



JETNET iQ *Snap!*

Q1 2014 Summary Report

Prepared for:
JETNET iQ Global Business Survey Respondents

March 31, 2014

JETNET iQ Snap!: 1st Quarter 2014 - 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.

If you are at EBACE in Geneva (May 20-22), please stop by the JETNET booth at Palexpo. If you are in New York City on June 3-4, 2014, please consider signing up for our 4th annual JETNET iQ Global Business Aviation Summit (www.jetnetiq.com) - it will be a fast-paced day full of insights from leaders across the business aviation industry. Thank you again for participating in our quarterly survey, and we hope this JETNET iQ *Snap!* Report helps 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!* 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 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 – 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 JETNET iQ *Snap!* is useful and insightful to you.

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

JETNET

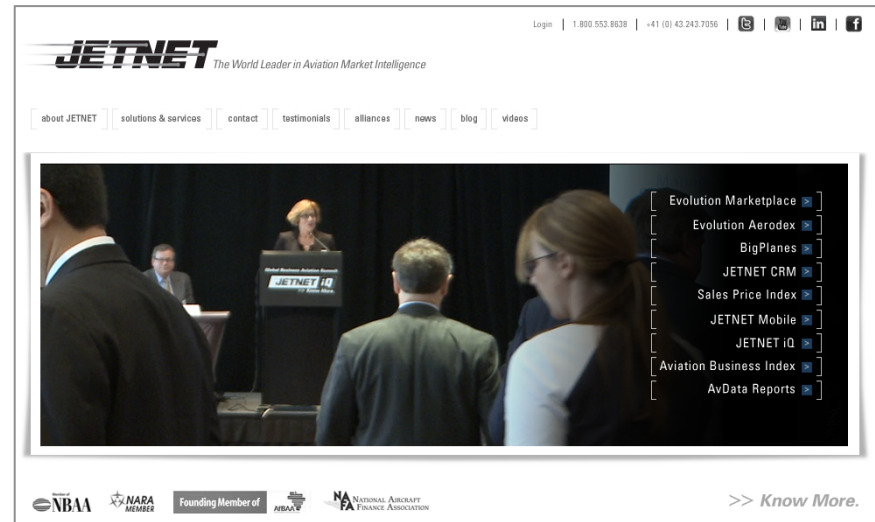
- Founded in 1988
- Privately-owned family business
- Headquarters in Utica, NY
- 70+ employees (47 in research)
- Daily contact with aircraft owners and operators globally



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

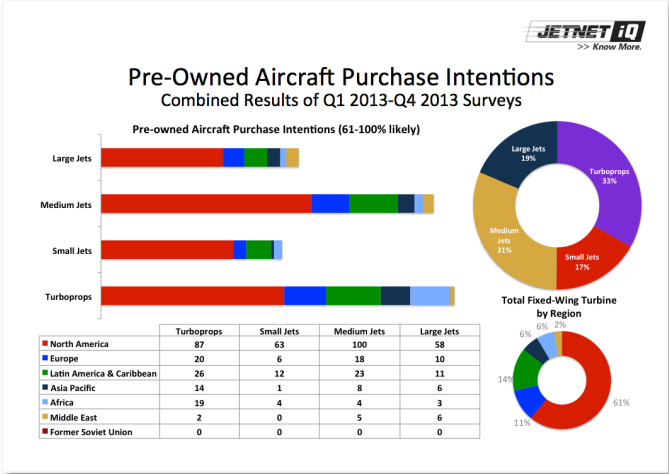
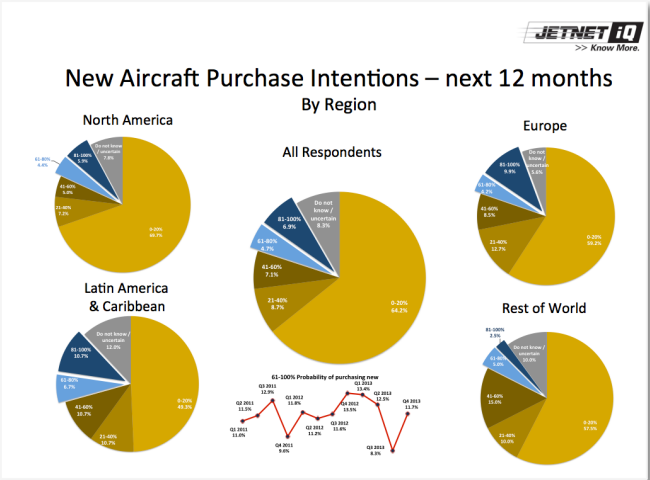
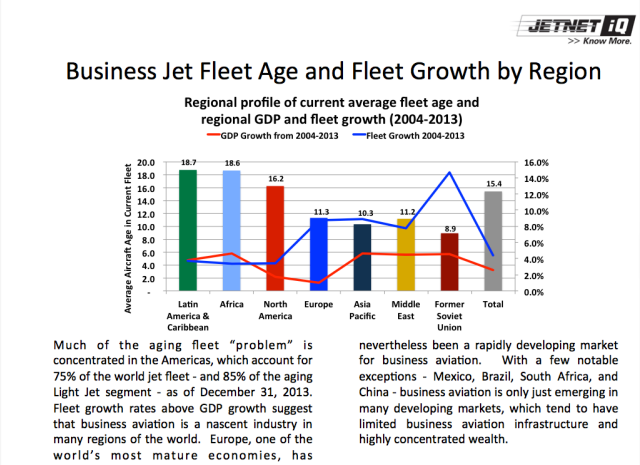
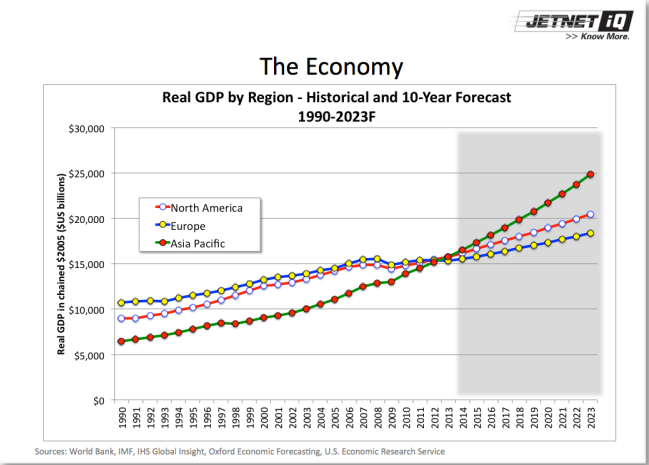
PASSWORD:



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

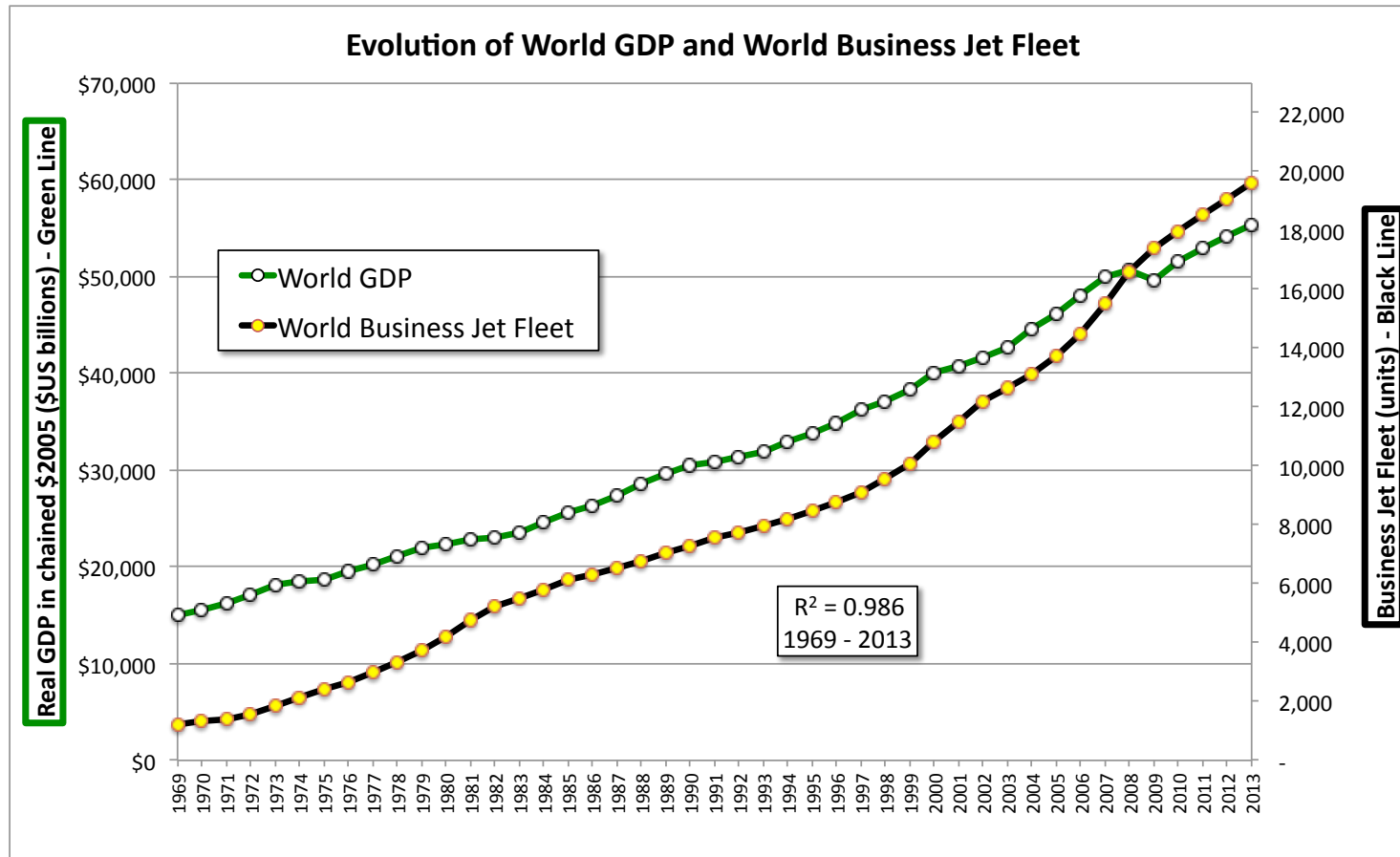


JETNET iQ Summits

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



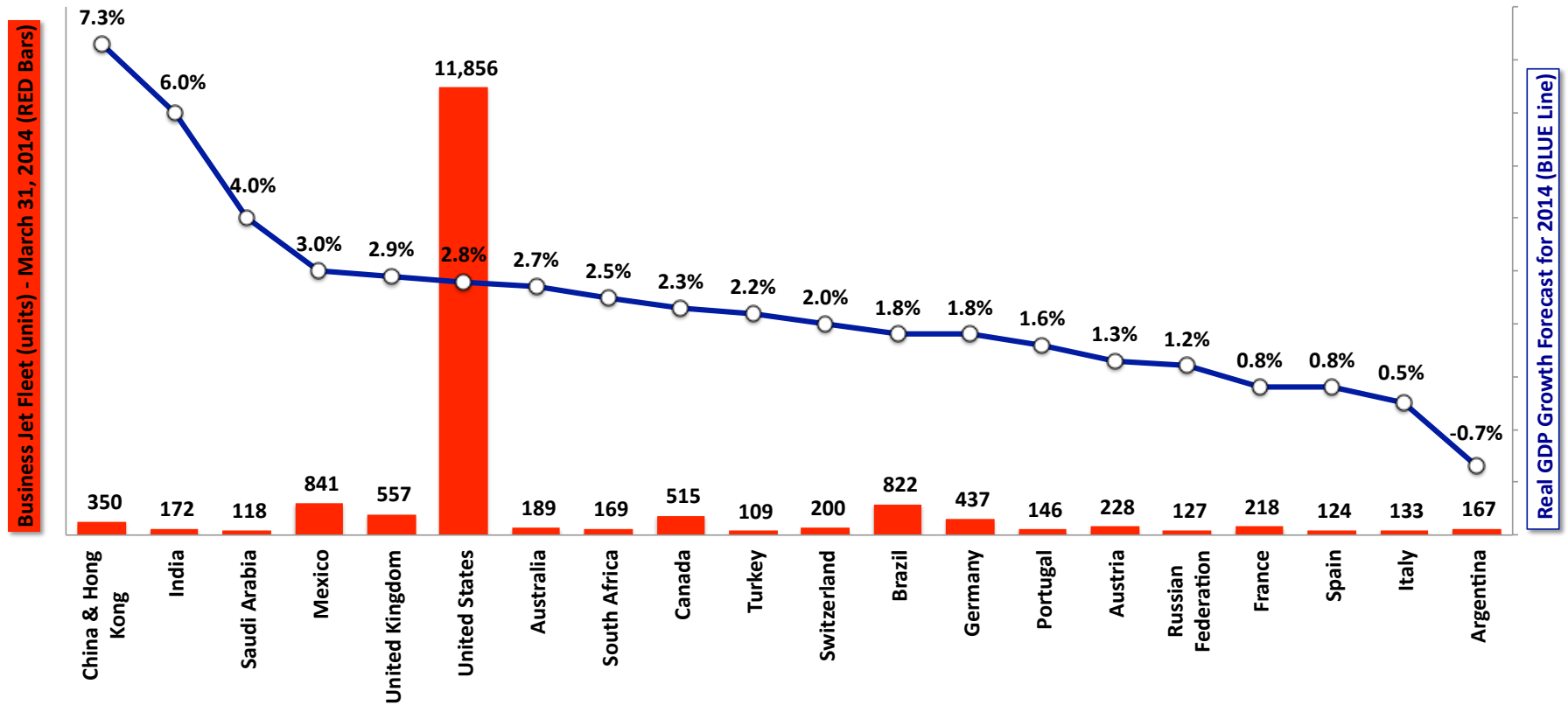
The Economy



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

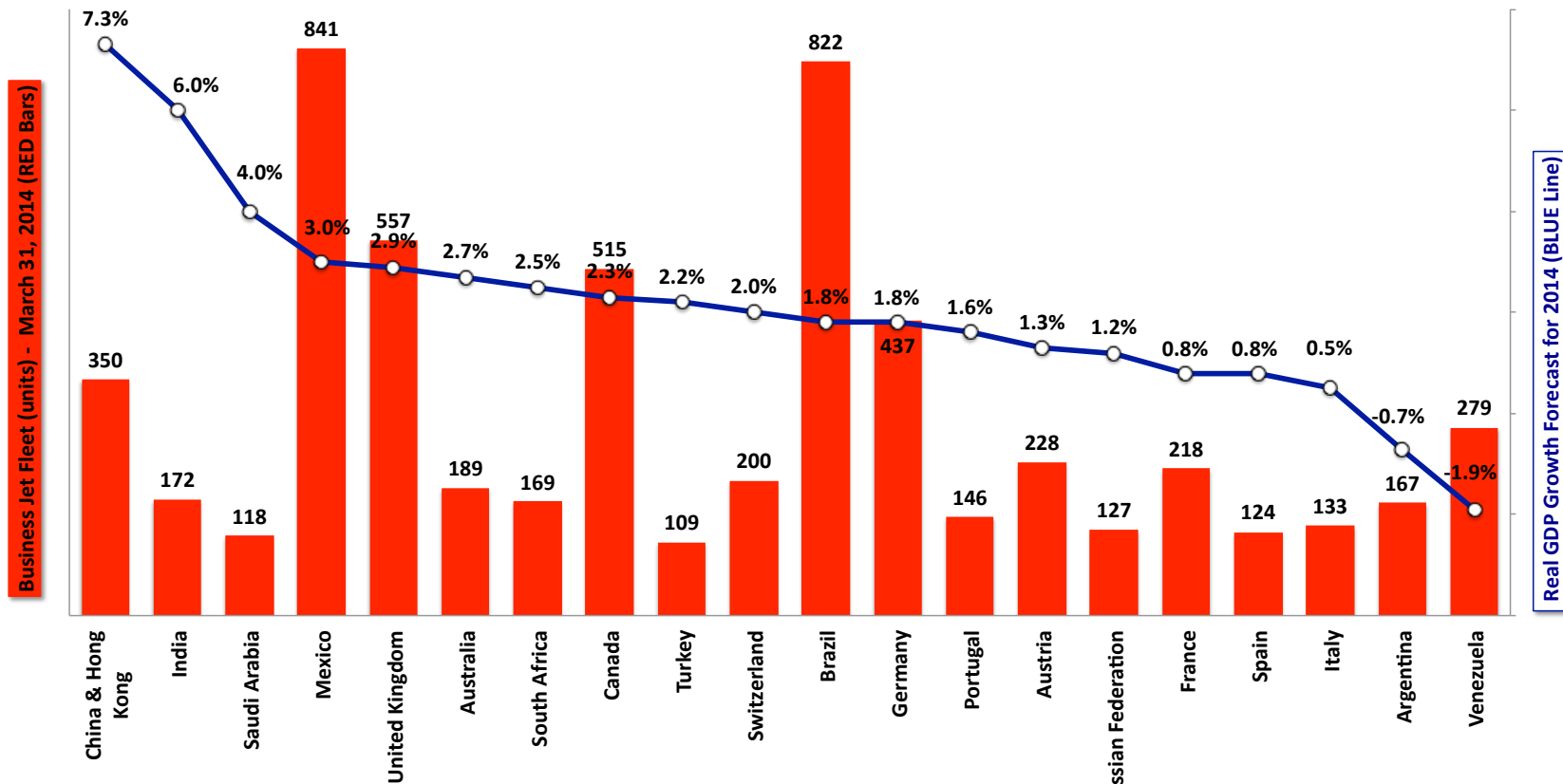


Economic forecasts as of April 19, 2014; Source: EIU

“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)

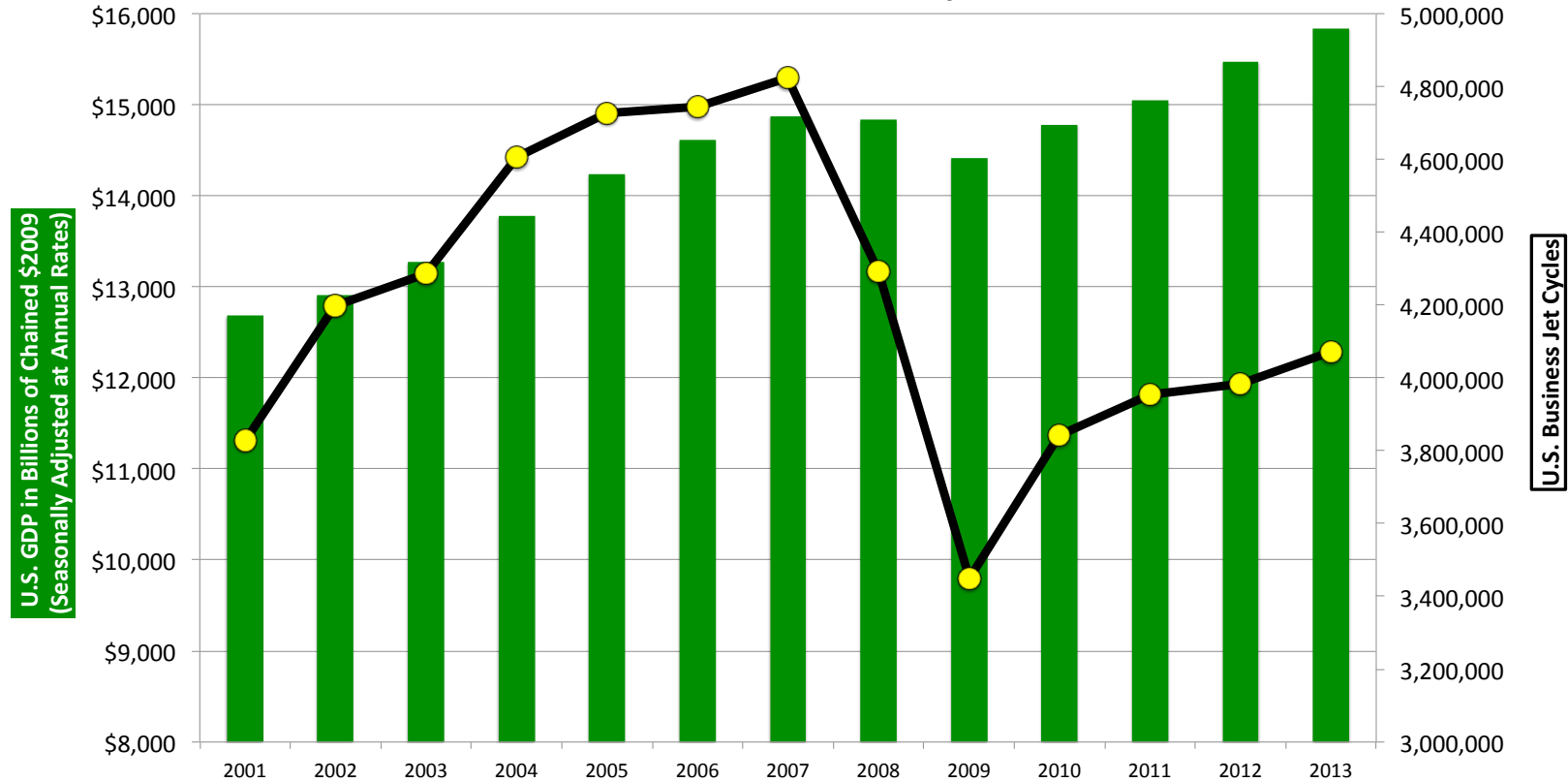


Economic forecasts as of Sept. 28, 2013; Source: EIU

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

The Economy

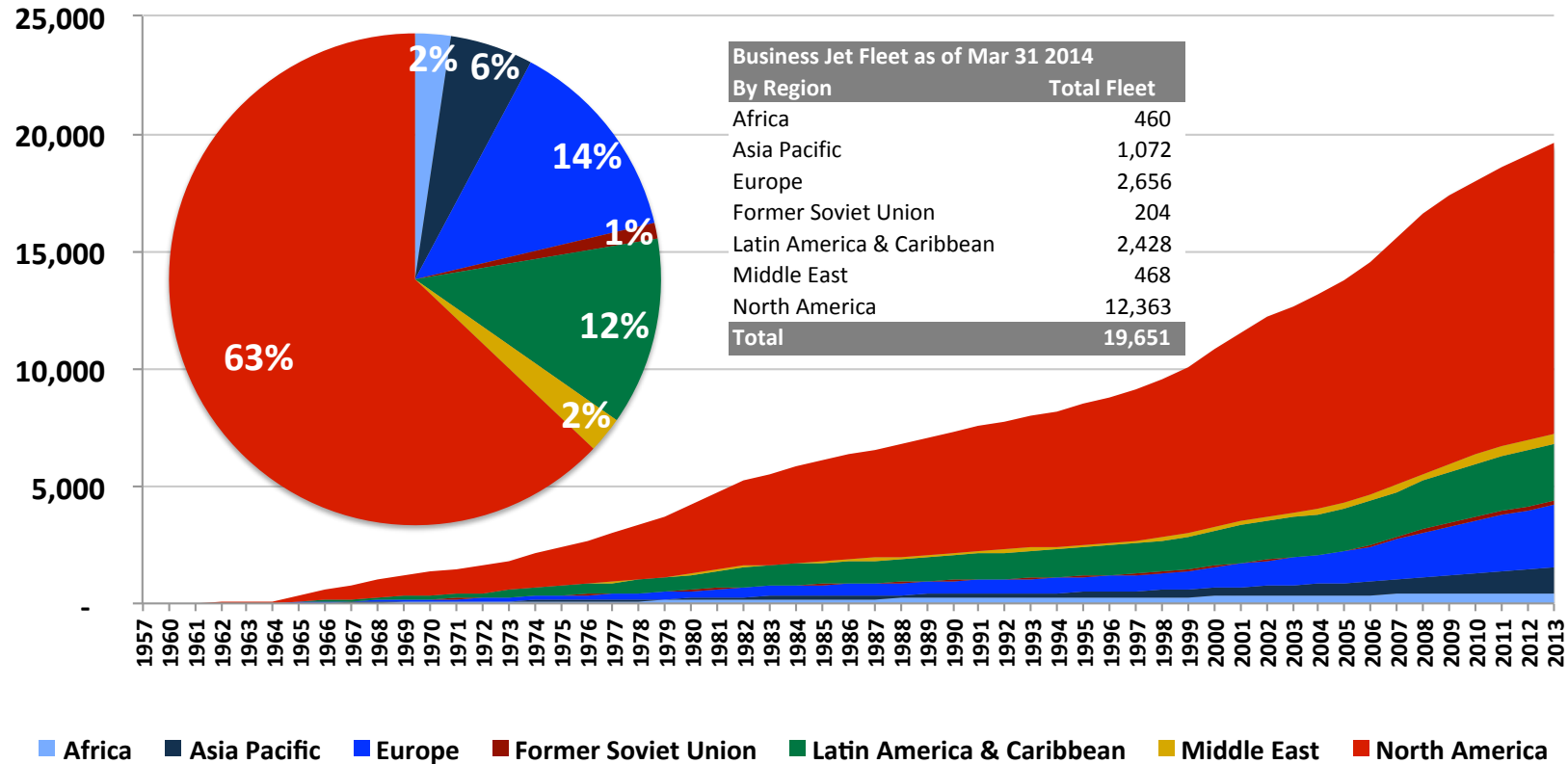
U.S. GDP and U.S. Business Jet Cycles



Sources: U.S. BEA, FAA

U.S. business jet cycles are slowly rebounding, but are still 16% below 2007 levels

Business Jet Fleet by Region



Business Jet Fleet by Manufacturer

NORTH AMERICA OEM	Fleet as of Mar 31 2014
Bombardier	2,694
Cessna Citation	4,334
Dassault Falcon	1,229
Embraer	327
Gulfstream	1,615
Hawker Beechcraft	1,501
Other	663
Total	12,363

EUROPE OEM	Fleet as of Mar 31 2014
Bombardier	593
Cessna Citation	921
Dassault Falcon	472
Embraer	114
Gulfstream	212
Hawker Beechcraft	245
Other	99
Total	2,656

FORMER SOVIET UNION OEM	Fleet as of Mar 31 2014
Bombardier	64
Cessna Citation	19
Dassault Falcon	29
Embraer	21
Gulfstream	21
Hawker Beechcraft	32
Other	18
Total	204

MIDDLE EAST OEM	Fleet as of Mar 31 2014
Bombardier	93
Cessna Citation	60
Dassault Falcon	59
Embraer	37
Gulfstream	81
Hawker Beechcraft	70
Other	68
Total	468

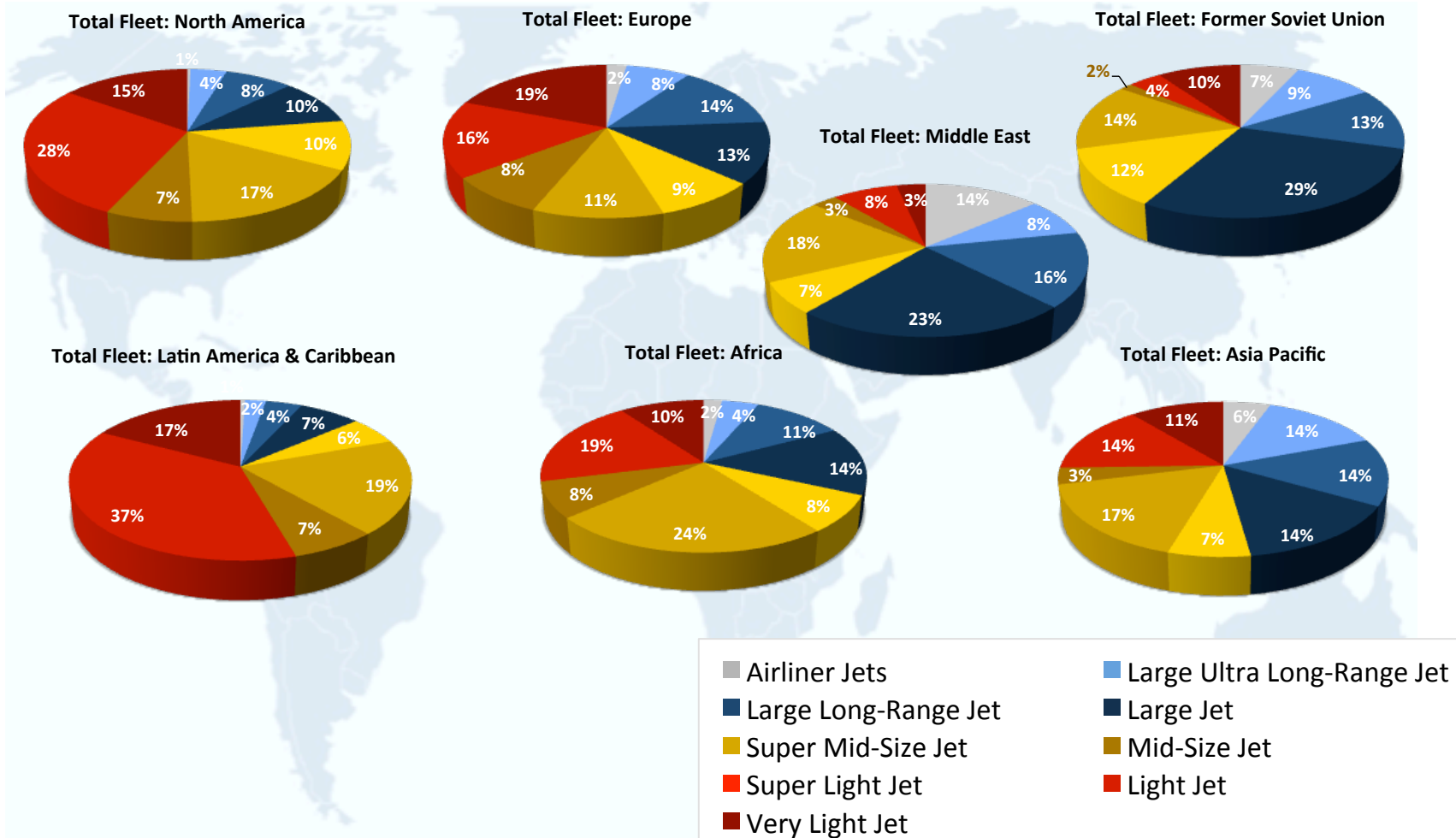
LATIN AMERICA & CARIBBEAN OEM	Fleet as of Mar 31 2014
Bombardier	591
Cessna Citation	808
Dassault Falcon	156
Embraer	176
Gulfstream	176
Hawker Beechcraft	353
Other	168
Total	2,428

AFRICA OEM	Fleet as of Mar 31 2014
Bombardier	85
Cessna Citation	107
Dassault Falcon	62
Embraer	17
Gulfstream	60
Hawker Beechcraft	111
Other	18
Total	460

ASIA PACIFIC OEM	Fleet as of Mar 31 2014
Bombardier	249
Cessna Citation	221
Dassault Falcon	79
Embraer	63
Gulfstream	231
Hawker Beechcraft	162
Other	67
Total	1,072

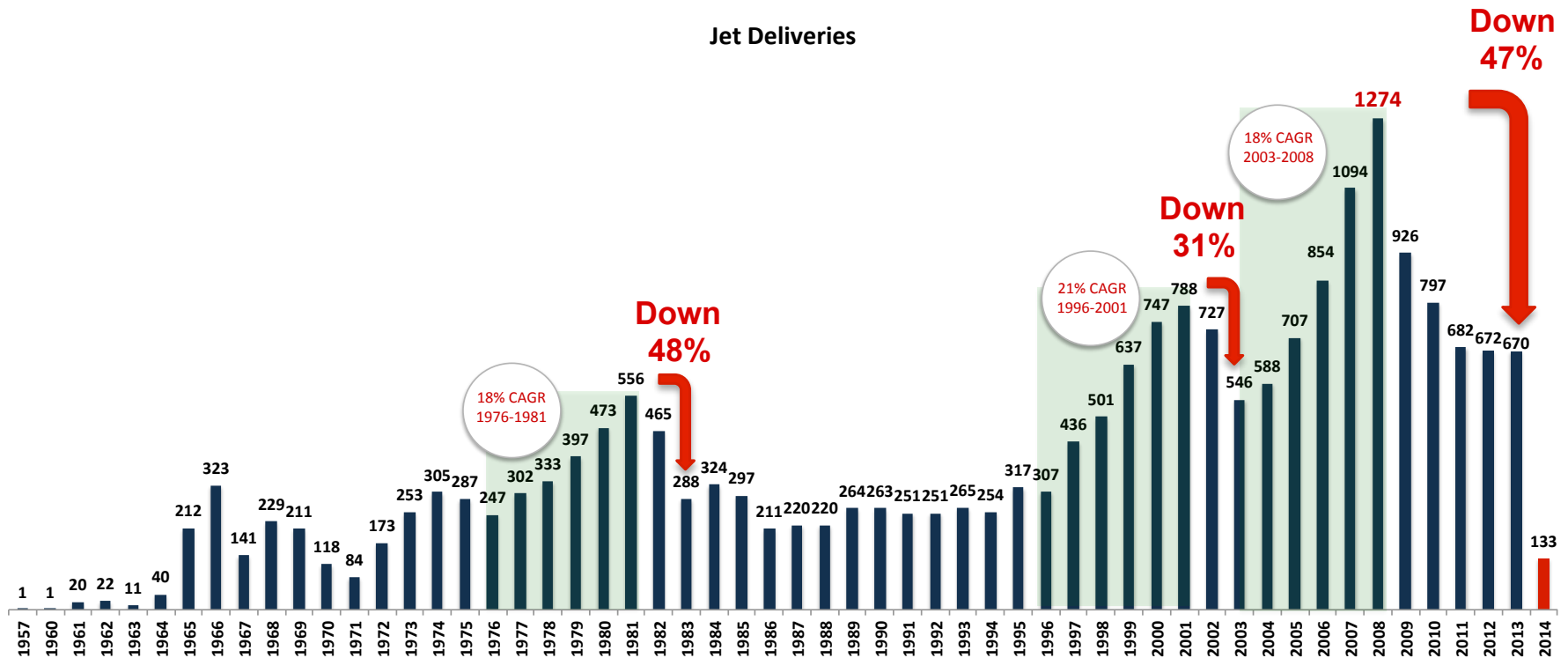
World business jet fleet was 19,651 jets on March 31, 2014

Business Jet Fleet by Size Category



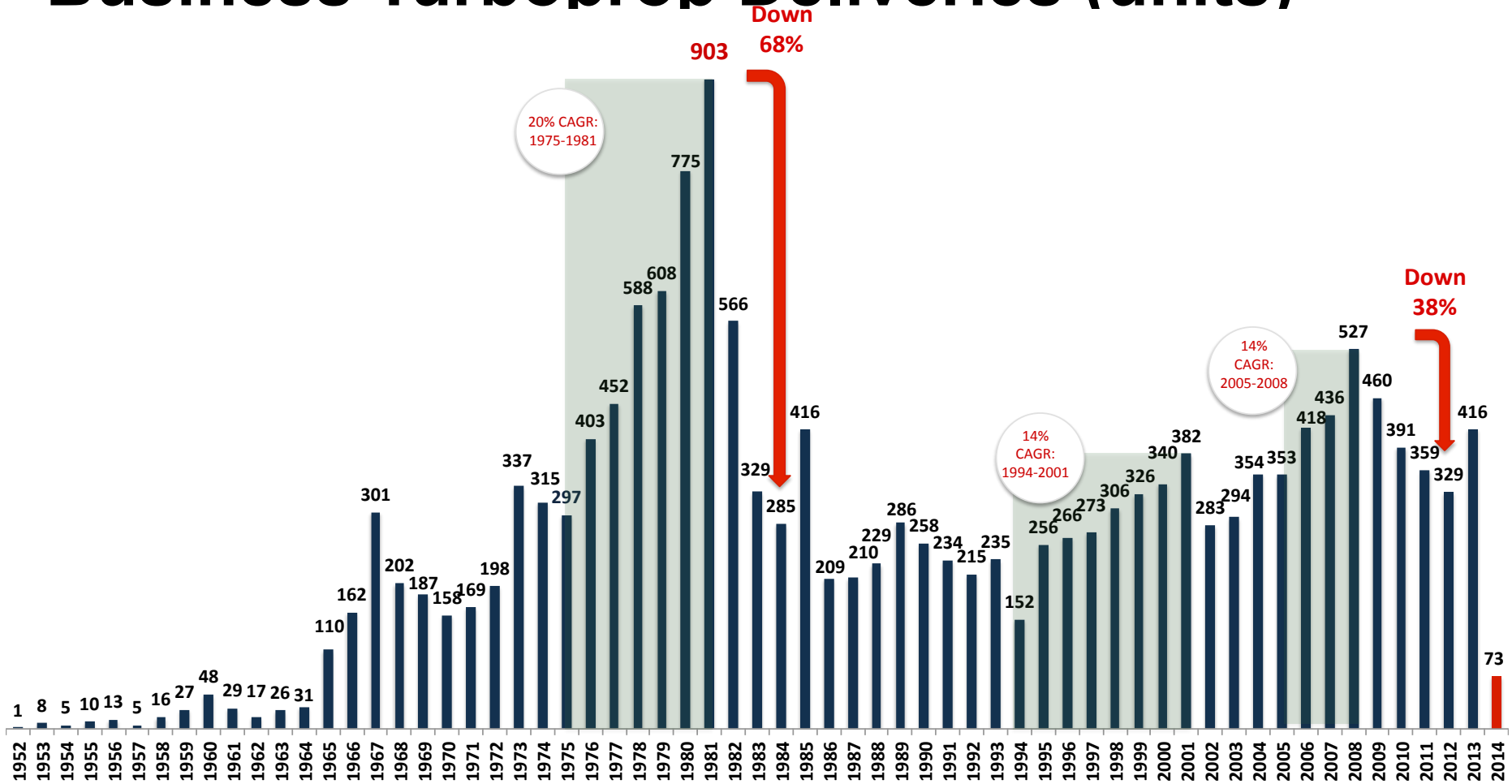
Business Jet Deliveries (units)

Jet Deliveries



New business jet delivery units have remained relatively flat for 3 years;
 New business jet delivery value in 2013 was about \$21B based on equipped list prices

Business Turboprop Deliveries (units)

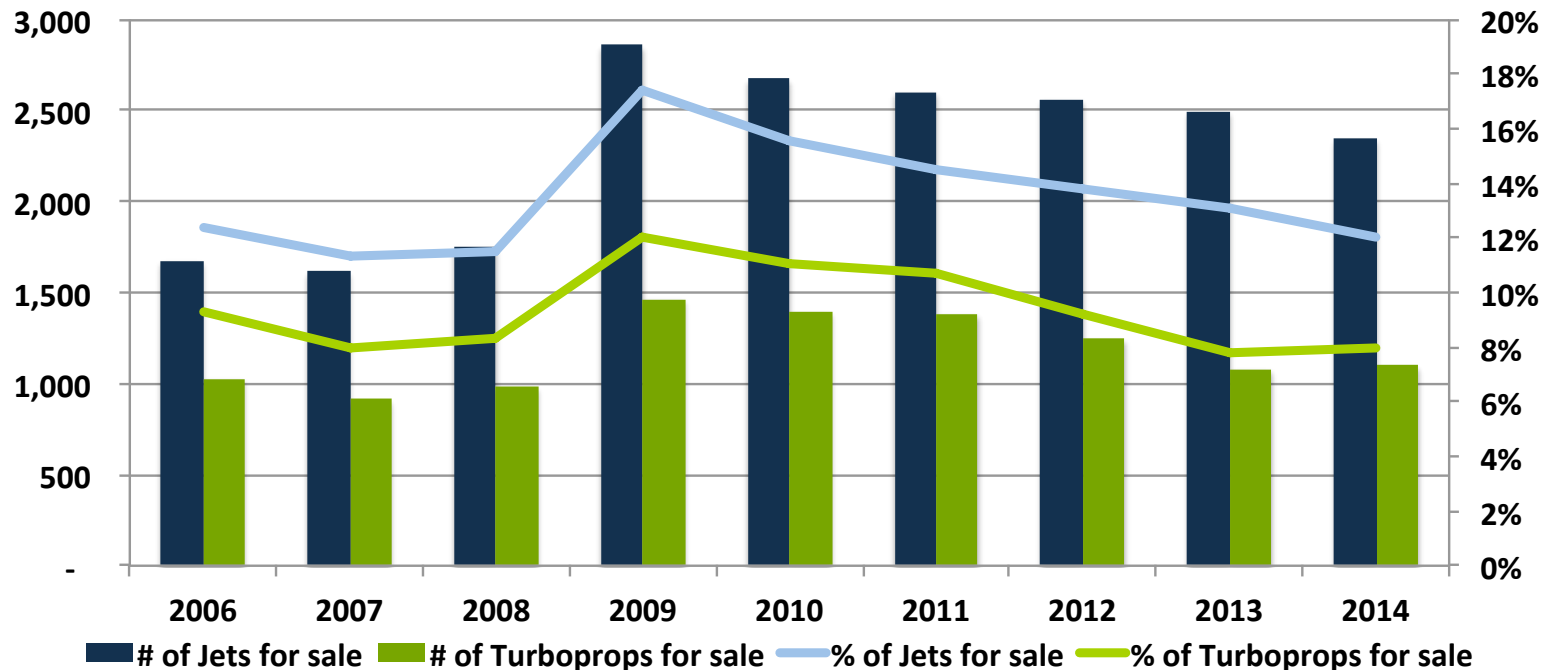


New turboprop deliveries showed a 26% upswing from 2012 to 2013

Pre-Owned Business Aircraft Inventory

Business Jets and Turboprops for sale

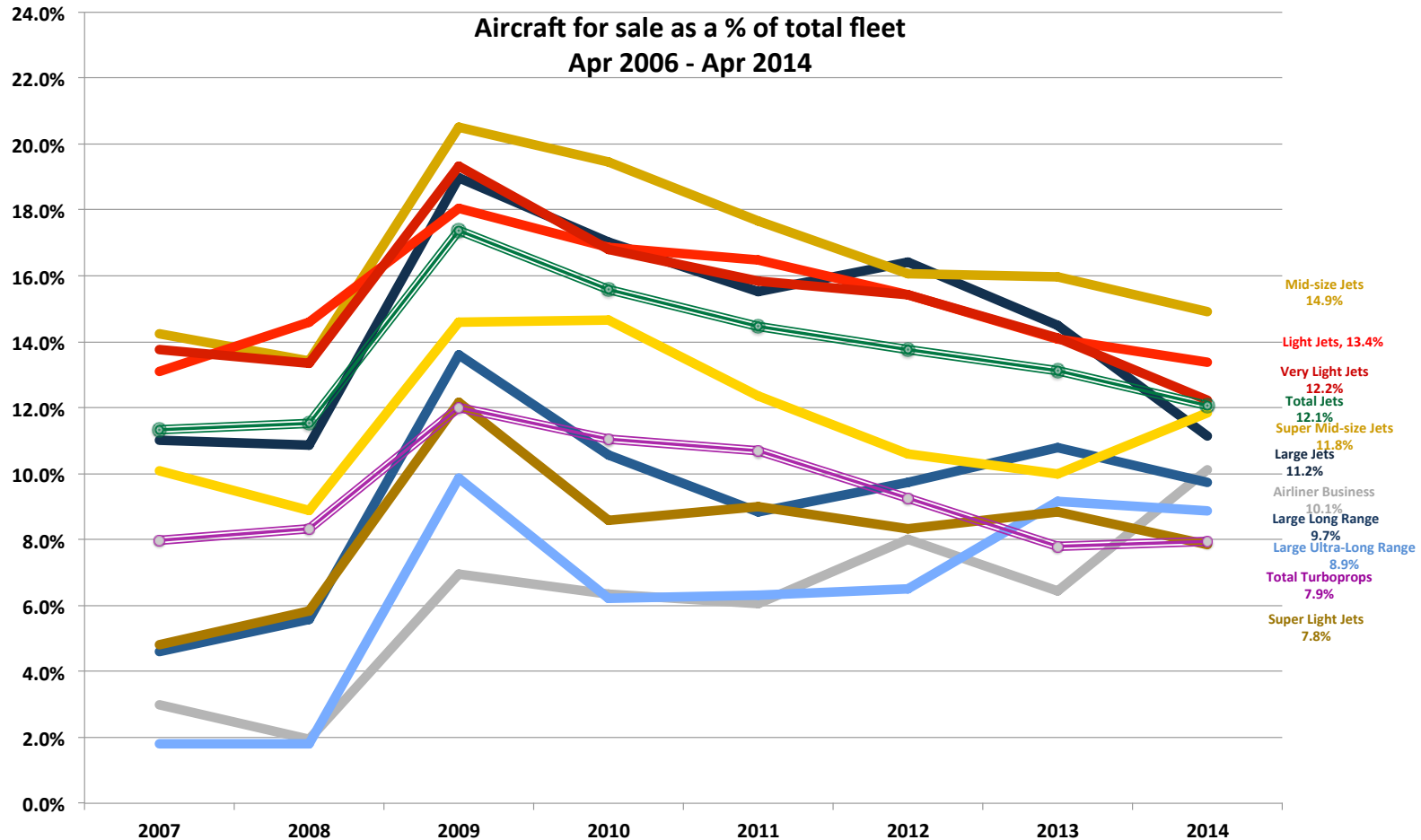
Apr 2006 - Apr 2014



Jets Available for Sale as % of World Fleet (as of April 1)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business Jets	12.4%	11.3%	11.5%	17.4%	15.6%	14.5%	13.8%	13.1%	12.1%
Turboprop	9.3%	8.0%	8.3%	12.0%	11.1%	10.7%	9.2%	7.8%	7.9%

The percentage of pre-owned jets for sale is approaching pre-recession levels

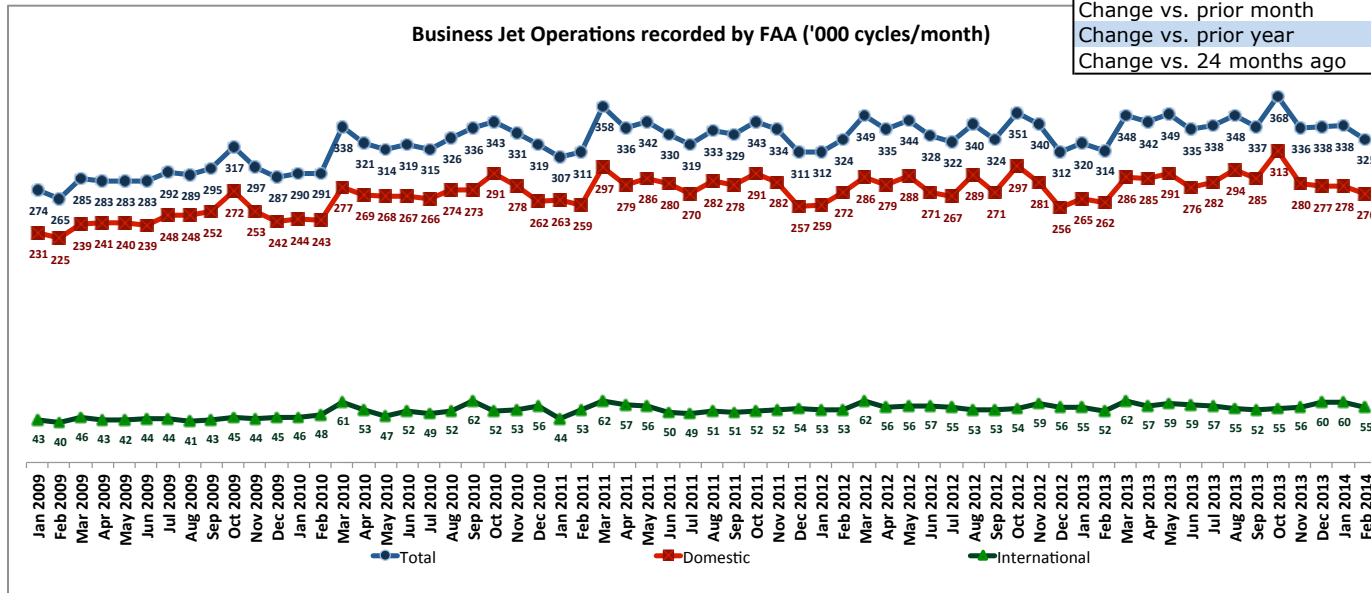
Pre-Owned Business Jet Inventory



The percentage of pre-owned jets for sale is approaching pre-recessionary levels

U.S. Business Jet Utilization

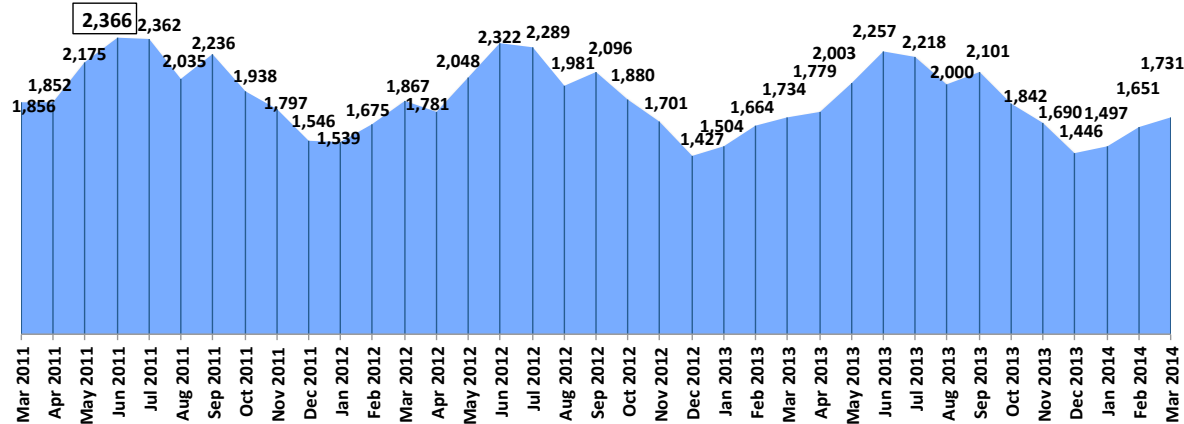
FAA BUSINESS JET OPERATIONS - FEB 2014		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	324,792	4,101,712
Change vs. prior month	-3.9%	0.3%
Change vs. prior year	3.5%	3.1%
Change vs. 24 months ago	0.1%	3.2%
DOMESTIC CYCLES		
Total Domestic Cycles	269,818	3,416,030
Change vs. prior month	-2.9%	0.2%
Change vs. prior year	3.2%	3.1%
Change vs. 24 months ago	-0.7%	2.5%
INTERNATIONAL CYCLES		
Total International Cycles	54,974	685,682
Change vs. prior month	-8.7%	0.4%
Change vs. prior year	5.3%	2.6%
Change vs. 24 months ago	4.4%	7.0%



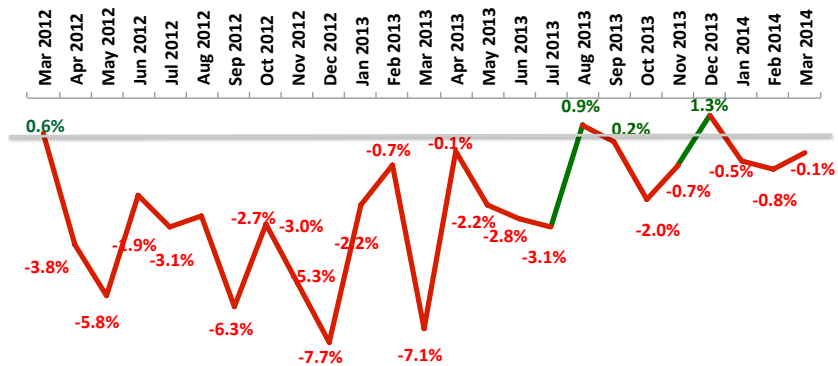
Annualized U.S. business jet cycles through Feb. 2014 are up 3.1% over the prior year

European Business Aircraft Utilization

Average Daily Flights - Business Aviation in Europe
March 2011 - March 2014



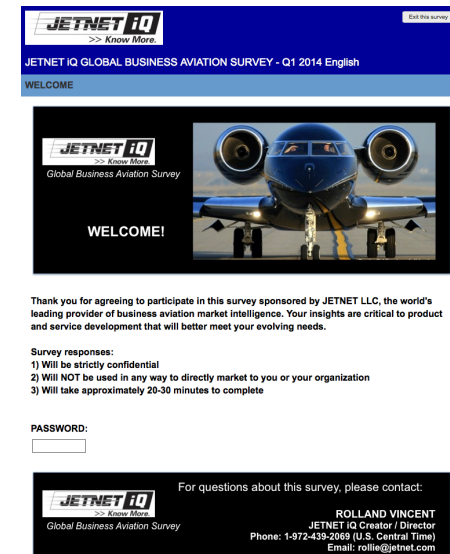
Change over Previous Year



Annualized European cycles are down 0.1% for business aviation over the prior year

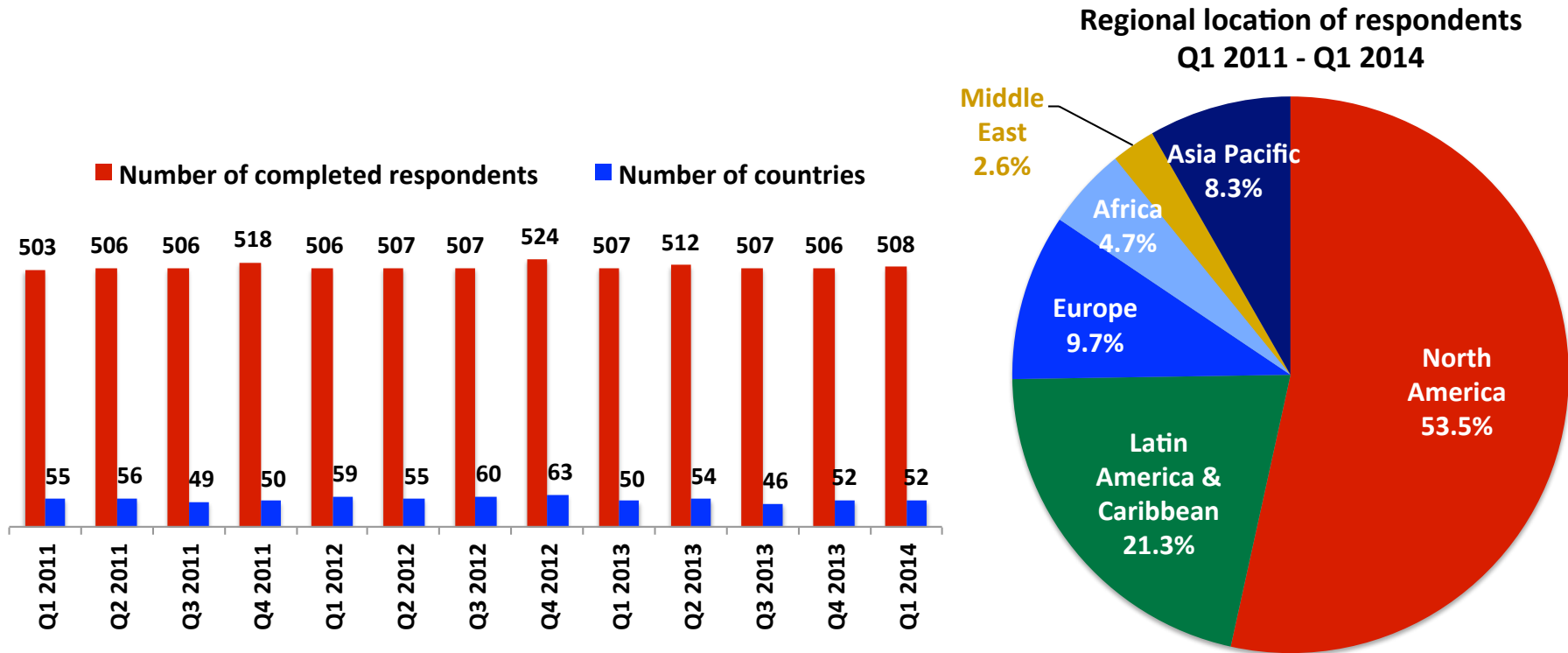
JETNET iQ Quarterly Surveys

- 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

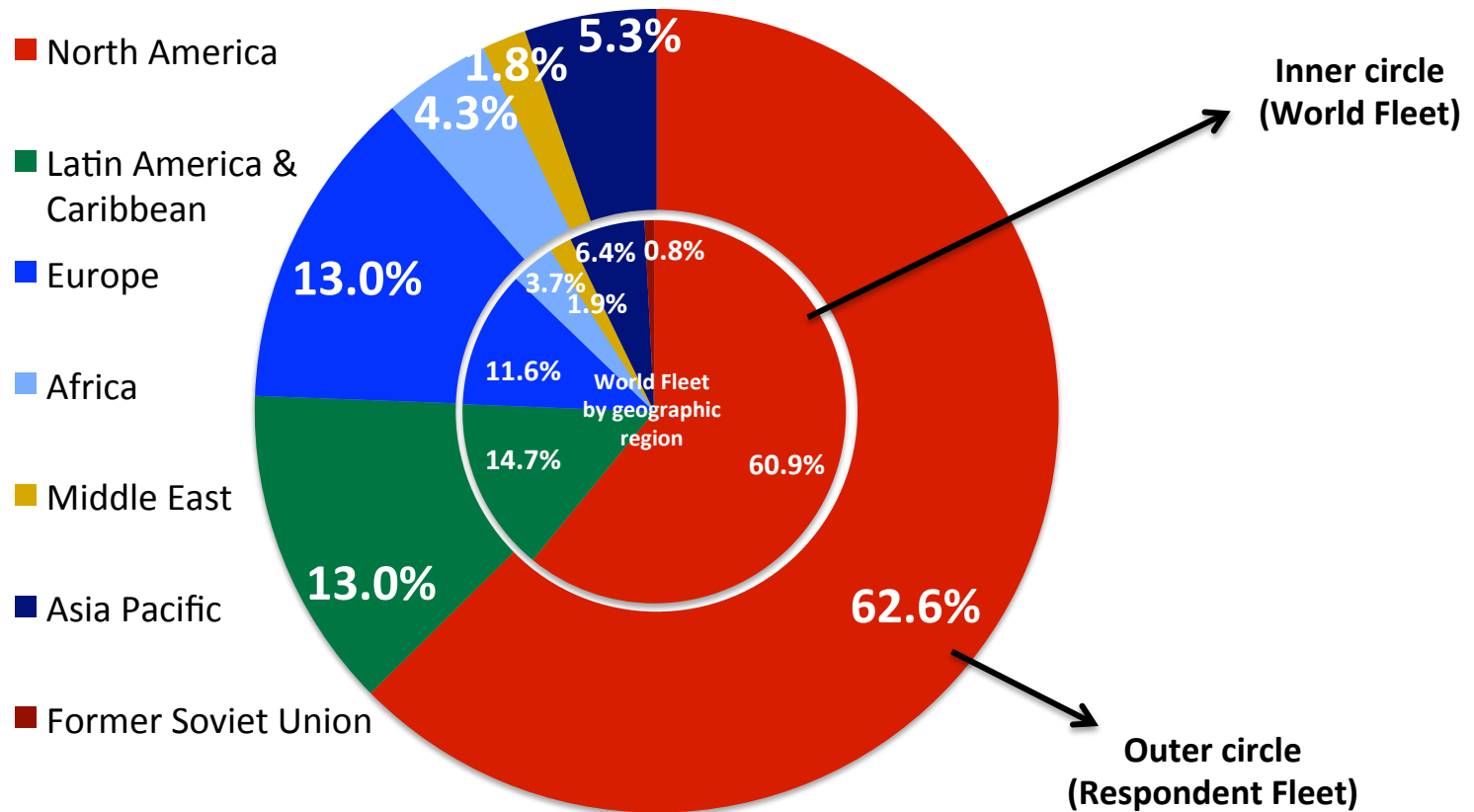


JETNET iQ Surveys: Since Q1 2011, >6,500 respondents from 115 countries

Survey Respondents' Location

By Aircraft Base Location

Q1 2014 Survey

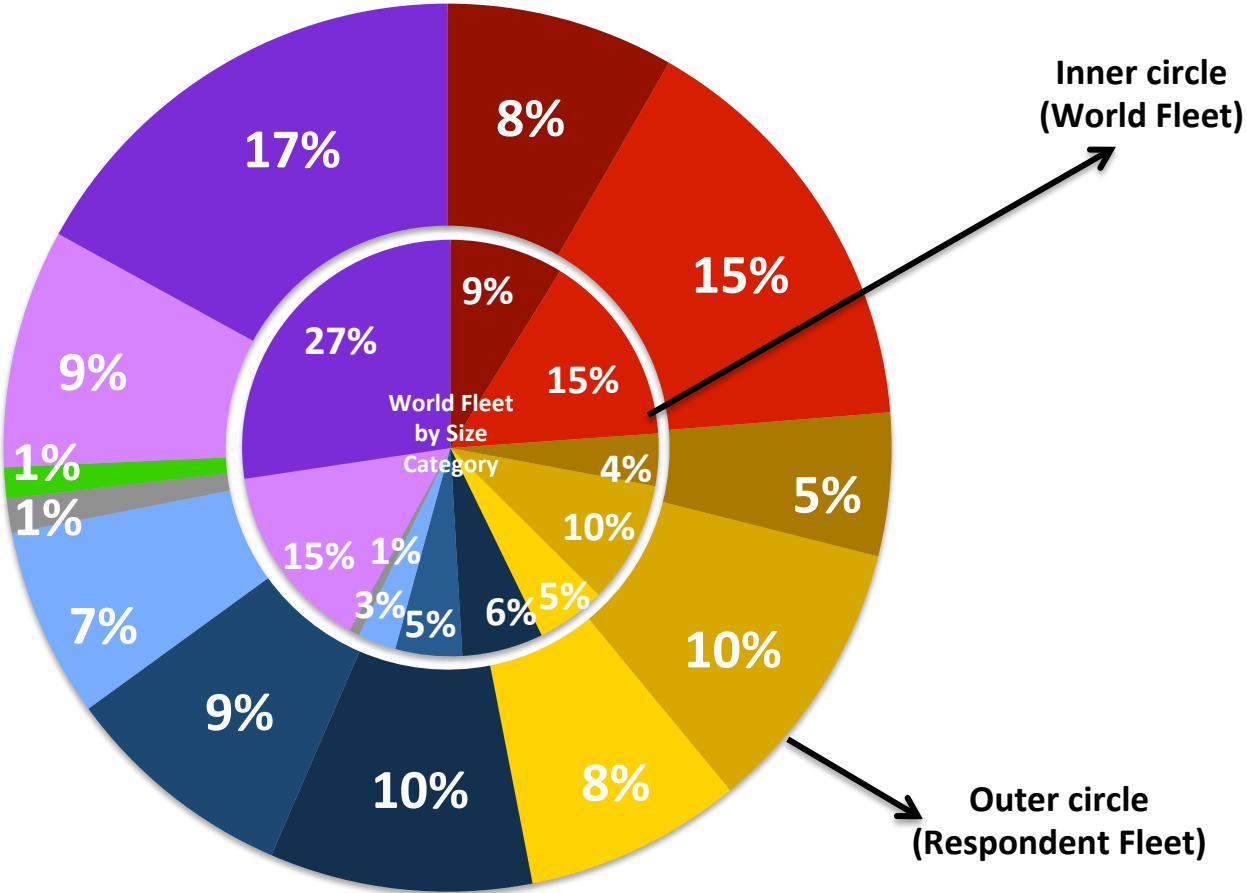


Survey Respondents' Fleet

By Aircraft Size Category

Q1 2014 Survey

- Very Light Jet
- Light Jet
- Super Light Jet
- Mid-Size Jet
- Super Mid-Size Jet
- Large Jet
- Large Long-Range Jet
- Large Ultra Long-Range Jet
- Airline Business Jet
- Airliner Jet Converted
- Single-Engine Turbo-Prop
- Multi-Engine Turbo-Prop

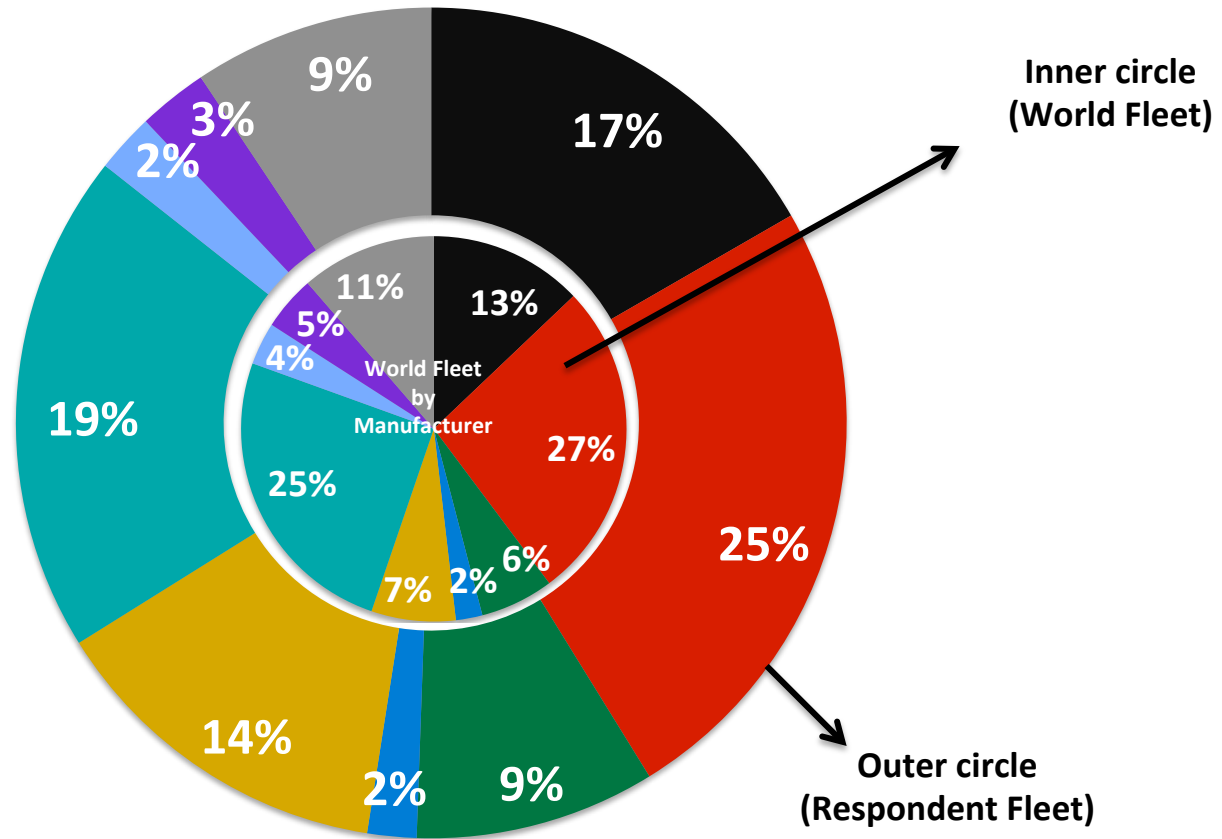


Survey Respondents' Fleet

By Aircraft Manufacturer

Q1 2014 Survey

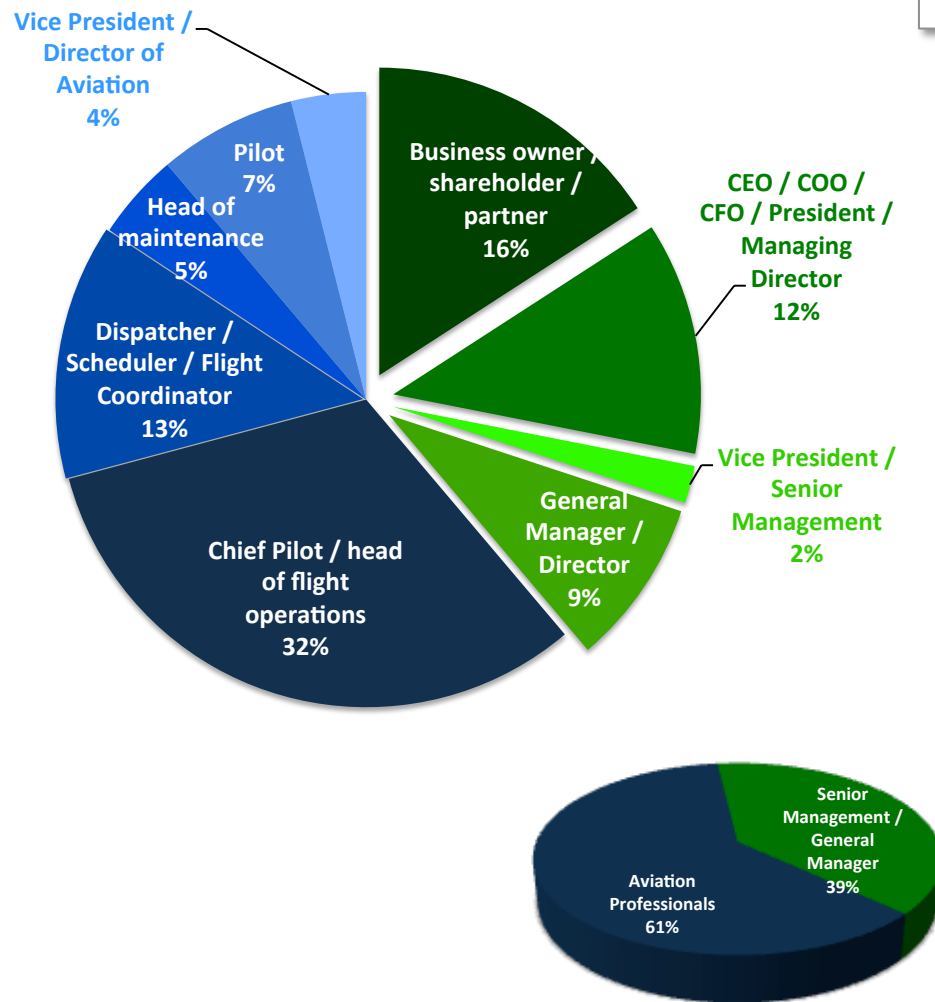
- Bombardier
- Cessna
- Dassault Falcon
- Embraer
- Gulfstream
- Hawker Beechcraft
- Pilatus
- Piper
- Other



Survey Respondents' Roles

By Job Title

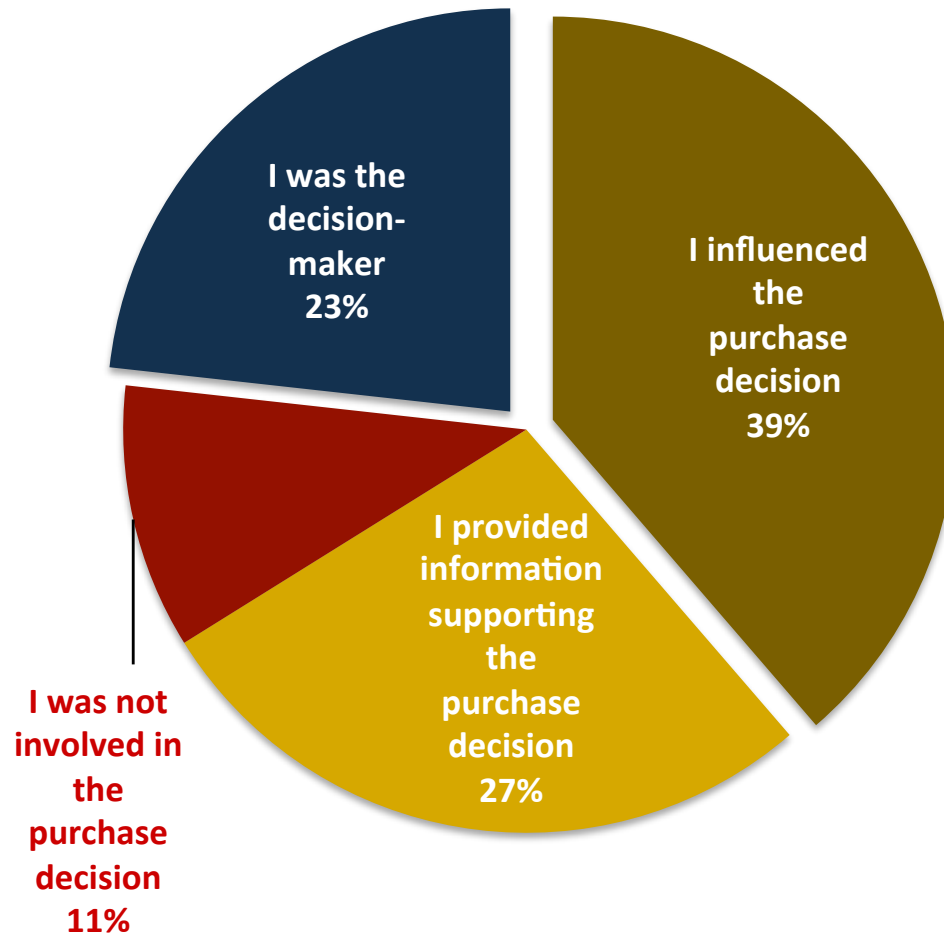
Q1 2014 Survey



Survey Respondents' Roles

By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q1 2014 Survey

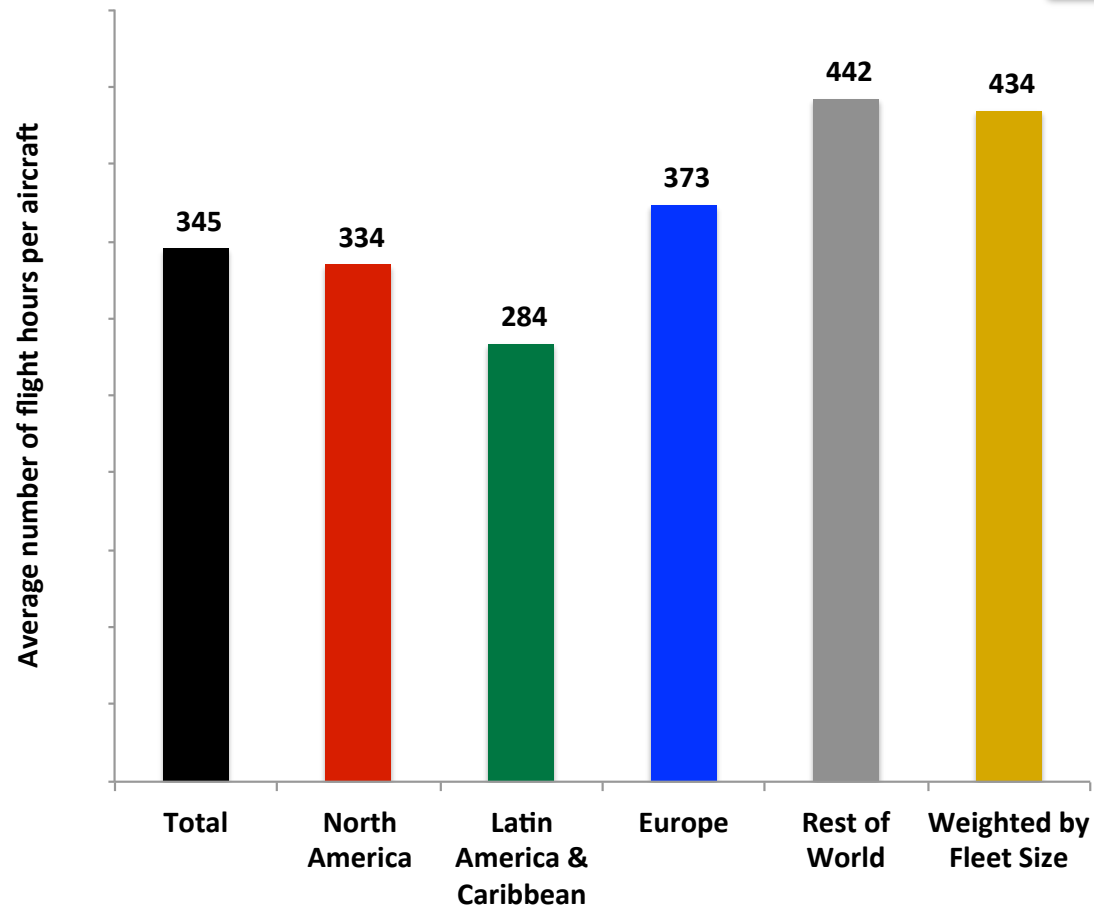


Survey Respondents' Flight Operations

Regional Average Utilization per Aircraft in Prior 12 Months

Average flight hours per year

Q1 2014 Survey

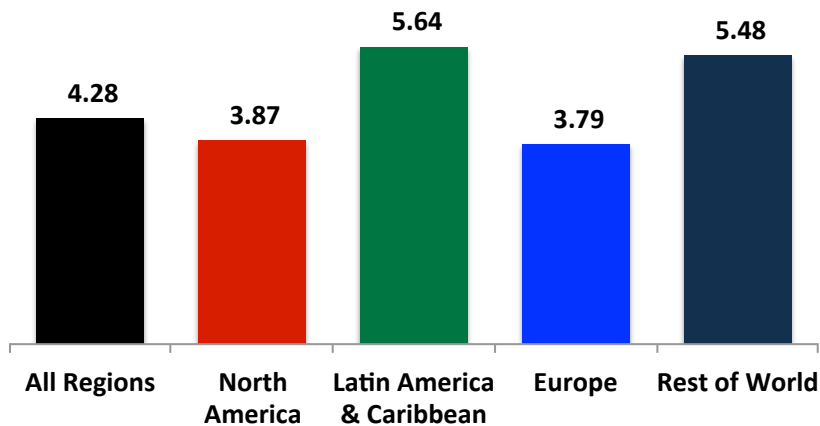


Survey Respondents' Flight Operations

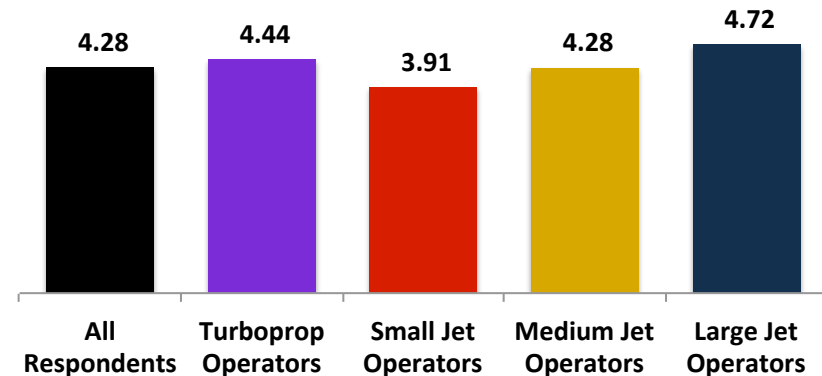
By Average Passengers per Aircraft in Prior 12 Months

Q1 2014 Survey

Average Passengers by Region



Average Passengers by Size

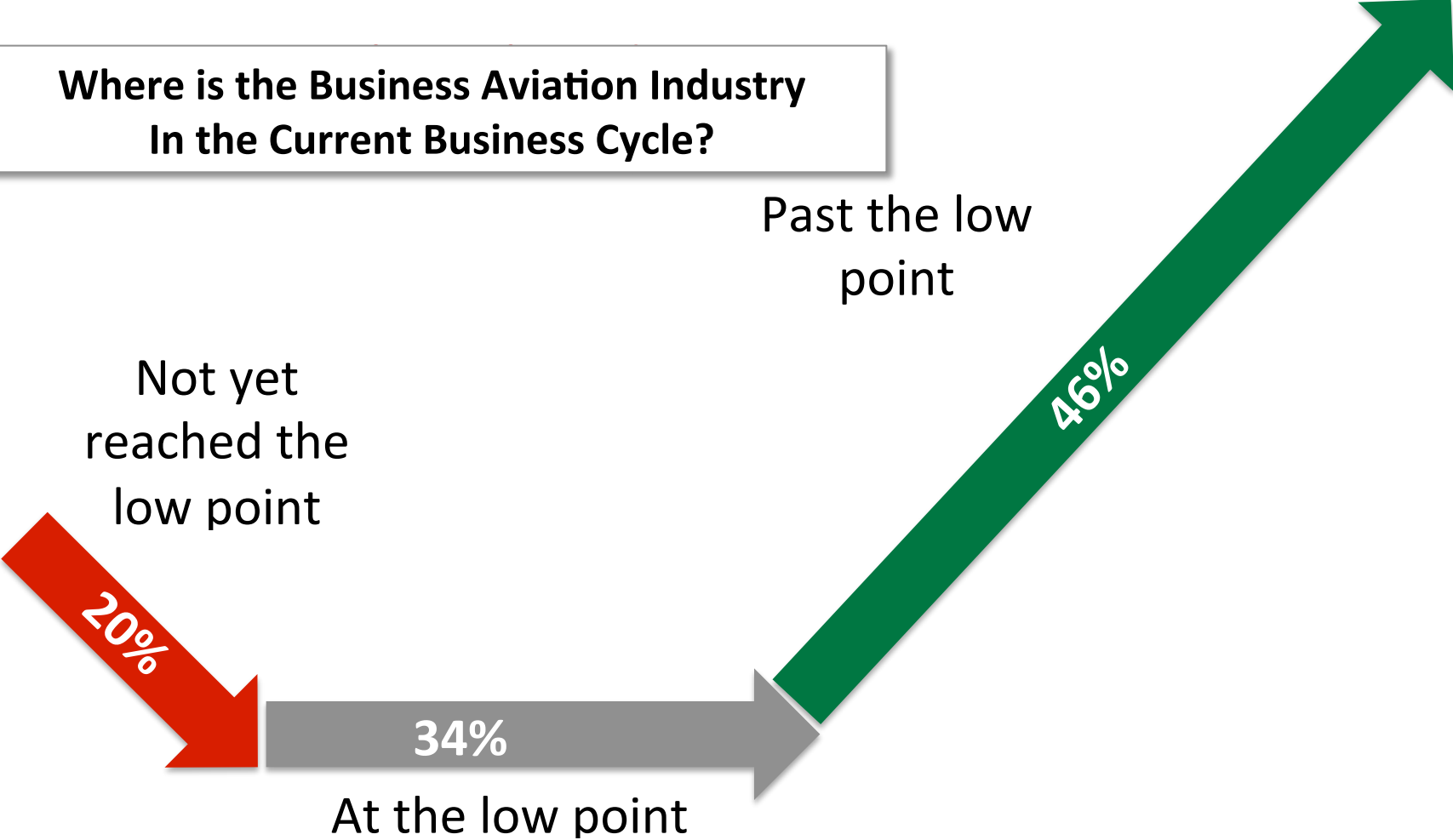


Survey Respondents' Sentiment

Current Market Sentiment

Q1 2014 Survey

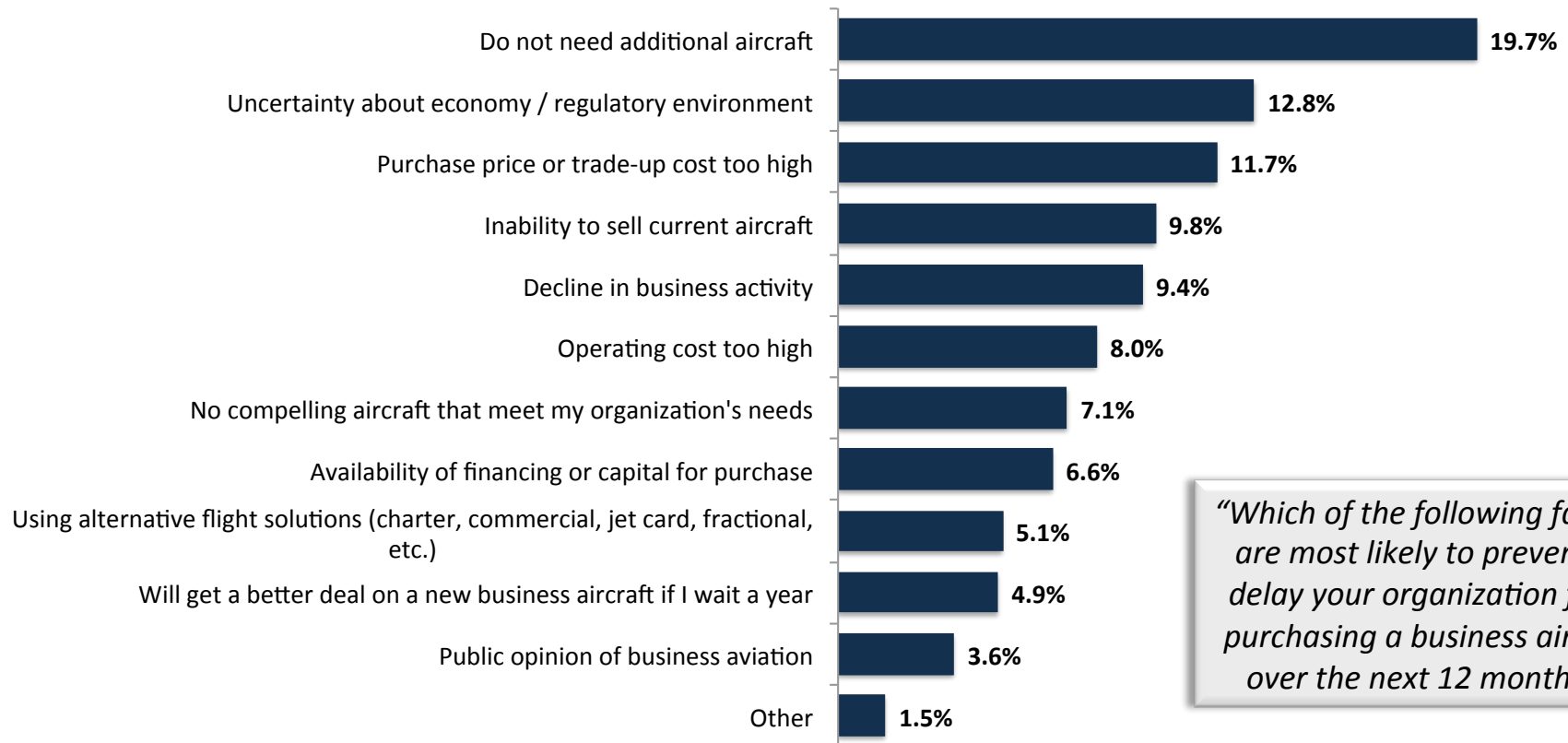
**Where is the Business Aviation Industry
In the Current Business Cycle?**



Aircraft Purchase Inhibitors

Top 3 Inhibitors – Weighted Average

Q1 2014 Survey

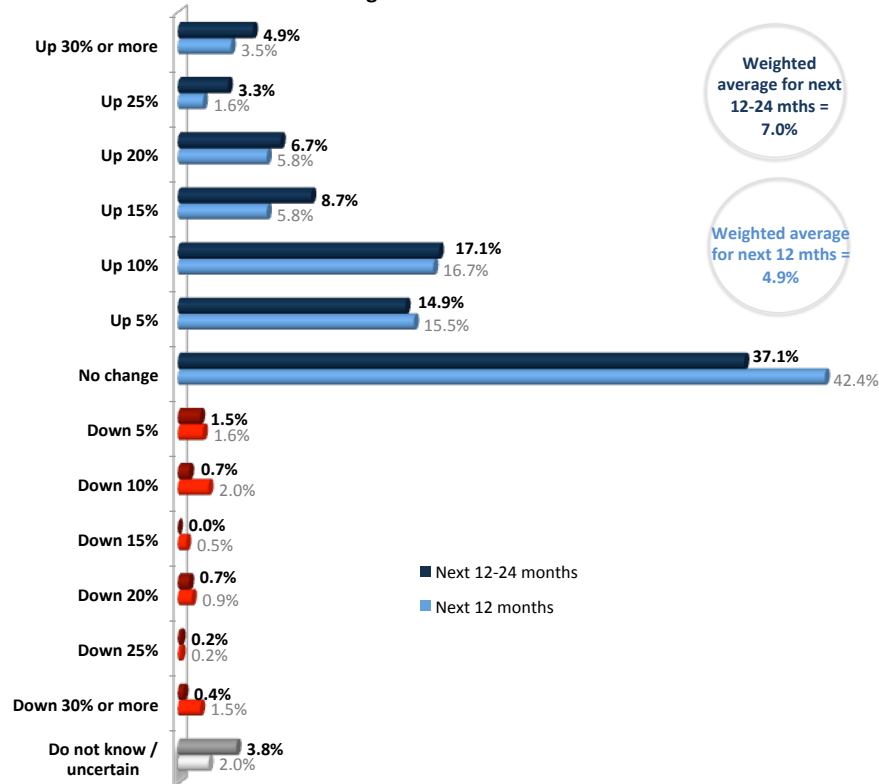


“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”

Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

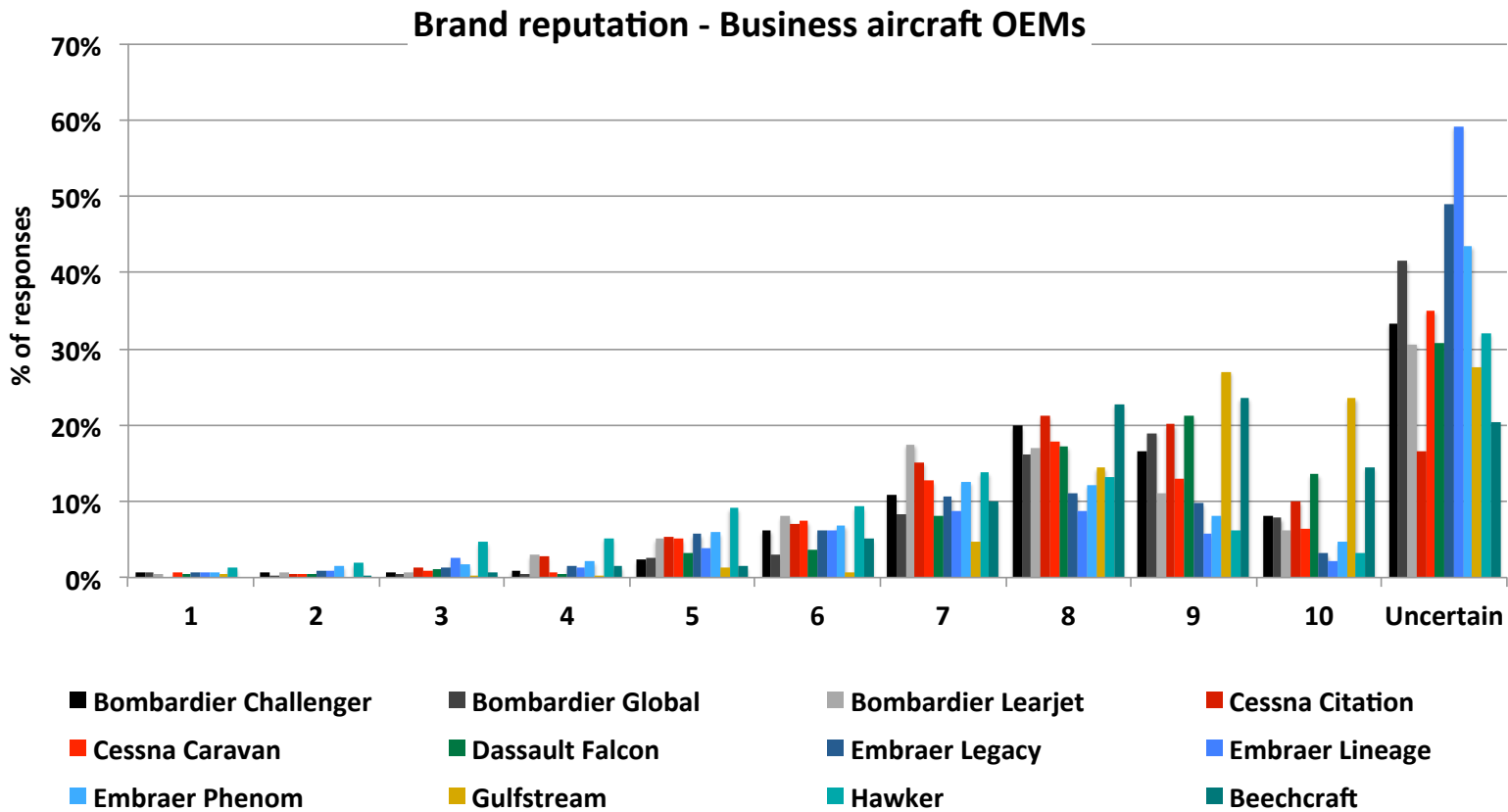
Compared with your past 12 months, what changes do you expect in your total annual flight hours over the next 24 months?



Respondents expect to fly 4.9% more hours in the next 12 months vs. prior 12 months

Brand Reputations

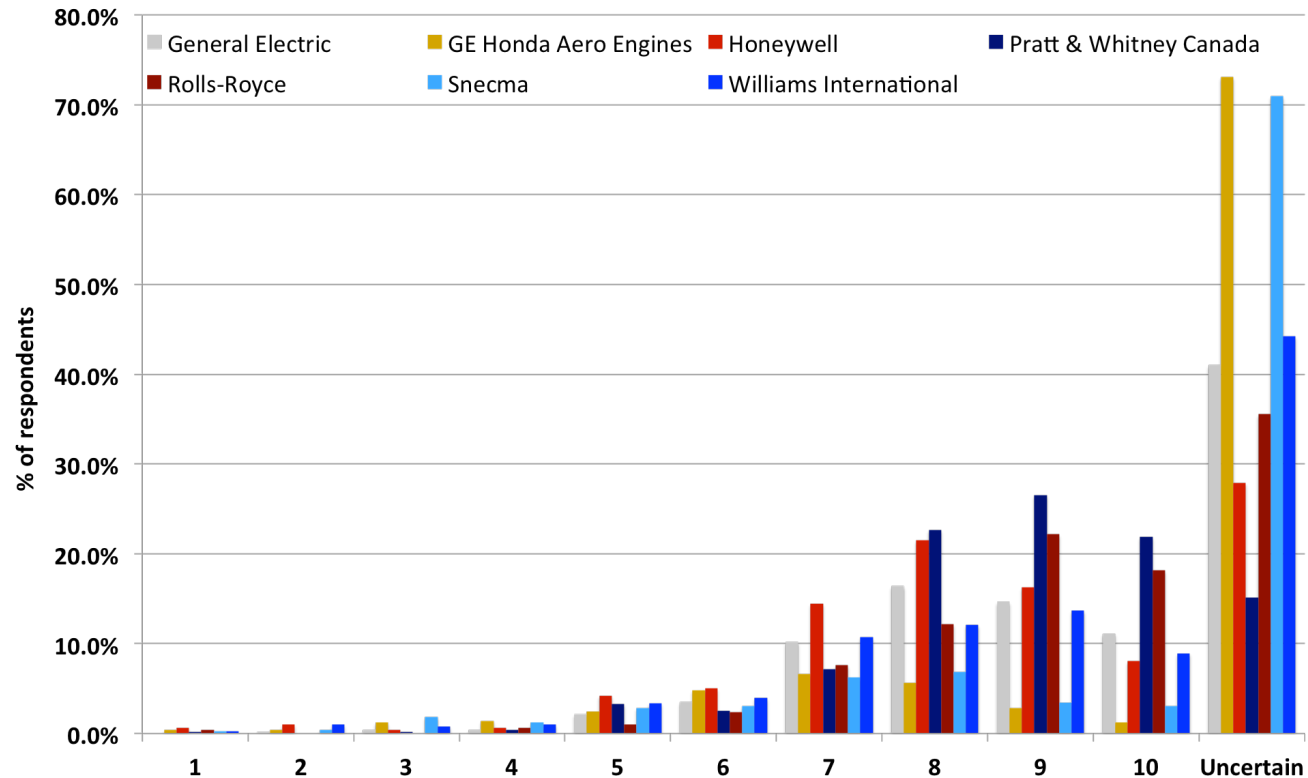
Aircraft Manufacturers on a 1-10 Scale, where “10” = Highest



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

Brand Reputations

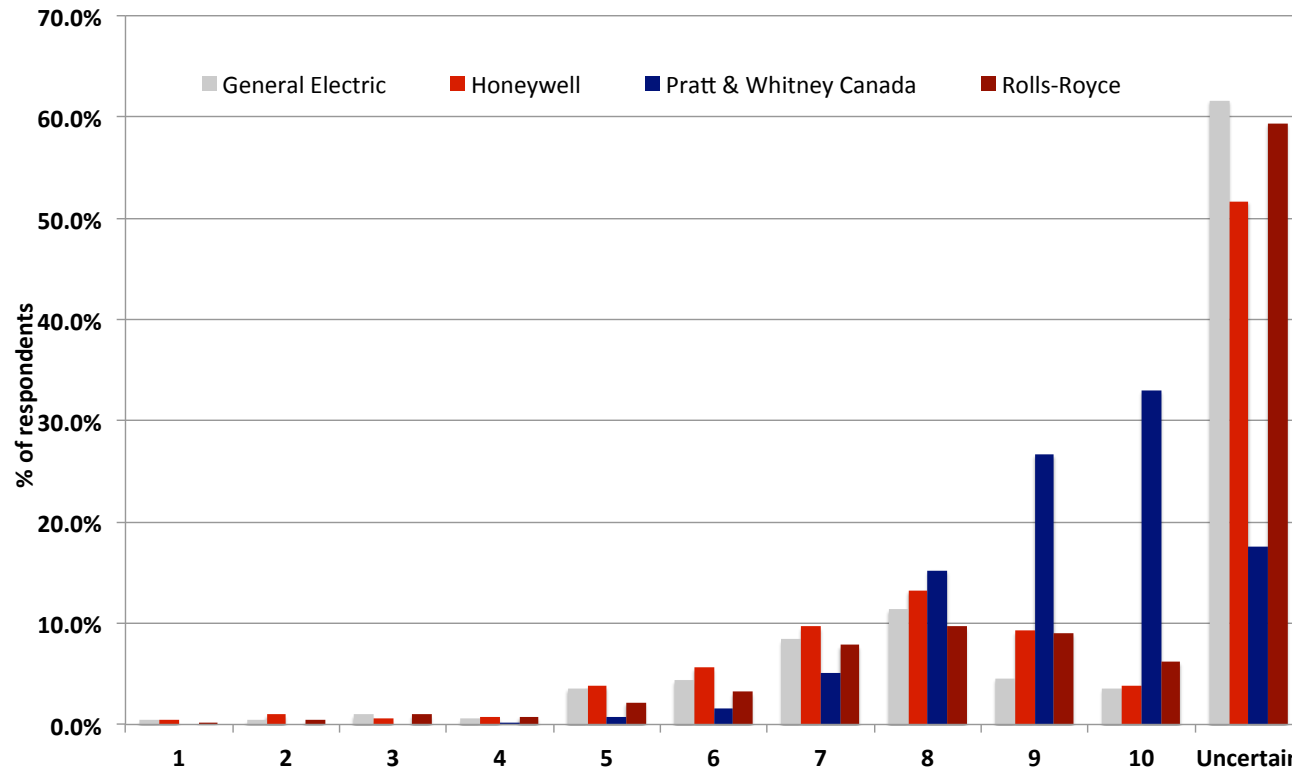
Jet Engine Manufacturers on a 1-10 Scale, where “10” = Highest



Rolls-Royce is the top-rated jet engine manufacturer brand, slightly ahead of Pratt & Whitney Canada

Brand Reputations

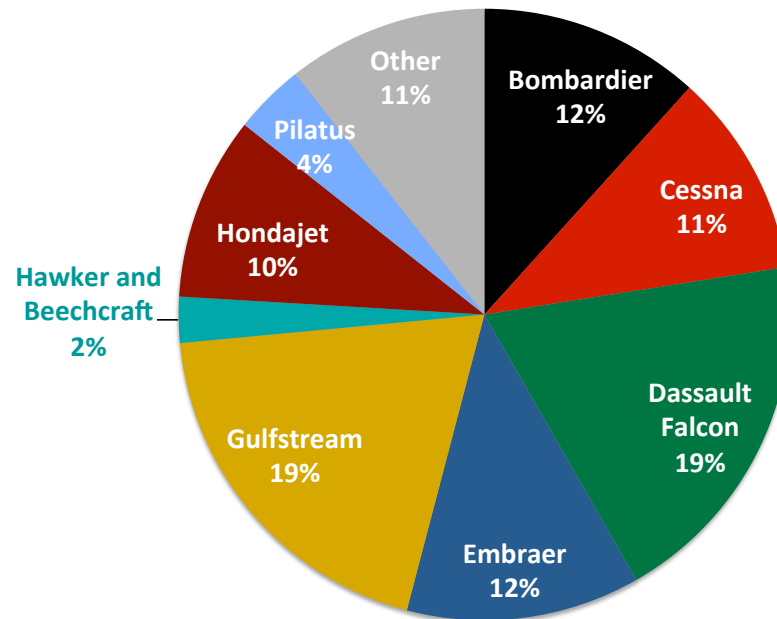
Turboprop Engine Manufacturers on a 1-10 Scale - "10" = Highest



Pratt & Whitney Canada is the dominant turboprop engine manufacturer brand, followed by Rolls-Royce

Aircraft Brands

“providing most innovative design”

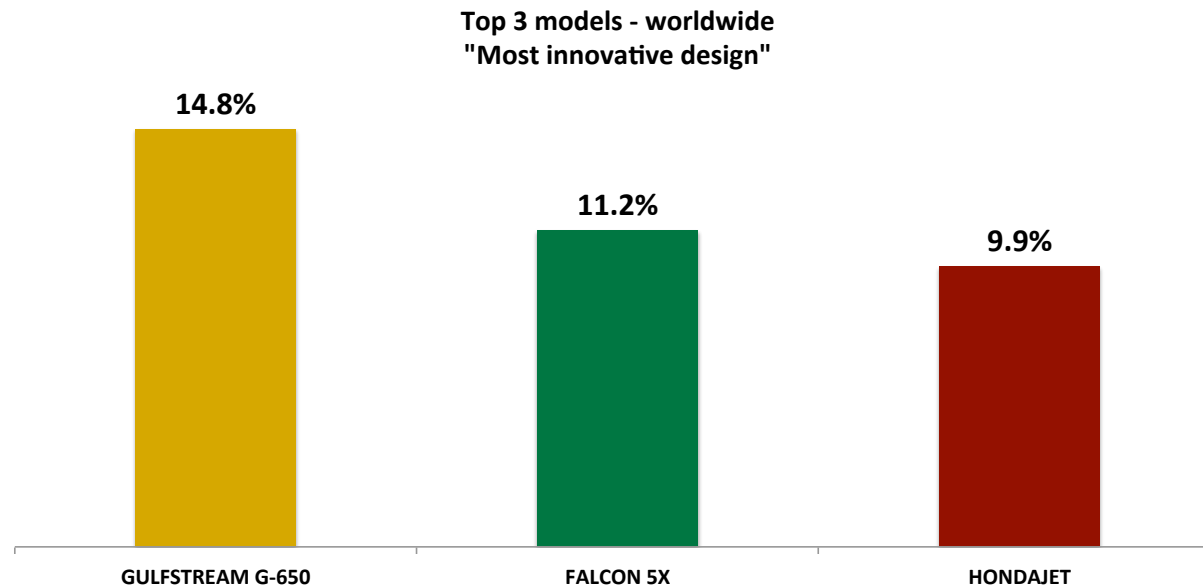


“Which business aircraft brand do you think provides the most innovative designs?”

According to Q1 2014 survey respondents, Gulfstream and Dassault Falcon provide the most innovative aircraft designs

Aircraft Brands

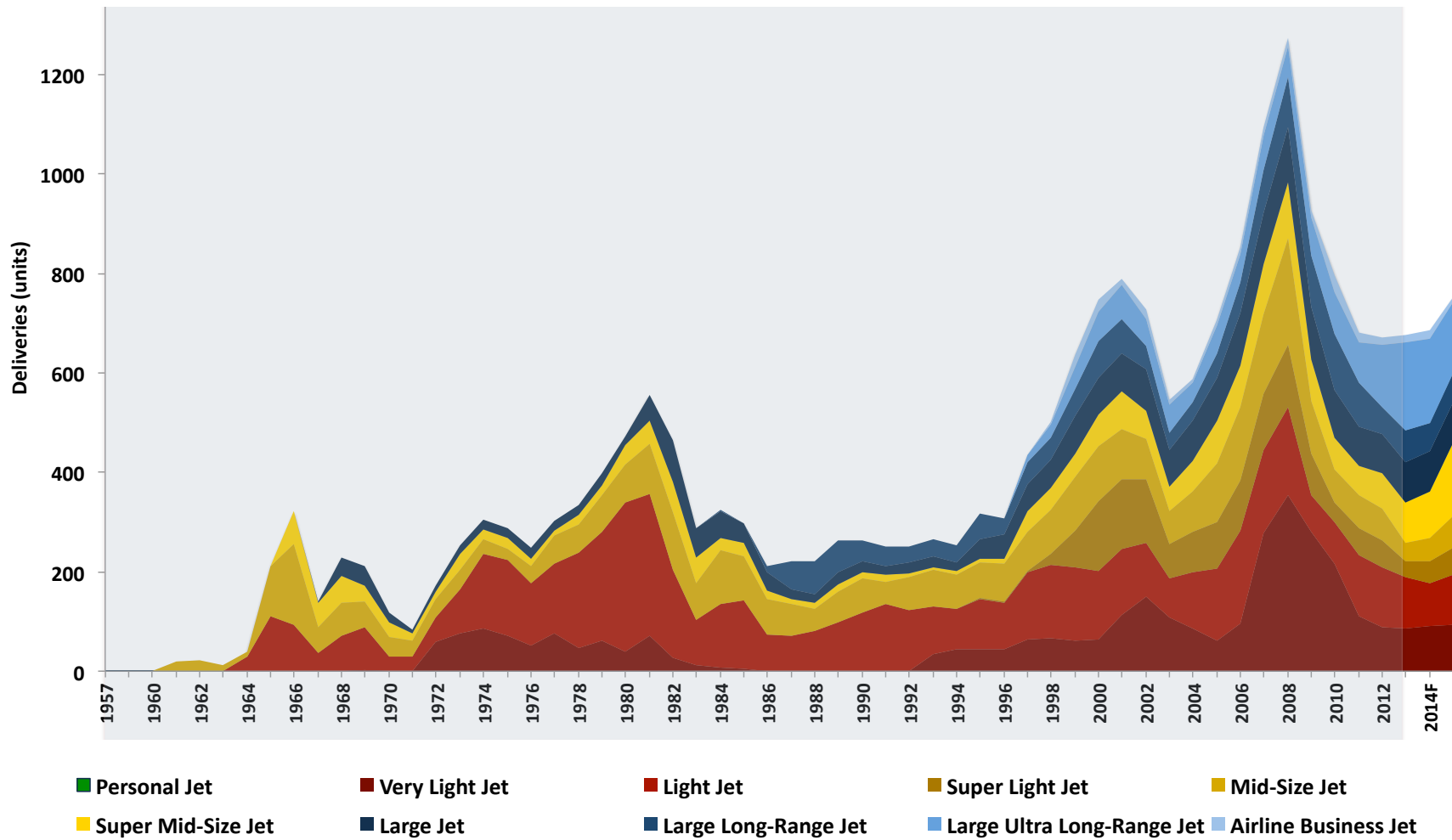
“providing most innovative design”



“Which business aircraft model do you think provides the most innovative design?”

According to Q1 2014 survey respondents, the Gulfstream 650 is the most innovative design, followed by the Falcon 5X and the HondaJet

Business Jet Delivery History & Forecast



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.