



➤➤ KNOW MORE.

JETNET iQ Snap! Report Q2 2018 Summary Report

➤ BUSINESS AVIATION MARKET INTELLIGENCE ➤ REPORTS ➤ SUMMITS ➤ CONSULTING

Prepared for:
JETNET iQ Global Business Aviation Survey Respondents

June 30, 2018

JETNET iQ Snap!: 2nd Quarter 2018 - 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



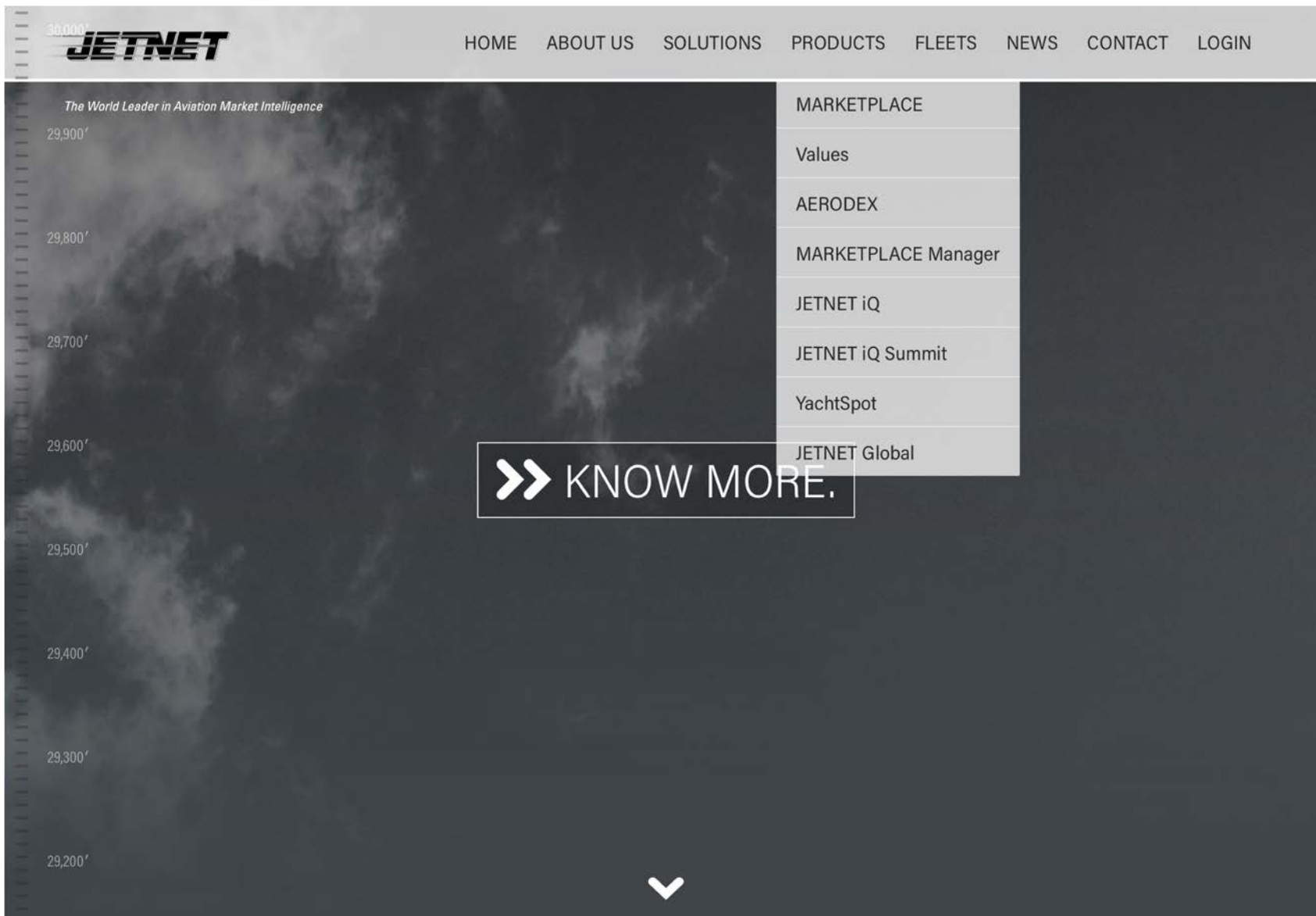
JETNET: Worldwide leader in aviation market intelligence

JETNET

- Solutions and services:
 - JETNET iQ
 - Evolution Marketplace
 - Evolution Aerodex
 - Marketplace Manager
 - Values
 - JETNET Global
 - AvData Reports
- 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



The screenshot shows the JETNET website homepage. At the top left is the JETNET logo. To its right is a navigation menu with links for HOME, ABOUT US, SOLUTIONS, PRODUCTS, FLEETS, NEWS, CONTACT, and LOGIN. Below the navigation is a dark banner area. On the left side of the banner is a vertical scale with altitude markings from 29,200' to 30,000'. The text 'The World Leader in Aviation Market Intelligence' is positioned above the scale. In the center of the banner is a large white button with the text '>> KNOW MORE.' and a downward-pointing arrow at the bottom center.

30,000'
JETNET

HOME ABOUT US SOLUTIONS PRODUCTS FLEETS NEWS CONTACT LOGIN

The World Leader in Aviation Market Intelligence

29,900'
29,800'
29,700'
29,600'
29,500'
29,400'
29,300'
29,200'

>> 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




* Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence.

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 (provided by Jetnet):



For questions about this survey, please contact:

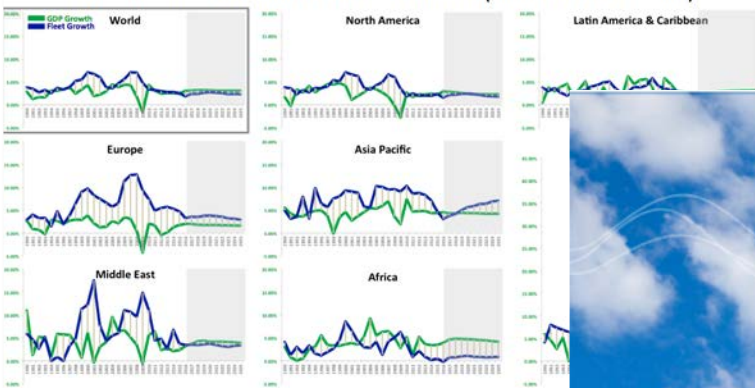
ROLLAND VINCENT
 JETNET iQ Creator / Director
 Phone: 1-972-439-2069 (U.S. Central Time)
 Email: rollie@jetnet.com

JETNET iQ Reports

JETNET iQ >> KNOW MORE.

The Economy

GDP Growth Versus Business Jet Fleet Growth (historical and forecast)

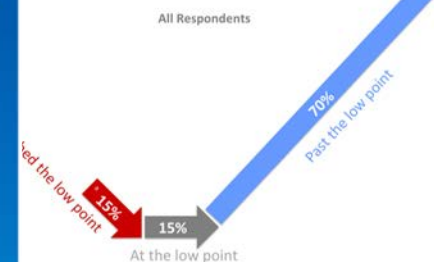


JETNET iQ >> KNOW MORE.

Current Business Cycle

Where is the Business Aviation Industry In the Current Business Cycle?
 Total Respondents – Q2 2018 Survey

How would you describe the current market conditions for business aviation?



JETNET iQ
 >> KNOW MORE.

JETNET iQ Snap! Report
Q2 2018 Summary Report

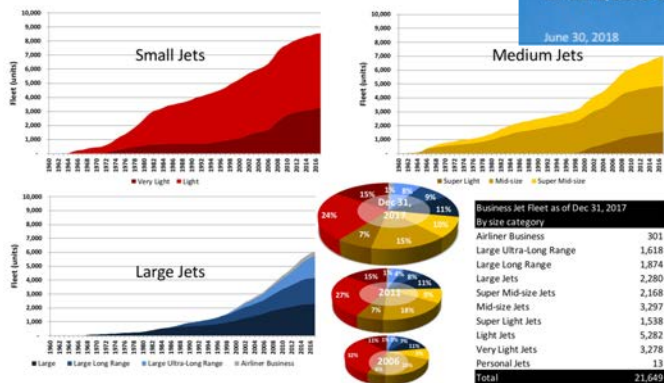
> BUSINESS AVIATION MARKET INTELLIGENCE > REPORTS > SUMMITS > CONSULTING

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JETNET iQ

Business Jet Fleet by Size Category

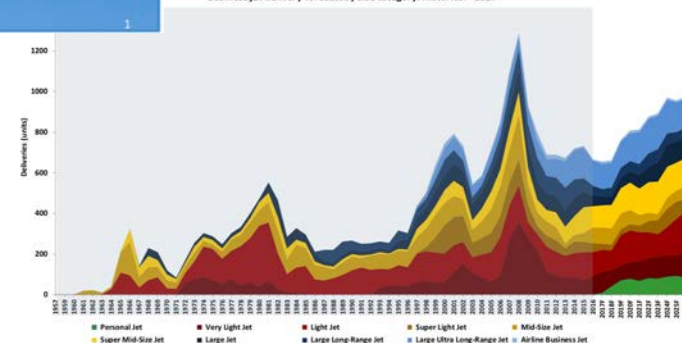


JETNET iQ >> KNOW MORE.

Q2 Forecast – Business Jet Delivery Units

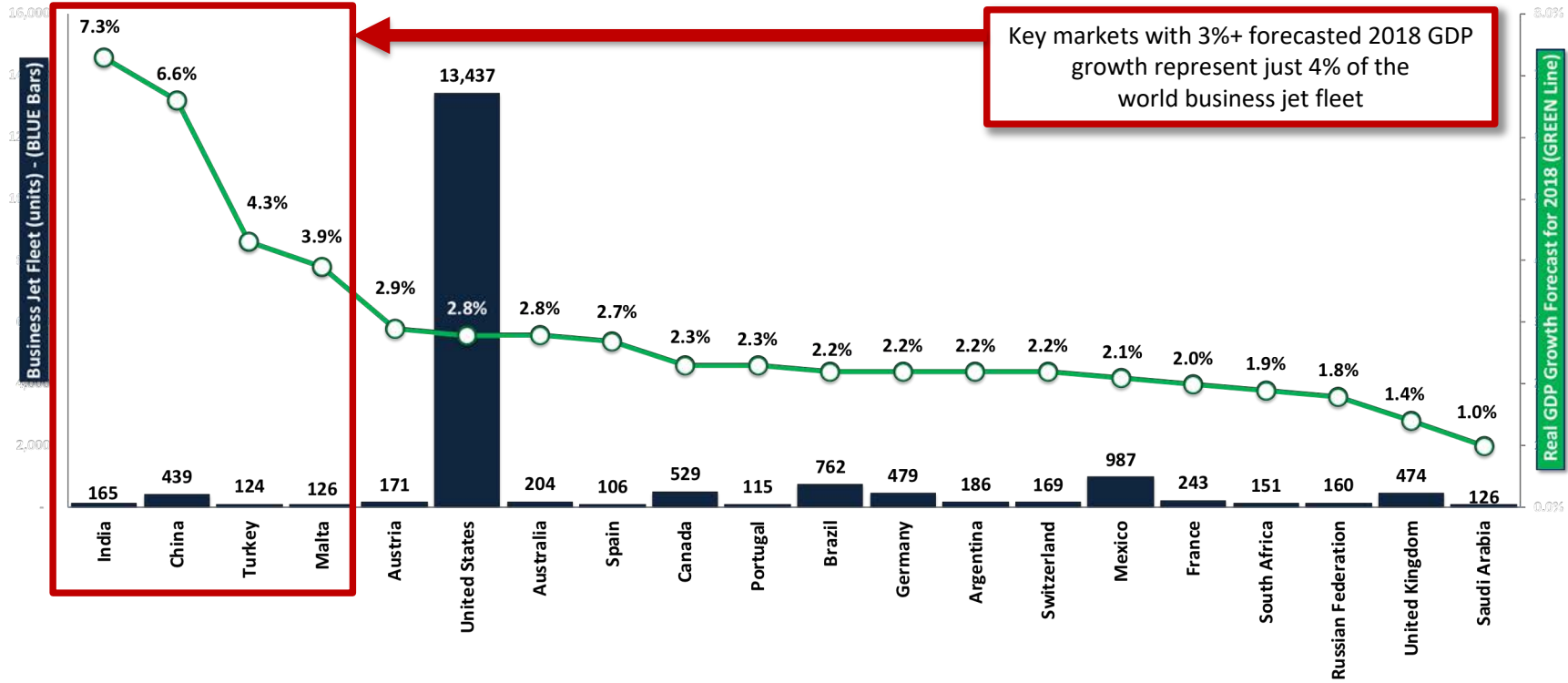
Including Personal Jets

Business jet delivery forecast by size category: Historical - 2007



The Economy and Aircraft Fleets

2018 GDP Growth Estimates and "Top 20" Business Jet Fleets (2018 YTD)



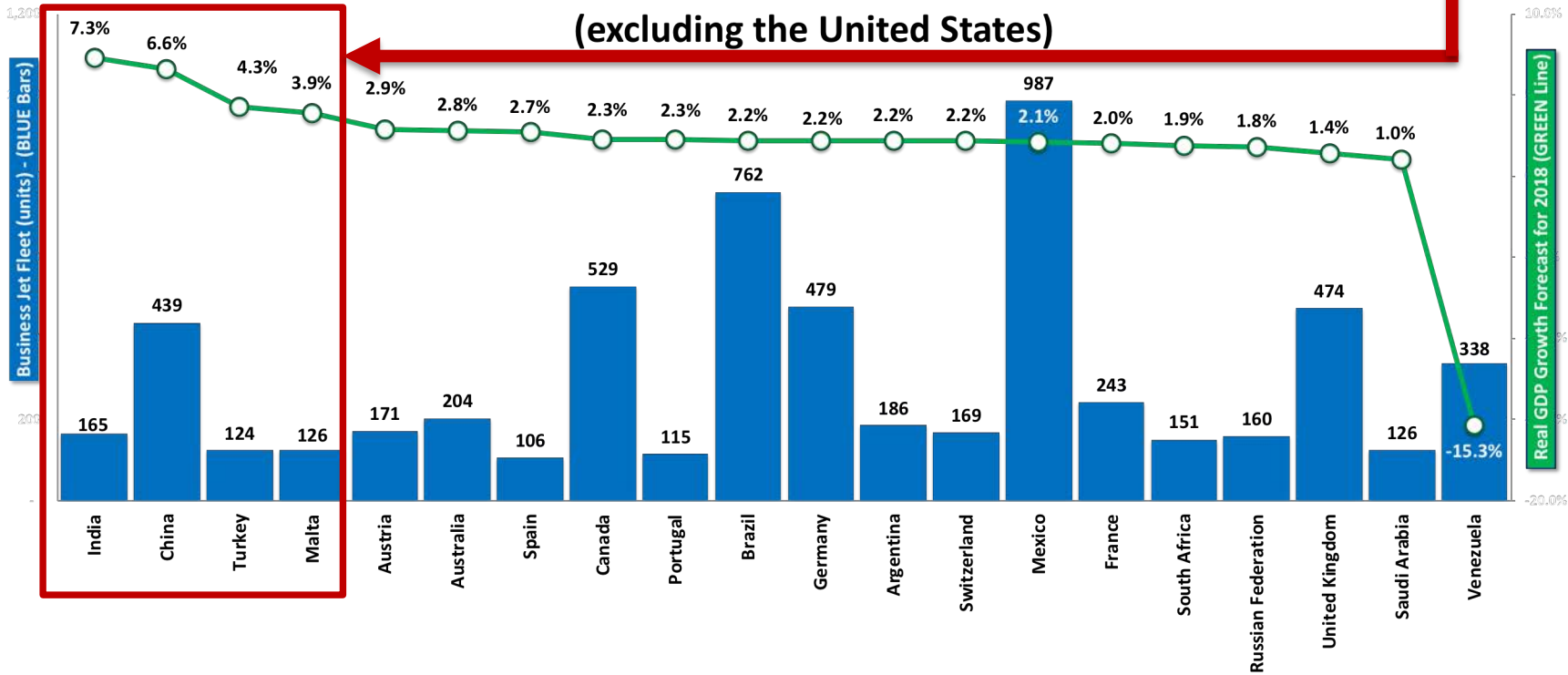
Sources: The Economist April 18, 2018; JETNET

The U.S. economy is expected to grow by 2.8% in 2018

The Economy and Aircraft Fleets

Key markets with 3%+ forecasted 2018 GDP growth represent just 4% of the world business jet fleet

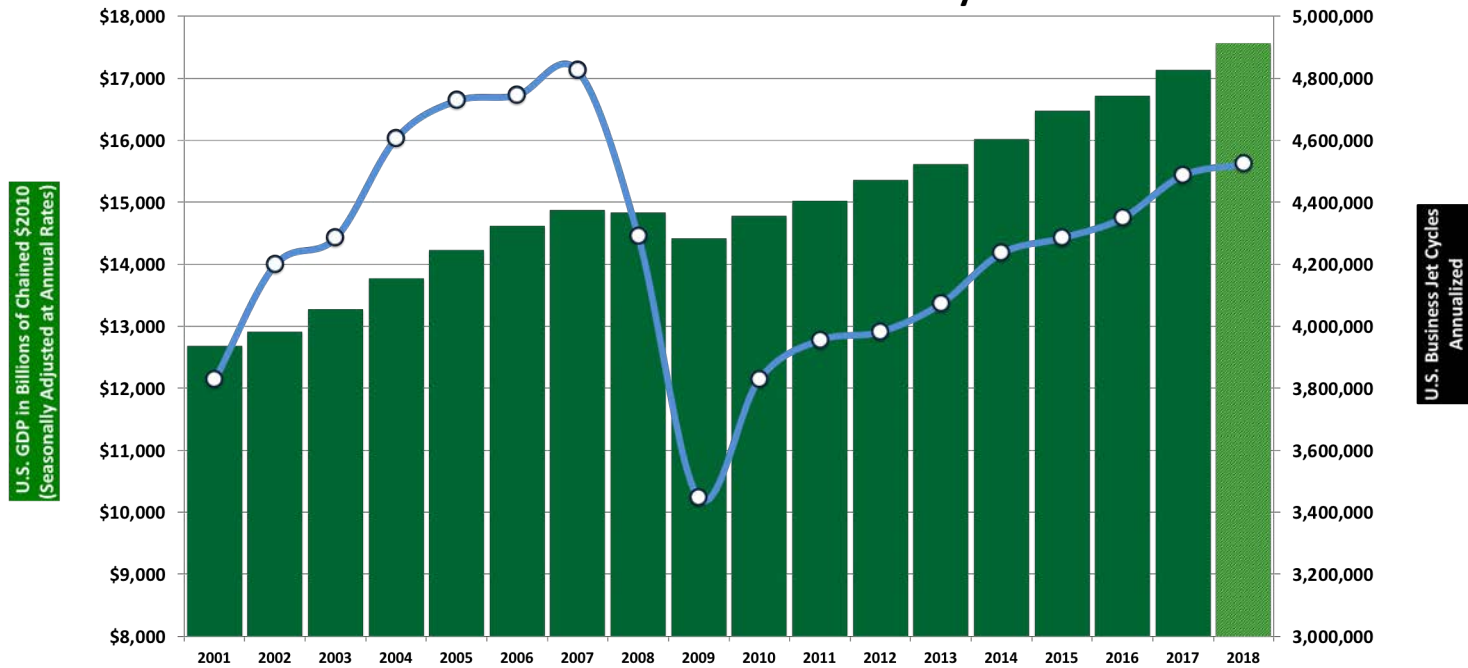
2018 GDP Growth Estimates and "Top 20" Business Jet Fleets (2018 YTD) (excluding the United States)



Sources: The Economist – April 18, 2018; JETNET

The Economy and Aircraft Utilization

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



U.S. Business Jet Fleet

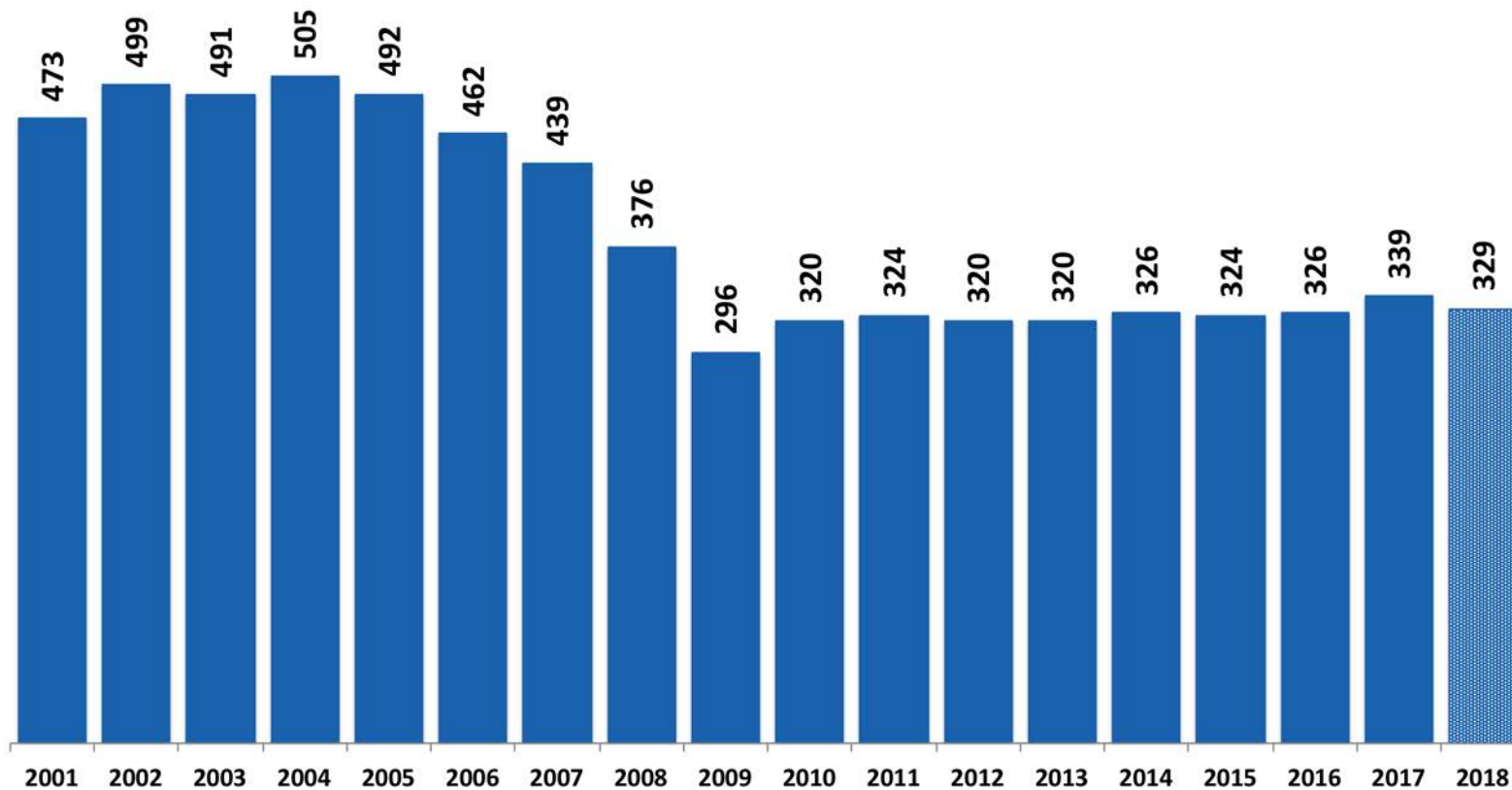


Sources: U.S. BEA, FAA; 2018 GDP is based on BEA projection and 2018 business jet cycles is based on trailing twelve months as of March 31, 2018

U.S. business jet cycles have steadily increased but remain well below pre-2008 levels

Aircraft Utilization

Average Number of Business Jet Cycles per Aircraft Per Year - USA



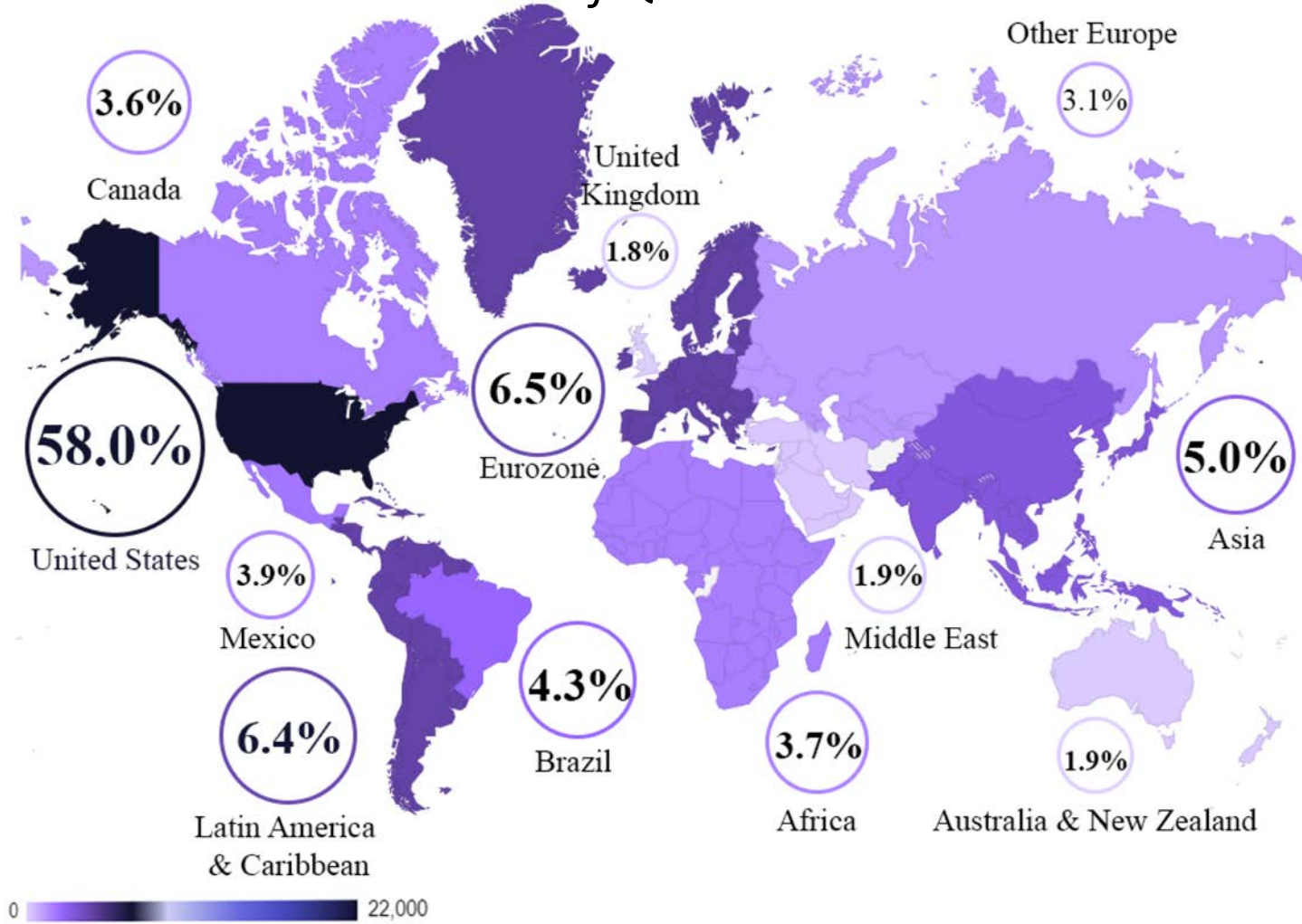
Sources: U.S. FAA; Cycles data for latest year are YTD on a Trailing Twelve Months (TTM) basis for the most recent period available; U.S. fleet from JETNET

Cycles per U.S.-based business jet remain well below pre-financial crisis levels

Business Aircraft Fleet by Region

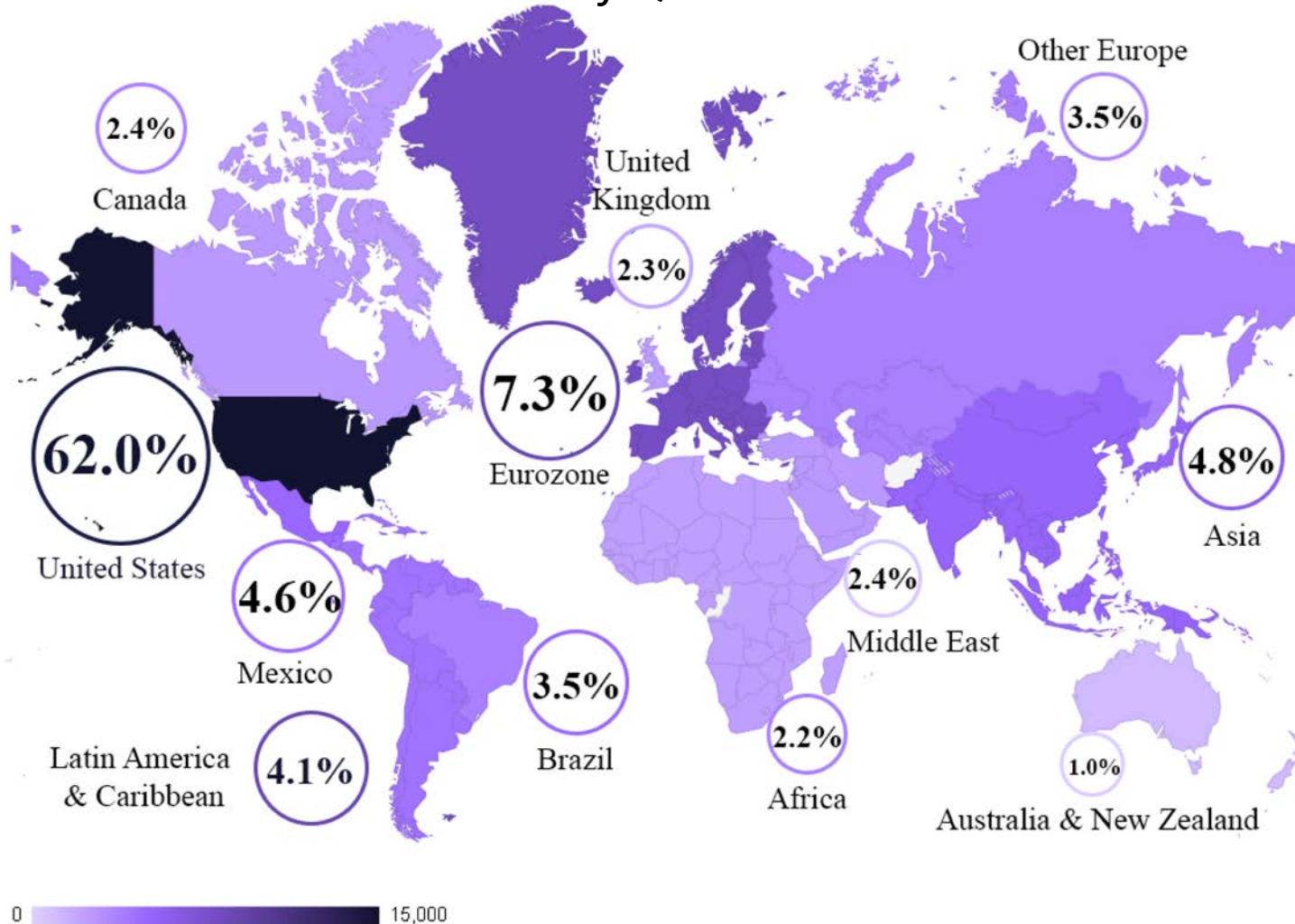
Share of Business Aircraft Fleet by Region

As of Q1 2018



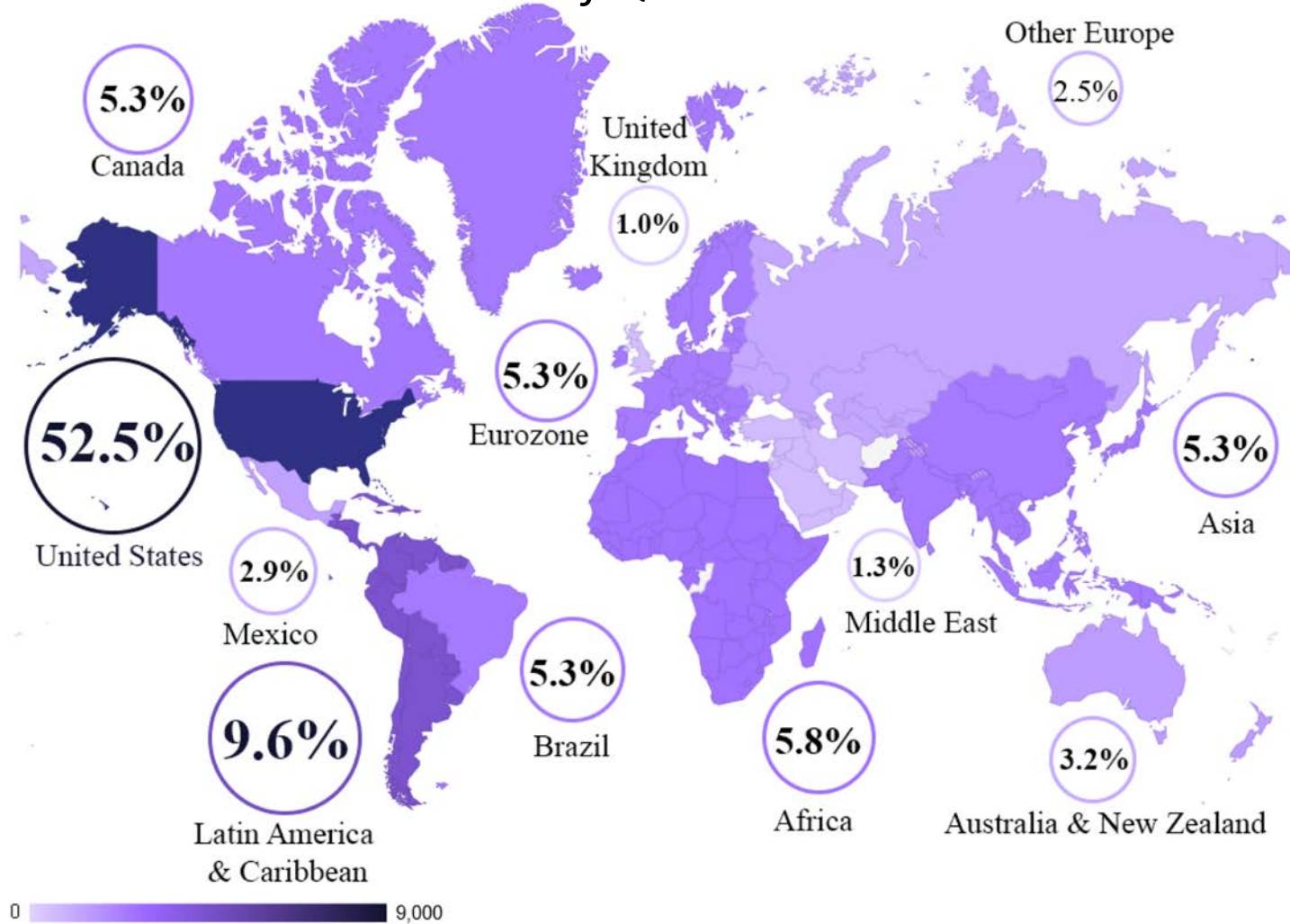
Business Jet Fleet by Region

Share of Business Jet Fleet by Region
As of Q1 2018



Turboprop Fleet by Region

Share of Turboprop Fleet by Region
As of Q1 2018



Business Jet Fleet by Manufacturer

NORTH AMERICA OEM	Fleet as of June 30 2018
Beechcraft	234
Bombardier	3,033
Cessna Citation	4,962
Dassault Falcon	1,378
Embraer	610
Gulfstream	1,887
Hawker	1,207
Other	655
Total	13,966

EUROPE OEM	Fleet as of June 30 2018
Beechcraft	21
Bombardier	609
Cessna Citation	863
Dassault Falcon	435
Embraer	199
Gulfstream	207
Hawker	166
Other	107
Total	2,607

FORMER SOVIET UNION OEM	Fleet as of June 30 2018
Beechcraft	-
Bombardier	68
Cessna Citation	14
Dassault Falcon	27
Embraer	26
Gulfstream	38
Hawker	35
Other	22
Total	230

MIDDLE EAST OEM	Fleet as of June 30 2018
Beechcraft	4
Bombardier	117
Cessna Citation	49
Dassault Falcon	59
Embraer	49
Gulfstream	106
Hawker	57
Other	76
Total	517

LATIN AMERICA & CARIBBEAN OEM	Fleet as of June 30 2018
Beechcraft	61
Bombardier	666
Cessna Citation	827
Dassault Falcon	137
Embraer	237
Gulfstream	211
Hawker	316
Other	177
Total	2,632

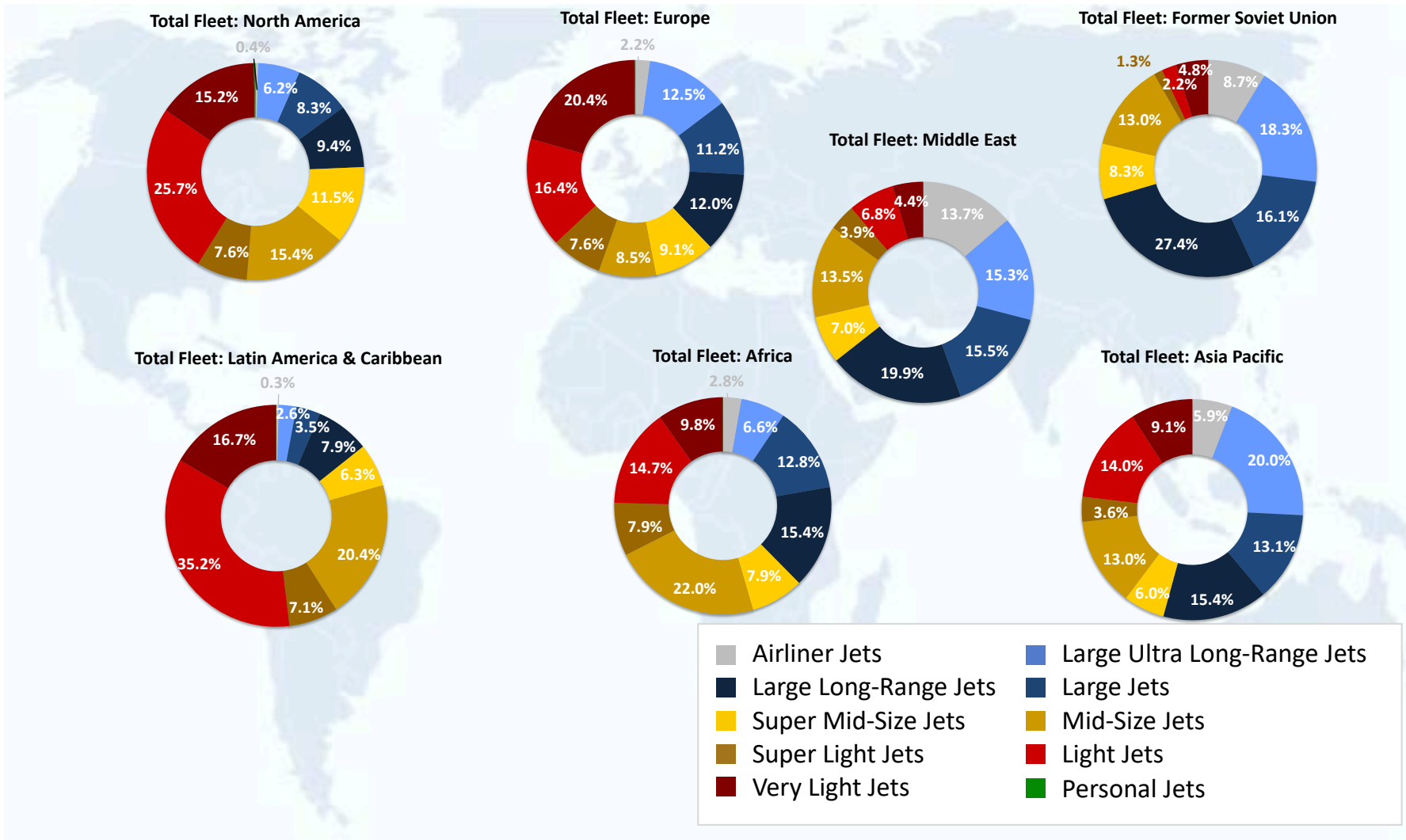
AFRICA OEM	Fleet as of June 30 2018
Beechcraft	2
Bombardier	95
Cessna Citation	103
Dassault Falcon	68
Embraer	20
Gulfstream	64
Hawker	95
Other	21
Total	468

ASIA PACIFIC OEM	Fleet as of June 30 2018
Beechcraft	10
Bombardier	313
Cessna Citation	239
Dassault Falcon	107
Embraer	85
Gulfstream	302
Hawker	126
Other	81
Total	1,263

World business jet fleet was 21,683 jets on June 30, 2018

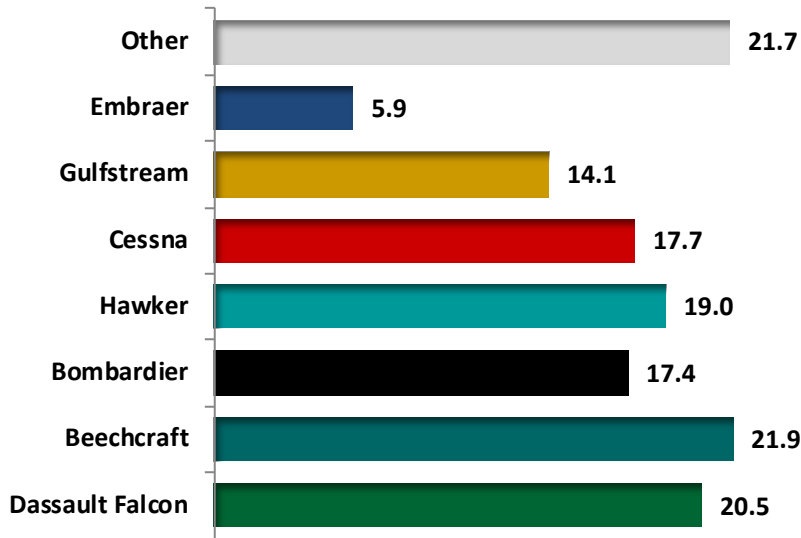
Business Jet Fleet by Size Category

As of June 30, 2018

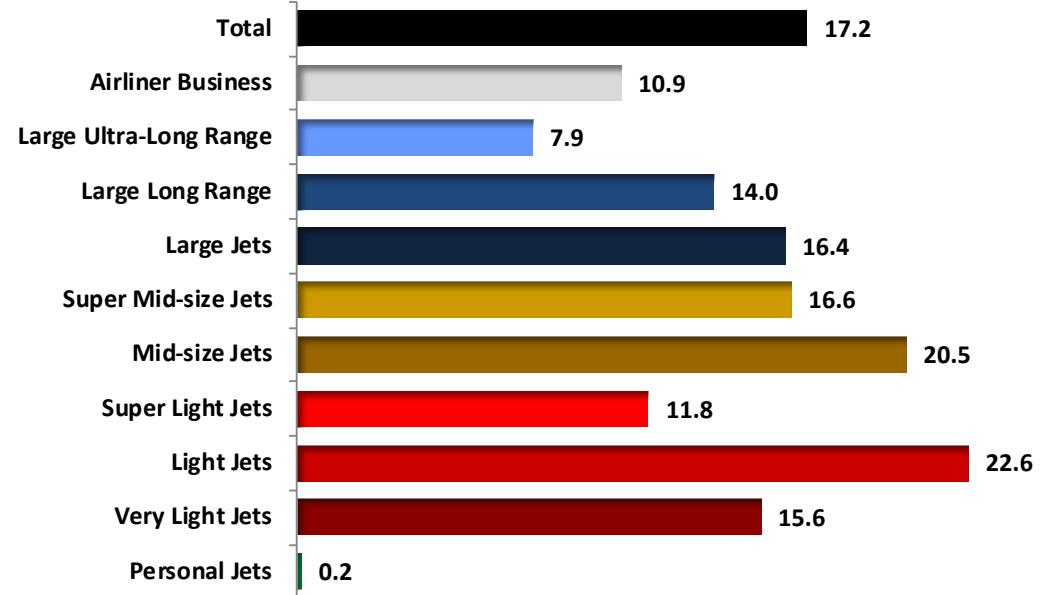


Business Jet Fleet Age (Years)

Business aircraft average fleet age as of June 30, 2018

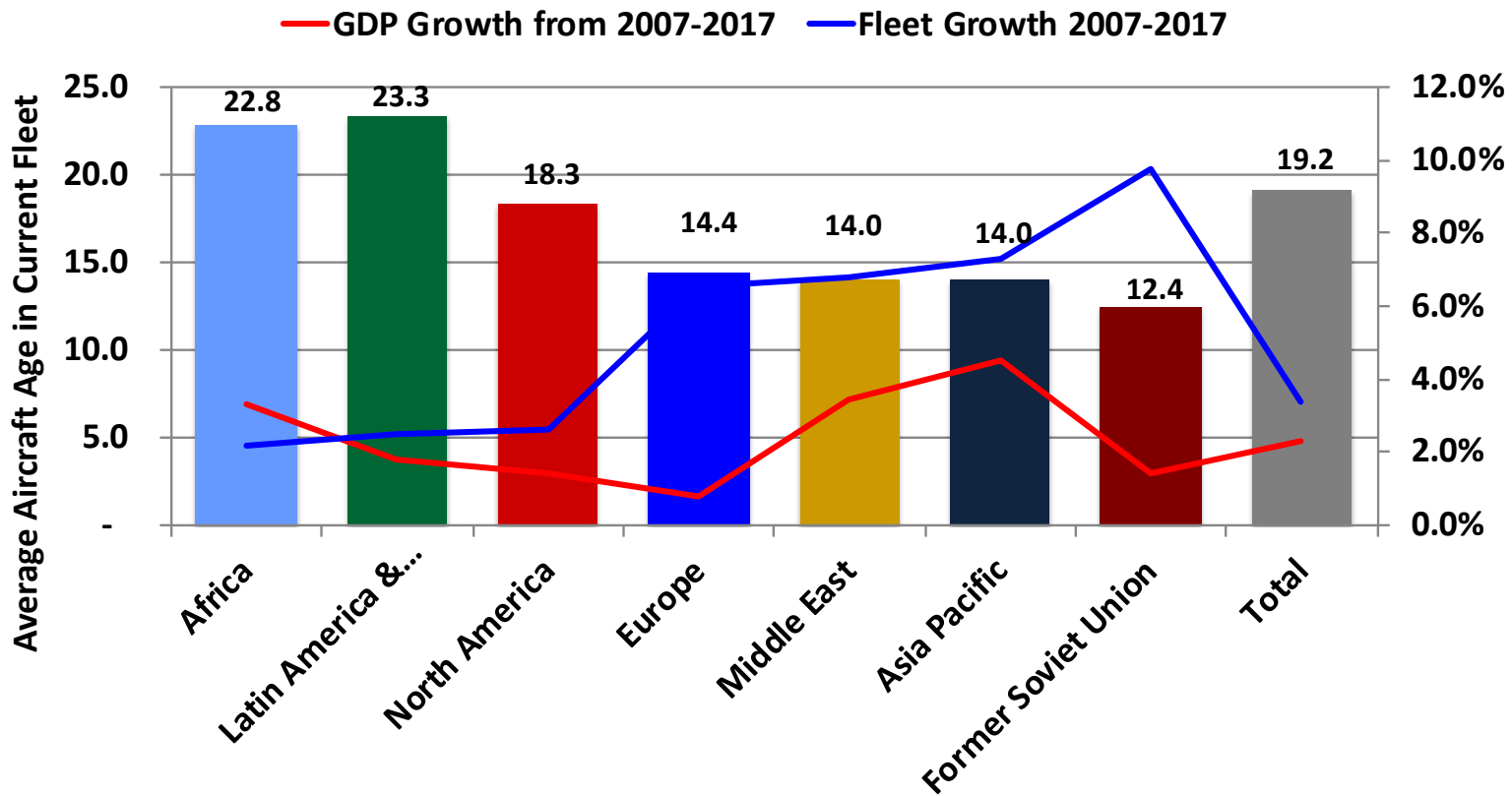


Business aircraft average fleet age as of Jun 30, 2018

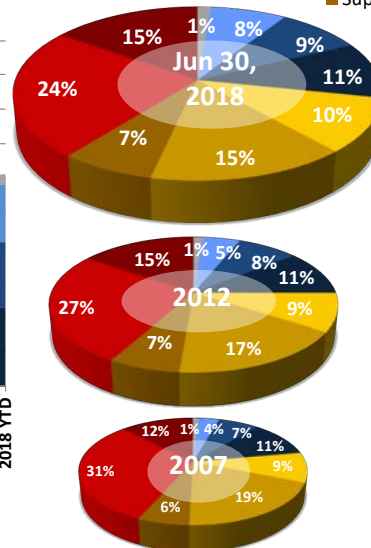
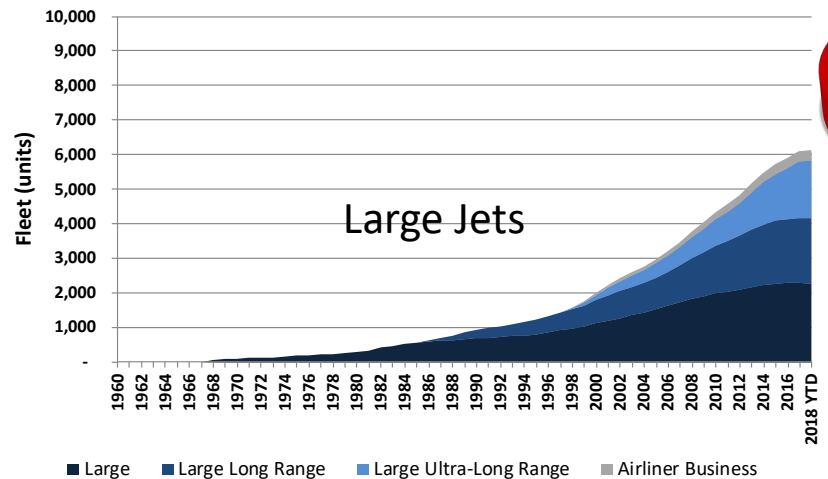
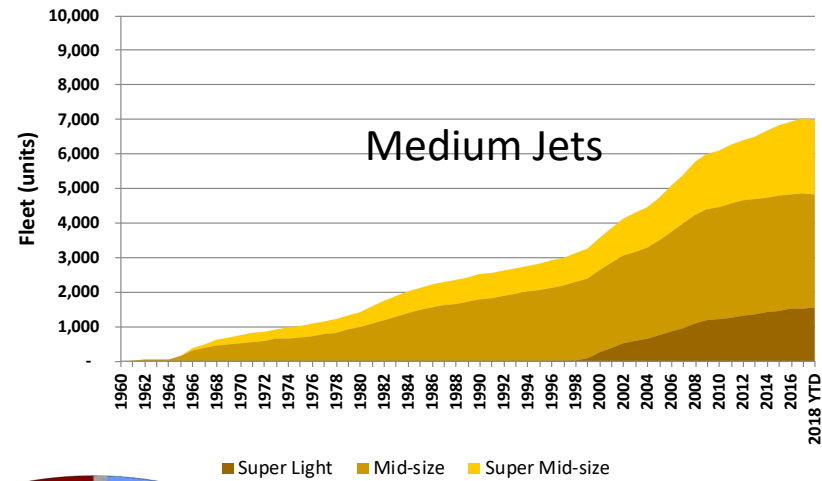
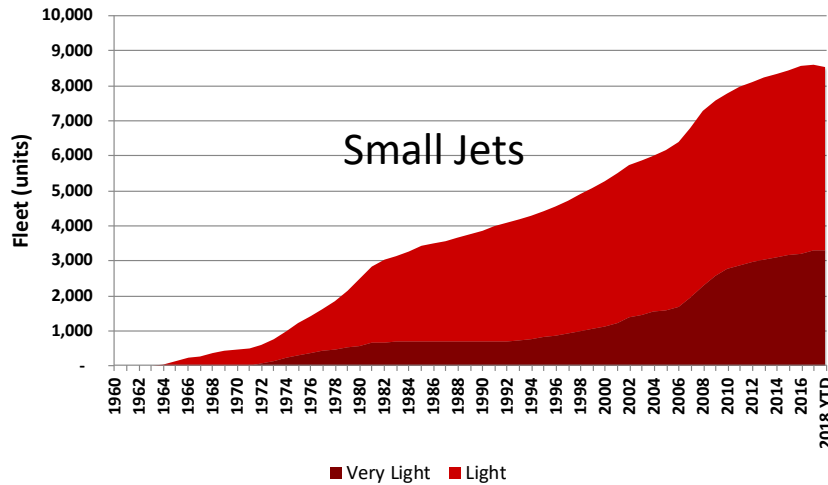


Business Jet Fleet Age (Years) by region

Regional profile of current average fleet age and regional GDP and fleet growth (2007-2017)

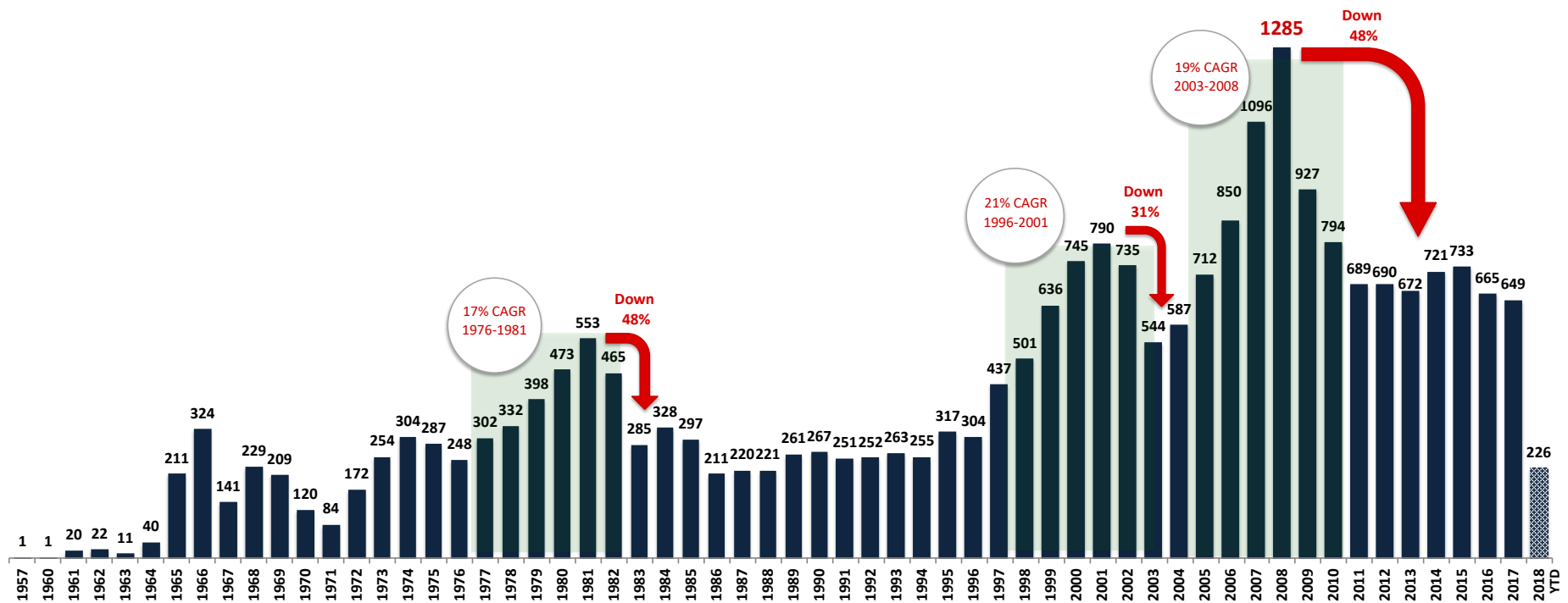


Business Jet Fleet by Size Category Fleet in Years From 1960 – June 30, 2018



Business Jet Fleet as of Jun 30, 2018	
By size category	
Airliner Business	302
Large Ultra-Long Range	1,667
Large Long Range	1,883
Large Jets	2,265
Super Mid-size Jets	2,183
Mid-size Jets	3,279
Super Light Jets	1,547
Light Jets	5,229
Very Light Jets	3,290
Personal Jets	38
Total	21,683

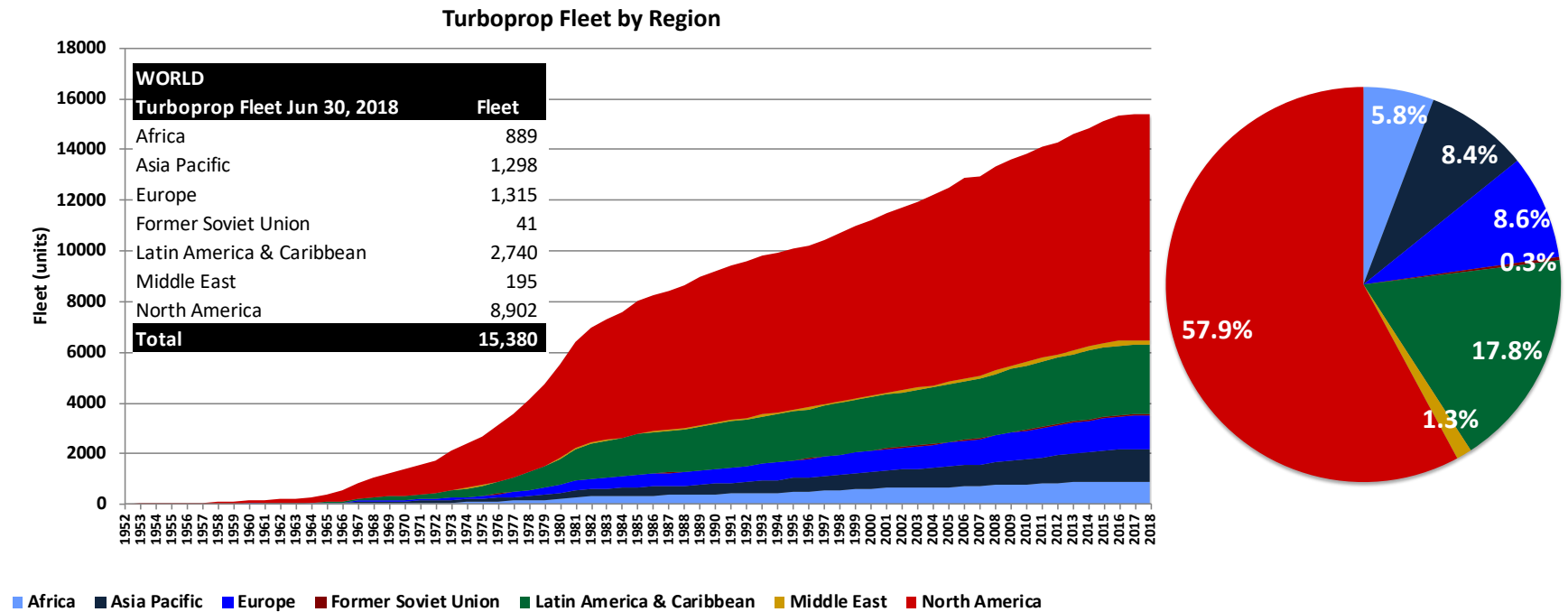
Business Jet Deliveries (Units)



Source: JETNET; includes Personal Jets; 2018 data are year-to-date through March

New business jet delivery units have remained relatively flat for 7 years

Business Turboprop Fleet by Region



Business Turboprop Fleet by Manufacturer

NORTH AMERICA	
Turboprop Fleet Jun 30, 2018	Fleet
Cessna	1,343
Daher Socata	648
Beechcraft	3,743
Pilatus	1,079
Piper	1,033
Turbo Commander	348
Other	708
Total	8,902

EUROPE	
Turboprop Fleet Jun 30, 2018	Fleet
Cessna	162
Daher Socata	117
Beechcraft	393
Pilatus	186
Piper	236
Turbo Commander	24
Other	197
Total	1,315

FORMER SOVIET UNION	
Turboprop Fleet Jun 30, 2018	Fleet
Cessna	10
Daher Socata	-
Beechcraft	9
Pilatus	6
Piper	7
Turbo Commander	-
Other	9
Total	41

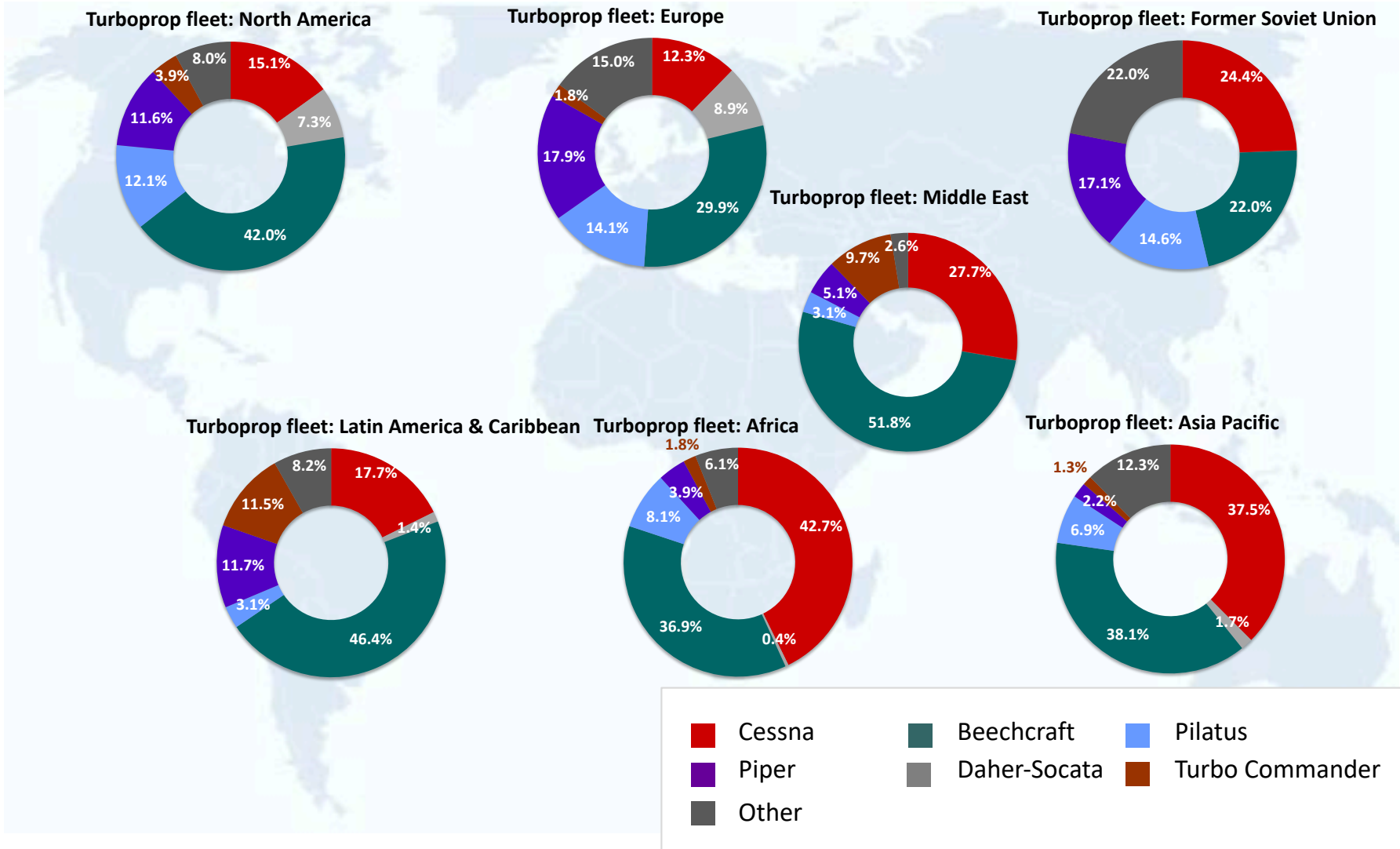
MIDDLE EAST	
Turboprop Fleet Jun 30, 2018	Fleet
Cessna	54
Daher Socata	0
Beechcraft	101
Pilatus	6
Piper	10
Turbo Commander	19
Other	5
Total	195

LATIN AMERICA & CARIBBEAN	
Turboprop Fleet Jun 30, 2018	Fleet
Cessna	485
Daher Socata	39
Beechcraft	1,271
Pilatus	86
Piper	320
Turbo Commander	314
Other	225
Total	2,740

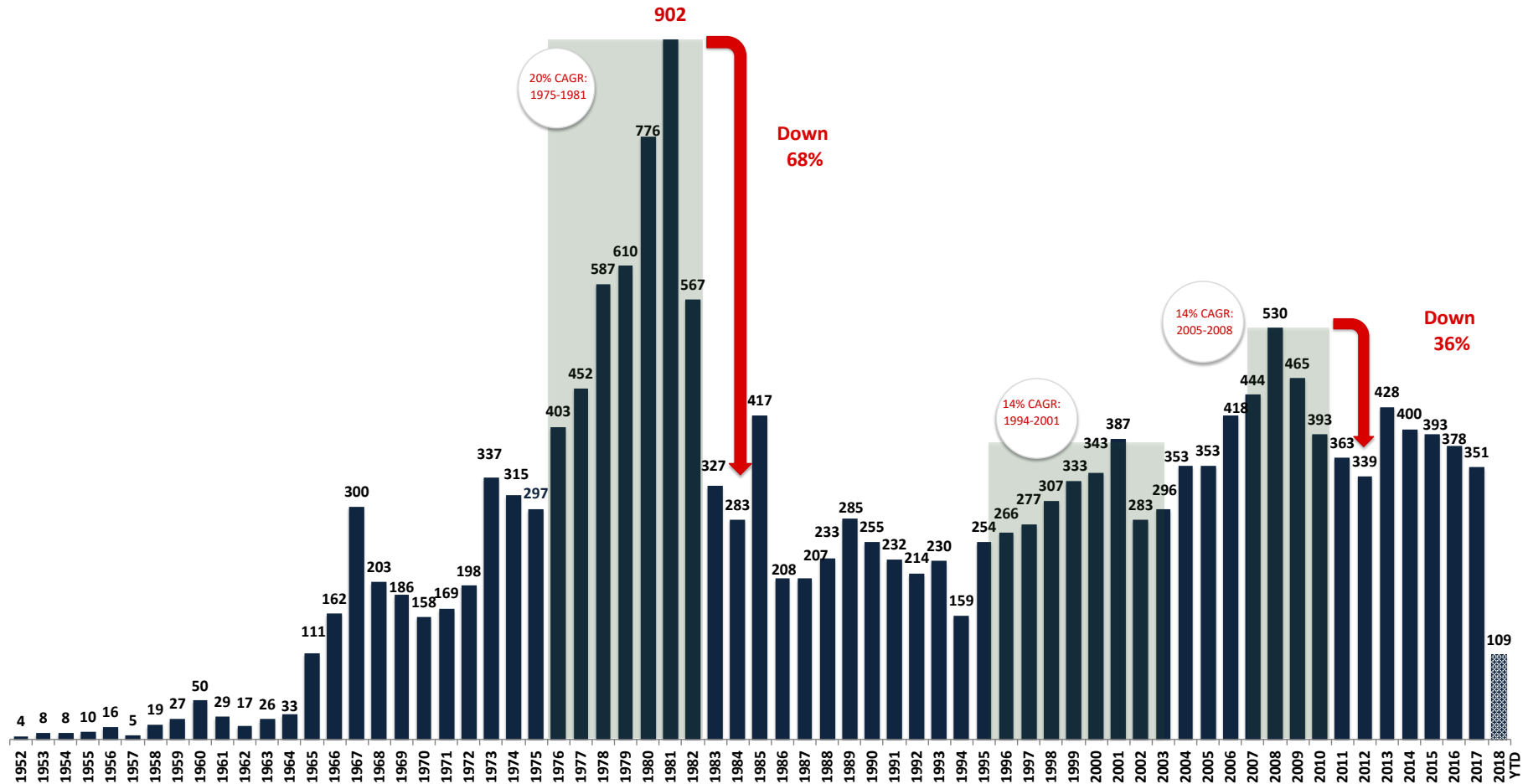
AFRICA	
Turboprop Fleet Jun 30, 2018	Fleet
Cessna	380
Daher Socata	4
Beechcraft	328
Pilatus	72
Piper	35
Turbo Commander	16
Other	54
Total	889

ASIA PACIFIC	
Turboprop Fleet Jun 30, 2018	Fleet
Cessna	487
Daher Socata	22
Beechcraft	494
Pilatus	90
Piper	28
Turbo Commander	17
Other	160
Total	1,298

Business Turboprop Fleet by Manufacturer



Business Turboprop Deliveries (Units)

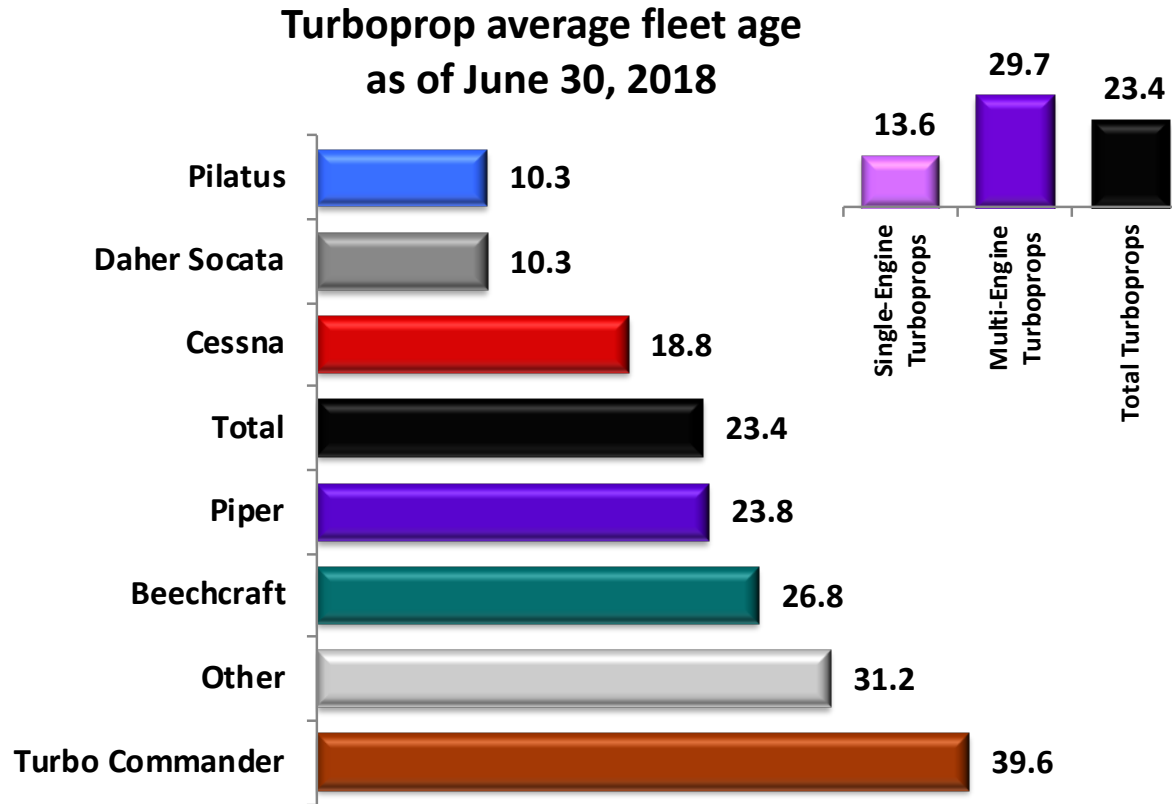


Source: JETNET; 2018 data are year-to-date through March

June 30, 2018

JETNET iQ Snap!: 2nd Quarter 2018 - Private & Confidential

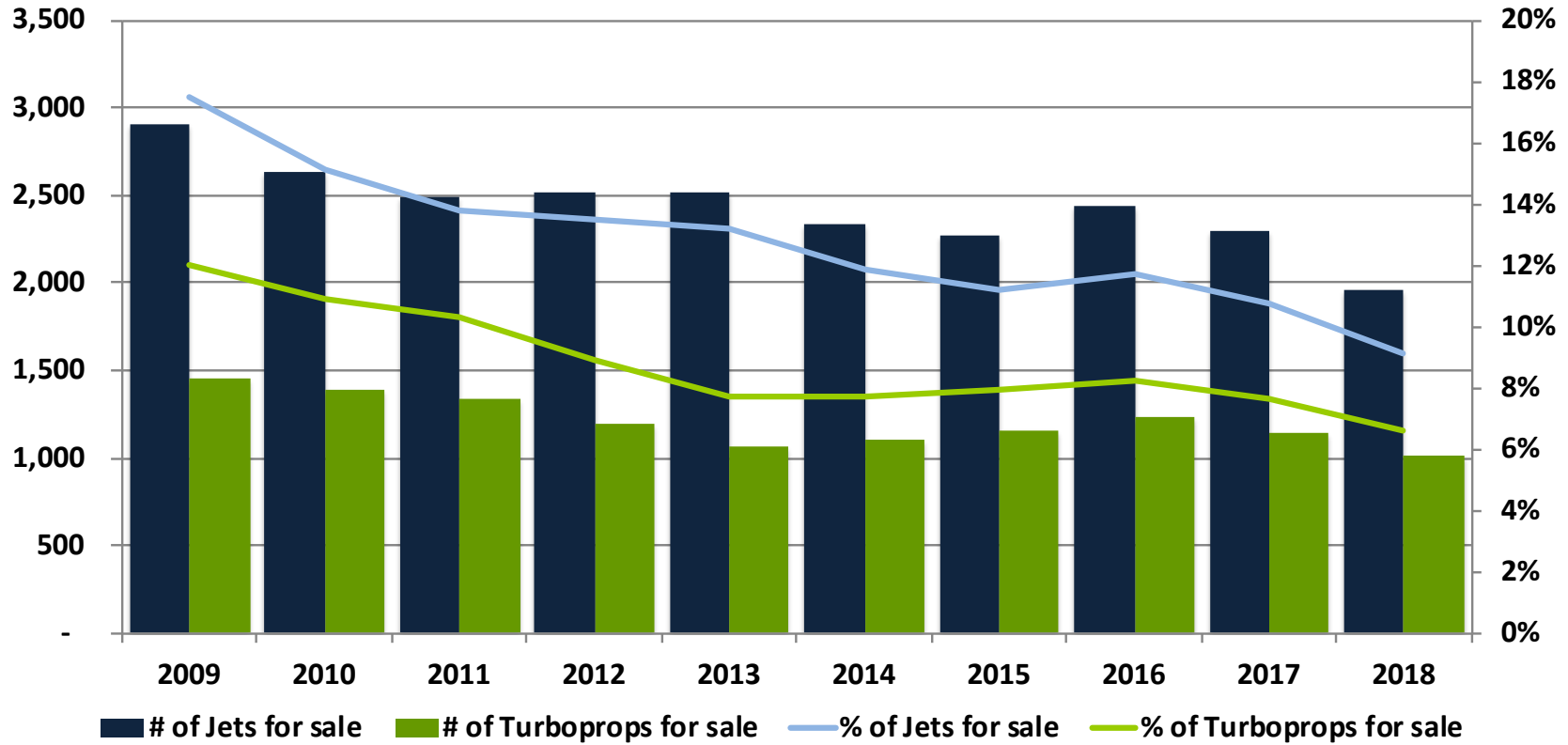
Business Turboprop Fleet Age (Years)



Pre-Owned Business Aircraft Inventory

Business Jets and Turboprops for sale

June 2009 - June 2018

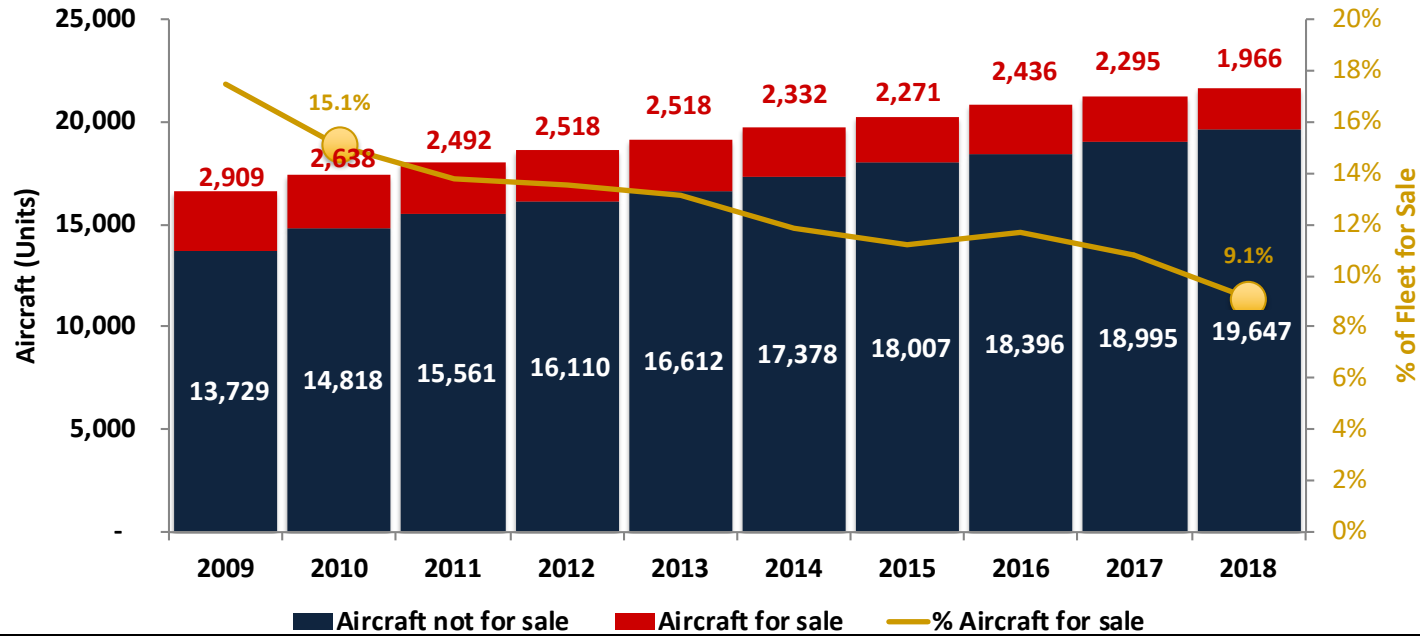


	Aircraft Available for Sale as % of World Fleet (as of June 30)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business Jets	17.5%	15.1%	13.8%	13.5%	13.2%	11.8%	11.2%	11.7%	10.8%	9.1%
Turboprop	12.0%	10.9%	10.3%	8.9%	7.7%	7.7%	8.0%	8.3%	7.7%	6.6%

For-sale inventory of pre-owned business aircraft has steadily declined since 2009

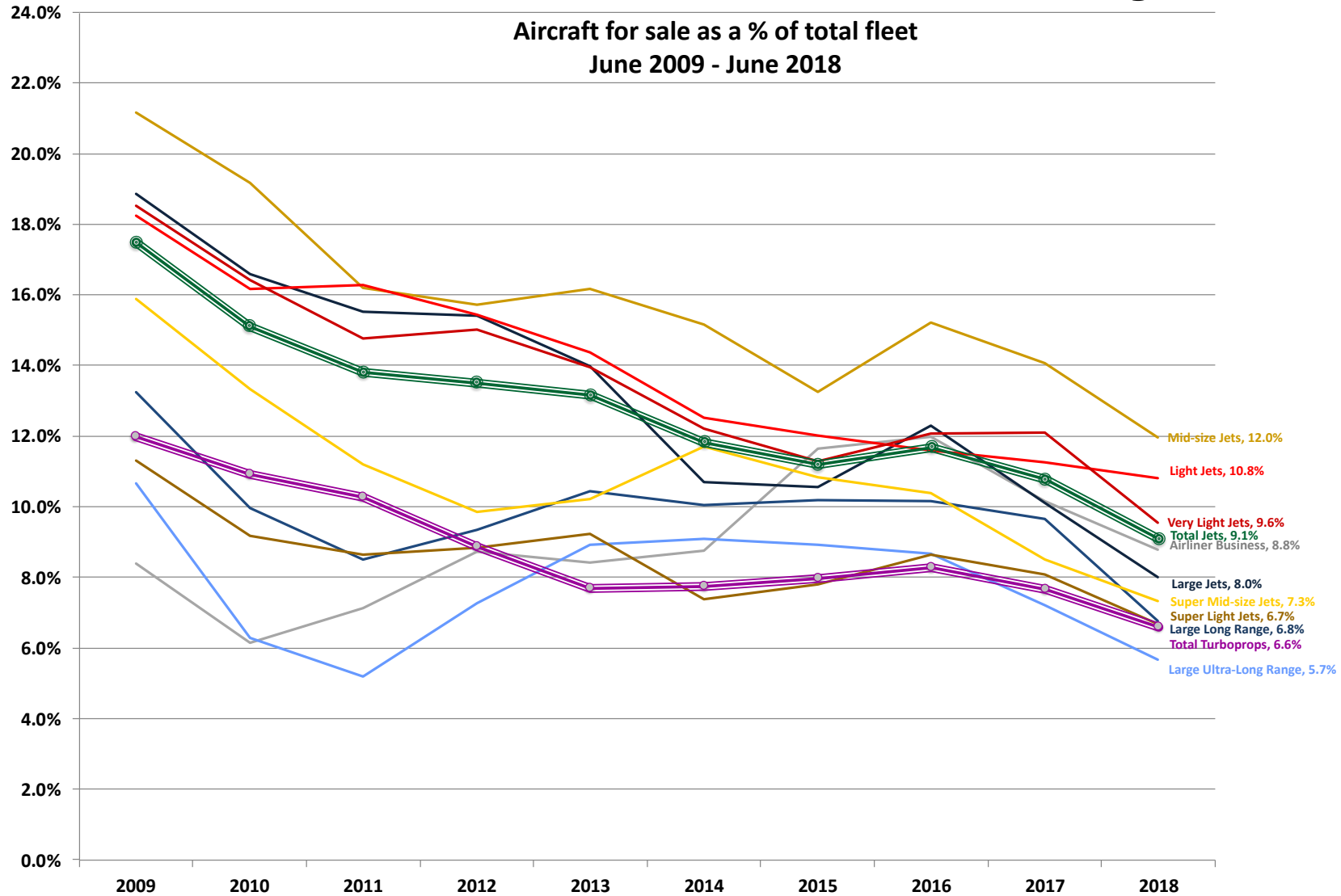
Pre-Owned Business Jet Inventory

Business Jets for sale - June 30, 2009-2018



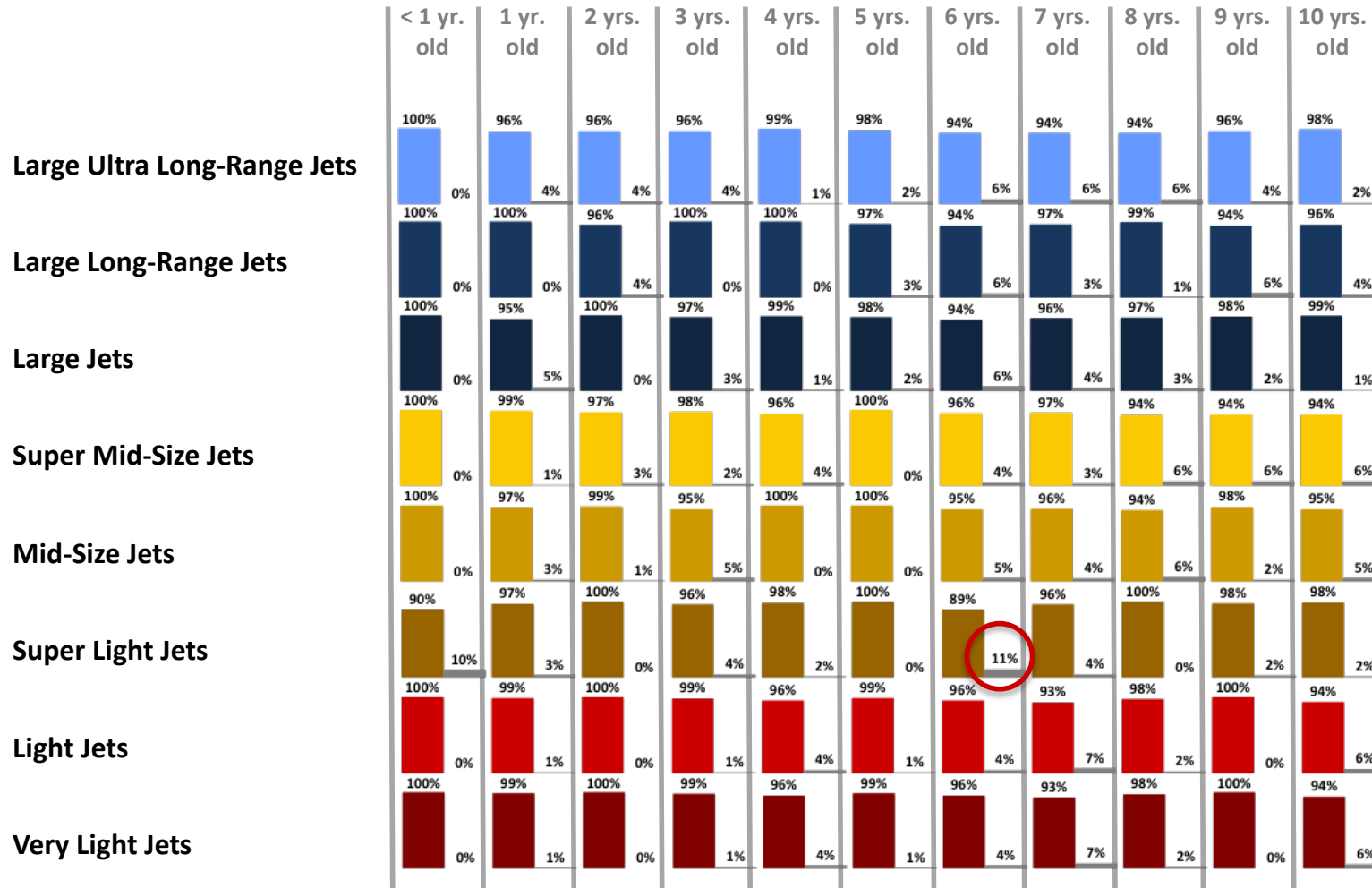
Jets Available for Sale as % of World Fleet (as of June 30)										
2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
17.5%	15.1%	13.8%	13.5%	13.2%	11.8%	11.2%	11.7%	10.8%	9.1%	

Pre-Owned Business Jet Inventory



Pre-Owned Business Jet Inventory

10-Years Old or Less – % for sale and % not for sale by size category

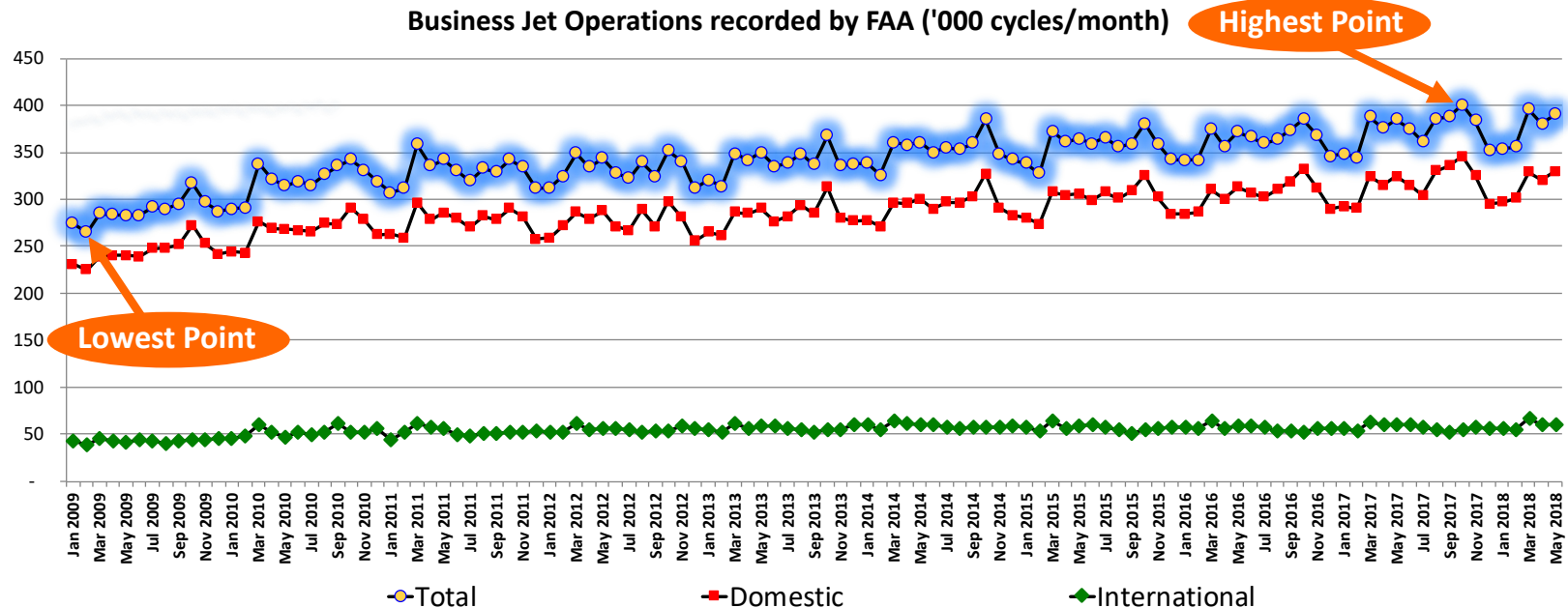


Year => 10% Availability

U.S. Business Jet Utilization

U.S. business jet cycles increased 2.7% YOY in May 2018 on a trailing twelve months (TTM) basis, with a 3.0% increase in domestic flights and a 1.4% increase in international flights. Having now returned to 2003/2004 levels of activity, flight cycles in Q2 2018 (trailing 12 months) were still 6.3% below 2007's historical highs, despite 20% growth of the underlying U.S. fleet since that year.

FAA BUSINESS JET OPERATIONS - MAY 2018		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	390,382	4,523,350
Change vs. prior month	2.6%	0.1%
Change vs. prior year	1.4%	2.7%
Change vs. 24 months ago	5.0%	5.0%
DOMESTIC CYCLES		
Total Domestic Cycles	329,972	3,829,156
Change vs. prior month	2.9%	0.1%
Change vs. prior year	1.8%	3.0%
Change vs. 24 months ago	5.4%	5.7%
INTERNATIONAL CYCLES		
Total International Cycles	60,410	694,194
Change vs. prior month	0.7%	0.0%
Change vs. prior year	-0.3%	1.4%
Change vs. 24 months ago	3.0%	1.2%

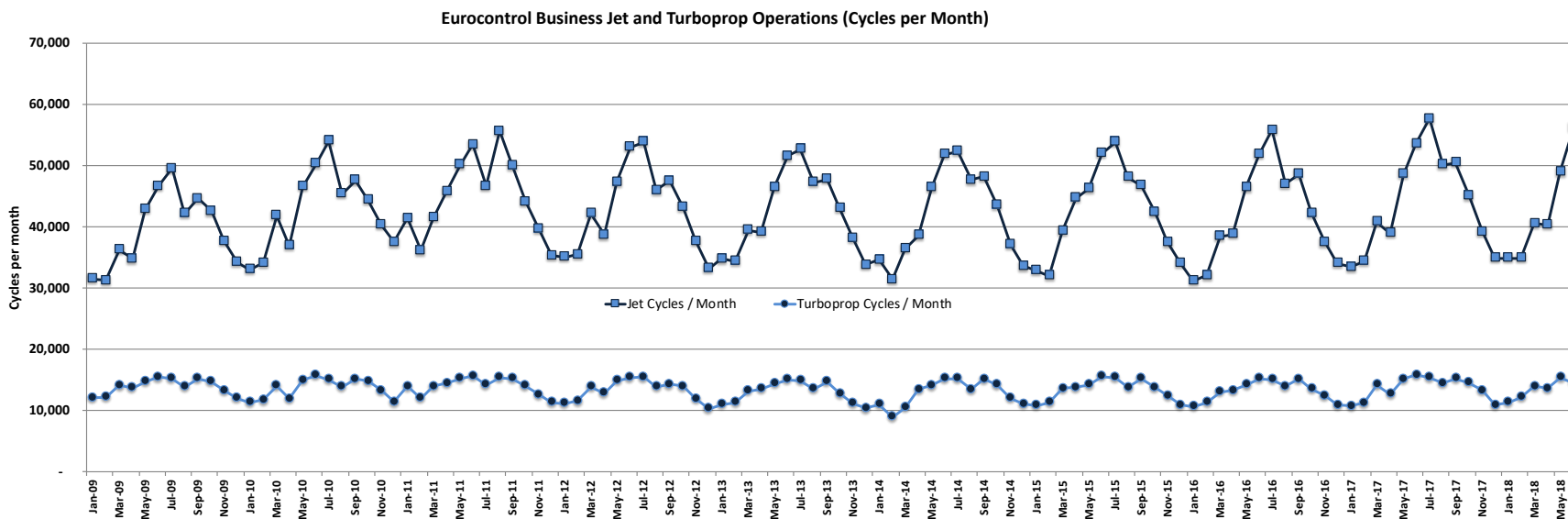


Source: U.S. FAA; JETNET

European Business Aircraft Utilization

June 2018 business aircraft cycles in Europe were up 3.6% for jets and up 2.5% for turboprops on a year-over-year (YOY) trailing twelve months (TTM) basis. European utilization rates fluctuate with the seasons, an indication of considerable non-business “North-South” flying. The outlook for European business aircraft utilization remains positive, reflecting an improved economic outlook for the Euro Area in 2018.

EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - JUN 2018		Trailing 12 Months
BUSINESS JETS (EXCLUDING AIRLINERS)		
Total Cycles	56,266	533,644
Change vs. prior month	14.7%	0.5%
Change vs. prior year	5.0%	3.6%
Change vs. 24 months ago	8.4%	6.3%
TURBOPROPS		
Total Cycles	14,603	165,226
Change vs. prior month	-5.5%	-0.7%
Change vs. prior year	-7.6%	2.5%
Change vs. 24 months ago	-4.2%	3.5%

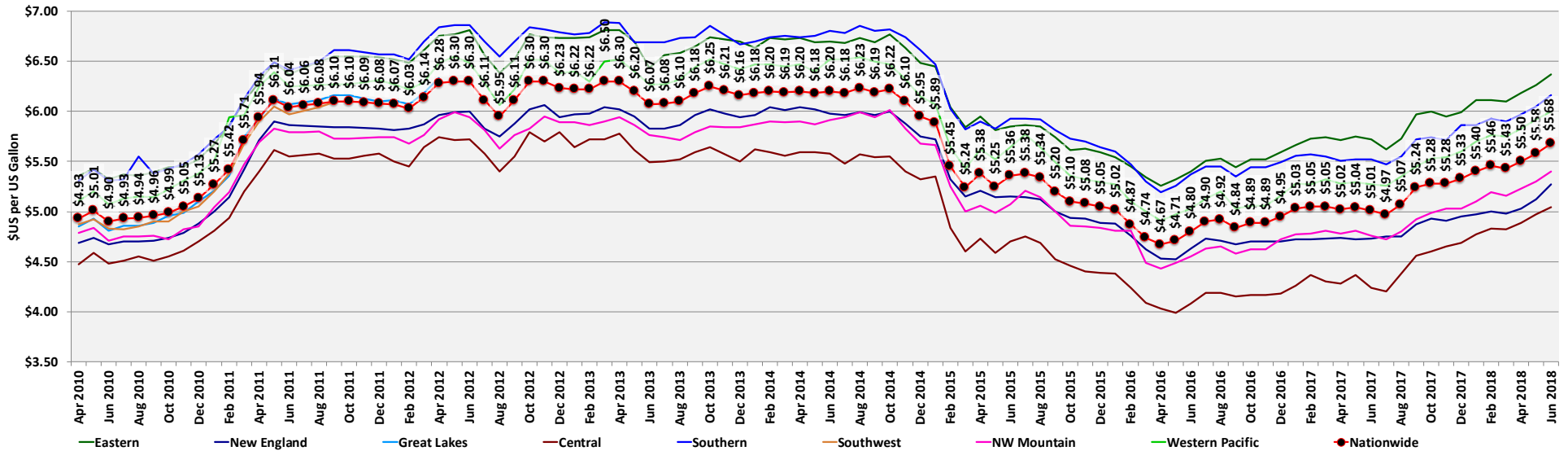


Source: Eurocontrol

June 30, 2018

Jet-A Fuel Prices at U.S. FBOs

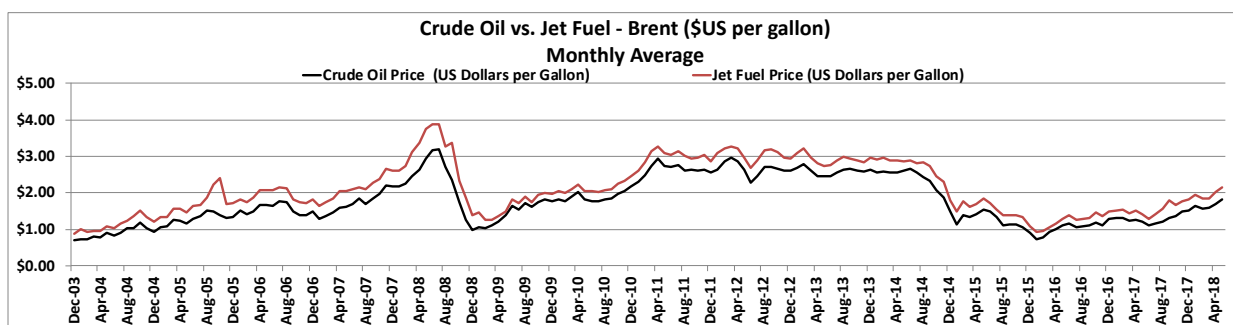
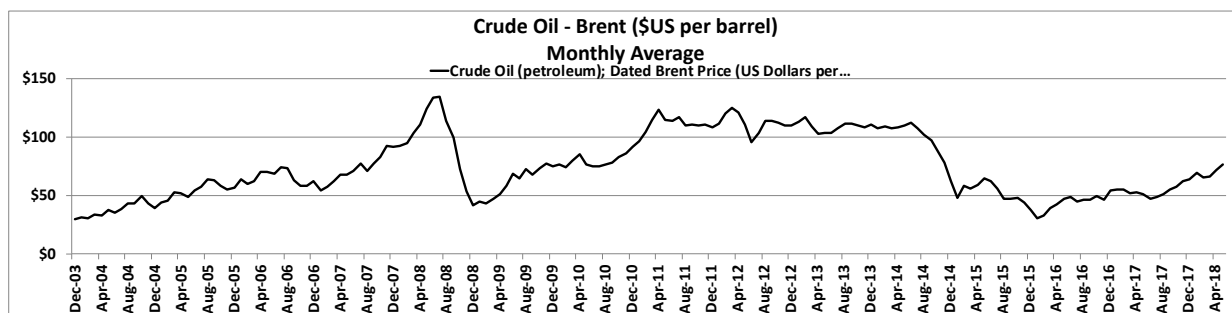
Average Jet-A Fuel Prices recorded by B&CA - Regional USA



Source: [Business & Commercial Aviation](#)

Jet-A fuel prices in June 2018 are averaging about \$5.68 at U.S. FBOs, up 13.4% from \$5.01 year-over-year

Crude Oil and Jet Fuel Prices



IATA Fuel Price Monitor	Share in	Index Value	vs. 1 week	vs. 1 month			
July 13 2018	World Index	2000=100	ago	ago			
	\$/US gallon			vs.1 yr ago			
Jet Fuel Price	100%	\$ 2.098	\$ 88.10	240.90	-2.3%	-1.6%	47.2%
Asia & Oceania	22%	\$ 2.039	\$ 85.60	244.70	-4.1%	-2.1%	48.4%
Europe & CIS	28%	\$ 2.113	\$ 88.80	239.10	-2.0%	-1.6%	47.4%
Middle East & Africa	7%	\$ 2.034	\$ 85.40	255.10	-3.1%	-1.8%	48.4%
North America	39%	\$ 2.123	\$ 89.20	237.00	-1.5%	-1.2%	46.3%
Latin & Central America	4%	\$ 2.186	\$ 91.80	254.30	-1.7%	-1.6%	46.3%

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
 - Mood of the market



JETNET iQ VOICE OF GLOBAL BUSINESS & GENERAL AVIATION - Q2
2018 English Exit this survey

WELCOME

JETNET iQ
Global Business & General Aviation Survey
WELCOME!

* Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence.

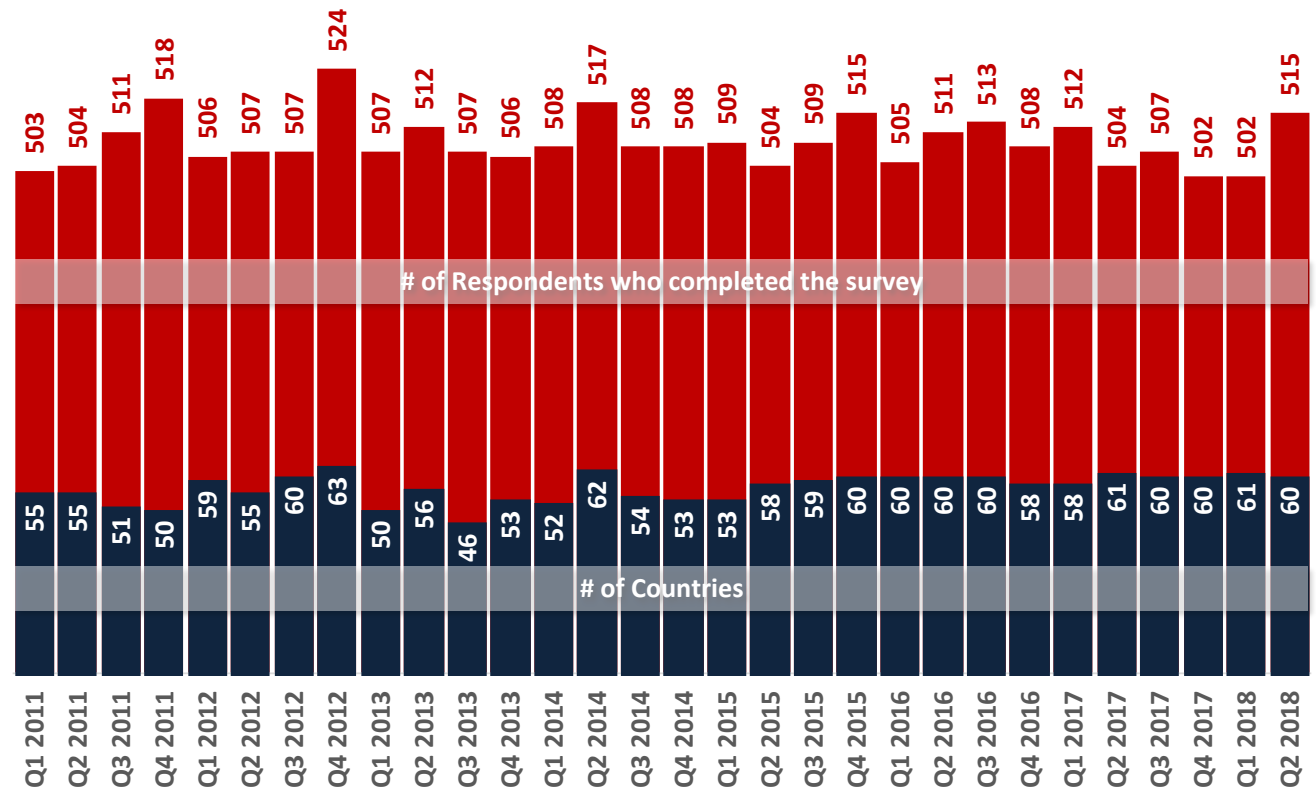
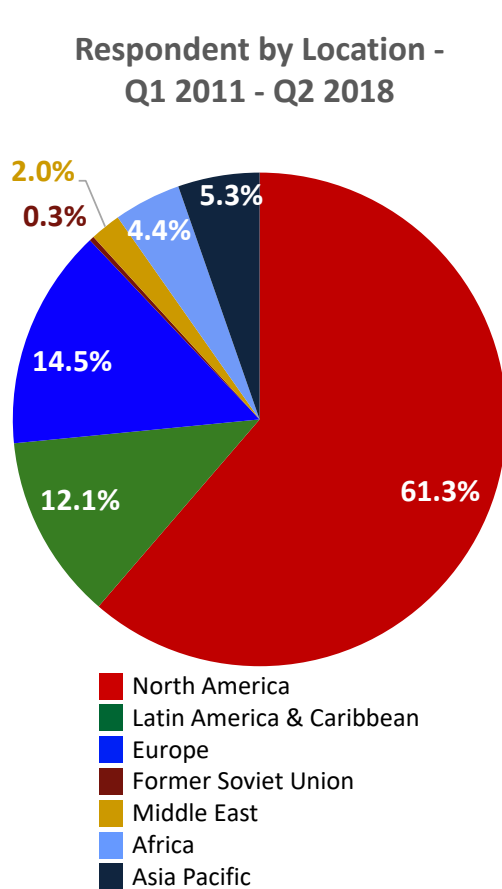
Survey responses:
1) Will be strictly confidential
2) Will NOT be used in any way to directly market to you or your organization
3) Will take approximately 20-30 minutes to complete

PASSWORD (provided by Jetnet):

For questions about this survey, please contact:
JETNET iQ
JETNET iQ Voice of Global Business & General Aviation
ROLLAND 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

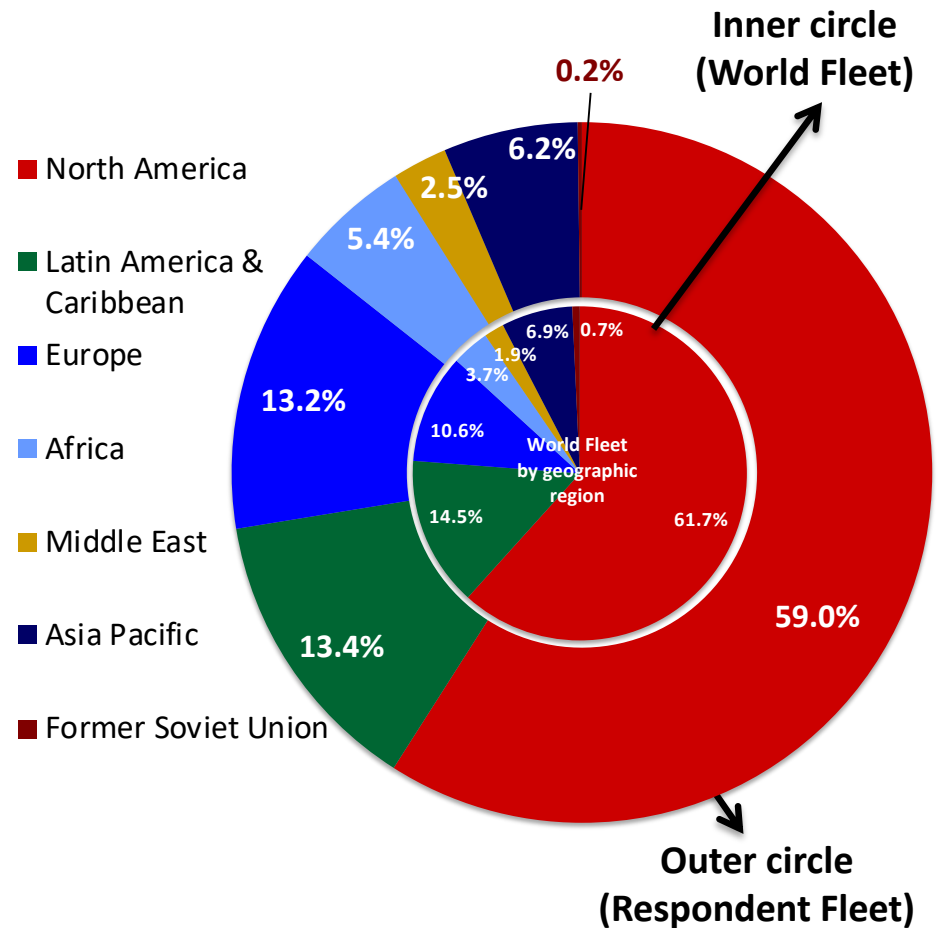


JETNET iQ Surveys: Since Q1 2011, >15,200 respondents from 129 countries

Survey Respondents' Location By Respondent Location

Q2 2018 Survey

RESPONDENT COUNTRIES FROM Q2 2018 SURVEY			
COUNTRIES/TERRITORIES	# of respondents		# of respondents
ARGENTINA	2	NEW ZEALAND	1
AUSTRALIA	16	NIGERIA	2
AUSTRIA	9	PAKISTAN	1
BARBADOS	1	PAPUA NEW GUINEA	2
BELGIUM	2	PHILIPPINES	1
BELIZE	1	QATAR	1
BOTSWANA	2	ROMANIA	1
BRAZIL	33	RUSSIAN FEDERATION	1
BULGARIA	1	SAN MARINO	2
CANADA	14	SAUDI ARABIA	2
CHILE	1	SLOVAK REPUBLIC	1
CHINA	4	SLOVENIA	1
COLOMBIA	4	SOUTH AFRICA	18
CZECH REPUBLIC	1	SPAIN	1
CZECHIA	1	SRI LANKA	1
DENMARK	2	SWEDEN	1
DOMINICAN REPUBLIC	1	SWITZERLAND	8
ECUADOR	1	TANZANIA	1
ESTONIA	1	THAILAND	1
FINLAND	2	TURKEY	6
FRANCE	2	UNITED ARAB EMIRATES	3
GERMANY	14	UNITED KINGDOM	8
GREECE	1	UNITED STATES	290
GUATEMALA	1	VENEZUELA	3
HONDURAS	1	ZIMBABWE	2
INDIA	4	Total # of respondents	515
IRELAND	2	Total # of countries	60
ISRAEL	1		
ITALY	2	Africa	28
LIECHTENSTEIN	1	Asia Pacific	32
LUXEMBOURG	1	Europe	68
MALTA	1	Former Soviet Union	1
MEXICO	20	Latin America & Caribbean	69
MONGOLIA	1	Middle East	13
NAMIBIA	3	North America	304
NETHERLANDS	2	Total	515



Survey Respondents' Roles

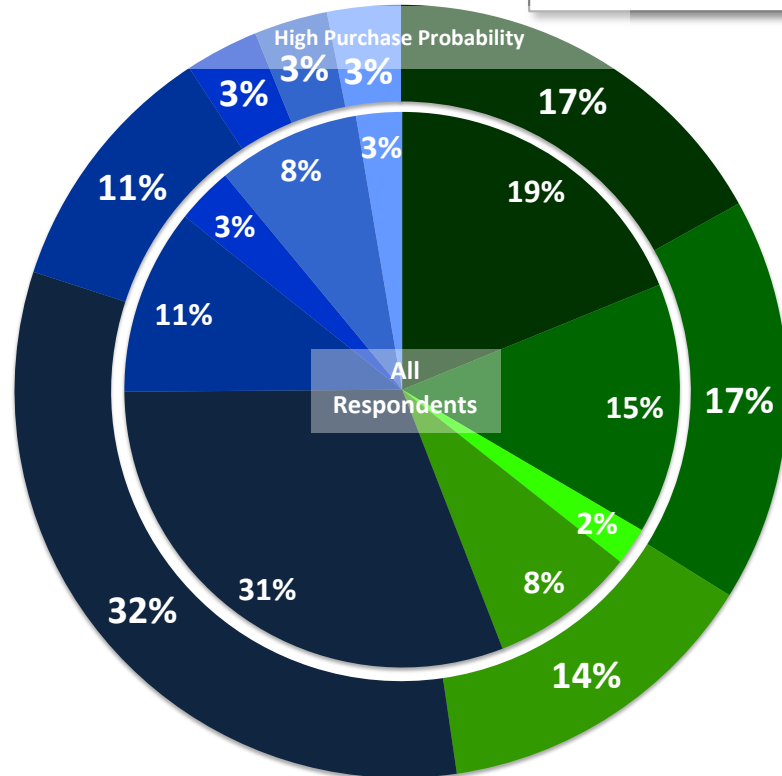
By Job Title

Q2 2018 Survey

Title of respondent	Completed
Business owner / shareholder / partner	120
C-Level / President / Managing Director	93
Vice President / Senior Management	14
General Manager / Director	54
Chief Pilot / head of flight operations	196
Dispatcher / Scheduler / Flight Coordinator	69
Head of maintenance	21
Pilot	53
Vice President / Director of Aviation	17
Total	637

Note: Respondent was able to chose whichever applied

Aviation Professionals	356	56%
Senior Management / General Manager	281	44%



- Business owner/shareholder/partner
- C-Level/President/Managing Director
- Vice President/Senior Management
- General Manager/Director
- Chief Pilot/Head of flight operations
- Dispatcher/Scheduler/Flight Coordinator
- Head of maintenance
- Pilot
- Vice President/Director of Aviation

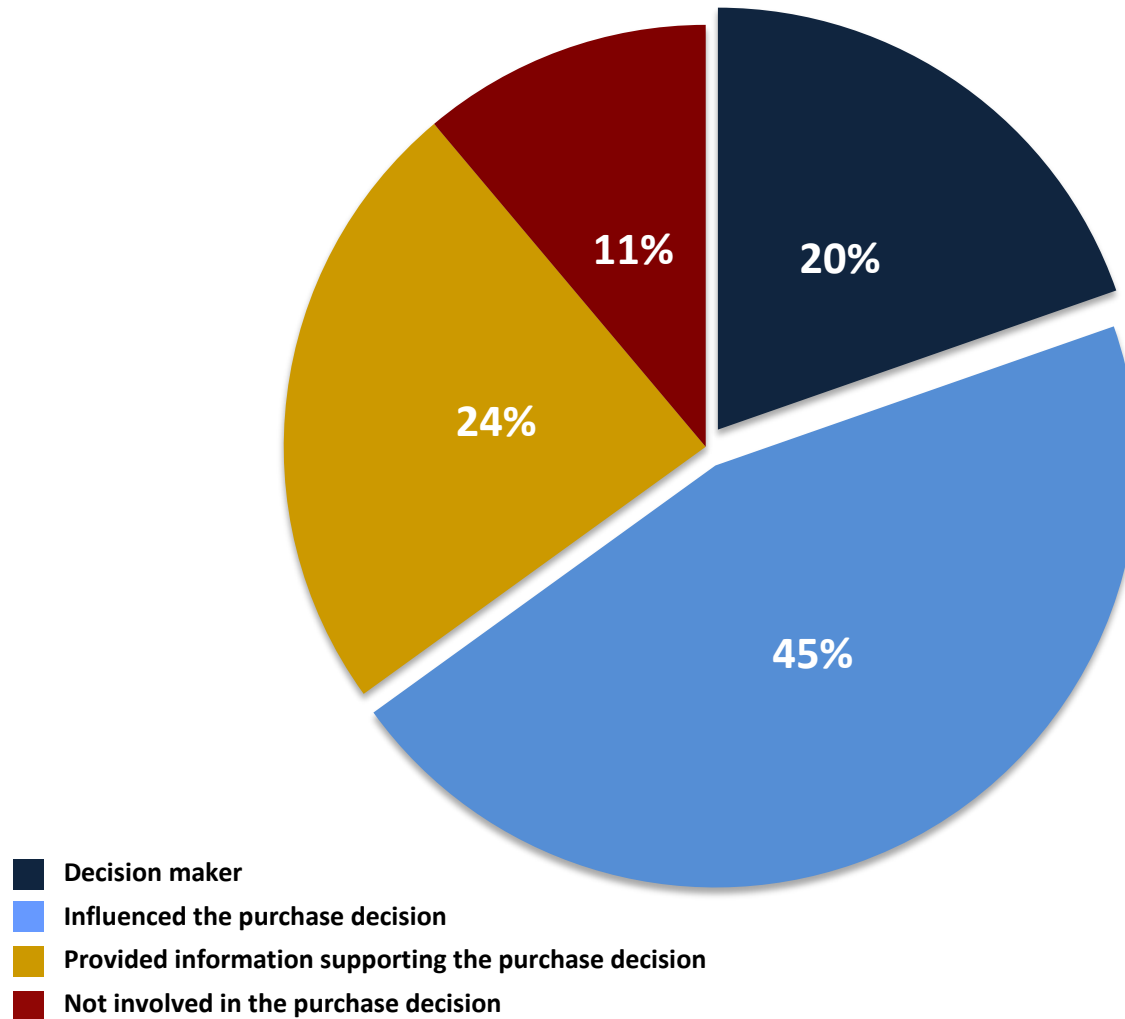


Note: Respondents may have multiple job titles and organizational roles

Survey Respondents' Roles

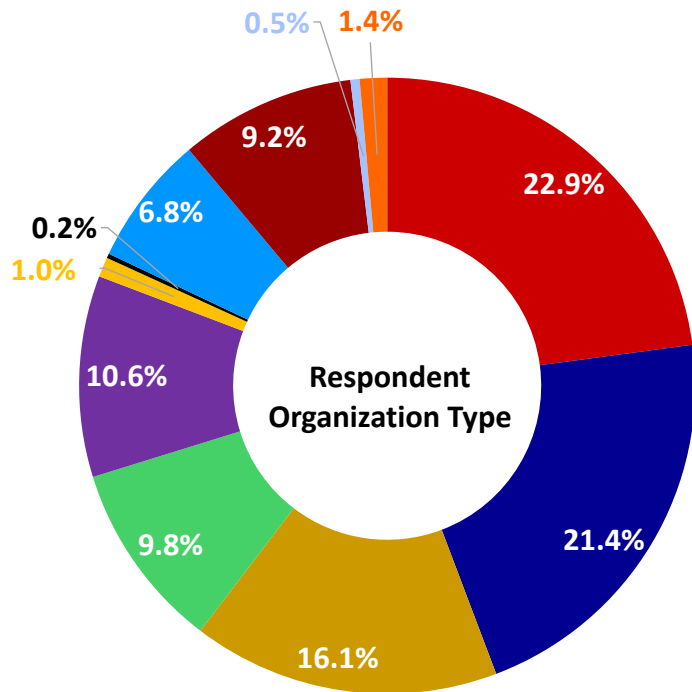
By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q2 2018 Survey



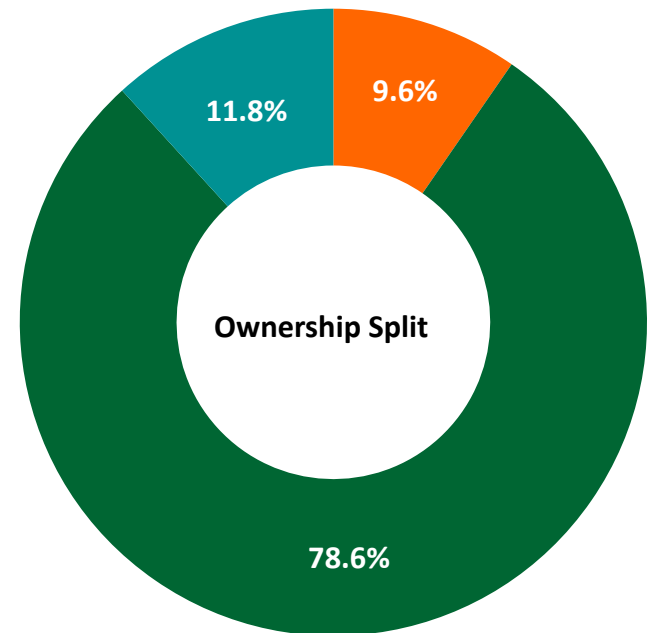
Survey Respondents' Organization

Q2 2018 Survey



Please indicate which of the following best describes your organization or company (check as many as apply):

	All Respondents
Aircraft owner	288
Aircraft operator	269
Flight department	203
Aircraft management company	124
Air taxi or charter operator	133
Fractional aircraft operator	13
Fractional share / jet card holder	3
Aircraft MRO	86
Broker / Dealer	116
Financial Institution	6
Government	18
Other	-
Privately-held	147
Publicly-traded	22
Total	1,428



Breakdown for Respondents who indicated ownership

● Aircraft owner	● Air taxi or charter operator	● Broker / Dealer
● Aircraft operator	● Fractional aircraft operator	● Financial Institution
● Flight department	● Fractional share / jet card holder	● Government
● Aircraft management company	● Aircraft MRO	● Other

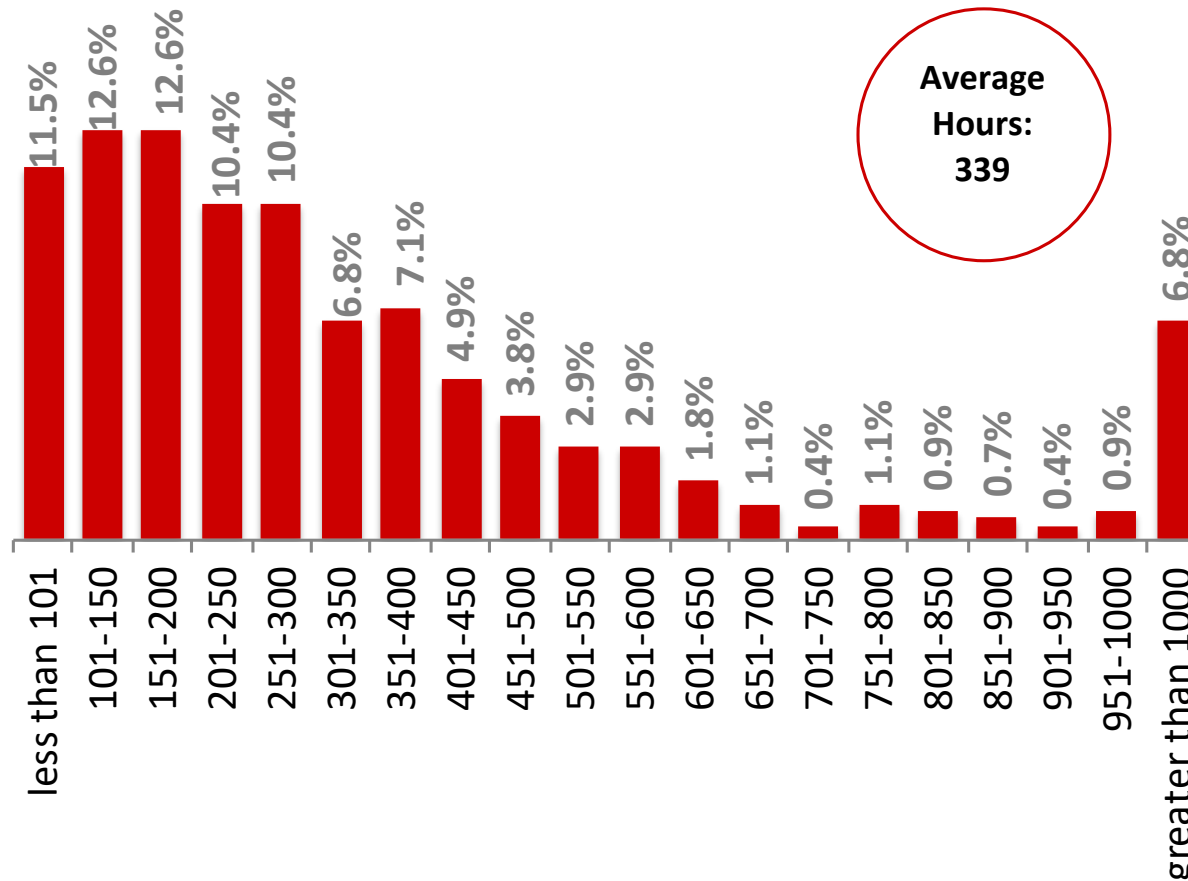
Note: Respondents may have chosen multiple organizational types

Survey Respondents' Flight Operations

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

Annual Flight Hours Per Aircraft

Q2 2018 Survey

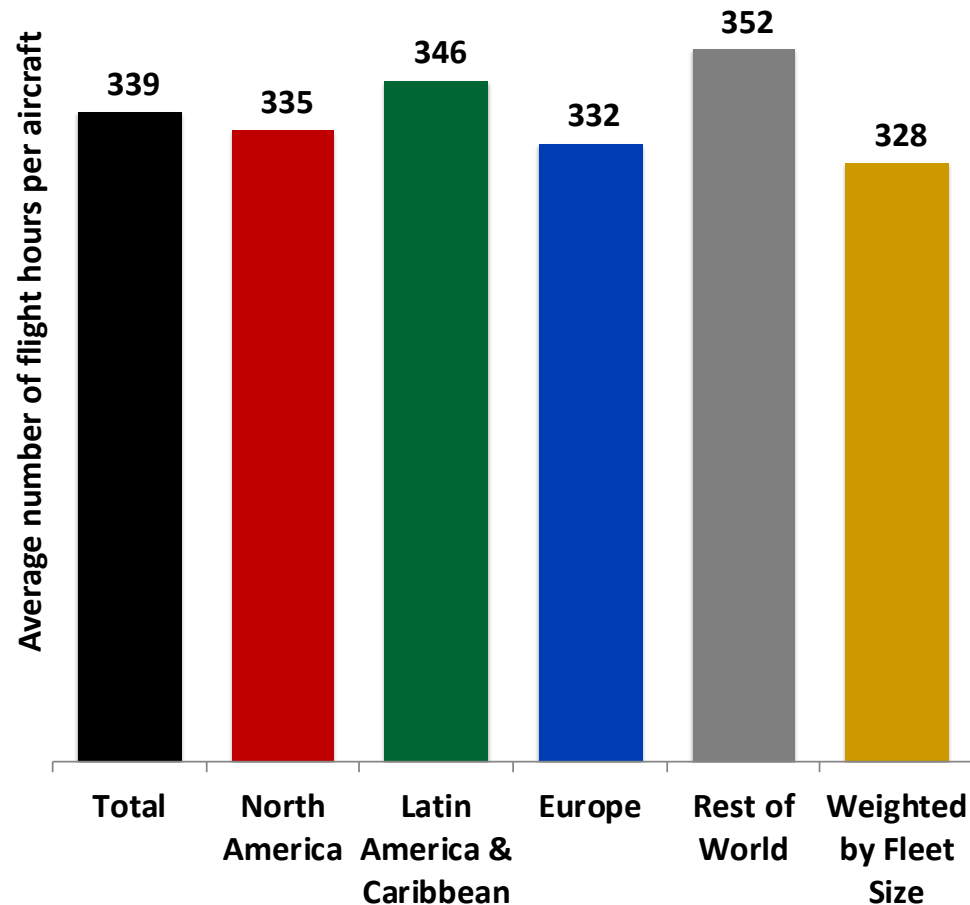


Survey Respondents' Flight Operations

Regional Average Utilization per Aircraft in Prior 12 Months

Average flight hours per year

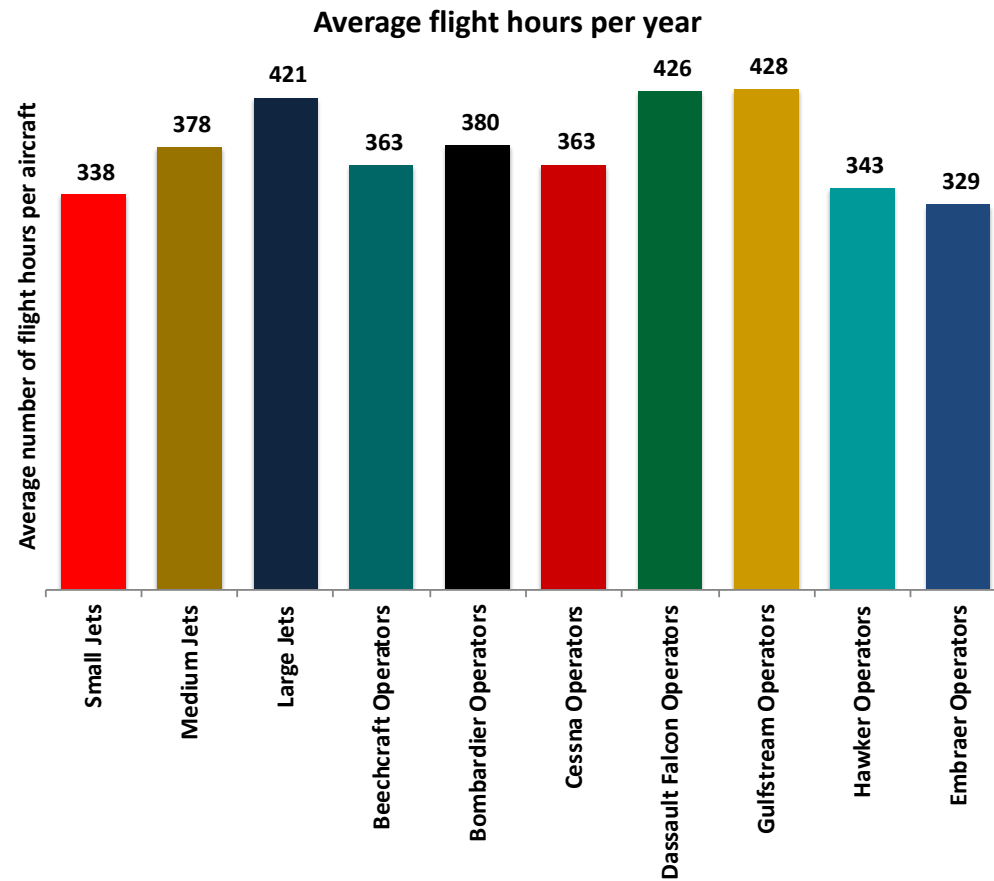
Q2 2018 Survey



Survey Respondents' Flight Operations

Operator Size and Brand Utilization per Aircraft in Prior 12 Months

Q2 2018 Survey



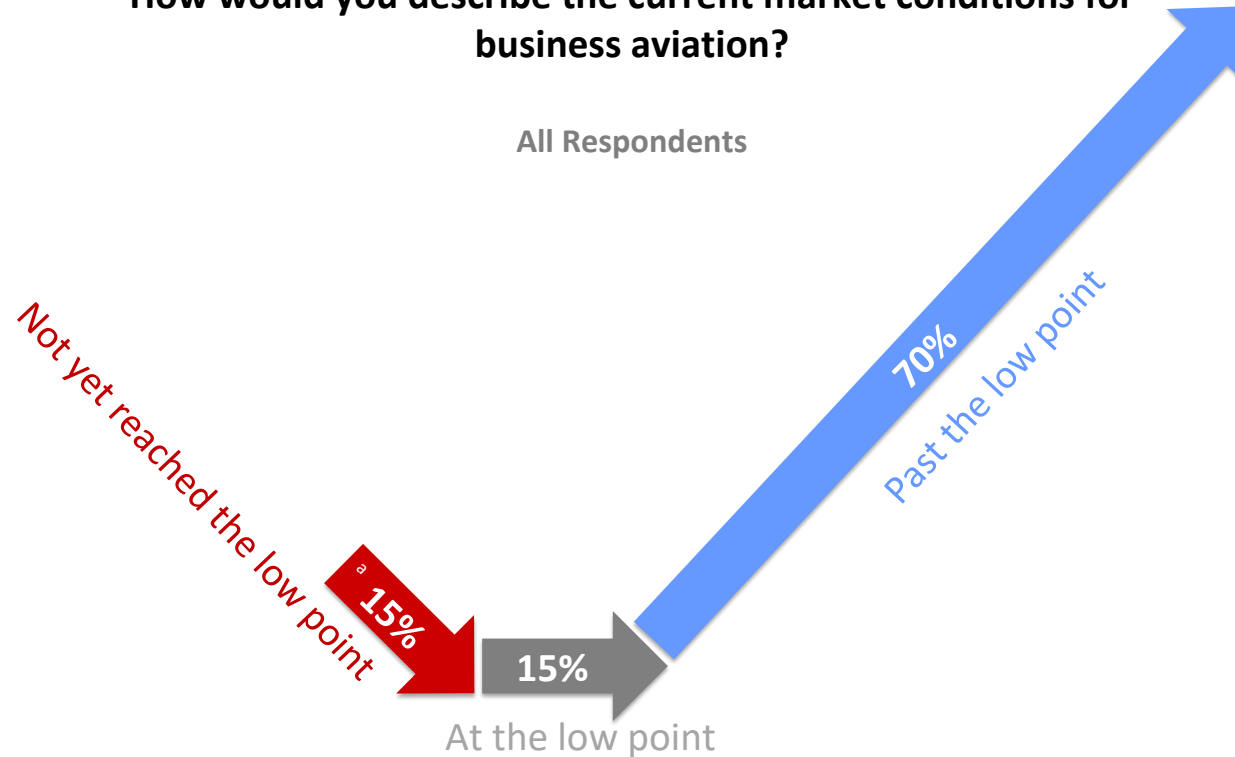
Survey Respondents' Sentiment

Current Market Sentiment

Q2 2018 Survey

How would you describe the current market conditions for business aviation?

All Respondents



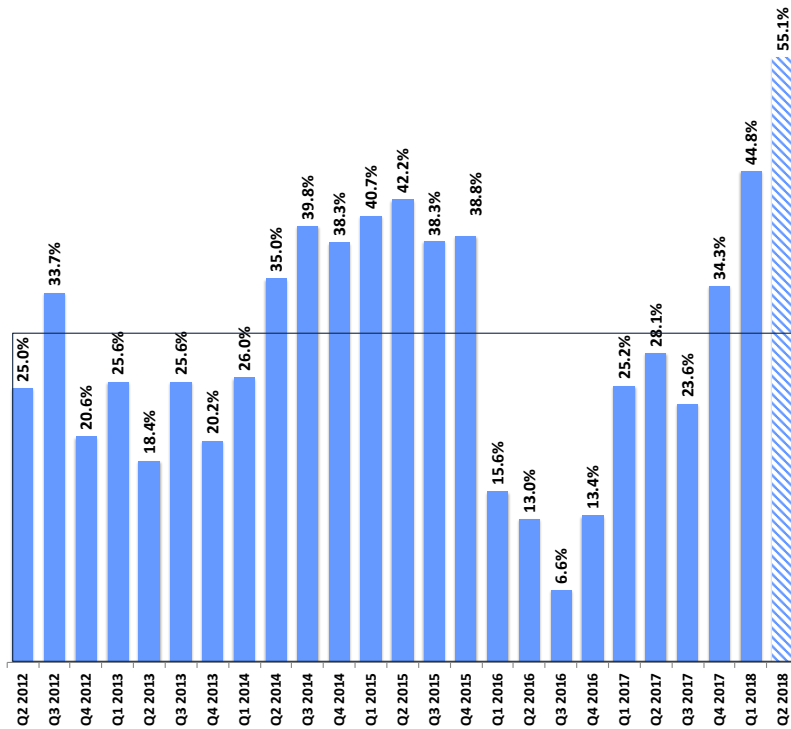
Survey Respondents' Sentiment

Current Market Sentiment

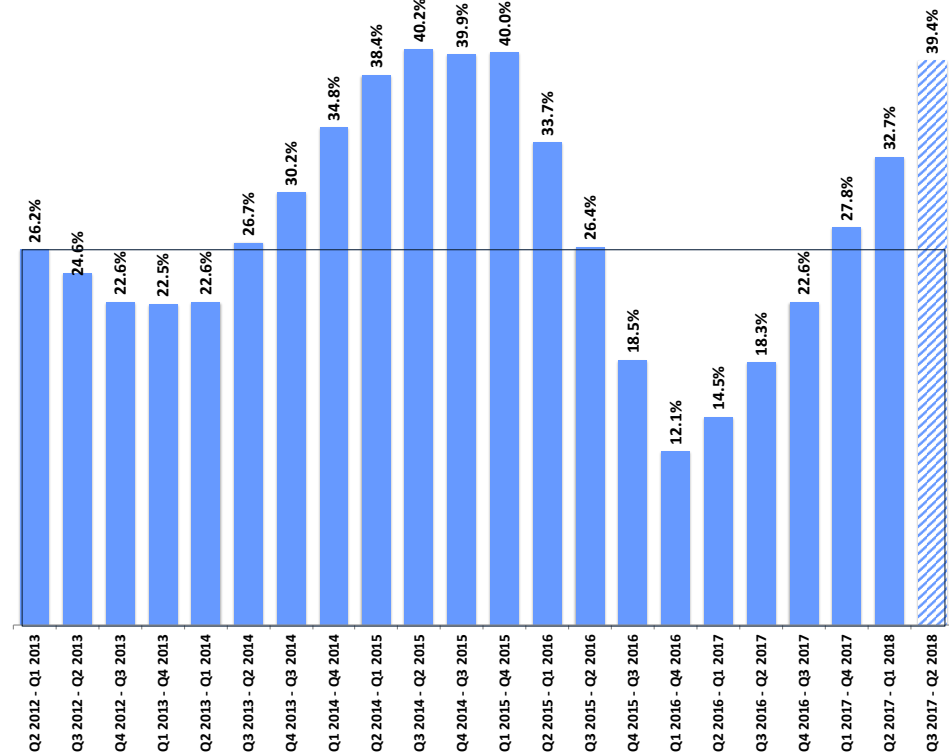
Q2 2018 Survey

Net optimism = "Past the low point" minus "Not yet reached the low point"

Overall Worldwide Net Optimism by Quarter



Overall Worldwide Net Optimism 4-quarter Rolling Average



Highest net optimism we have measured since Q2 2012

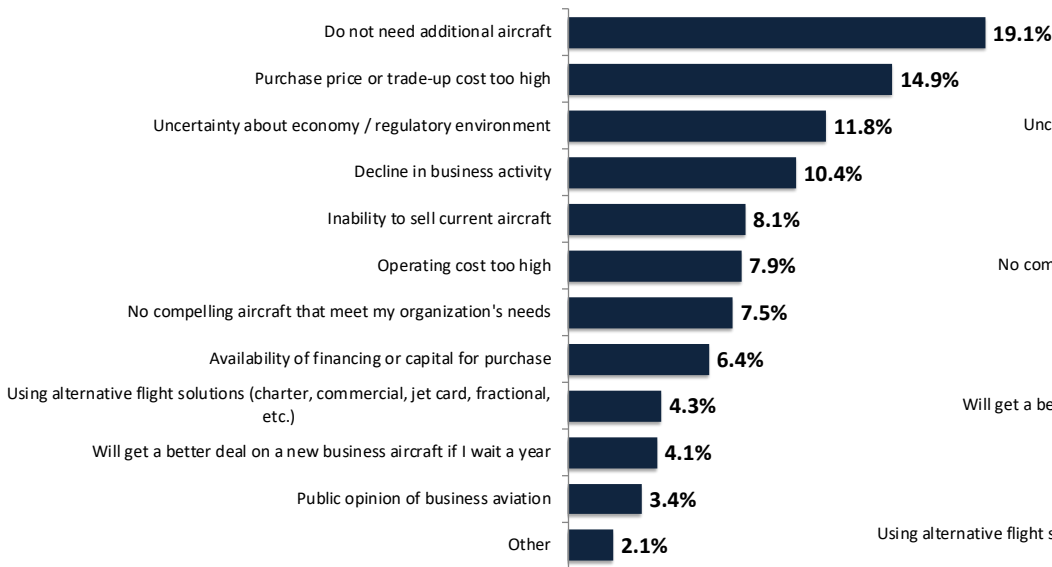
Aircraft Purchase Inhibitors

Inhibitors – Weighted Average

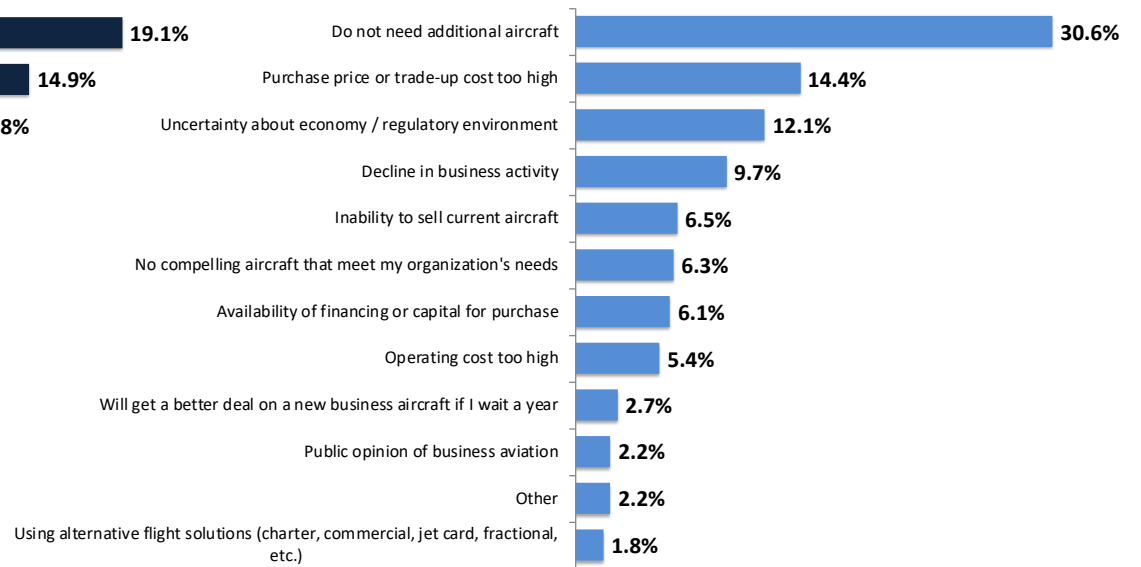
Q2 2018 Survey

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

Weighted Average Importance of Factors



Chosen as “Most Important” factor



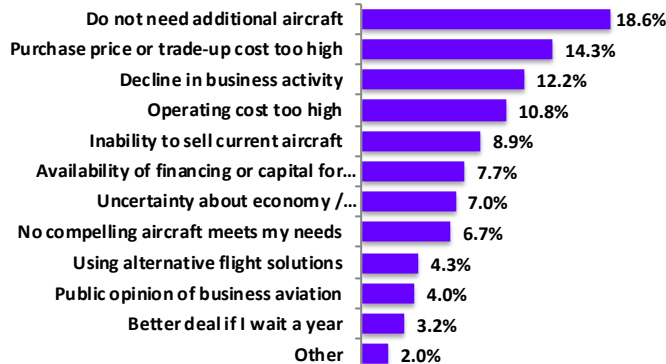
Aircraft Purchase Inhibitors

Top 5 Inhibitors – Weighted Average

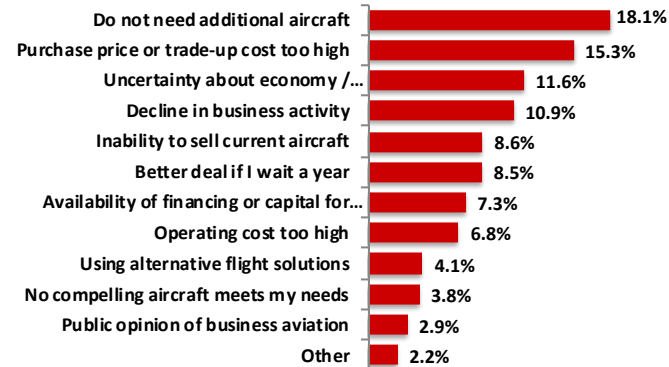
Q2 2018 Survey

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

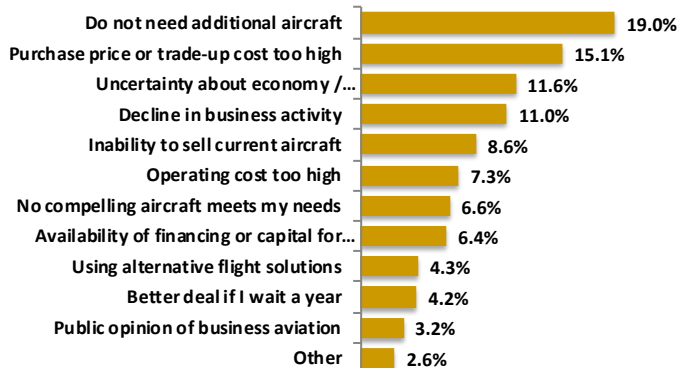
Turboprop Operators



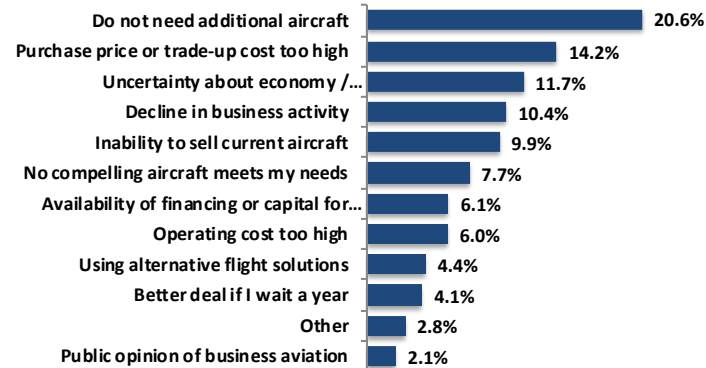
Small Jet Operators



Medium Jet Operators



Large Jet Operators

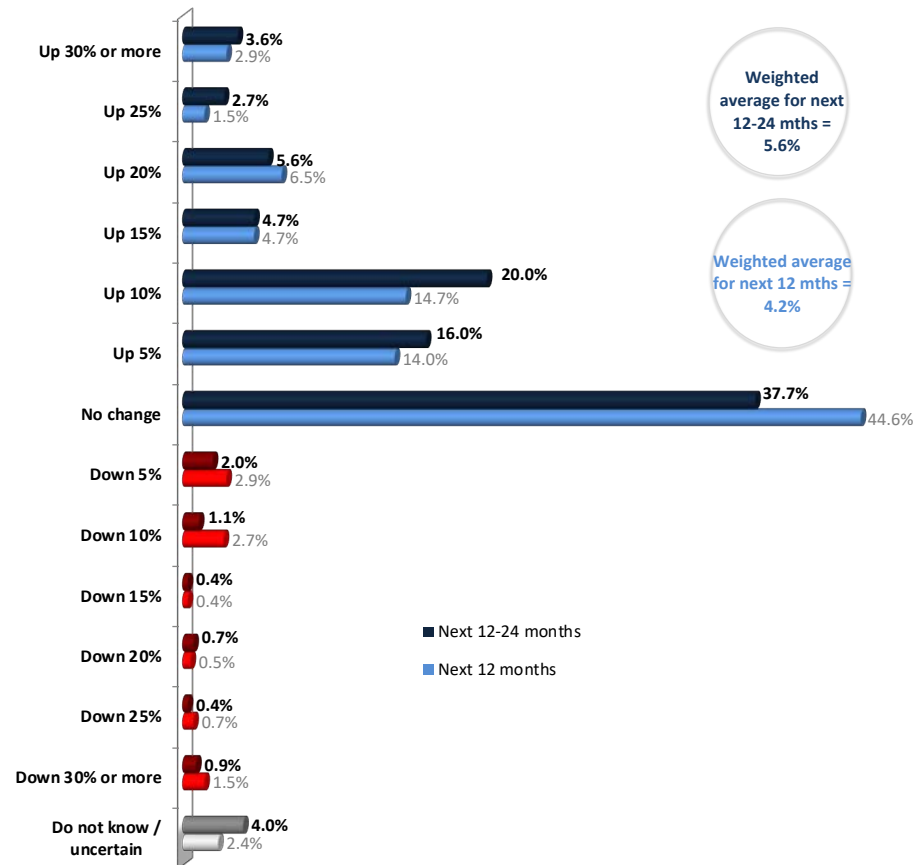


Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

Q2 2018 Survey

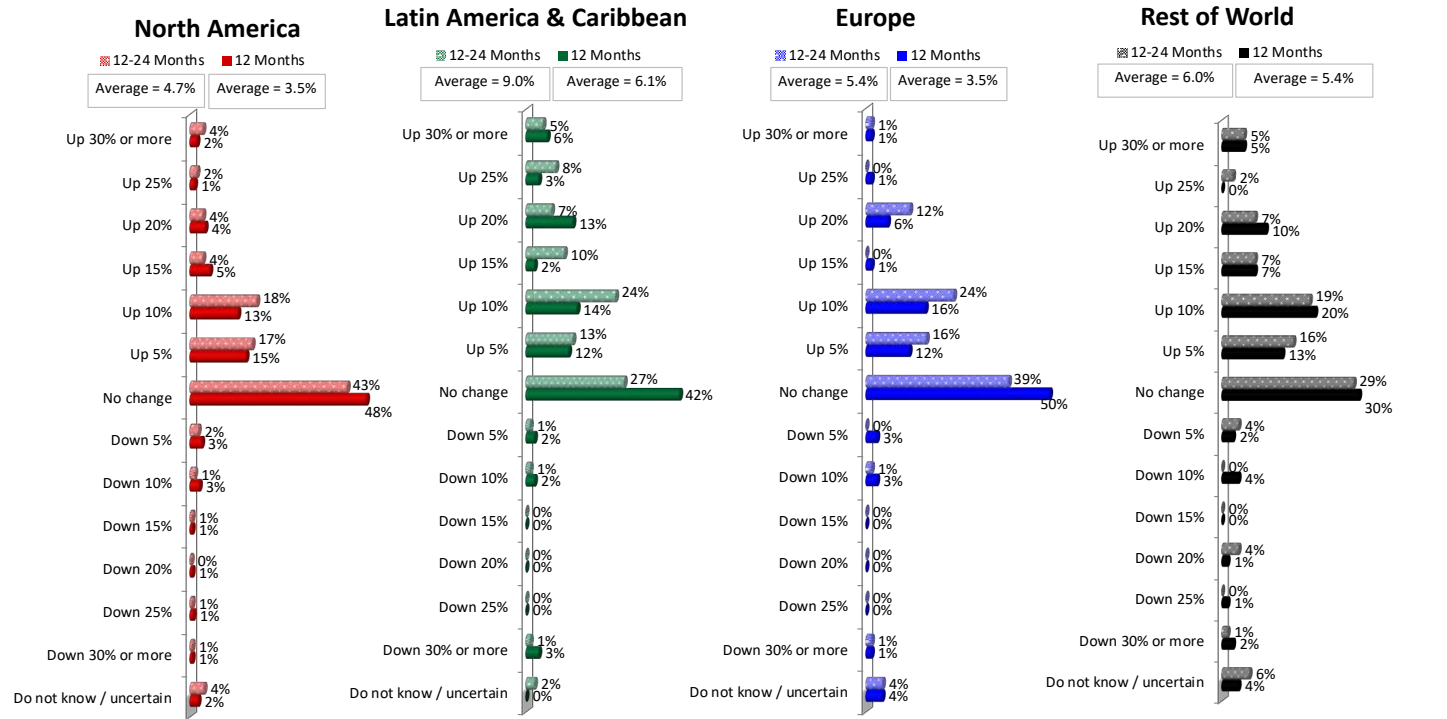
Compared with your past 12 months, what changes do you expect in your total annual flight hours over the next 24 months?



Respondents expect to fly 4.2% more hours in the next 12 months vs. prior 12 months and 5.6% in the next 24 months – about the same as last quarter’s expectations

Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months by region Q2 2018 Survey



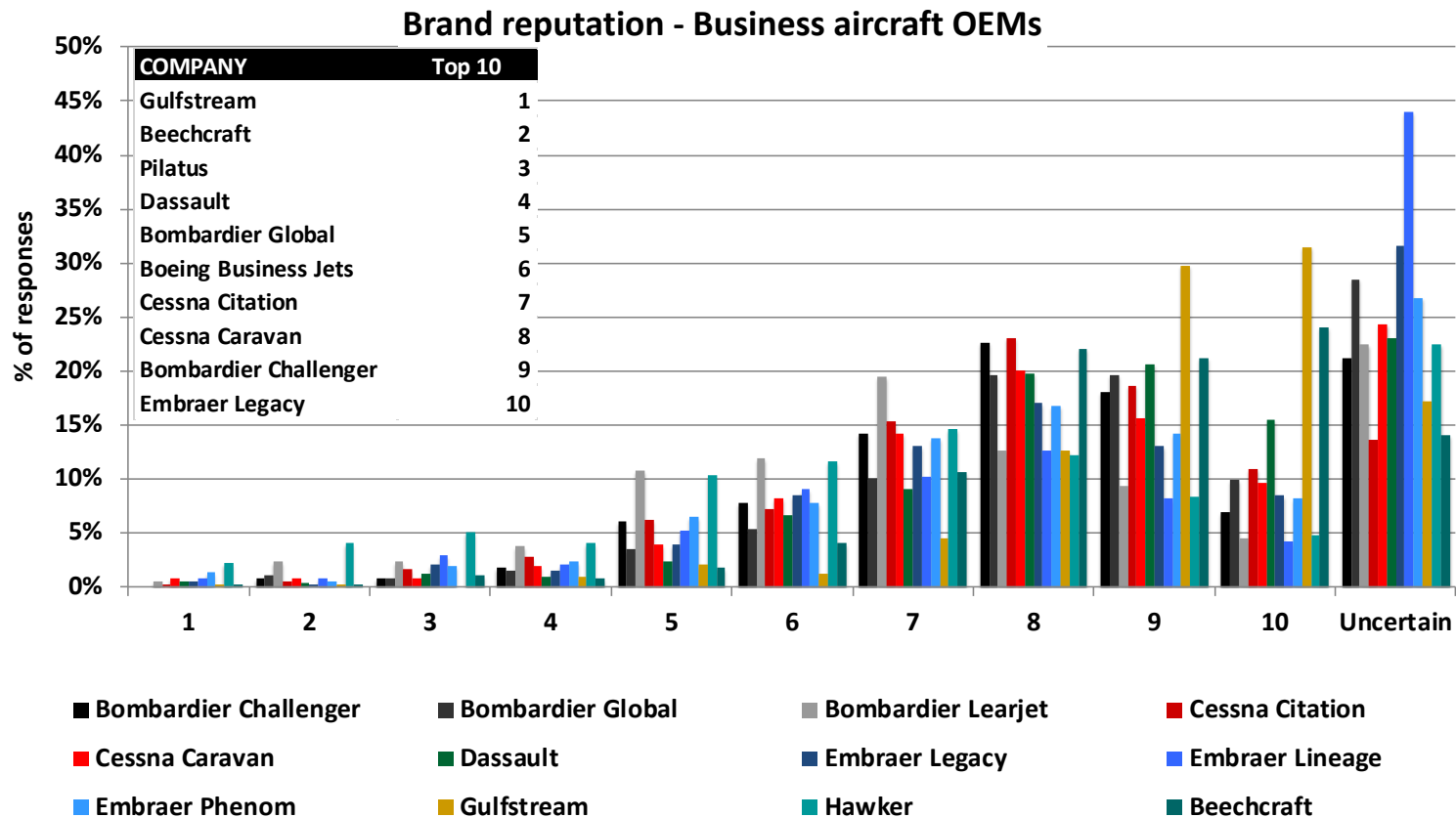
Region	Next 12 months	Next 12-24 months	Region	Next 12 months	Next 12-24 months	Region	Next 12 months	Next 12-24 months
North America	41%	48%	Latin America & Caribbean	50%	67%	Europe	38%	54%
% Expecting Increase	50%	47%	% Expecting Increase	42%	29%	% Expecting Increase	54%	43%
% Expecting no change	9%	6%	% Expecting no change	8%	3%	% Expecting no change	7%	3%
% Expecting Decrease	<i>(excluding "Do not know")</i>		% Expecting Decrease	<i>(excluding "Do not know")</i>		% Expecting Decrease	<i>(excluding "Do not know")</i>	
Rest of World	55%	57%						
% Expecting Increase	34%	35%						
% Expecting no change	11%	8%						
% Expecting Decrease	<i>(excluding "Do not know")</i>							

Latin America shows the strongest optimism for increased flight activity over the next 12 and 24 months, followed by Rest of World

Brand Reputations

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

Q2 2018 Survey

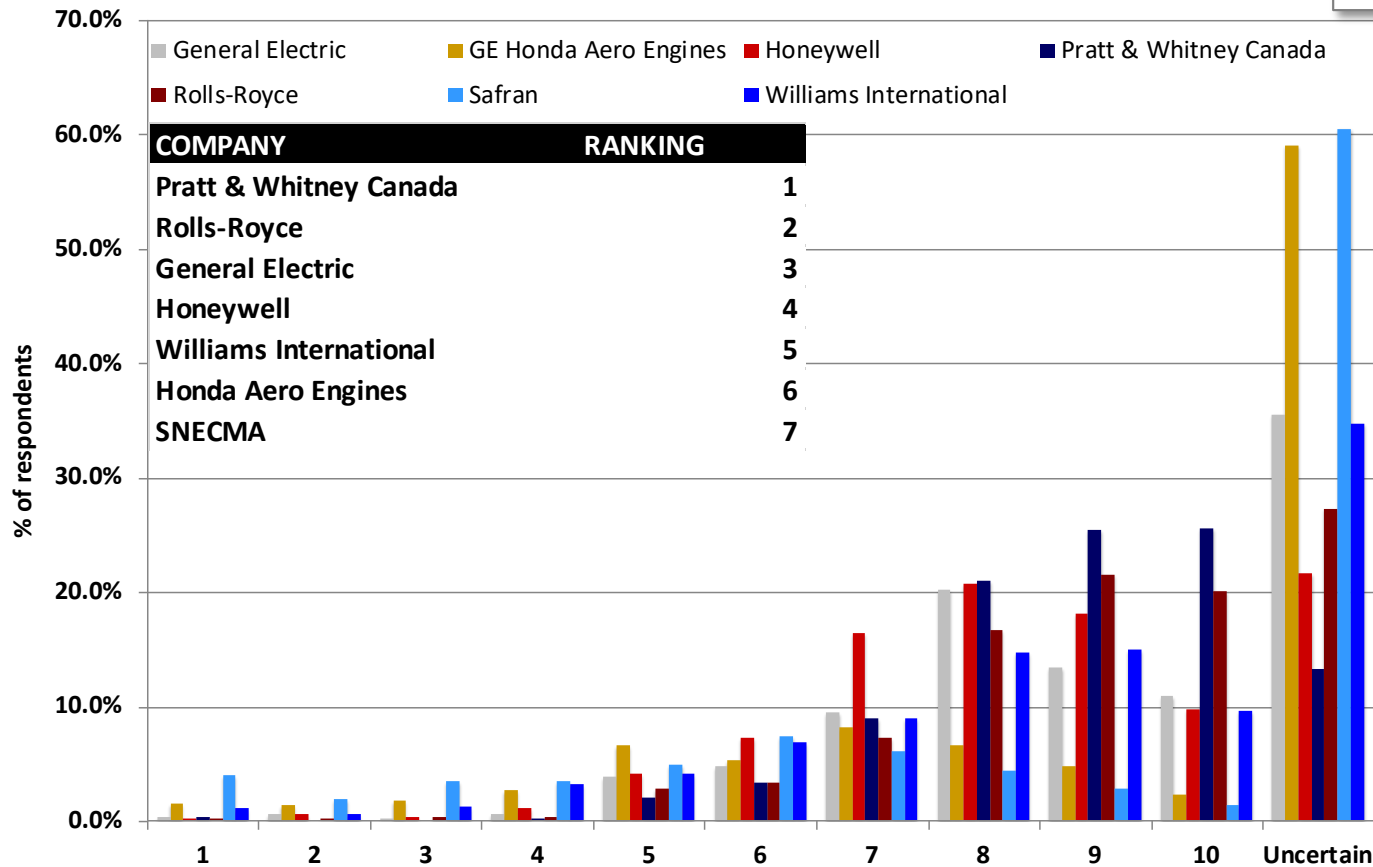


Gulfstream, Beechcraft, and Pilatus are the top rated business aircraft brands

Brand Reputations

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

Q2 2018 Survey

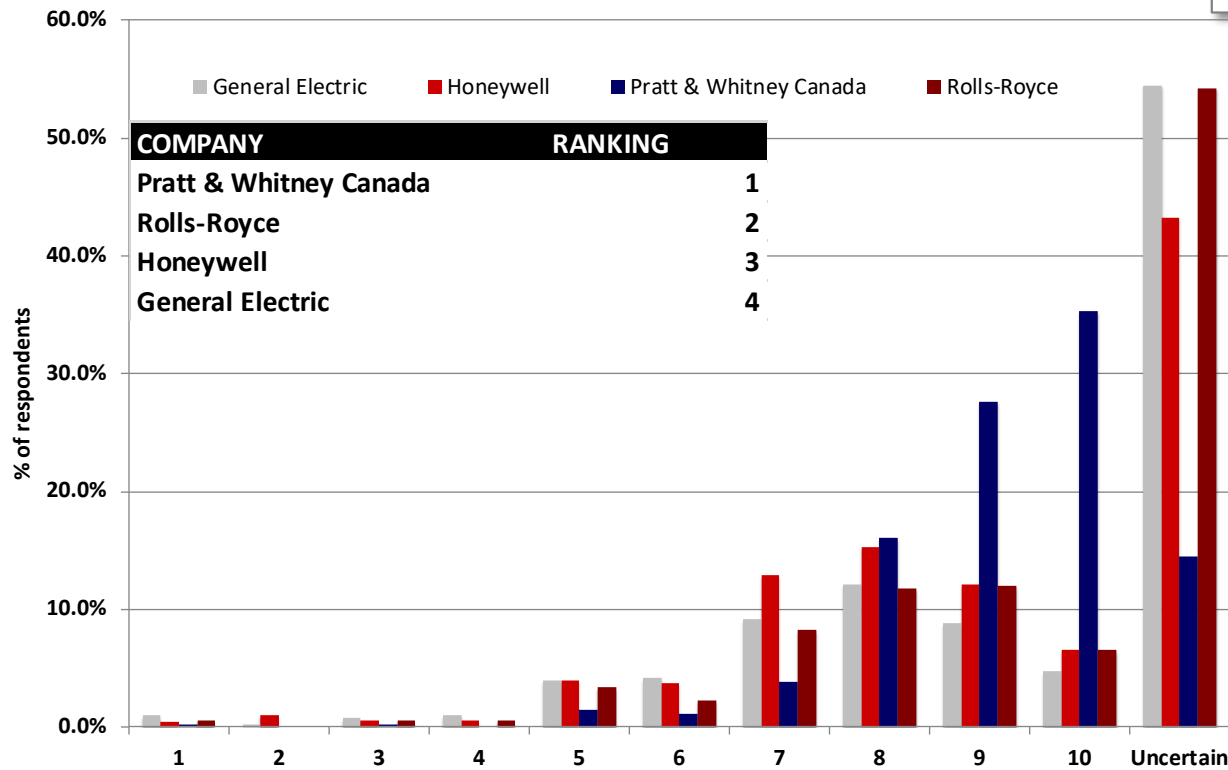


Pratt & Whitney Canada, Rolls-Royce, and General Electric are the top-rated jet engine manufacturer brands

Brand Reputations

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

Q2 2018 Survey

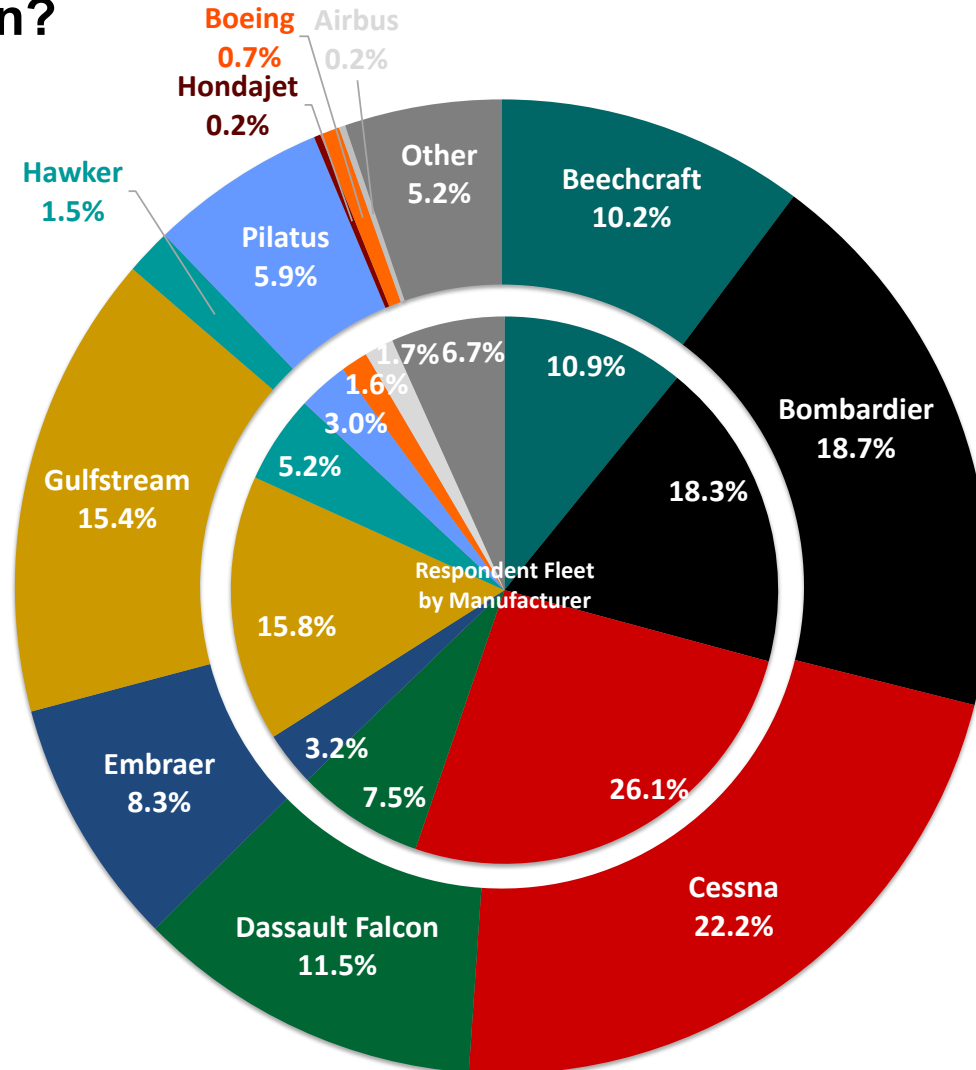


Pratt & Whitney Canada is the highest rated turboprop engine manufacturer brand, well ahead of Rolls-Royce, Honeywell, and General Electric

Aircraft Brands for Next Purchase

Which aircraft brand are you most interested in for your next business aircraft acquisition?

Q2 2018 Survey

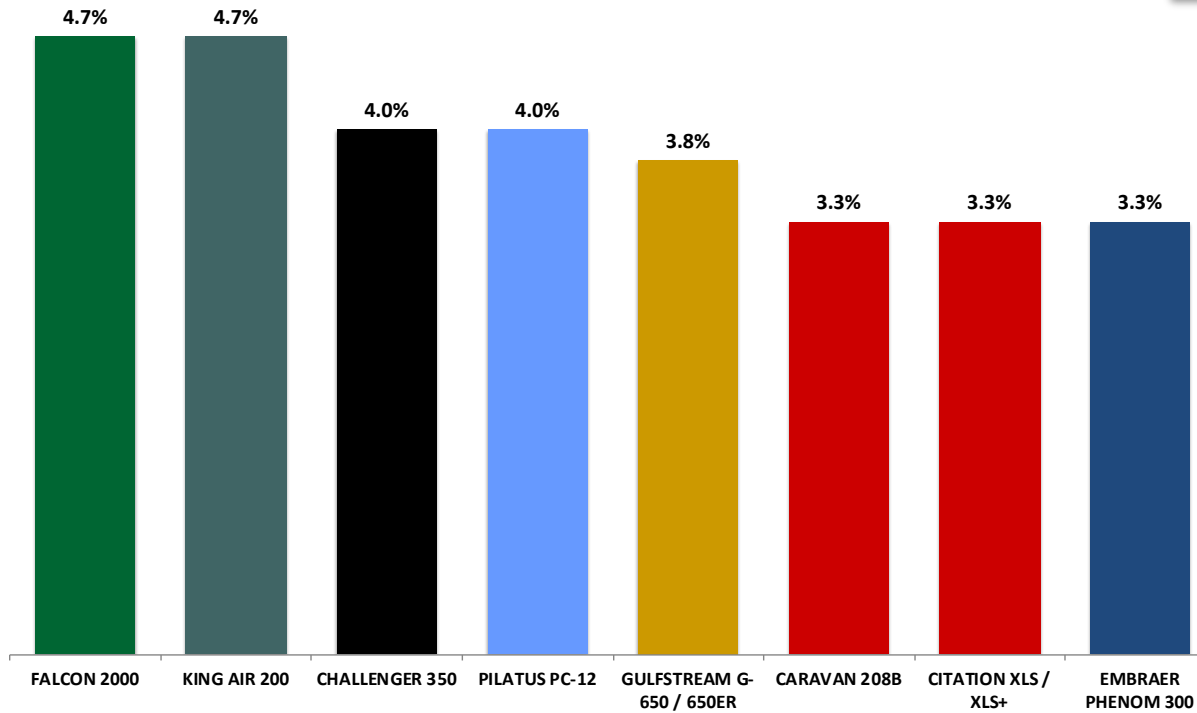


Aircraft Models for Next Purchase

Which aircraft brand are you most interested in for your next business aircraft acquisition?

Top 8 models - worldwide
Model most interested in for next purchase
Q2 2018

Q2 2018 Survey



Top models respondents most interested in for next purchase are Falcon 2000, King Air 200 series, Challenger 350 and Pilatus PC-12

Aircraft Owner / Operator Opinions

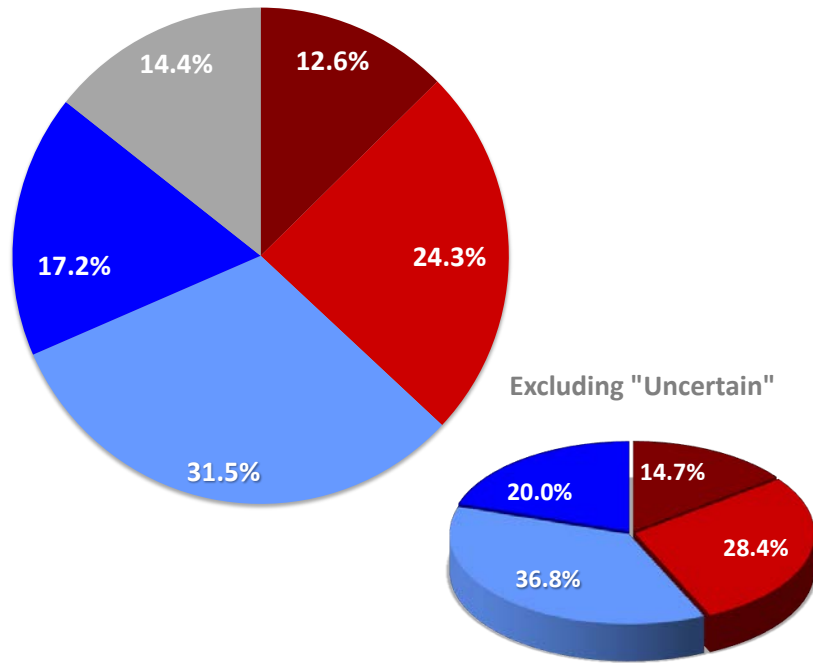
Please evaluate these statements and indicate the extent to which you agree or disagree:



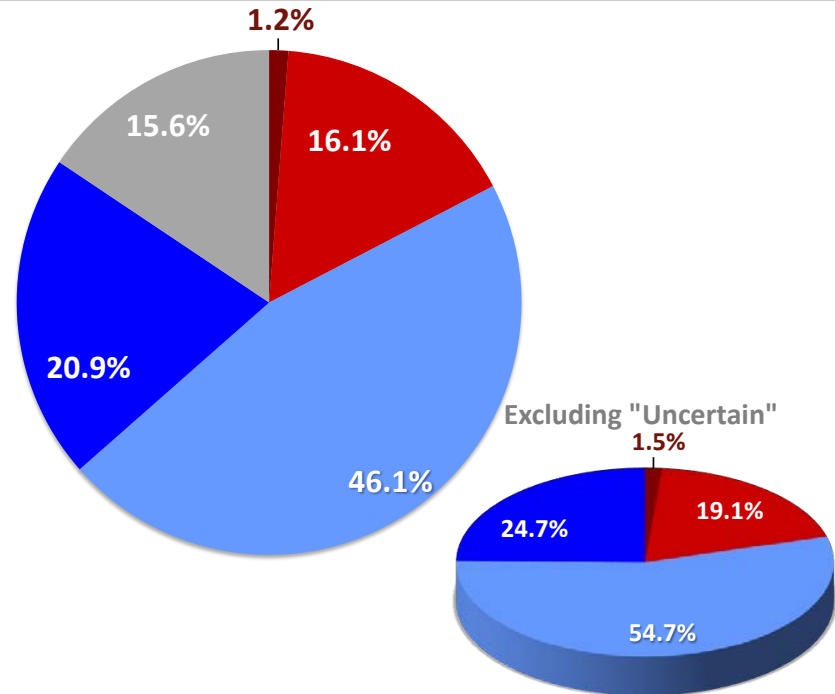
Q2 2018 Survey

I am concerned that an international trade war could have an adverse impact on our business in 2018

New engine development programs will help re-invigorate the business and general aviation turboprop segment within the next five years



56.9 Somewhat / Strongly Agree



79.4 Somewhat / Strongly Agree

Aircraft Owner / Operator Opinions

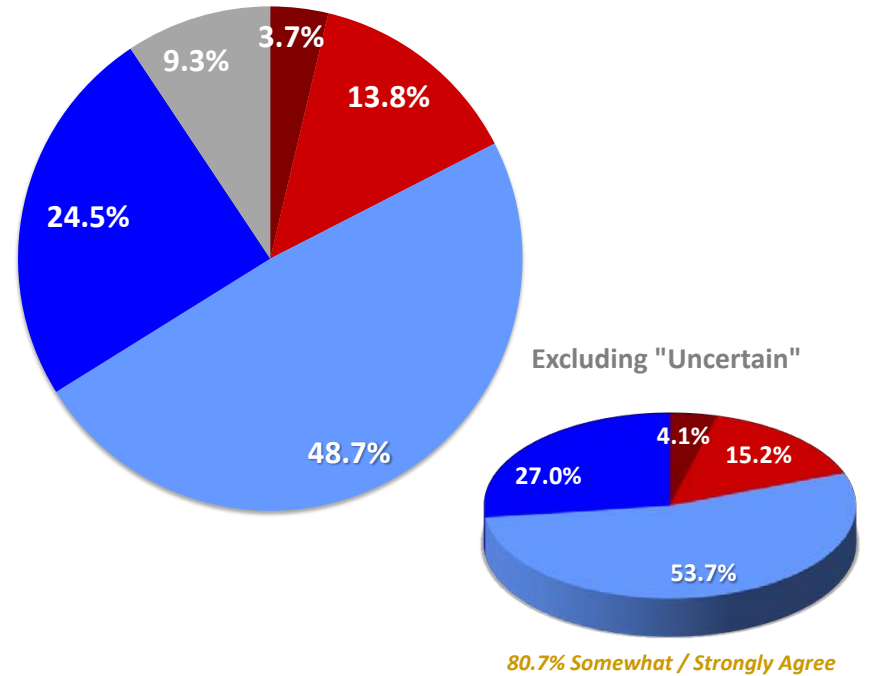
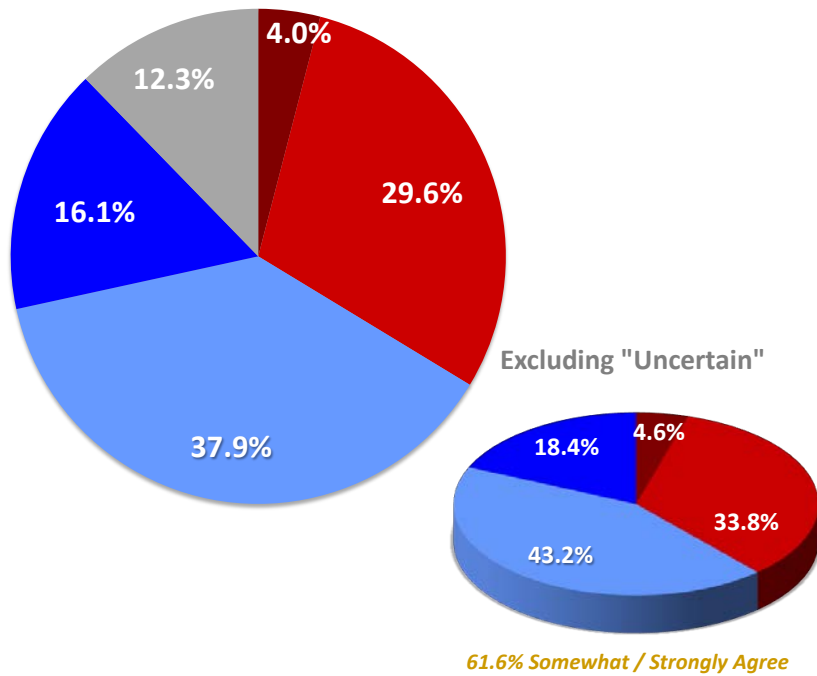
Please evaluate these statements and indicate the extent to which you agree or disagree:



Q2 2018 Survey

We expect prices for pre-owned aircraft less than 5 years old to increase in the next 12 months

The global economy and international trade will strengthen in 2018 relative to 2017



Aircraft Owner / Operator Opinions

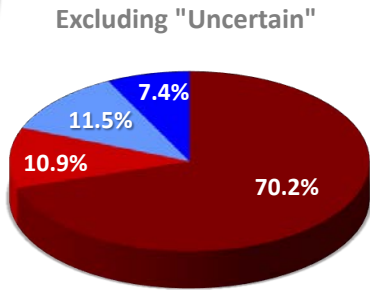
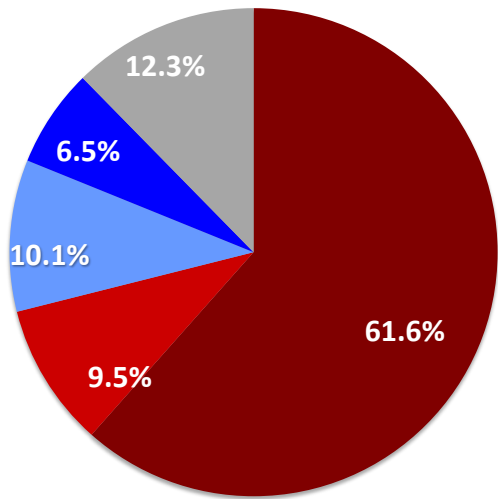
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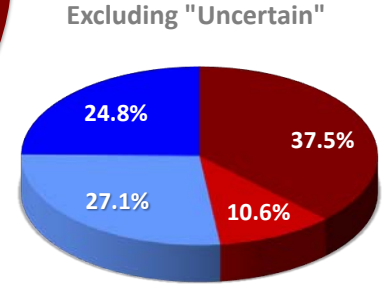
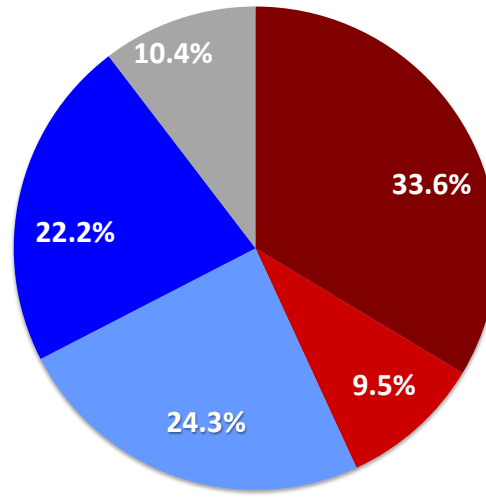
Q2 2018 Survey

When our aircraft is/are unavailable, we rely upon fractional operators for supplemental lift

When our aircraft is/are unavailable, we rely upon charter operators for supplemental lift



18.9% Somewhat / Strongly Agree



51.9% Somewhat / Strongly Agree

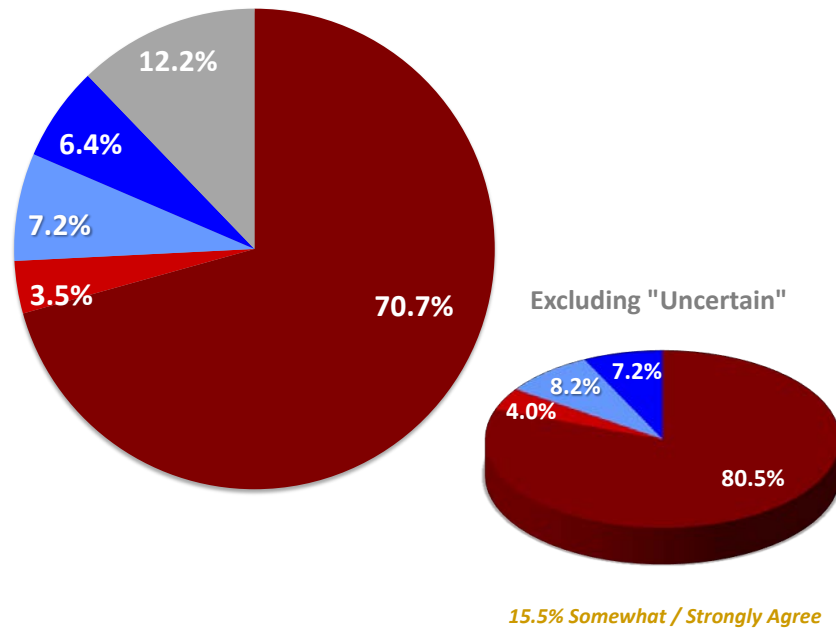
Aircraft Owner / Operator Opinions

Please evaluate these statements and indicate the extent to which you agree or disagree:



Q2 2018 Survey

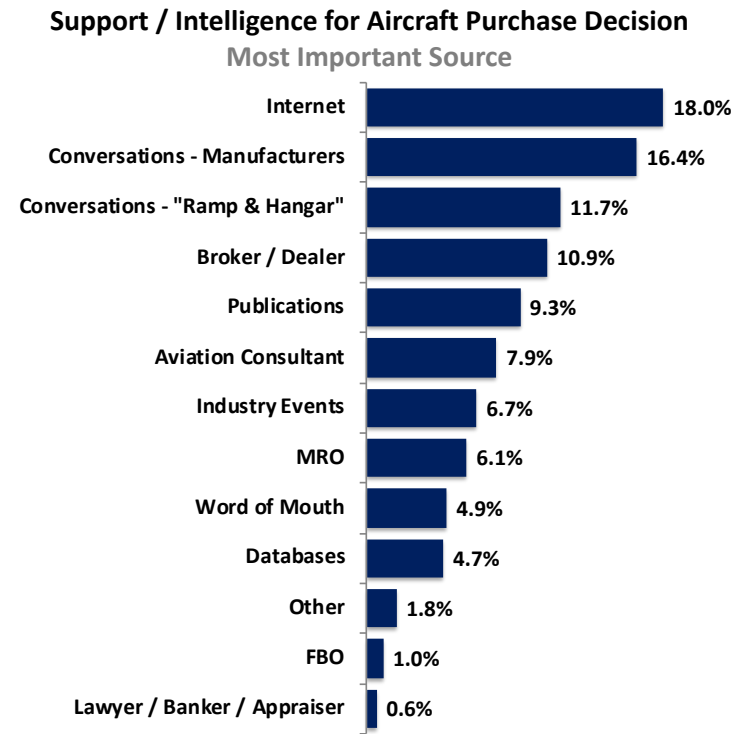
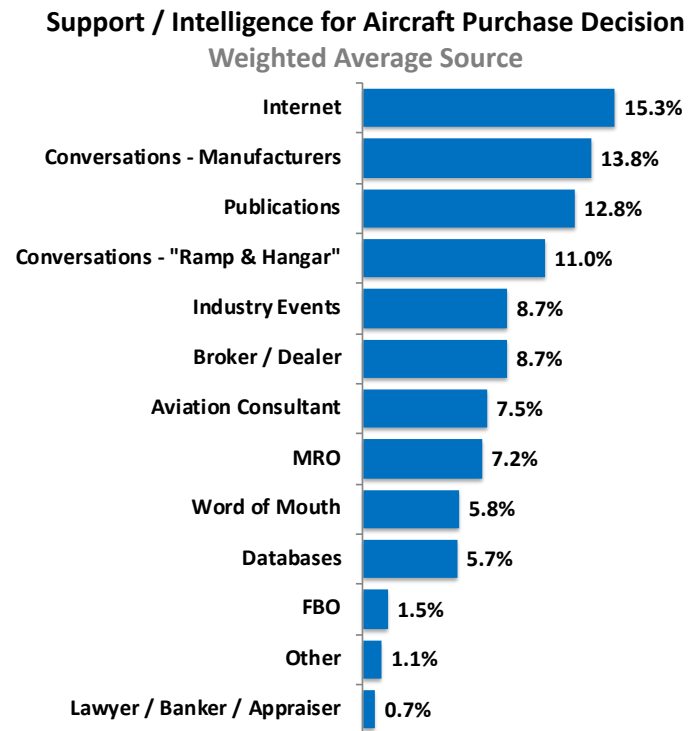
We use our aircraft to fly to/from China



Support / Intelligence for purchasing

“Where do you get your support / intelligence when making an aircraft purchase decision?”

Q2 2018 Survey



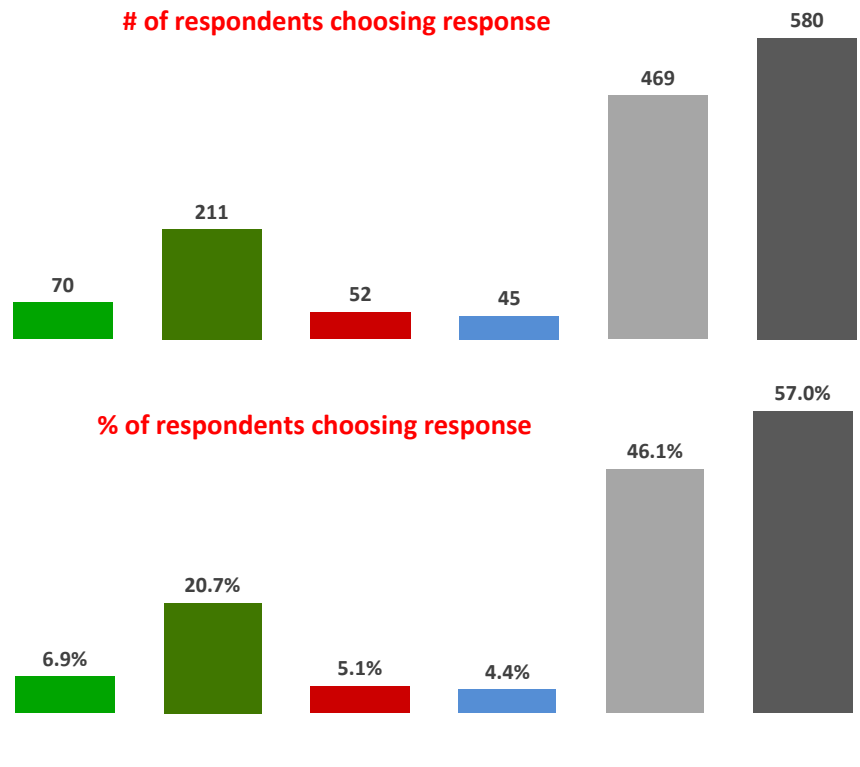
Internet is the most important source of intelligence for aircraft purchase, followed by conversations with the aircraft manufacturers

New U.S. tax and depreciation laws adopted at the beginning of 2018 will:

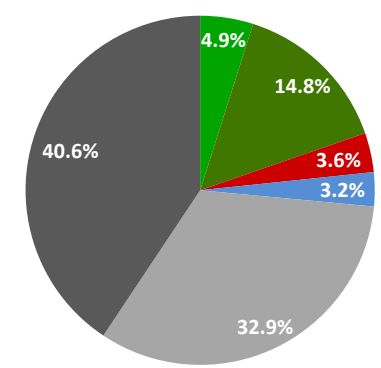
(Choose as many as apply)

Q1-Q2 2018 Surveys

All Respondents



% breakdown of all responses (=100%)



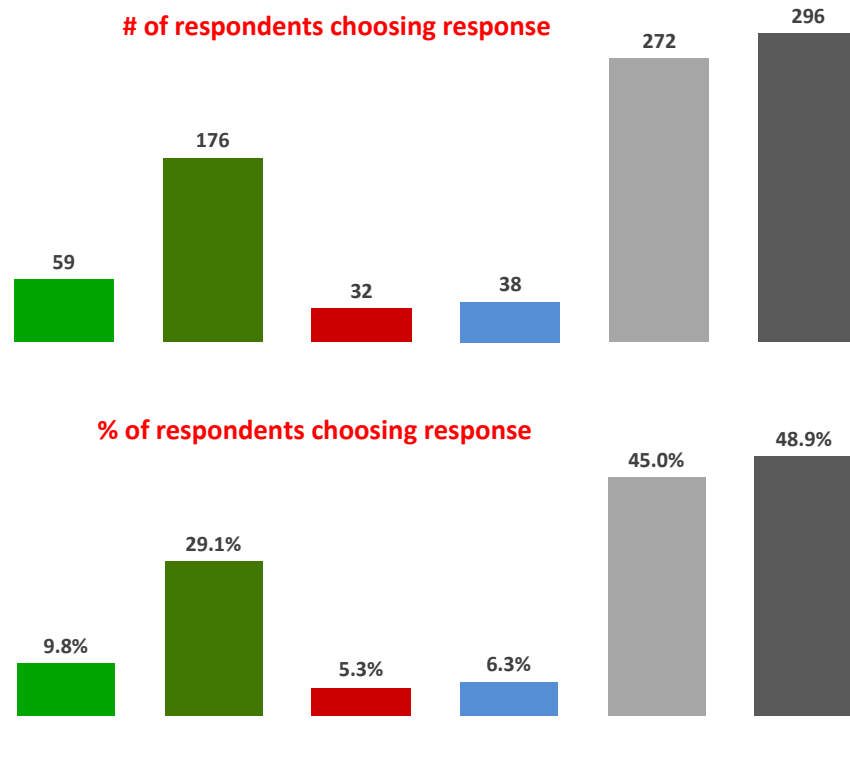
- Drive us to buy an aircraft in 2018
- Increase the likelihood that we will buy
- Drive us to sell an aircraft in 2018
- Cause us to increase our flight hours in 2018
- Have little or no impact on our fleet planning in 2018
- Have little or no impact on our flight operations in 2018

New U.S. tax and depreciation laws adopted at the beginning of 2018 will:

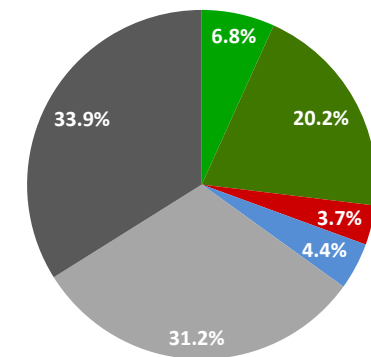
(Choose as many as apply)

Q1-Q2 2018 Surveys

North America



% breakdown of all responses (=100%)



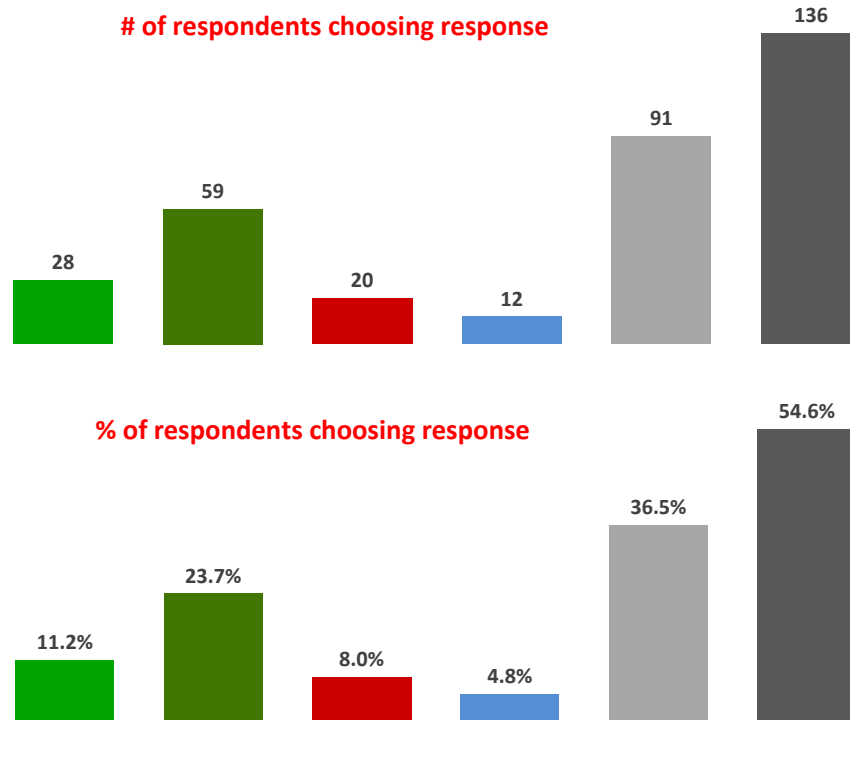
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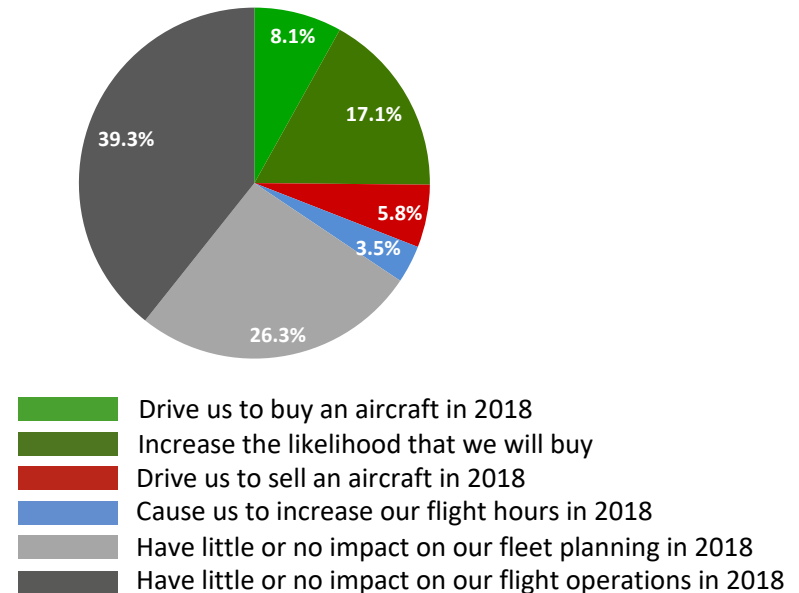
(Choose as many as apply)

Q1-Q2 2018 Surveys

Business Owners

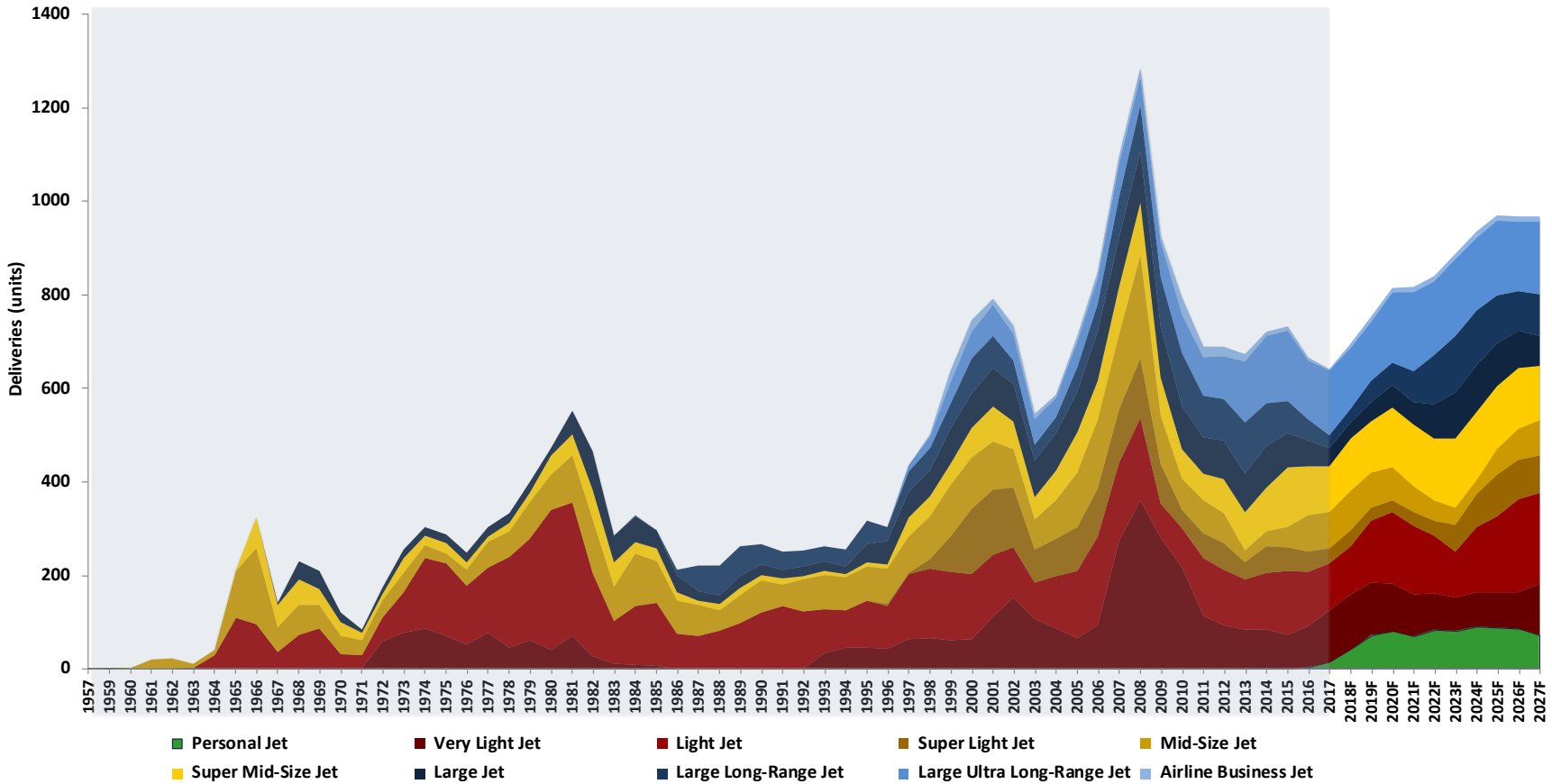


% breakdown of all responses (=100%)



Business Jet Delivery History & Forecast

Business jet delivery forecast by size category: Historical - 2027

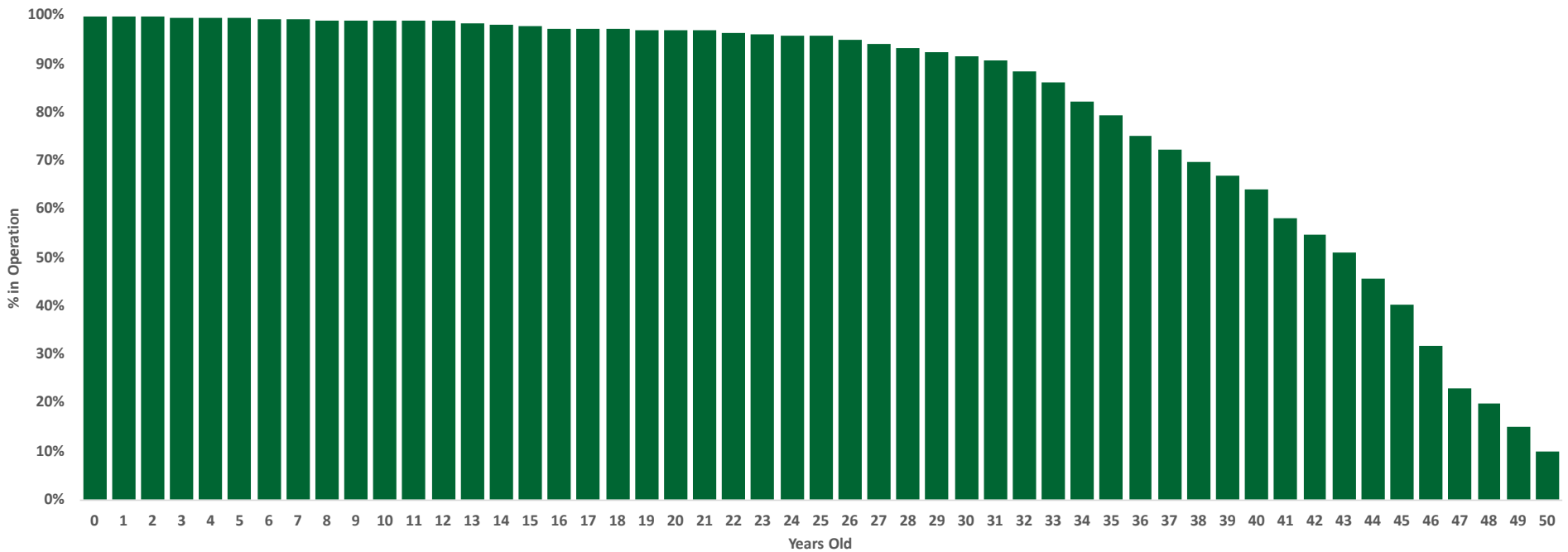


JETNET iQ 10-year forecast for 2018-2027 is for 8,648 new business jet deliveries (including Personal Jets) valued at \$238 billion in \$2017

Business Jet Survivor Curve

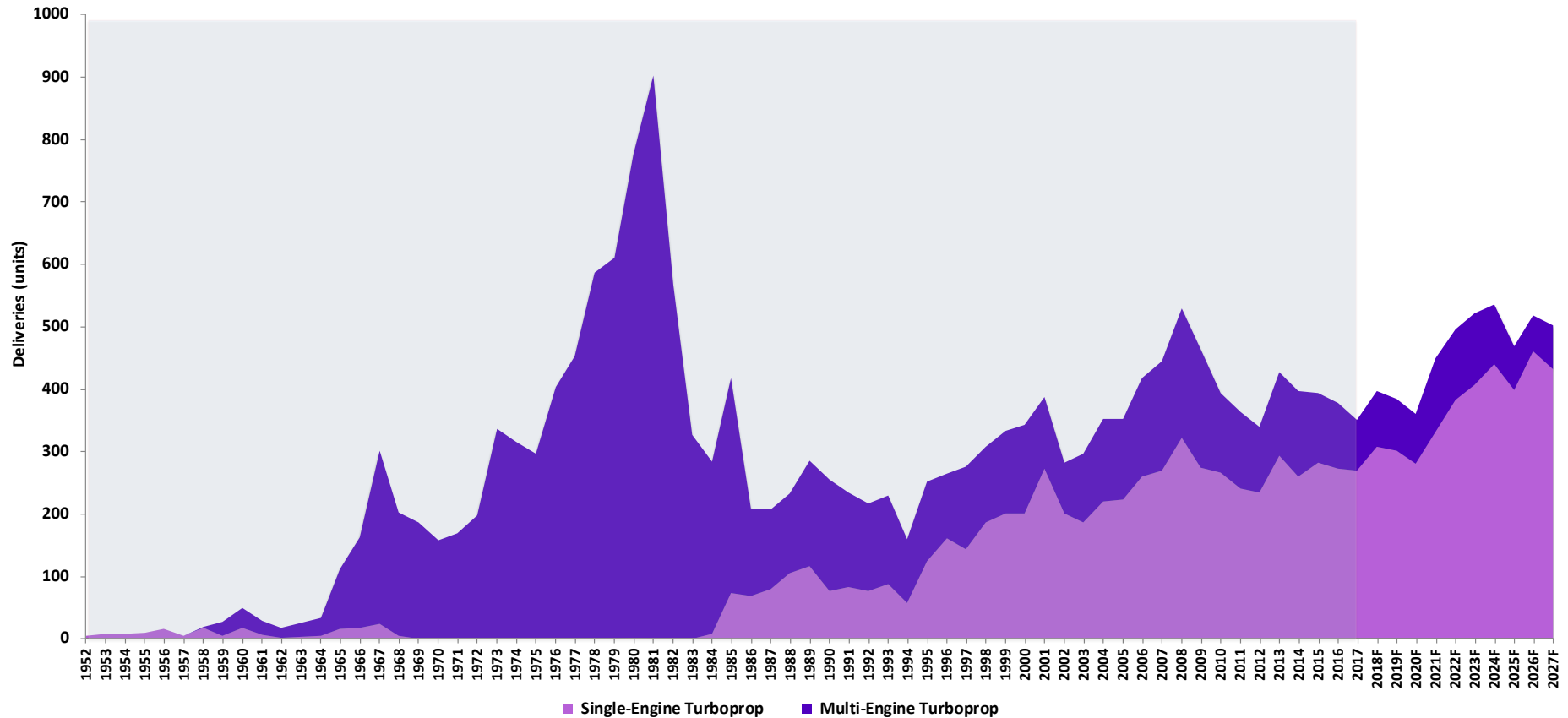


Survivor Curve
Business Jets



Turboprop Delivery History & Forecast

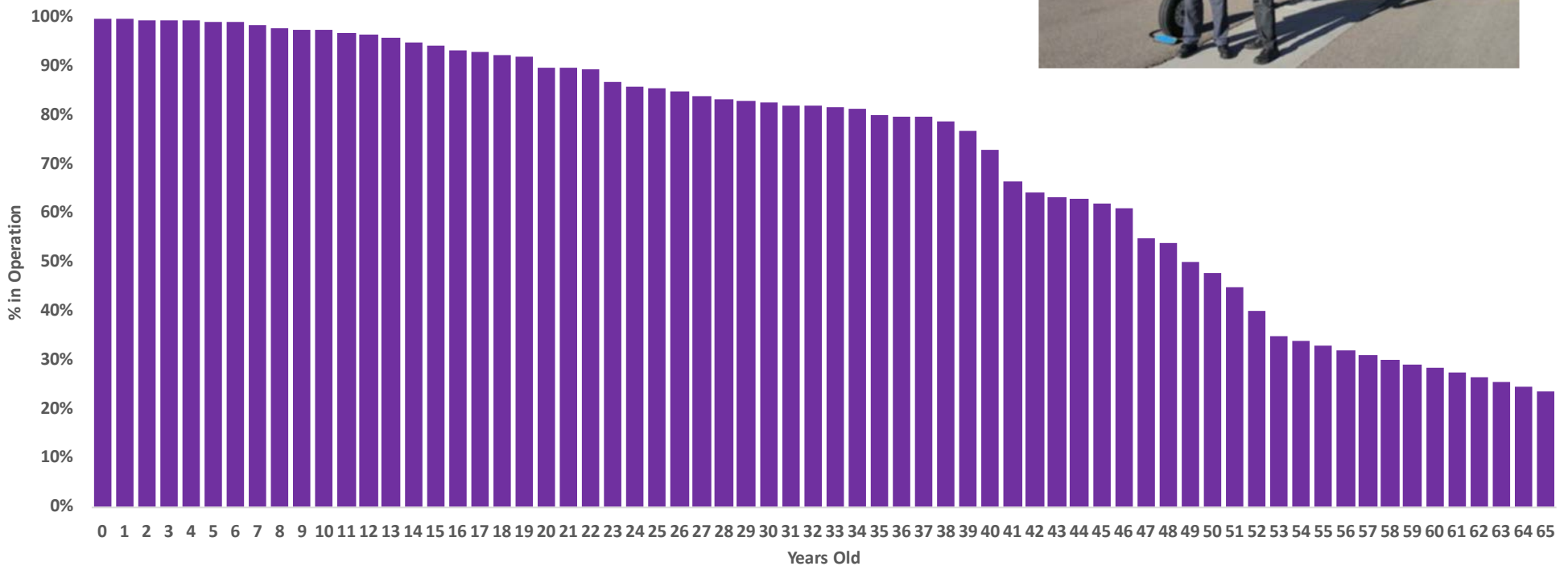
Turboprop delivery forecast by size category: Historical - 2027



JETNET iQ 10-year forecast for 2018-2027 is for 4,632 new turboprop deliveries valued at \$21.0 billion in \$2017

Turboprop Survivor Curve

Survivor Curve
Turboprops



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 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 110,000 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.