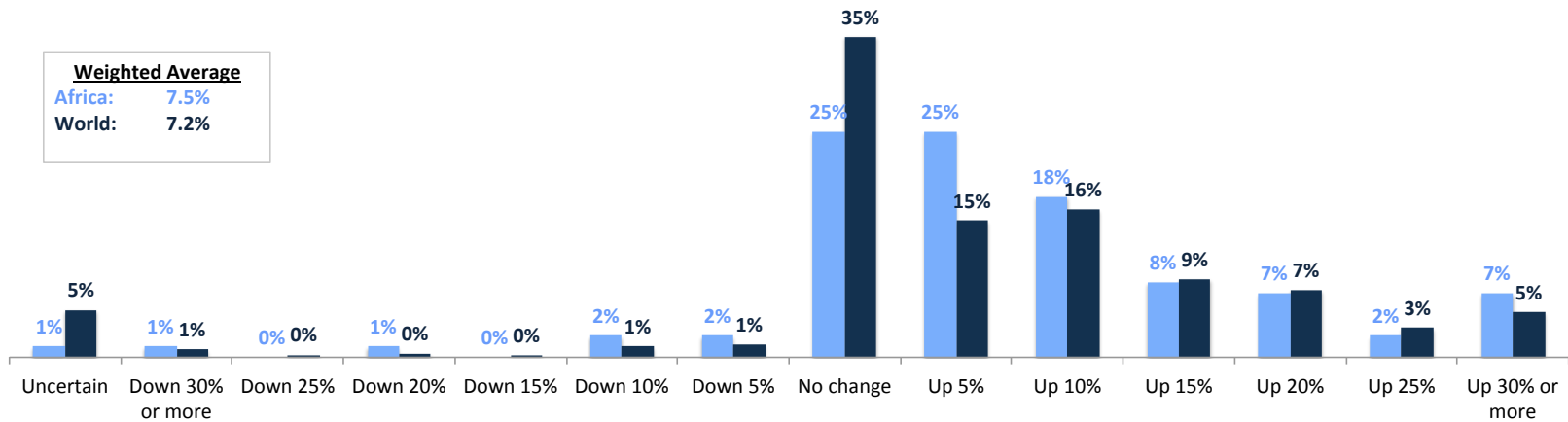
“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”

Aircraft Utilization

Expected Change in Aircraft Utilization
Next 12 Months

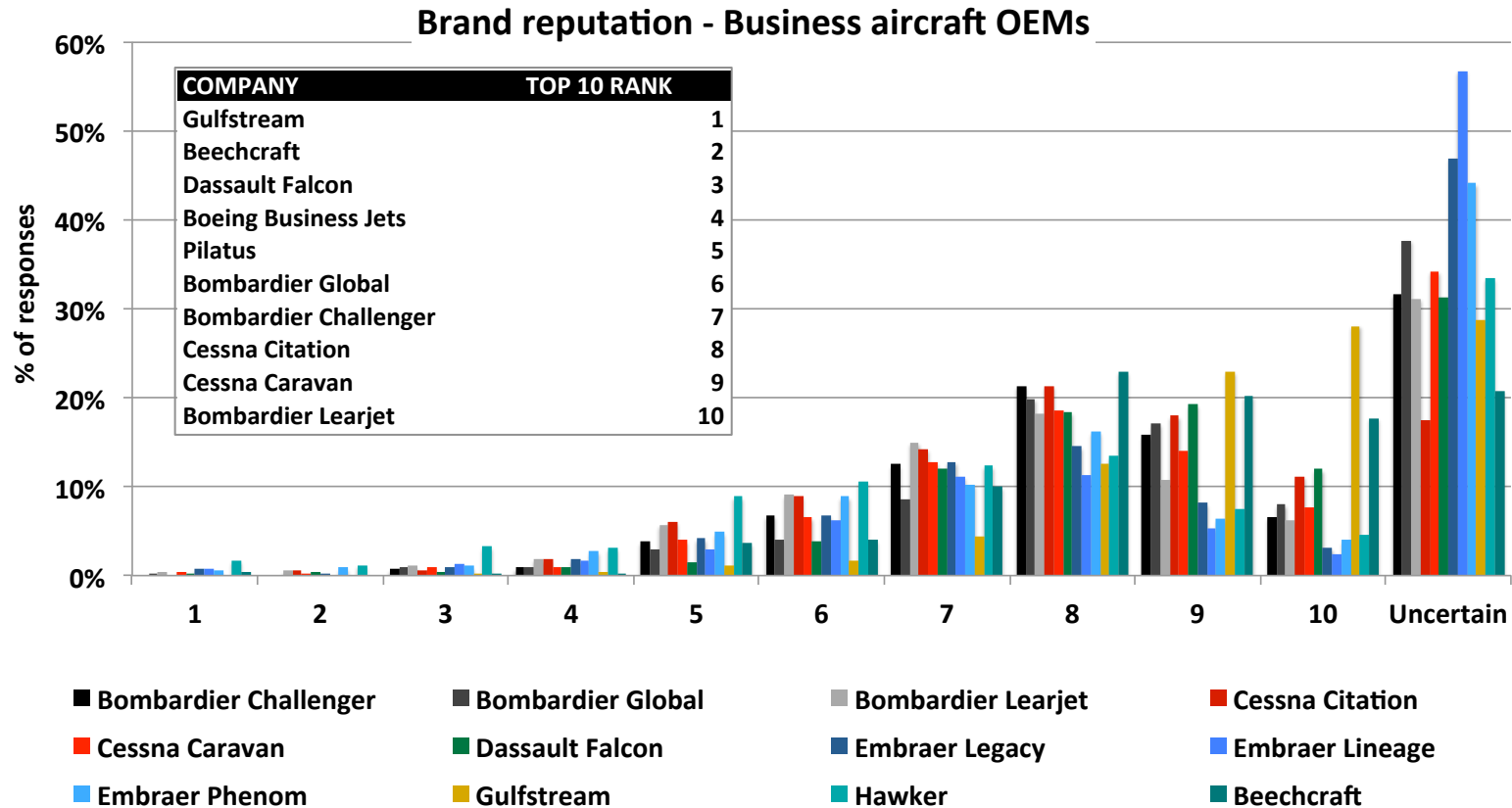


Expected Change in Aircraft Utilization
Next 12 - 24 Months



Brand Reputations

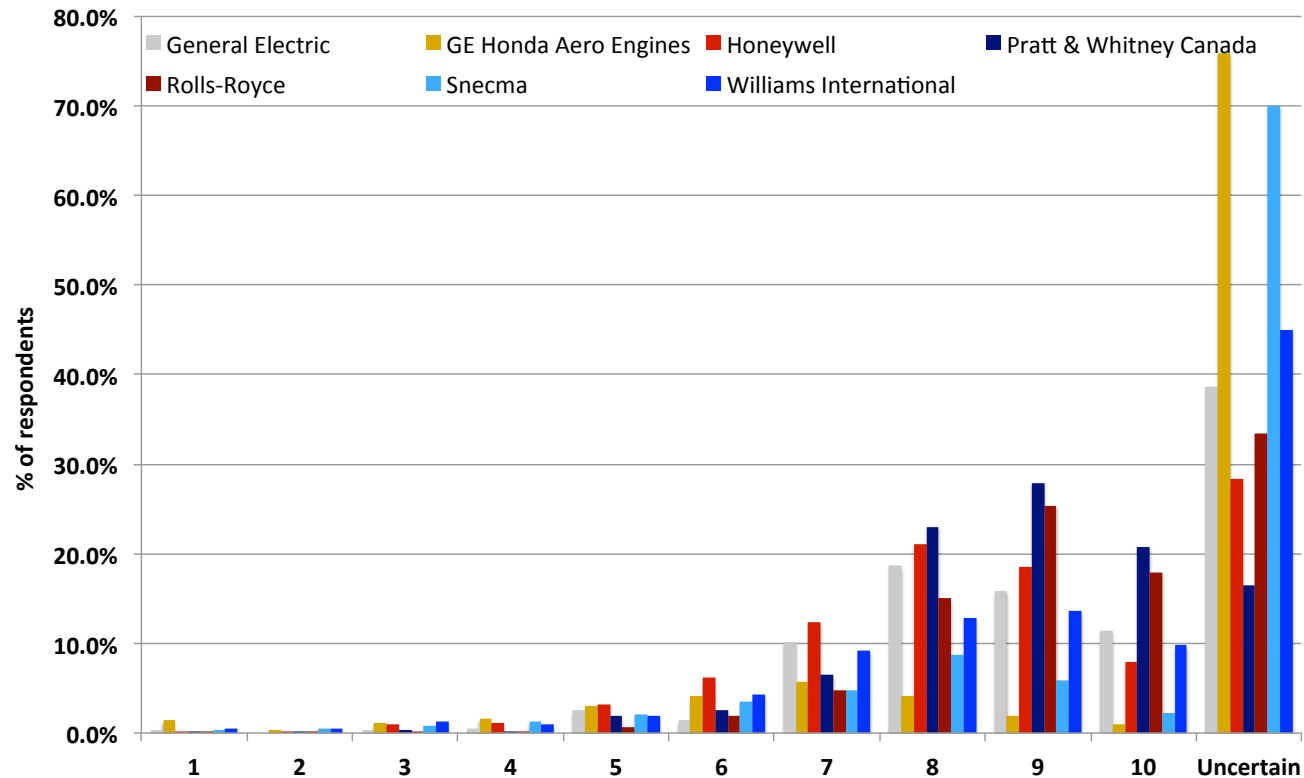
Aircraft Manufacturers on a 1-10 Scale, where “10” = Highest



Gulfstream, Beechcraft and Falcon are the top 3 rated business aircraft brands

Brand Reputations

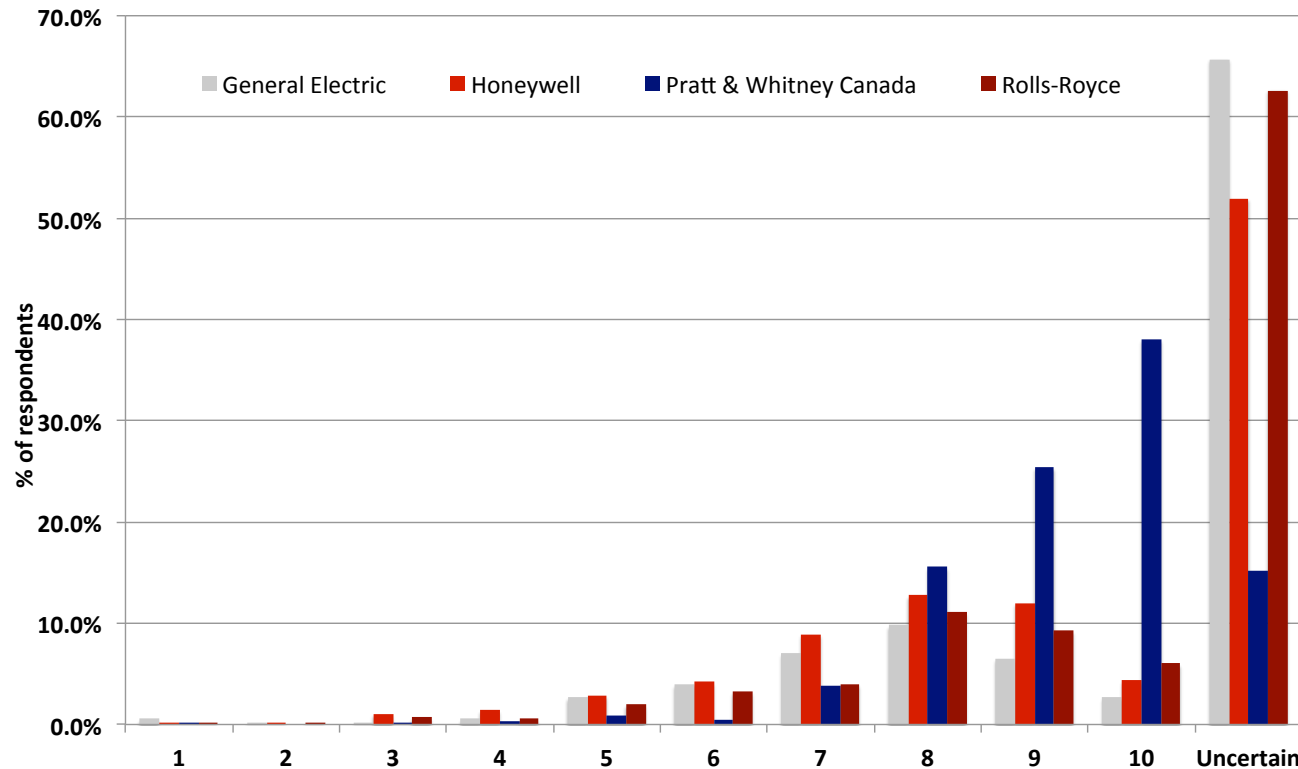
Jet Engine Manufacturers on a 1-10 Scale, where “10” = Highest



Respondents believe that Rolls-Royce and Pratt & Whitney Canada are the top-rated jet engine manufacturer brands

Brand Reputations

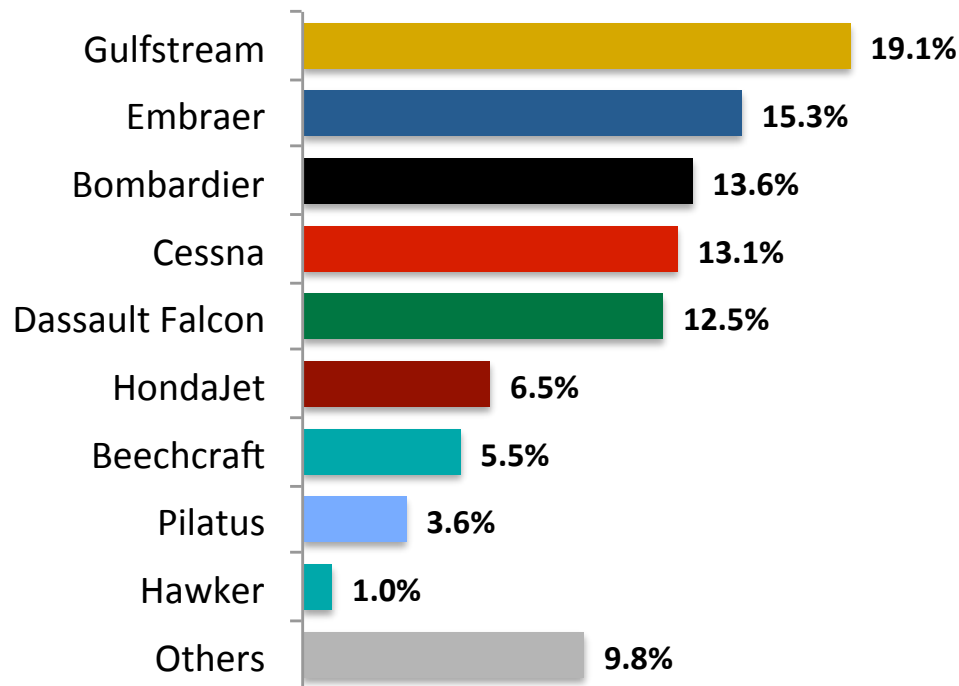
Turboprop Engine Manufacturers on a 1-10 Scale - "10" = Highest



Respondents believe that Pratt & Whitney Canada is the highest rated turboprop engine manufacturer brand, ahead of Rolls-Royce

Aircraft Brands

Brand expected to show the most improvement over the next 5-10 years

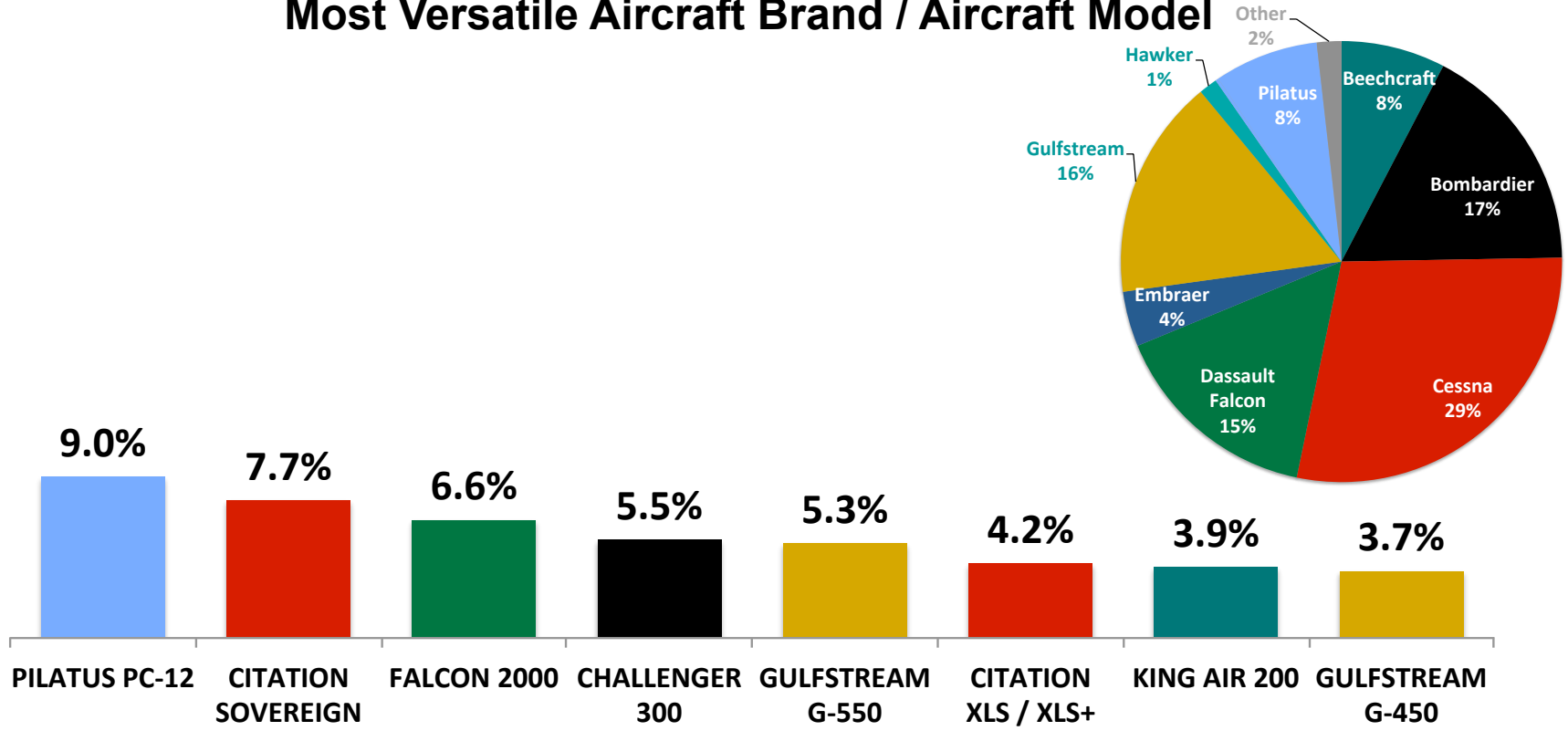


“Which business aircraft brand do you think provides the most innovative designs?”

According to Q2 2014 survey respondents, Gulfstream and Embraer are expected to be the most improved brands over the next 5-10 years

Aircraft Brands

Most Versatile Aircraft Brand / Aircraft Model

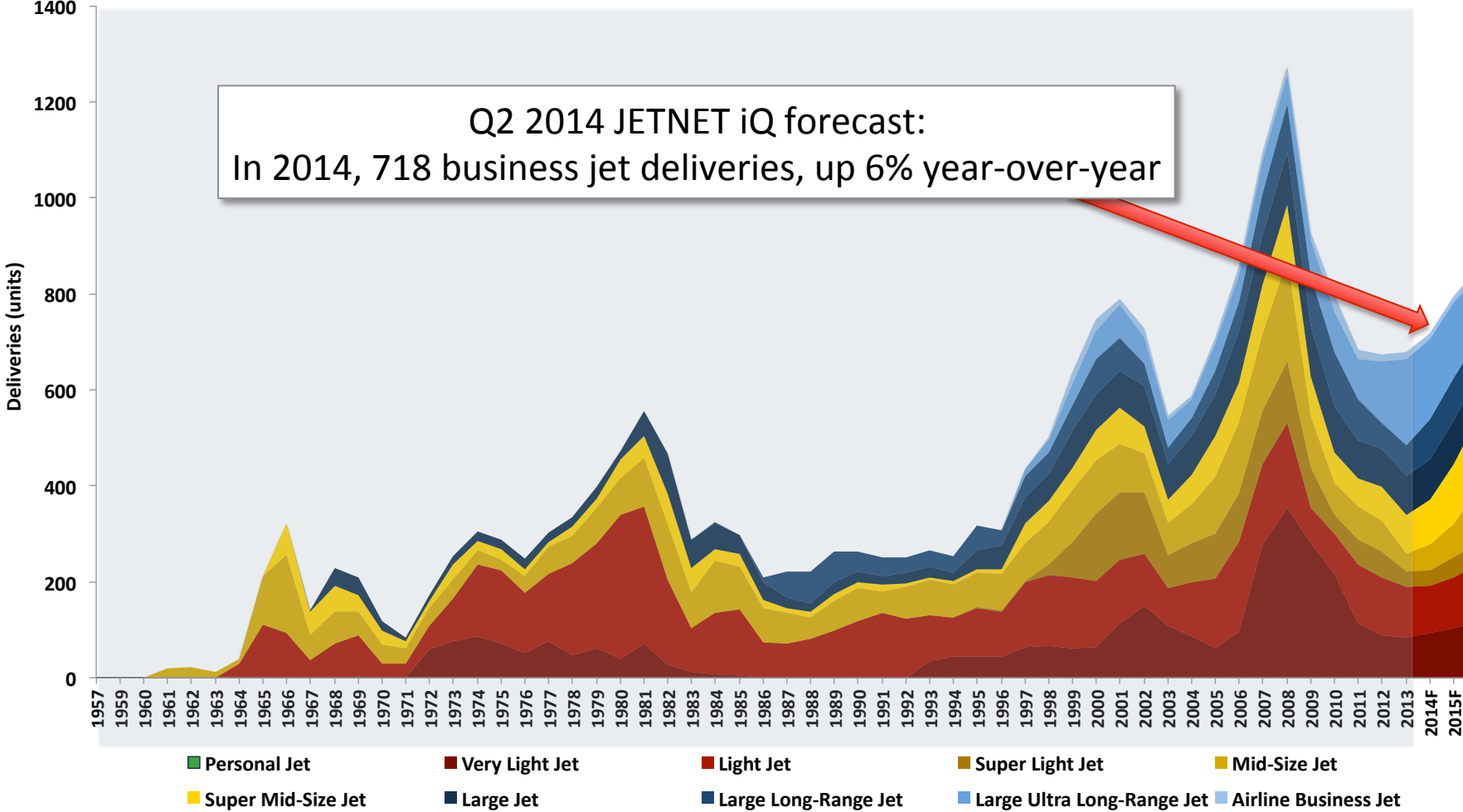


“Which aircraft brand provides the most versatile aircraft model that satisfies the broadest range of mission needs?”

According to recent survey respondents, the Pilatus PC-12 is the most versatile aircraft, followed by the Citation Sovereign and Falcon 2000

Business Jet Delivery History & Forecast

Business jet delivery forecast by size category: Historical - 2023



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.