



# JETNET iQ *Snap!*

## *Q1 2012 Summary Report*

Prepared for:  
JETNET iQ Global Business Survey Respondents

*JETNET iQ Snap!: 1<sup>st</sup> Quarter 2012 - 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, New York, 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. Now, with JETNET iQ, JETNET CRM, JETNET Evolution, Aviation Business Index, and

our recently announced interface enhancements for Mac users, we continue to strive to take our services to a higher level, providing you unprecedented data coverage, connectability, and market insights wherever you are. I invite you to visit us in Utica or at one of our many industry events, including EBACE and NBAA. On June 5-6, 2012, we hosted our 2<sup>nd</sup> annual JETNET iQ Summit in New York City, a gathering of thought leaders from across this well-connected business aviation industry.

Thank you for responding to our quarterly survey. In the attached pages, we hope that you will find data and insights to help you take your business to a higher altitude.

*Vincent Esposito  
President, JETNET LLC*

## Navigating by JETNET iQ

JETNET iQ *Snap!* is 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 something back 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!* reflects 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 office 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 - turbine aircraft aircraft owners and operators - with our quarterly JETNET iQ Global Business Aviation Surveys. We are pleased to have the opportunity to present JETNET iQ *Snap!* to you. We hope that it is a welcome arrival in your inbox.

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

# JETNET

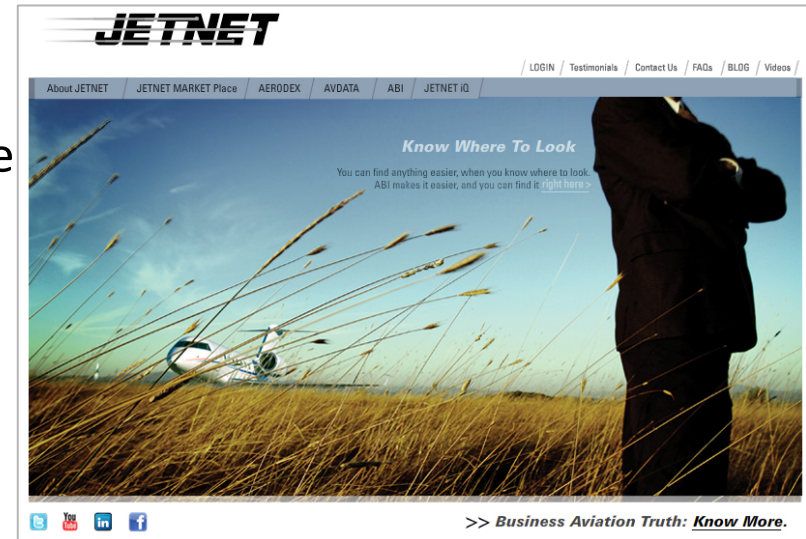
- Founded in 1988
- Privately-owned family business
- Headquarters in Utica, NY
- 70 employees (43 in research)
- Daily contact with aircraft owners and operators globally



**JETNET: Worldwide leader in aviation market intelligence**

# JETNET

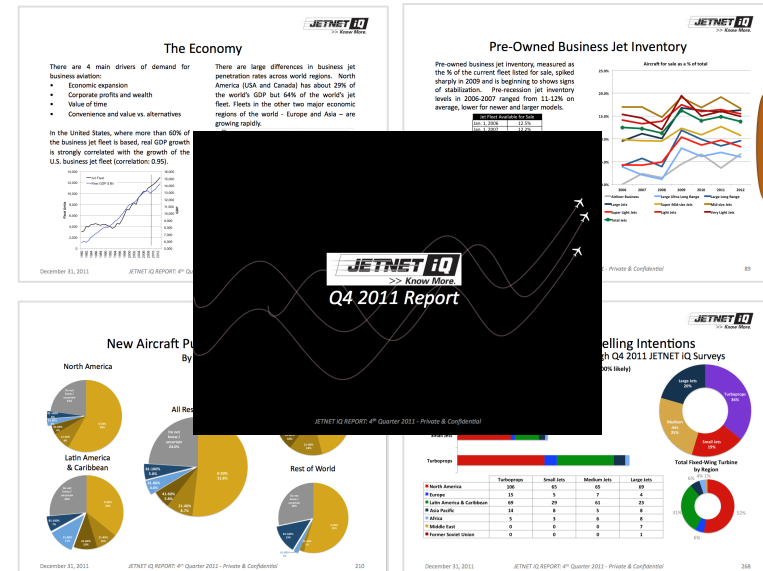
- Main products:
  - JETNET iQ
  - JETNET Evolution / Evolution Mobile
  - AERODEX
  - Aviation Business Index (ABI)
  - AvData
  - JETNET CRM
  - Helidex
  - Rotodex
  - Big Planes - Commercial Airliner Database
  - Sales Price Index (SPI)
- Data coverage:
  - 60,000 business aircraft (fixed and rotary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



JETNET: Tracking more than 110,000 aircraft worldwide

# JETNET iQ - 3 Main Elements

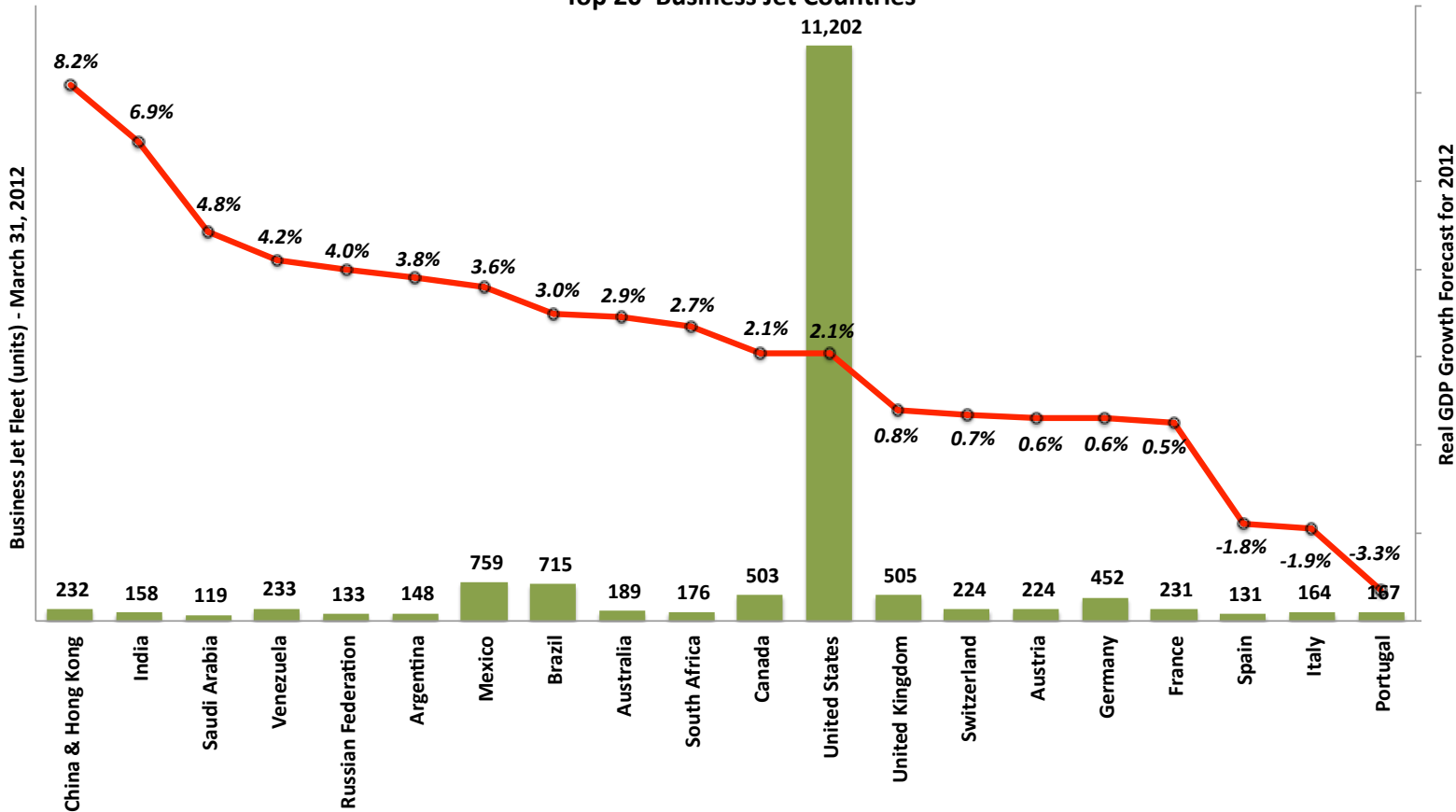
- JETNET iQ Reports
  - The Economy
  - The Industry
  - The Survey
  - The Forecast
- JETNET iQ Summits
  - Networking conferences with industry thought leaders
- JETNET iQ Consulting
  - Customized project research services



JETNET iQ: Analysis and forecasting services for business aviation leaders

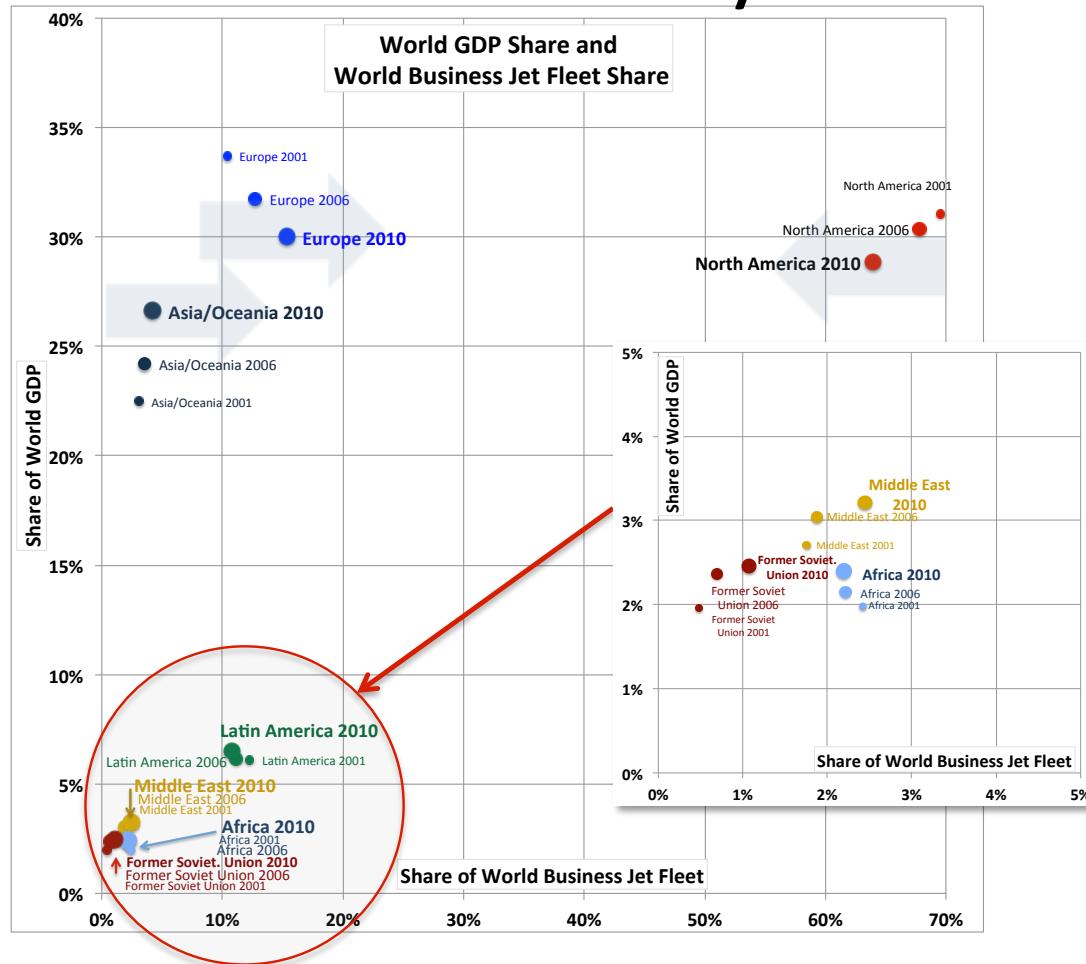
# The Economy

2012 GDP Forecasts vs. Business Jet Fleet for the 'Top 20' Business Jet Countries



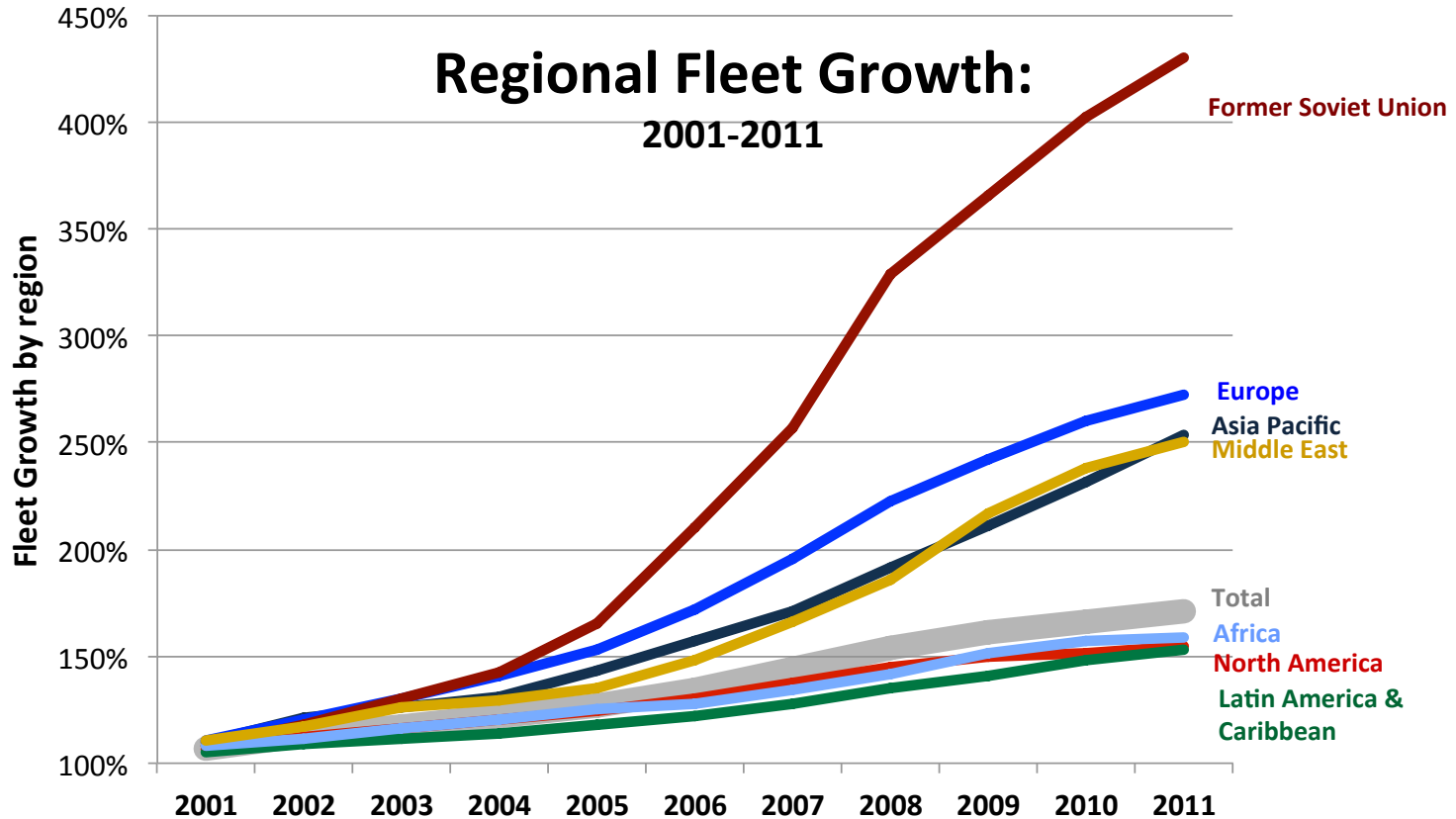
The "Top 20" business aviation countries have widely divergent economic outlooks in 2012

# The Economy



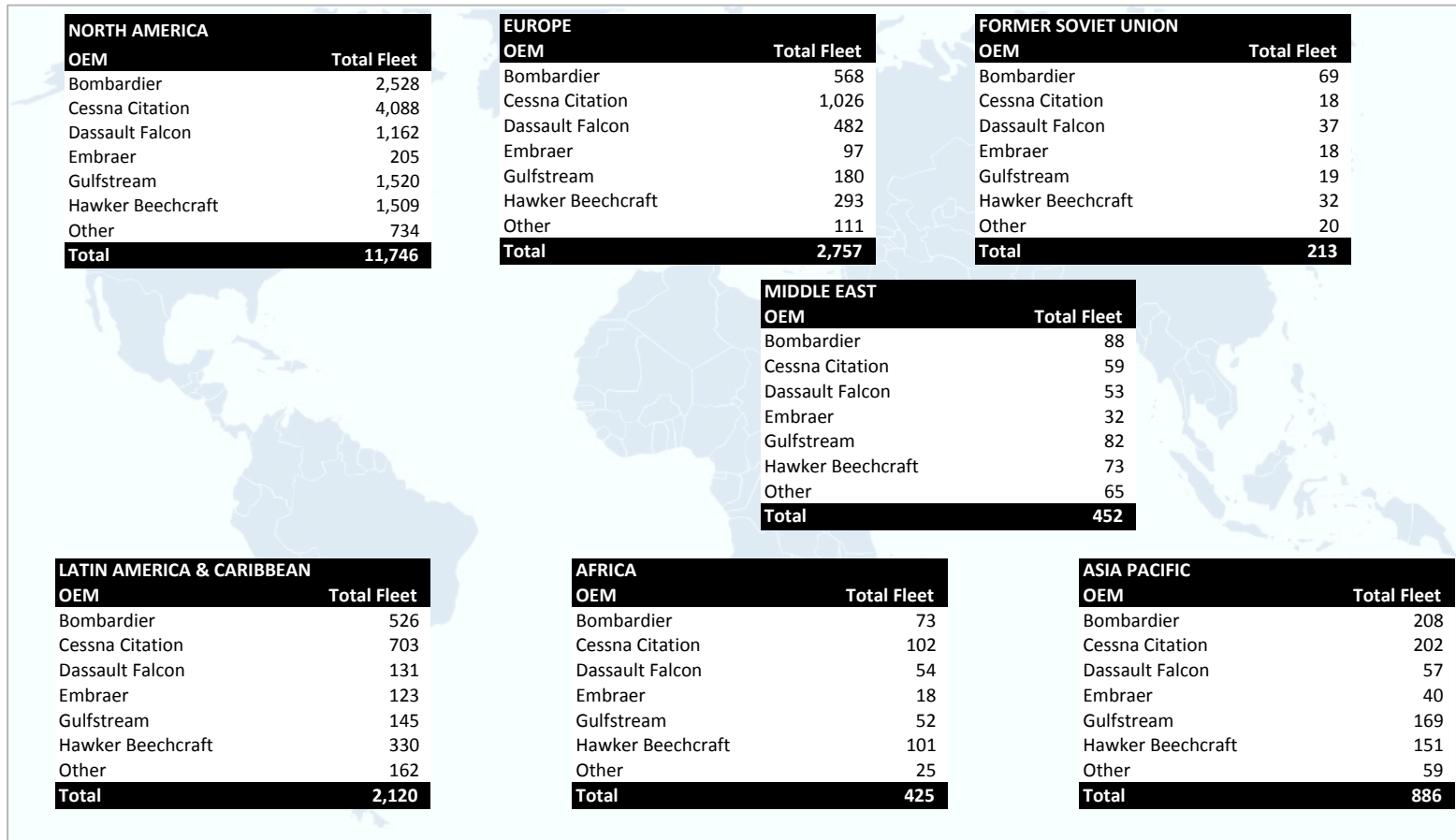
North America, Europe, and Asia Pacific – similarly sized economies, very different fleets

# Business Jet Fleet by Region



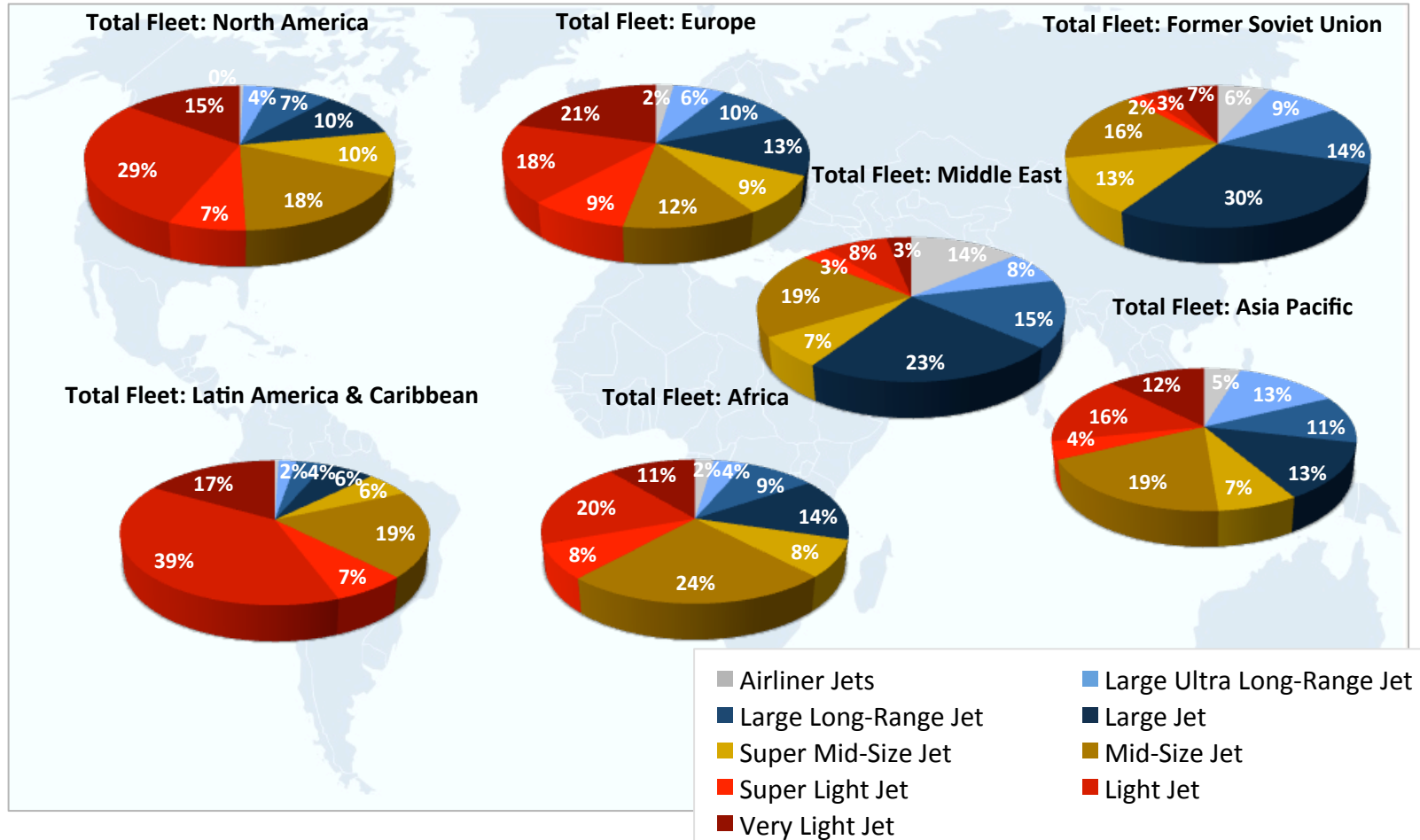
Asia Pacific is poised to be the world's fastest growing fleet over the next 10 years

# Business Jet Fleet by Manufacturer



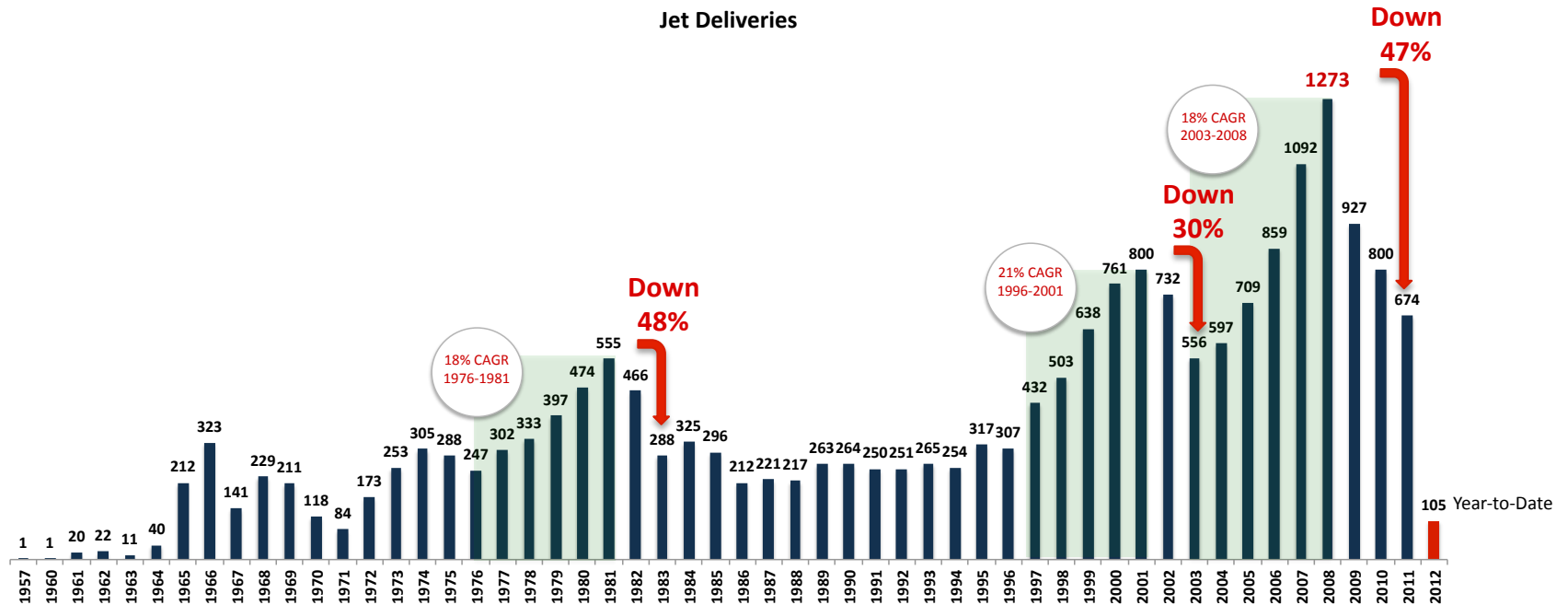
World fleet was 18,599 jets on March 31, 2012, representing 91.2% of jets ever delivered

# Business Jet Fleet by Size Category



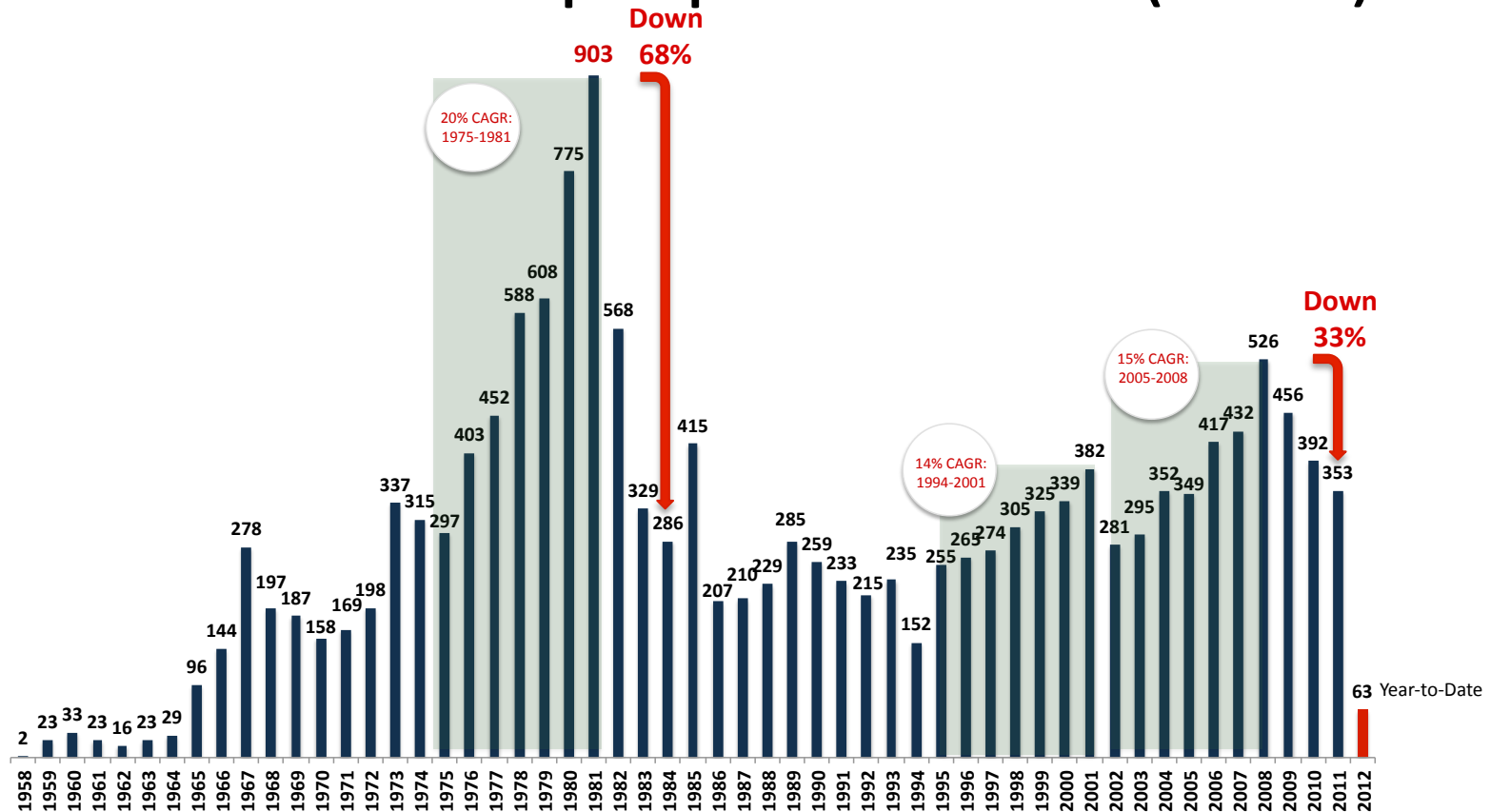
There is a large regional variation in the mix of jet size categories in the fleet

# Business Jet Fleet Deliveries (units)



The 2009-2011 new jet delivery downturn was similar in amplitude to that of 1982-83

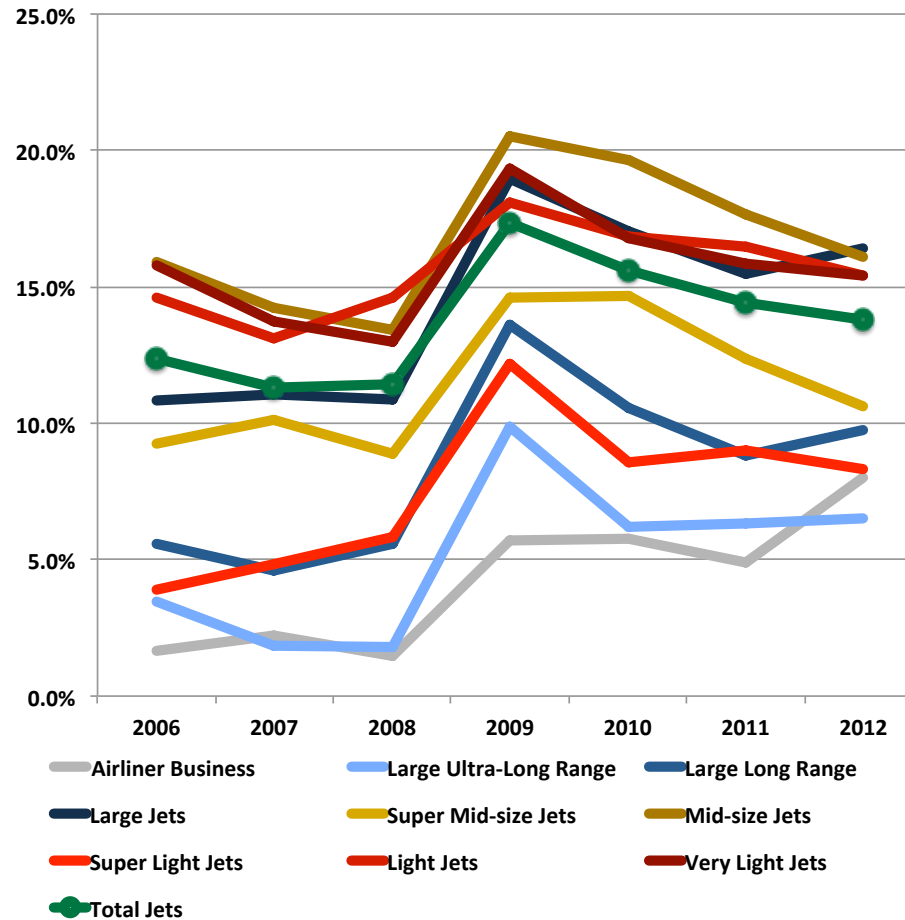
# Business Turboprop Deliveries (units)



New turboprop delivery cycles have been less severe than for new jets for almost 20 years

# Pre-Owned Business Jet Inventory

Aircraft for sale as a % of total




The percentage of pre-owned jets for sale has yet to return to pre-2008 levels

## 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 (e.g. China)

JETNET iQ GLOBAL BUSINESS AVIATION SURVEY - Q1 2012 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.

The objective of this survey is to monitor business aviation market sentiment on a quarterly basis. As an aviation professional, your insights are critical to product and service development that will better meet your evolving needs.

All responses will be STRICTLY CONFIDENTIAL. Survey results will be aggregated for analysis purposes. The information you provide will NOT be used in any way to directly market to you or your organization.

Please enter the PASSWORD that was provided to you in the space below:

JETNET iQ Surveys: Quarterly, multilingual, worldwide

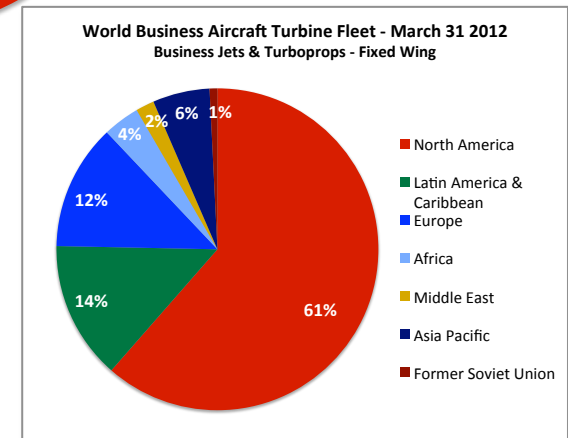
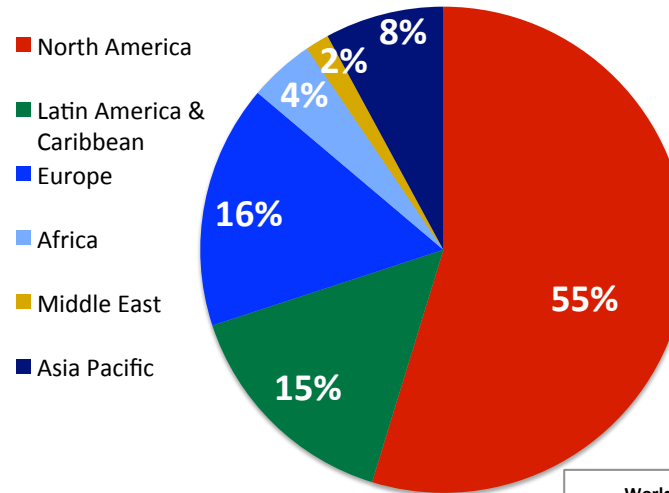
# JETNET iQ Survey Respondents

- Q1 2011
  - 502 owners/operators (USA/Canada = 63%)
  - 55 countries; 1,100 fixed-wing turbine aircraft
- Q2 2011
  - 506 owners/operators (USA/Canada = 53%)
  - 57 countries; 1,200 fixed-wing turbine aircraft
- Q3 2011
  - 506 owners/operators (USA/Canada = 51%)
  - 49 countries; 1,250 fixed-wing turbine aircraft
- Q4 2011
  - 518 owners/operators (USA/Canada = 58%)
  - 49 countries; 1,400 fixed-wing turbine aircraft
- Q1 2012
  - 506 owners/operators (USA/Canada = 55%)
  - 57 countries

**JETNET iQ Surveys: 2,500+ respondents, 80+ countries through Q1 2012**

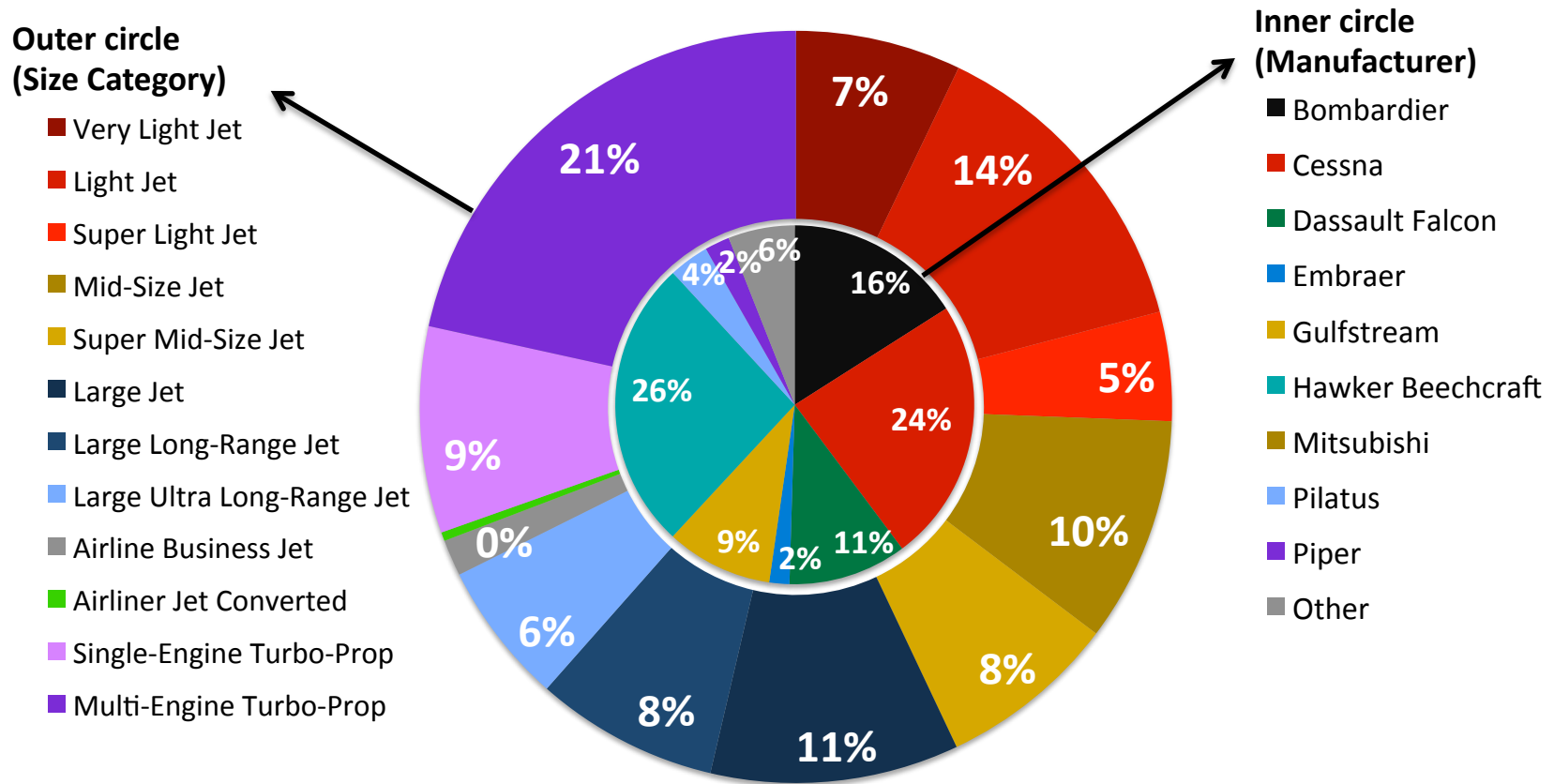
# Location of JETNET iQ Survey Respondents

RESPONDENT COUNTRIES FROM Q1 2012 SURVEY			
	# of respondents		# of respondents
ARGENTINA	4	NEW ZEALAND	2
AUSTRALIA	21	PAKISTAN	1
AUSTRIA	3	PARAGUAY	1
BARBADOS	1	PHILIPPINES	1
BELGIUM	1	POLAND	3
BOTSWANA	1	PORTUGAL	1
BRAZIL	36	QATAR	2
BULGARIA	3	SINGAPORE	1
CANADA	15	SLOVENIA	1
CHILE	2	SOUTH AFRICA	15
COLOMBIA	1	SOUTH KOREA	1
CROATIA	1	SPAIN	4
CZECH REPUBLIC	3	SWEDEN	3
DENMARK	2	SWITZERLAND	10
DOMINICAN REPUBLIC	1	TAIWAN	1
ECUADOR	2	TANZANIA	2
FINLAND	1	THAILAND	1
FRANCE	9	TUNISIA	2
GERMANY	10	TURKEY	4
GUATEMALA	5	UNITED ARAB EMIRATES	1
HONG KONG	1	UNITED KINGDOM	14
INDIA	7	UNITED STATES	262
INDONESIA	1	VENEZUELA	8
IRELAND	3	ZIMBABWE	1
ISLE OF MAN	1	<b>Total</b>	<b>506</b>
ISRAEL	1	<b>Total # of countries</b>	<b>58</b>
ITALY	4		
LITHUANIA	1	Africa	22
LUXEMBOURG	1	Asia Pacific	40
MACAU	1	Europe	82
MALAYSIA	1	Former Soviet Union	0
MEXICO	16	Latin America & Caribbean	77
MONACO	1	Middle East	8
NAMIBIA	1	North America	277
NETHERLANDS	2	<b>Total</b>	<b>506</b>



The location of survey respondents is similar to the distribution of the world fleet

# Fleet of JETNET iQ Survey Respondents



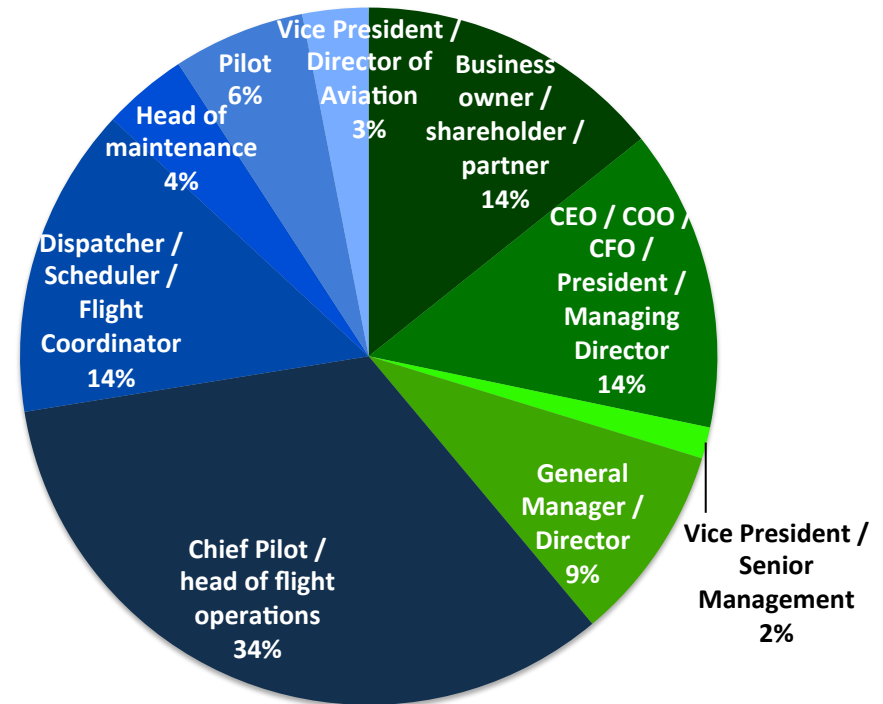
The 506 survey respondents from 57 countries fly 1,601 fixed-wing turbine aircraft

# Job Titles

## JETNET iQ Survey Respondents

Title of respondent	Completed
Business owner / shareholder / partner	98
CEO / COO / CFO / President / Managing Director	96
Vice President / Senior Management	10
General Manager / Director	63
Chief Pilot / head of flight operations	230
Dispatcher / Scheduler / Flight Coordinator	99
Head of maintenance	27
Pilot	42
Vice President / Director of Aviation	21
<b>Total</b>	<b>686</b>

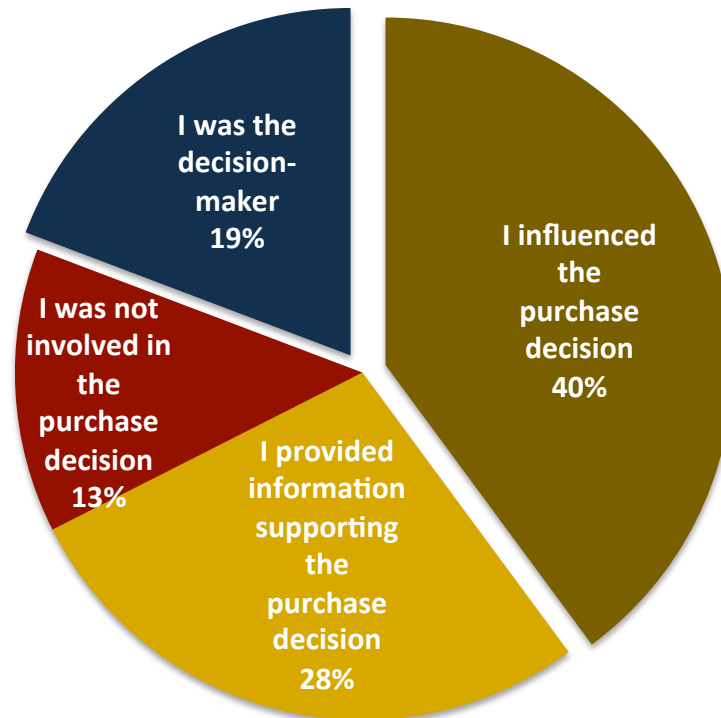
*Note: Respondent was able to chose whichever applied*



**39% of survey respondents are senior management; 61% are aviation professionals**

# Involvement in Last Aircraft Purchase

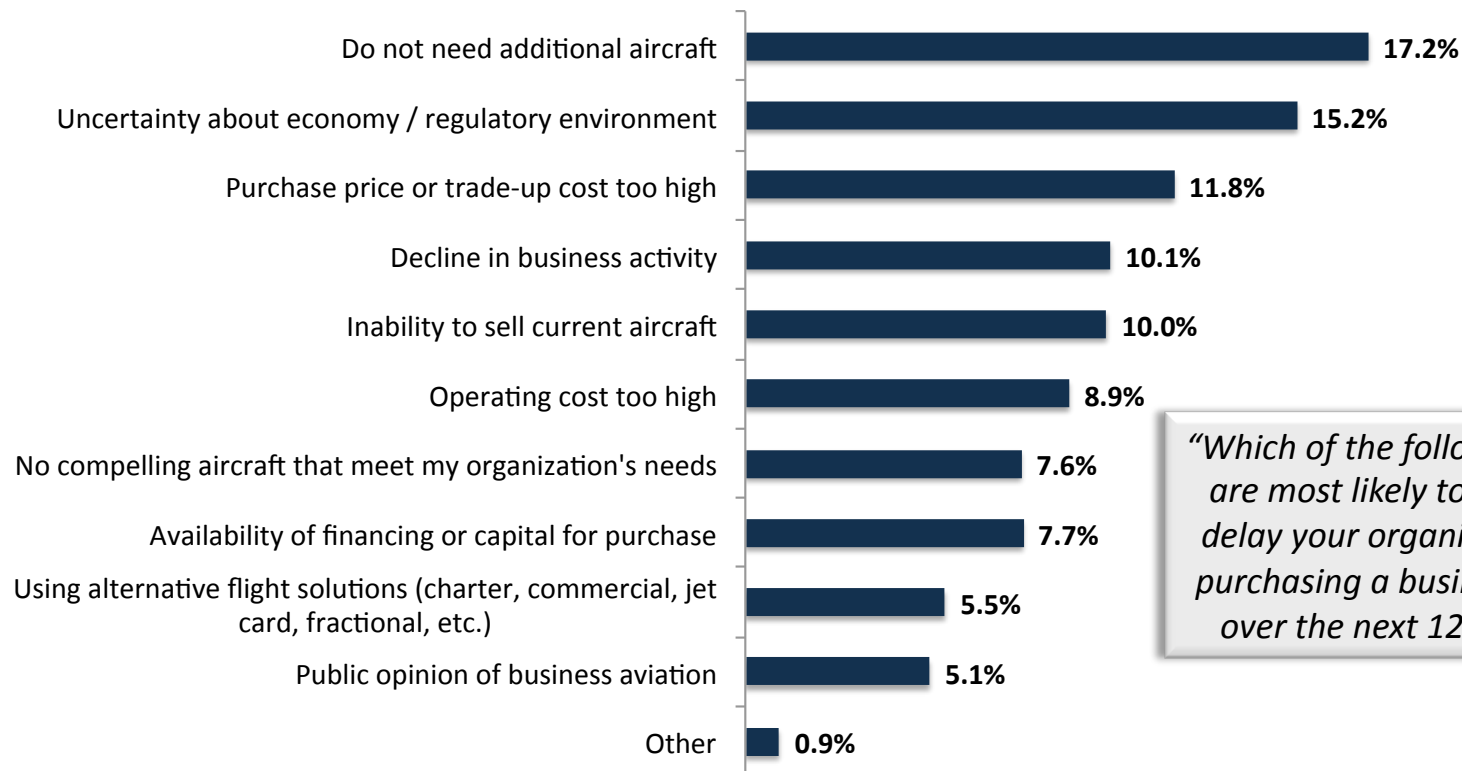
## JETNET iQ Survey Respondents



59% of JETNET iQ Survey respondents made or influenced the last aircraft purchase decision

# Inhibitors to Purchase JETNET iQ Survey Respondents

## Purchase inhibitors

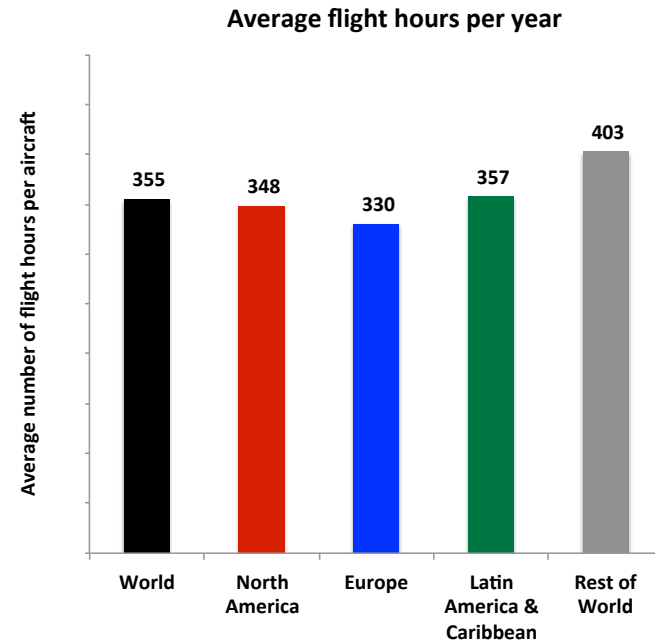
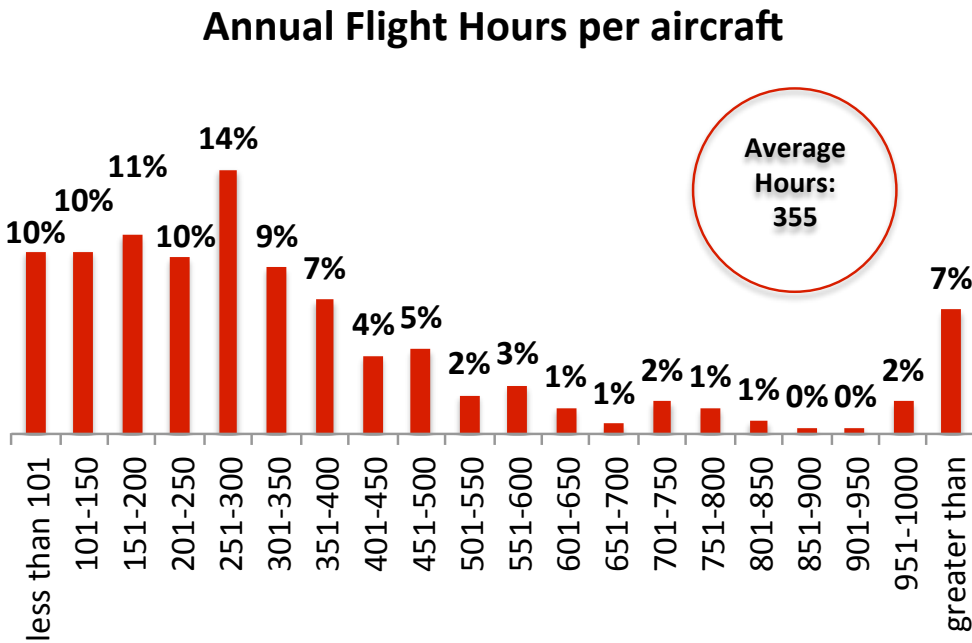


*“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”*

**“Do not need additional aircraft” has fallen to 17% in Q1 2012 from 26% 6 months ago**

# Aircraft Utilization – Last 12 Months

## JETNET iQ Survey Respondents

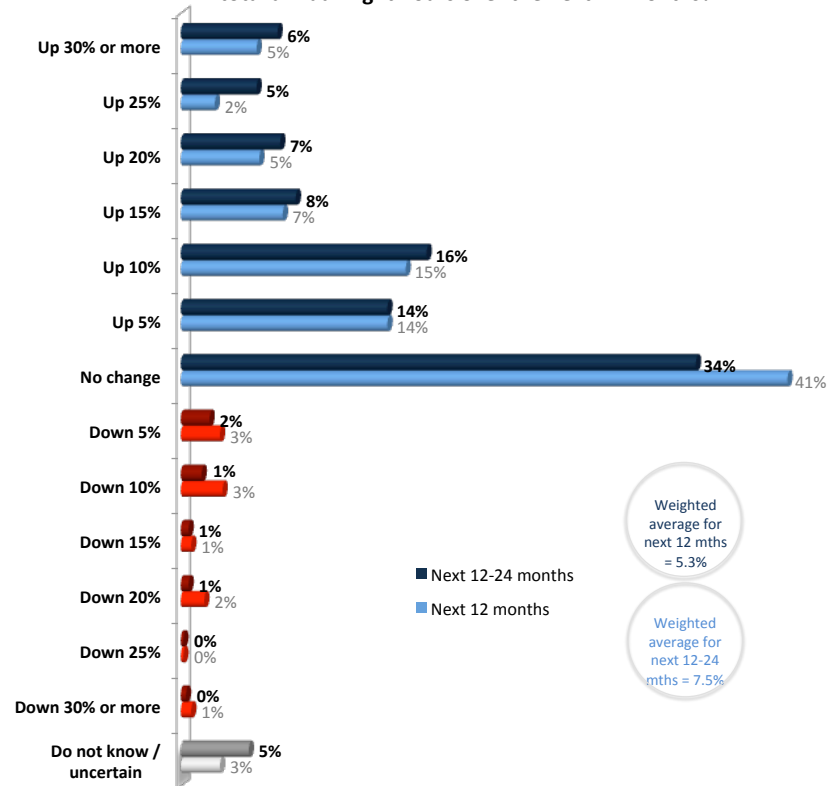


Average annual utilization tends to be lowest in Europe, highest in emerging markets

# Aircraft Utilization – Future Expectations

## JETNET iQ Survey Respondents

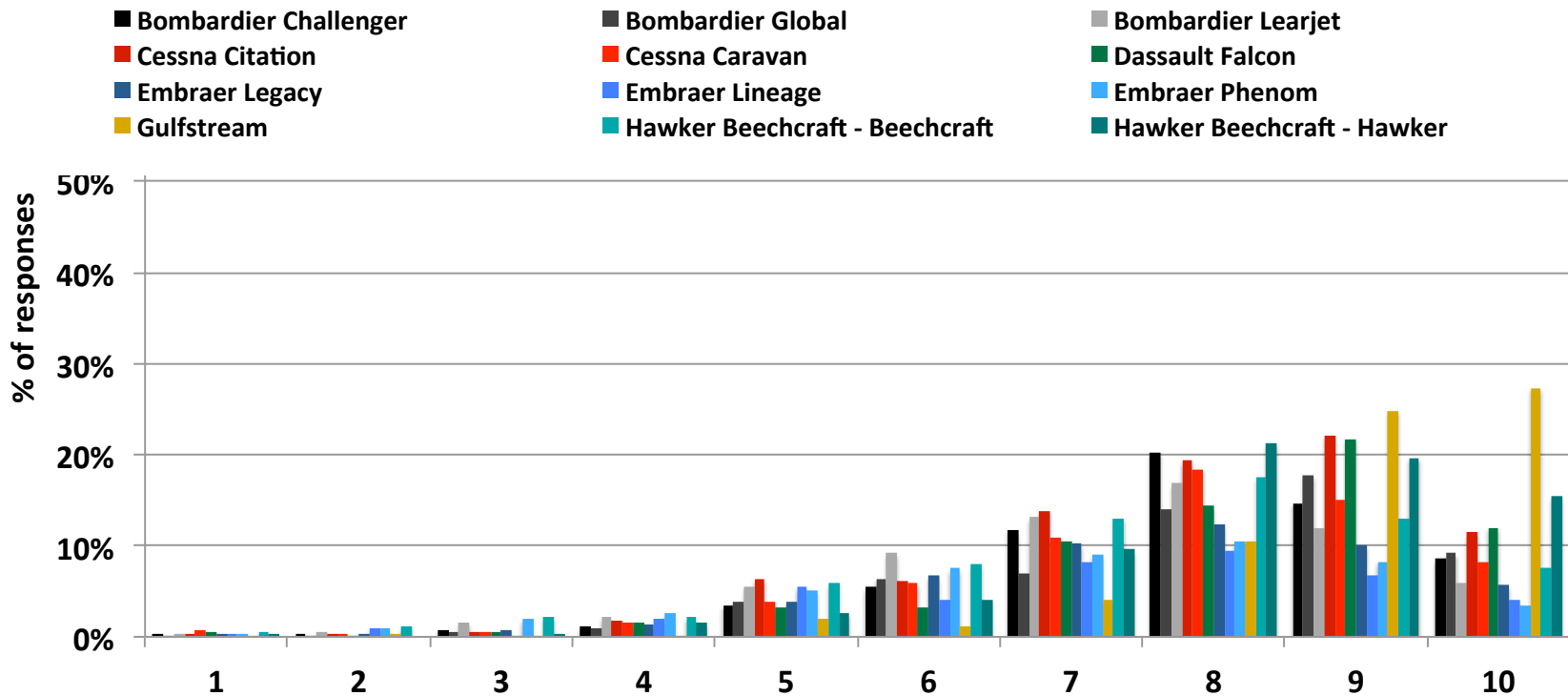
Compared with your past 12 months, what changes do you expect in your total annual flight hours over the next 24 months?



On average, respondents expect to fly 5% more hours in the next 12 months vs. prior 12 months

# Brand Reputations of Aircraft Manufacturers

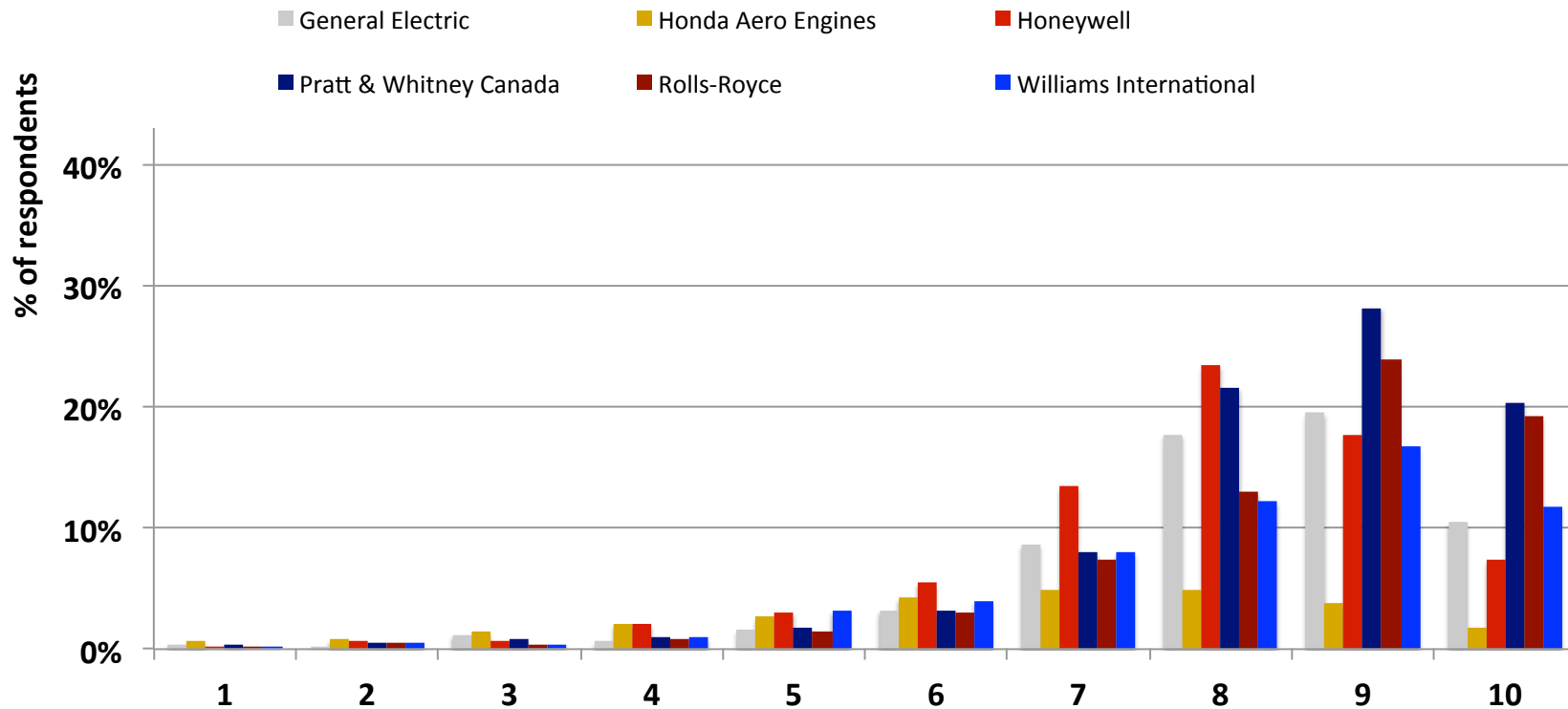
## 1-10 Scale, where “10” = Highest



Gulfstream is the leading brand amongst aircraft manufacturers

# Brand Reputations of Engine Manufacturers

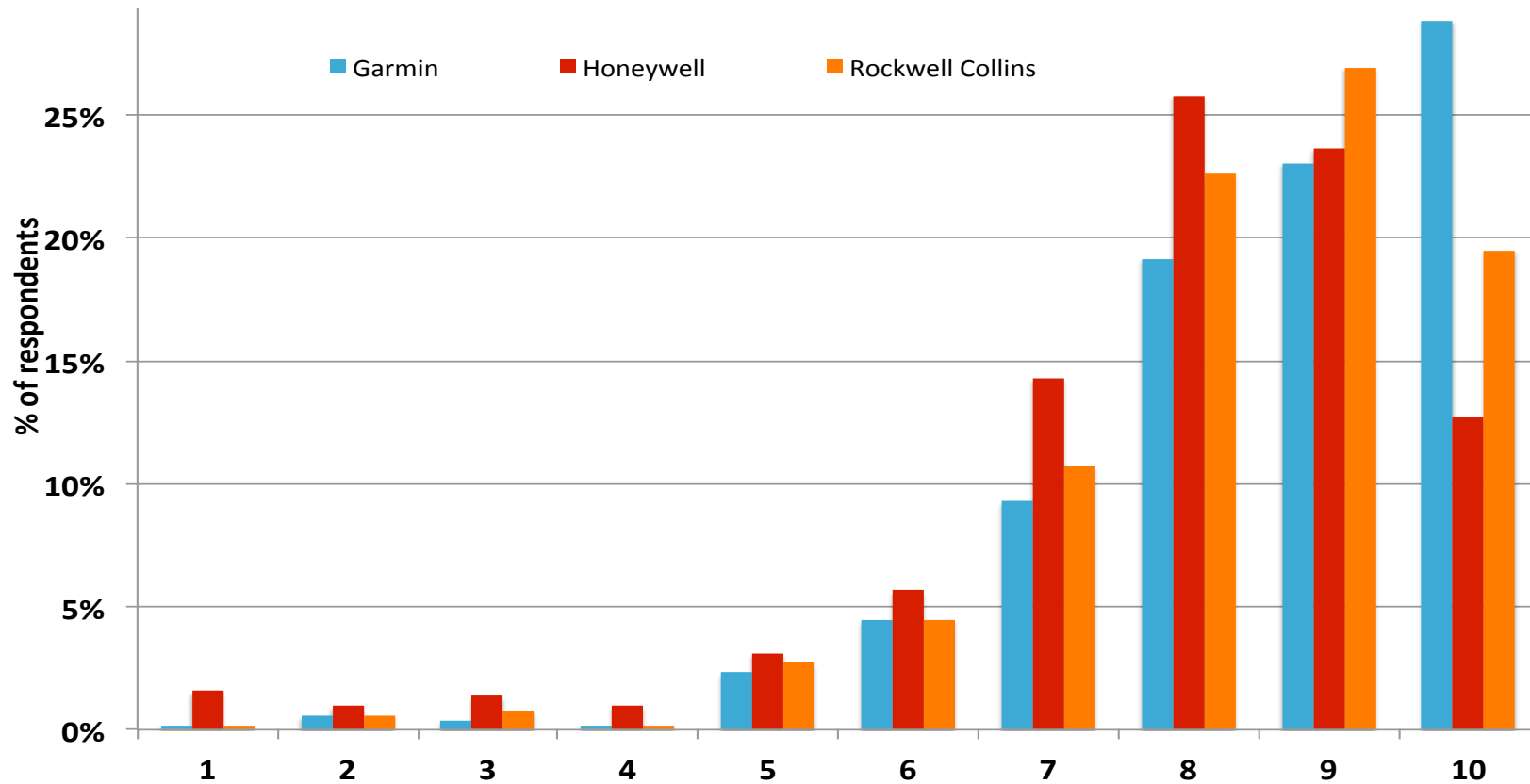
## 1-10 Scale, where “10” = Highest



**Pratt & Whitney Canada and Rolls-Royce are the two top-rated engine manufacturer brands**

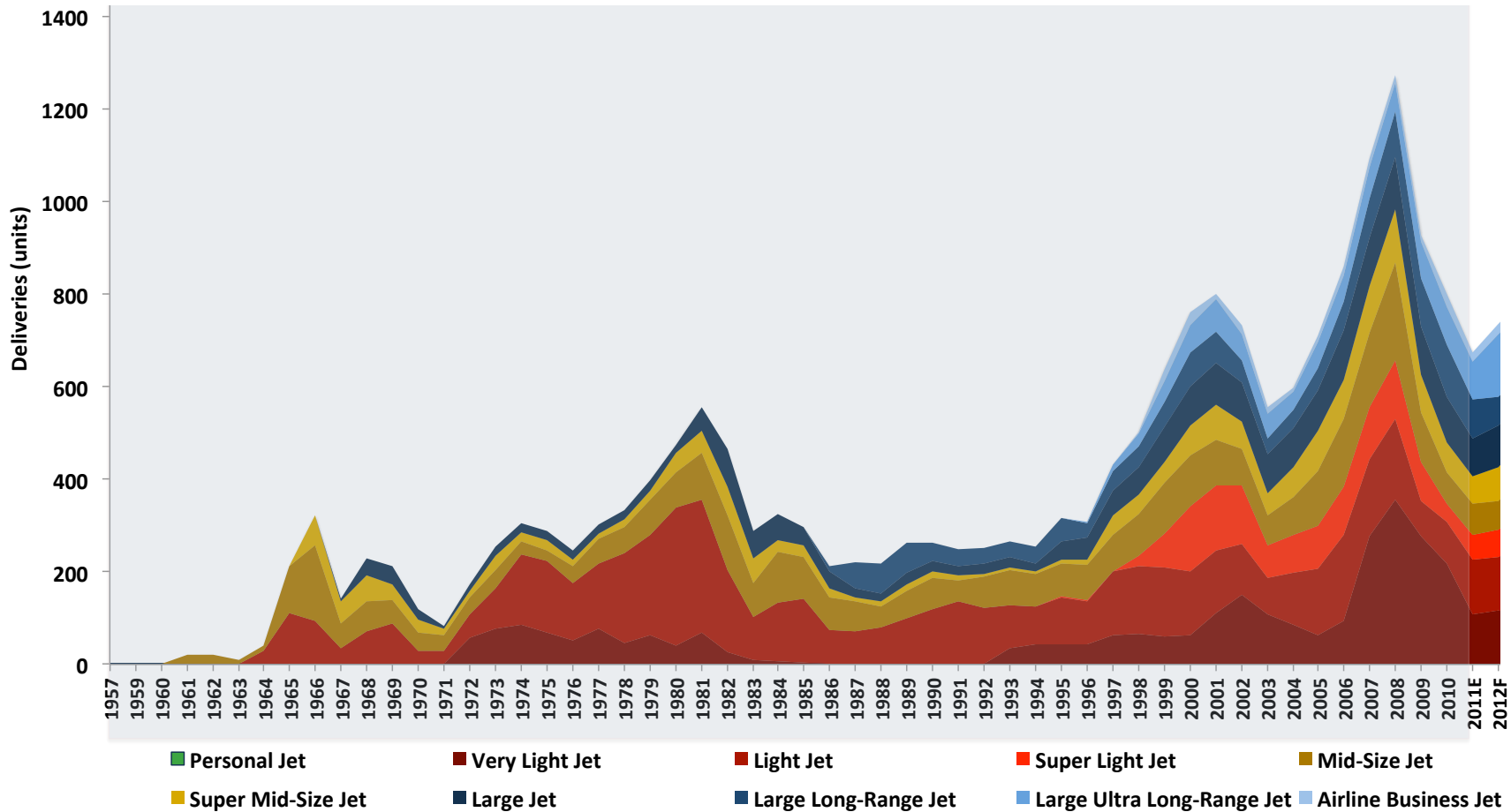
# Brand Reputations of Avionics Manufacturers

## 1-10 Scale, where "10" = Highest



Garmin is the top-rated avionics brand, followed by Rockwell Collins

# Business Jet Deliveries and 2012 Forecast



JETNET iQ 2012 business jet delivery forecast is 735 units, up 9% over 2011

## 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 CONSULTING serves the needs of members with customized research and analysis requirements on a project-by-project basis.

For more information on JETNET iQ, log on to [www.jetnetiq.com](http://www.jetnetiq.com) or contact Rolland Vincent, JETNET iQ Creator/Director at 1-972-439-2069 or [rollie@jetnet.com](mailto: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 some 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 log on to [jetnet.com](http://jetnet.com) or contact Paul Cardarelli, JETNET Director of Sales and Marketing, at 800-553-8638 (USA) or [paul@jetnet.com](mailto:paul@jetnet.com); International inquiries, contact Karim Derbala, JETNET Exclusive Agent, EMEA, at 41.0.43.243.7056 or [karim@jetnet.com](mailto:karim@jetnet.com)