



JETNET iQ *Snap!* Report

Q3 2014 Summary Report

Prepared for:
JETNET iQ Global Business Aviation Survey Respondents

September 30, 2014

JETNET iQ Snap!: 3rd 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.

On OCTOBER 21-23, 2014, we hosted an exhibition booth at NBAA2014 in Orlando, Florida, the world's largest annual gathering of business aviation professionals. We continue to focus on new products and services to keep you, 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.

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

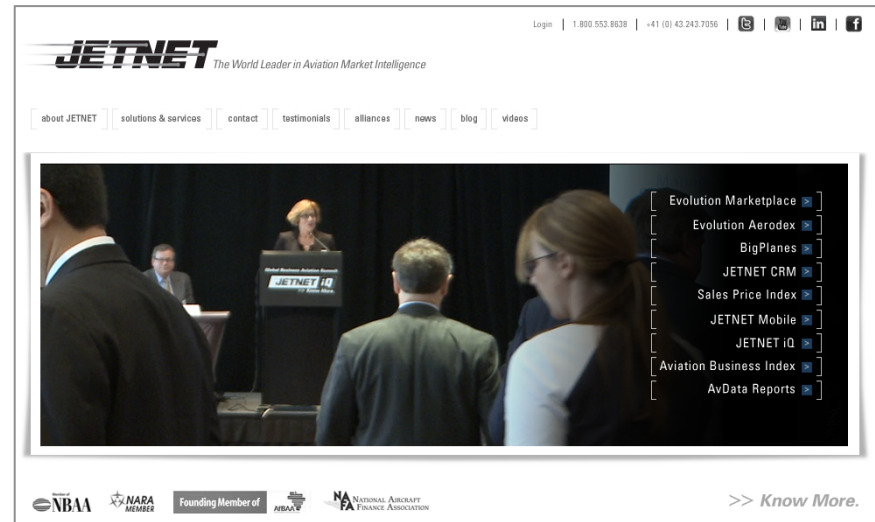
- Founded in 1988
- Privately-owned family business
- Headquarters in Utica, NY
- 70+ employees (45+ in research)
- Daily contact with aircraft owners and operators globally



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

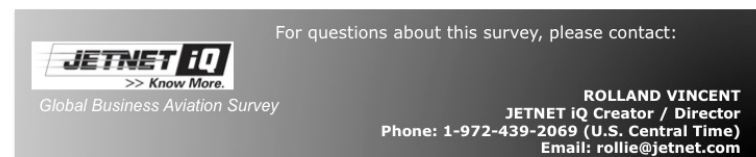


Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence. Your insights are critical to product and service development that will better meet your evolving needs.

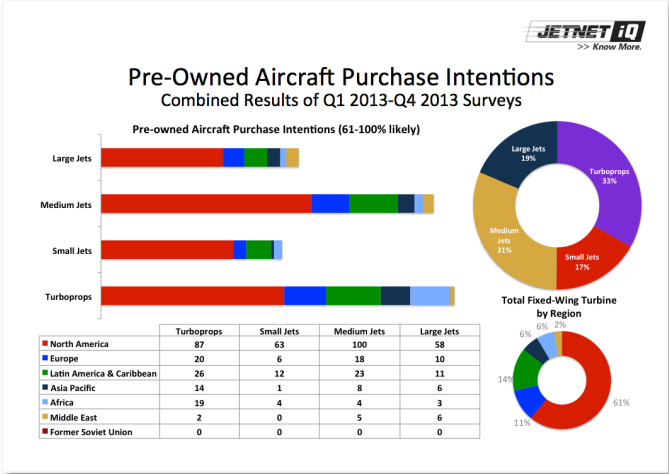
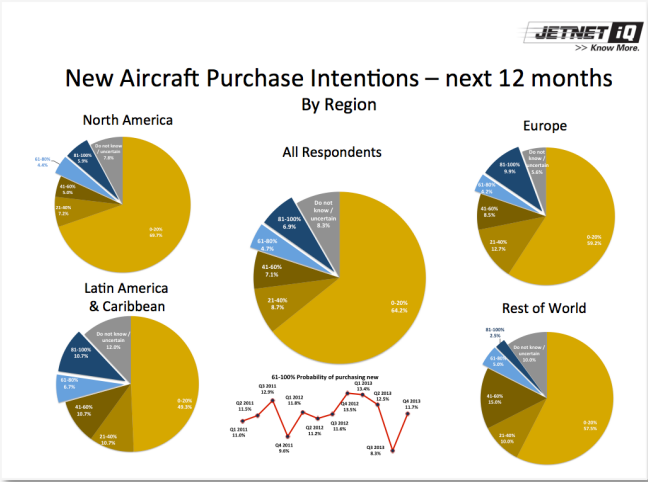
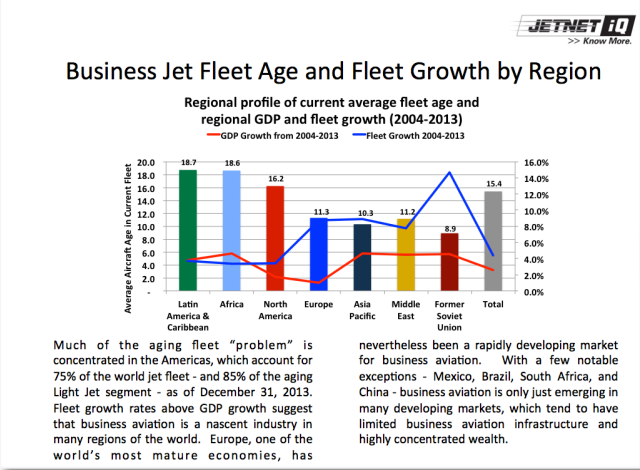
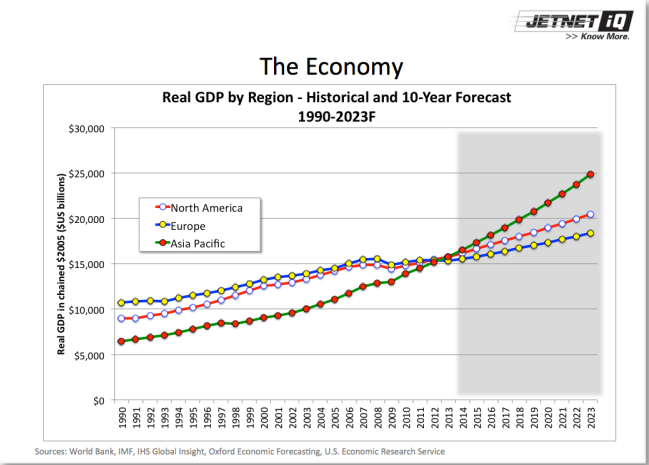
Survey responses:

- 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



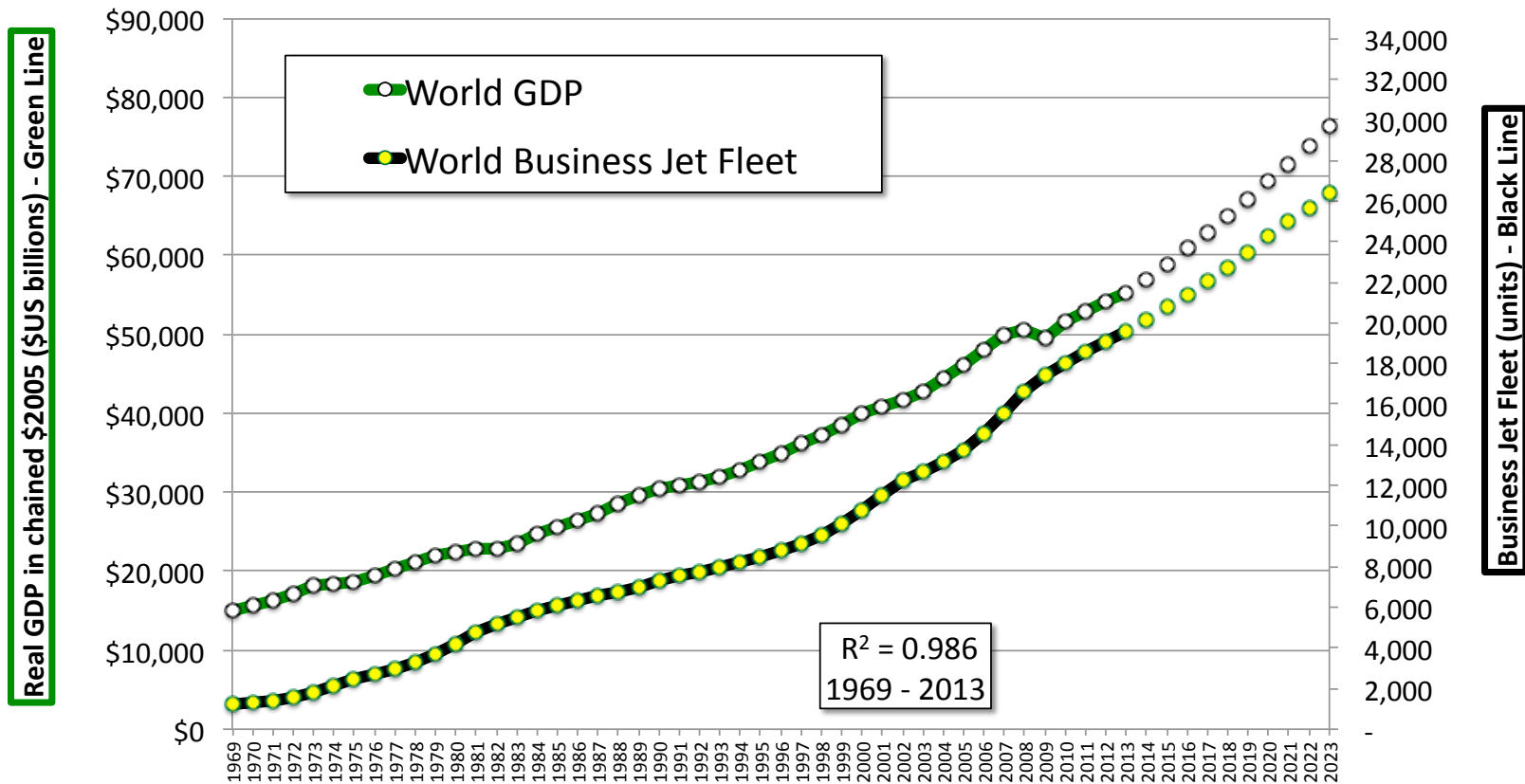
JETNET iQ Summits

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



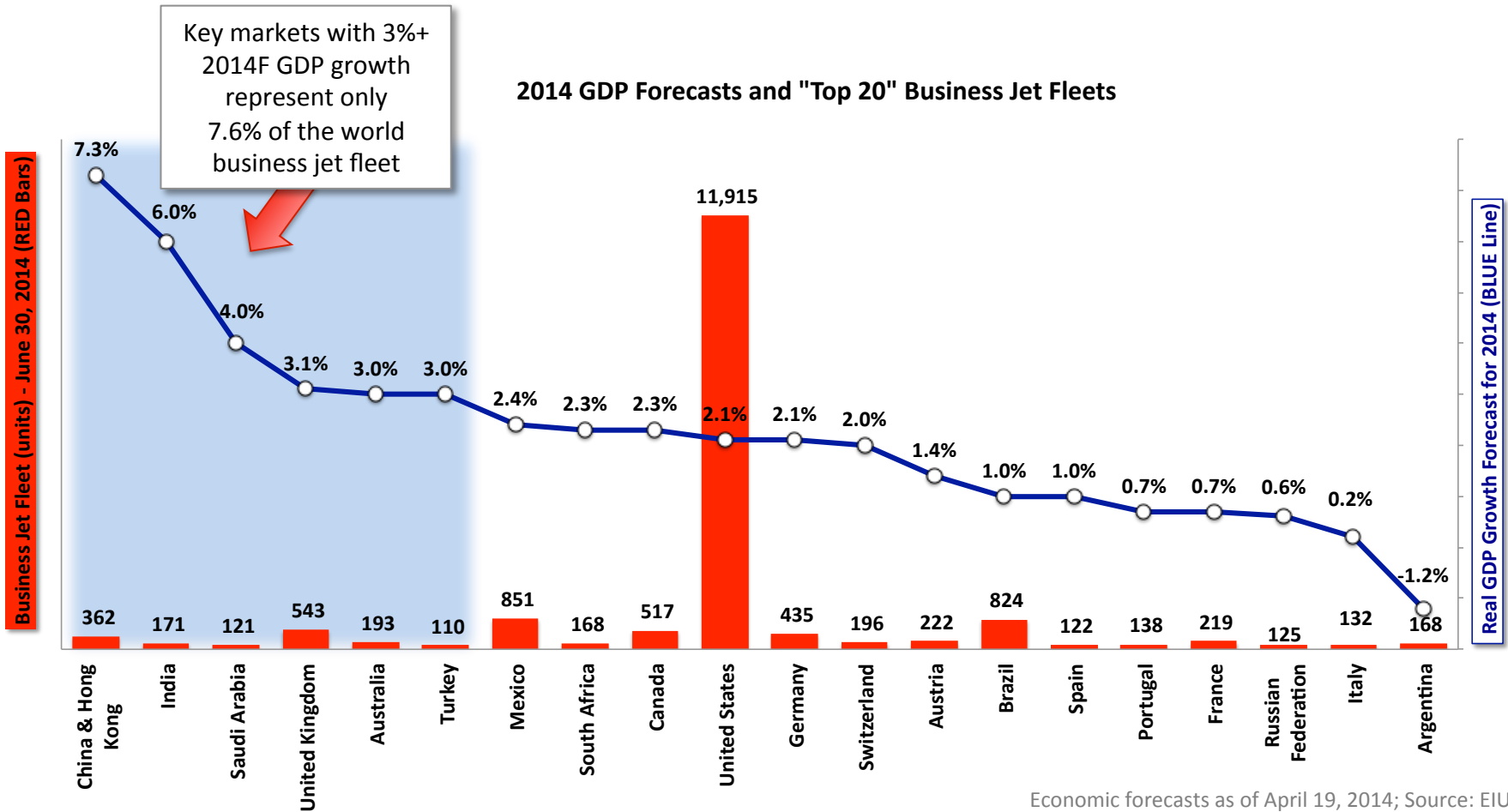
The Economy

World GDP and World Business Jet Fleet



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

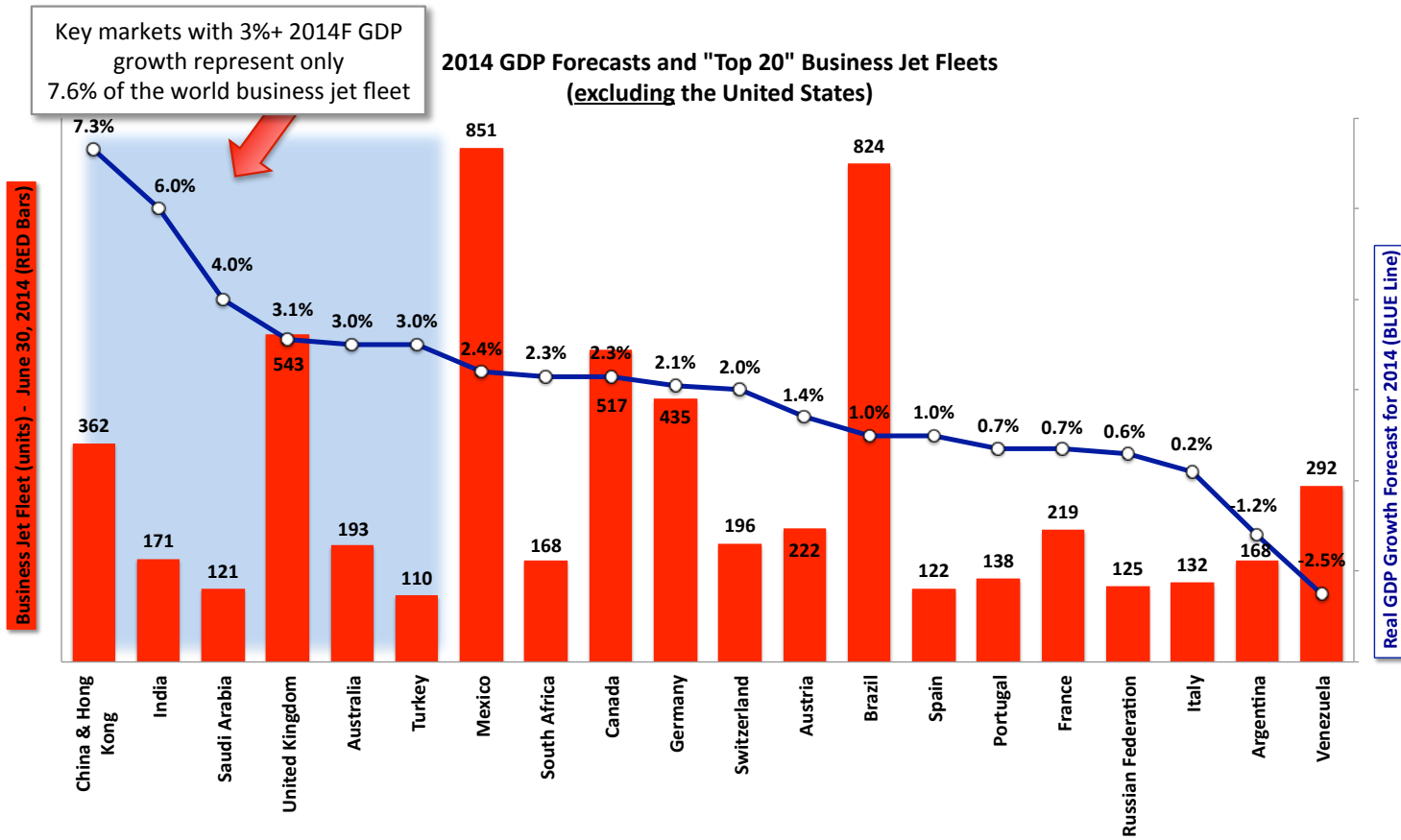
The Economy



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

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

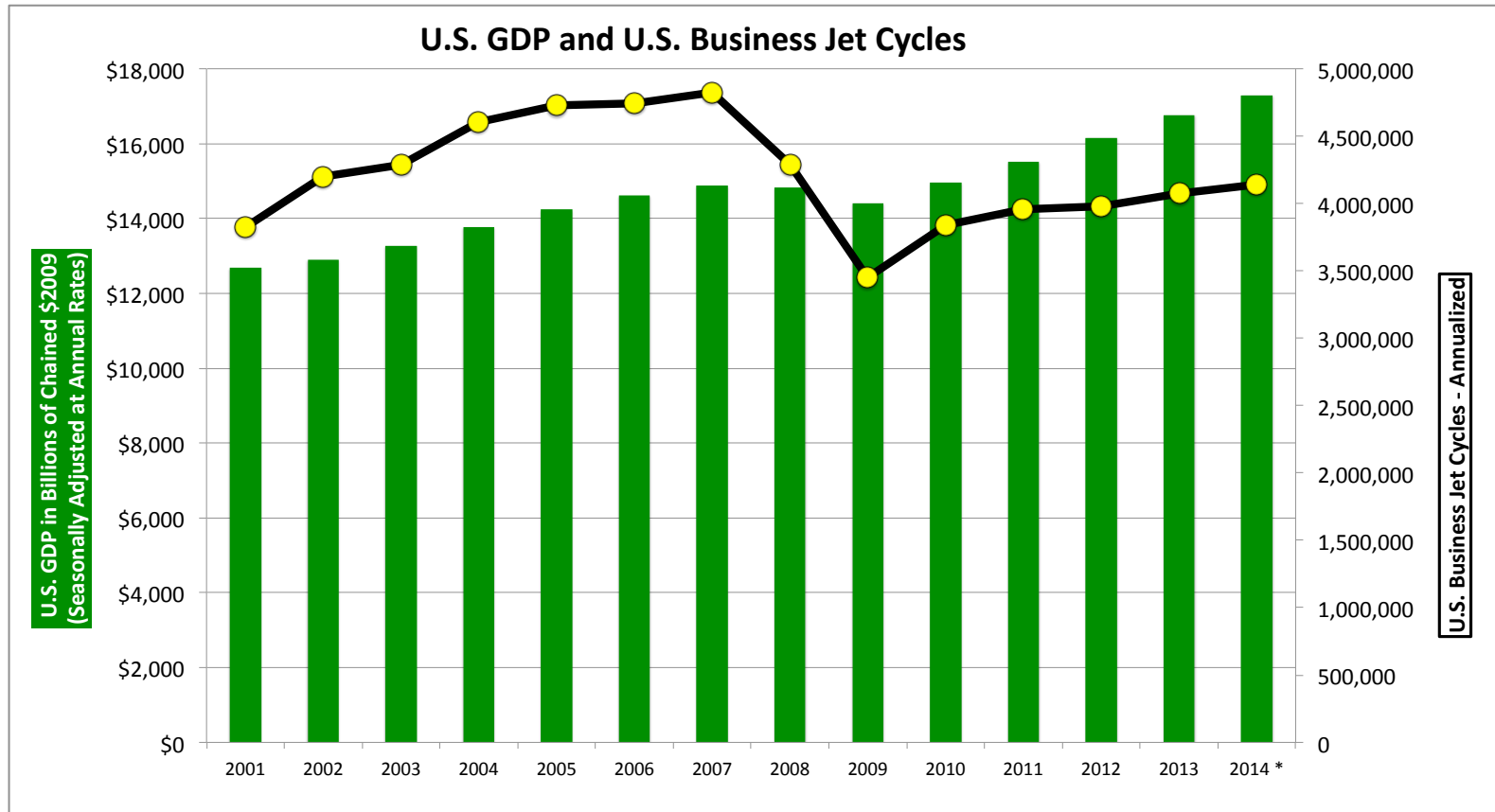
The Economy



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

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

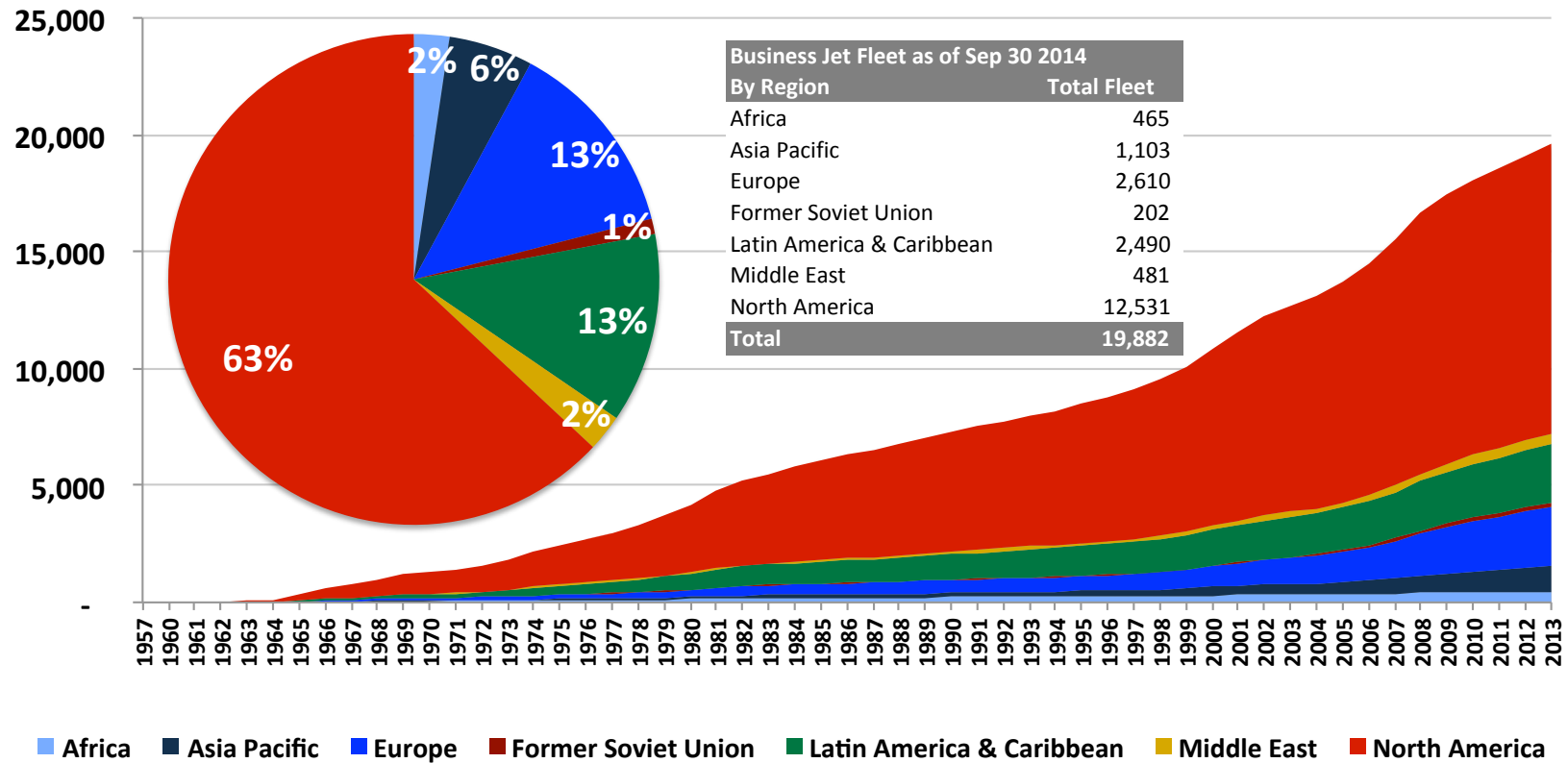
The Economy



Sources: U.S. BEA, FAA

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

Business Jet Fleet by Region



Business Jet Fleet by Manufacturer

NORTH AMERICA OEM	Fleet as of Sep 30 2014
Beechcraft	261
Bombardier	2,733
Cessna Citation	4,415
Dassault Falcon	1,248
Embraer	340
Gulfstream	1,654
Hawker	1,220
Other	660
Total	12,531

EUROPE OEM	Fleet as of Sep 30 2014
Beechcraft	22
Bombardier	580
Cessna Citation	902
Dassault Falcon	473
Embraer	121
Gulfstream	207
Hawker	211
Other	94
Total	2,610

FORMER SOVIET UNION OEM	Fleet as of Sep 30 2014
Beechcraft	-
Bombardier	66
Cessna Citation	17
Dassault Falcon	28
Embraer	22
Gulfstream	18
Hawker	35
Other	16
Total	202

MIDDLE EAST OEM	Fleet as of Sep 30 2014
Beechcraft	4
Bombardier	101
Cessna Citation	59
Dassault Falcon	56
Embraer	36
Gulfstream	89
Hawker	64
Other	72
Total	481

LATIN AMERICA & CARIBBEAN OEM	Fleet as of Sep 30 2014
Beechcraft	68
Bombardier	609
Cessna Citation	817
Dassault Falcon	154
Embraer	190
Gulfstream	181
Hawker	307
Other	164
Total	2,490

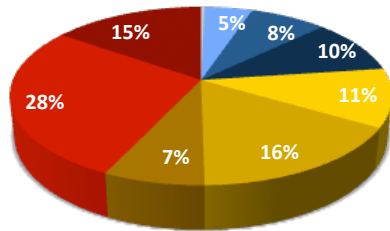
AFRICA OEM	Fleet as of Sep 30 2014
Beechcraft	5
Bombardier	89
Cessna Citation	104
Dassault Falcon	61
Embraer	18
Gulfstream	60
Hawker	107
Other	21
Total	465

ASIA PACIFIC OEM	Fleet as of Sep 30 2014
Beechcraft	10
Bombardier	250
Cessna Citation	218
Dassault Falcon	85
Embraer	70
Gulfstream	244
Hawker	152
Other	74
Total	1,103

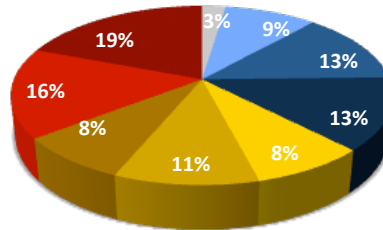
World business jet fleet was 19,882 jets on September 30, 2014

Business Jet Fleet by Size Category

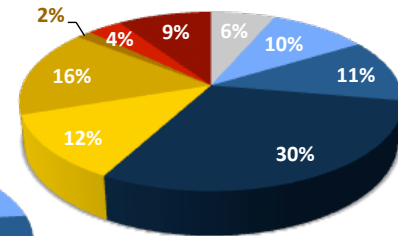
Total Fleet: North America



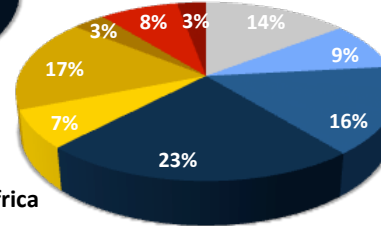
Total Fleet: Europe



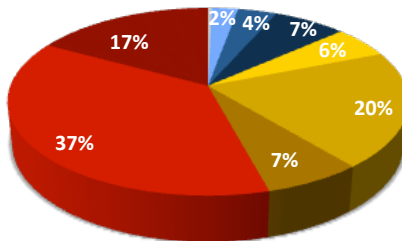
Total Fleet: Former Soviet Union



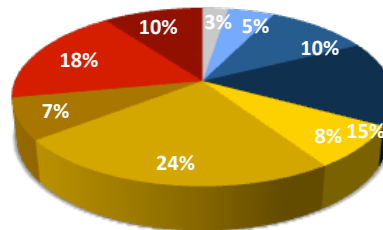
Total Fleet: Middle East



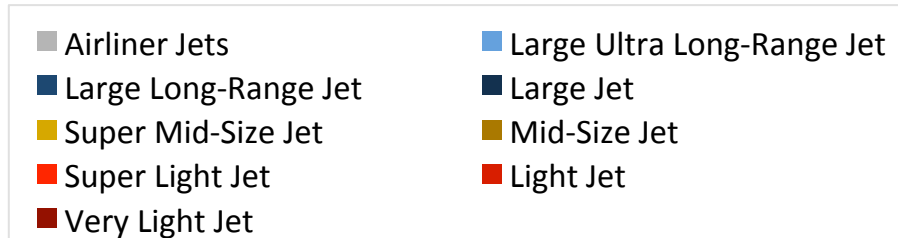
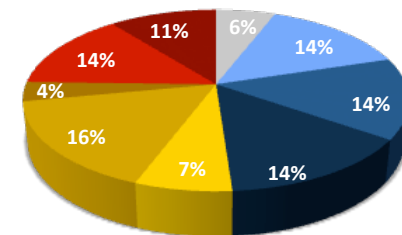
Total Fleet: Latin America & Caribbean



Total Fleet: Africa

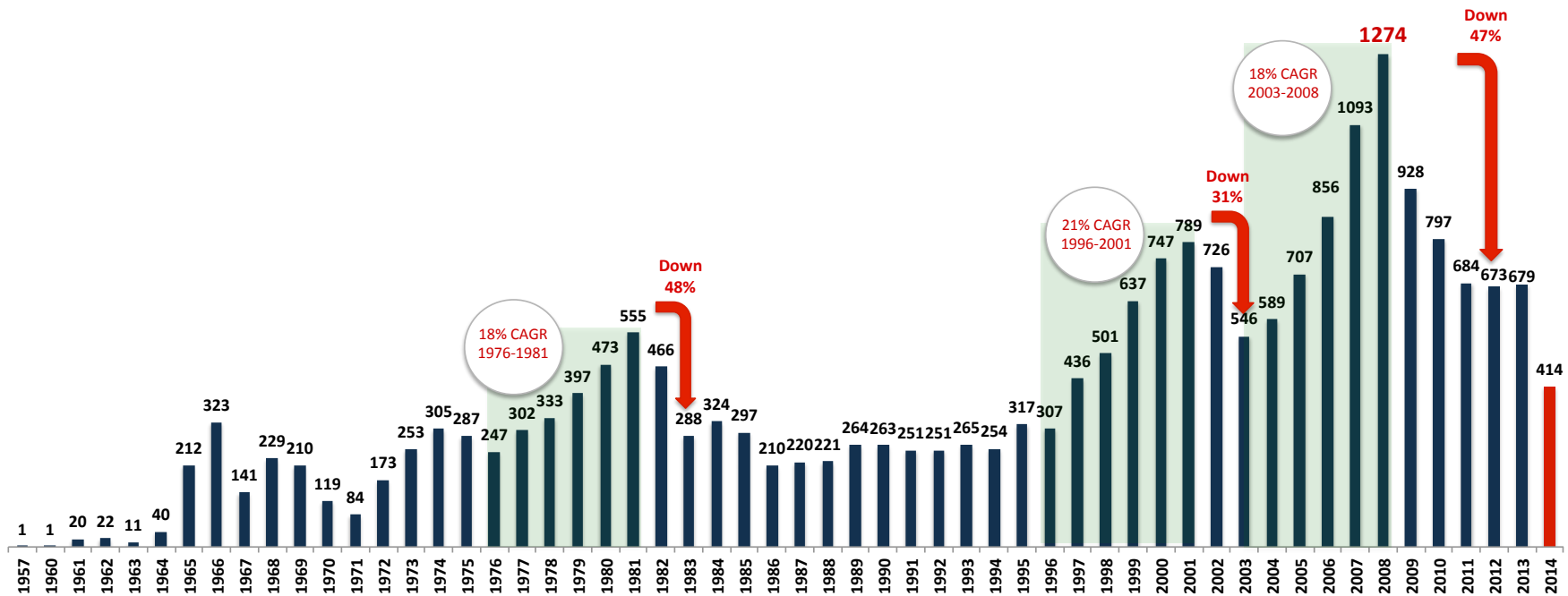


Total Fleet: Asia Pacific



Business Jet Deliveries (units)

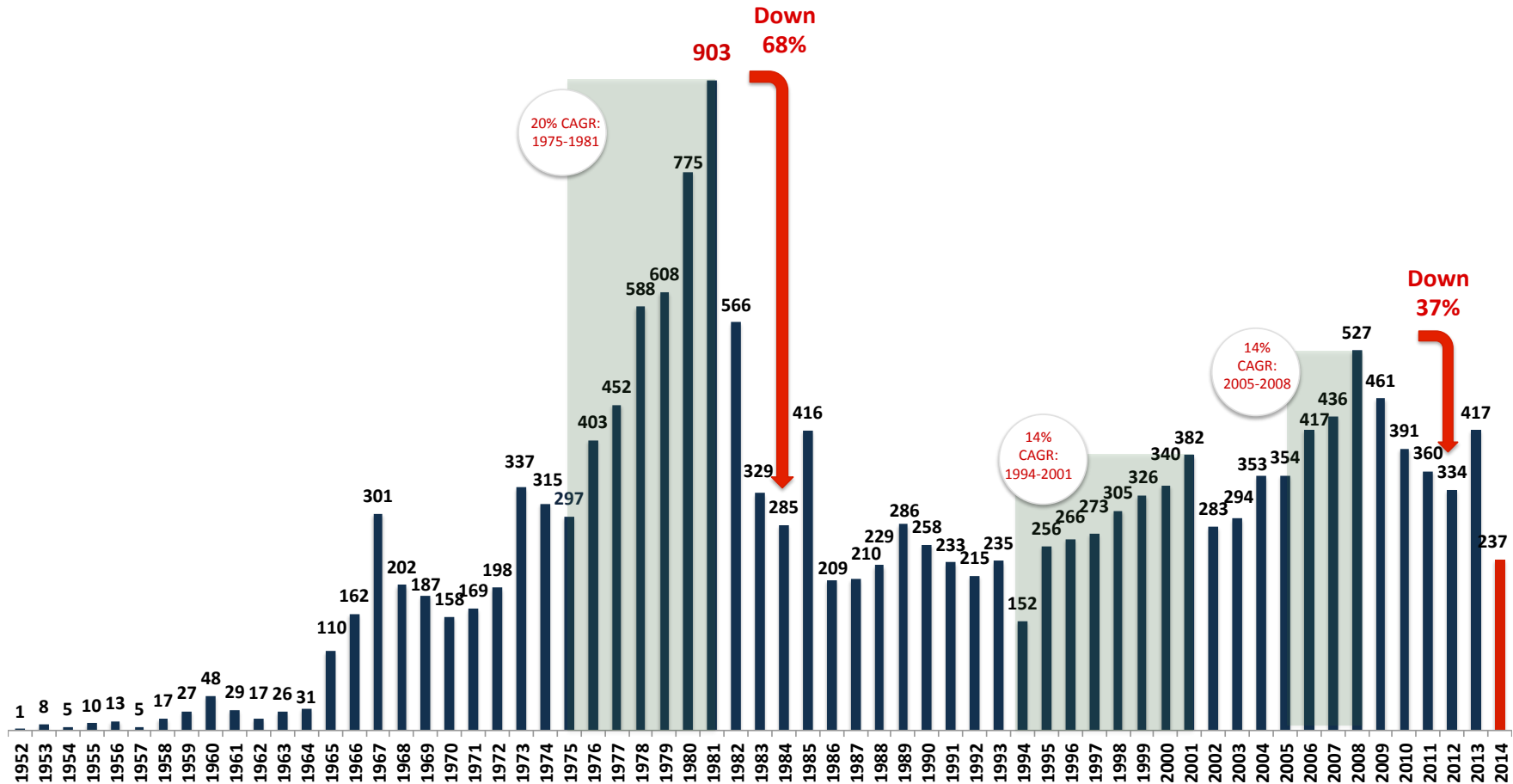
Jet Deliveries



Note: 2014 deliveries are year-to-date through September 2014

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)



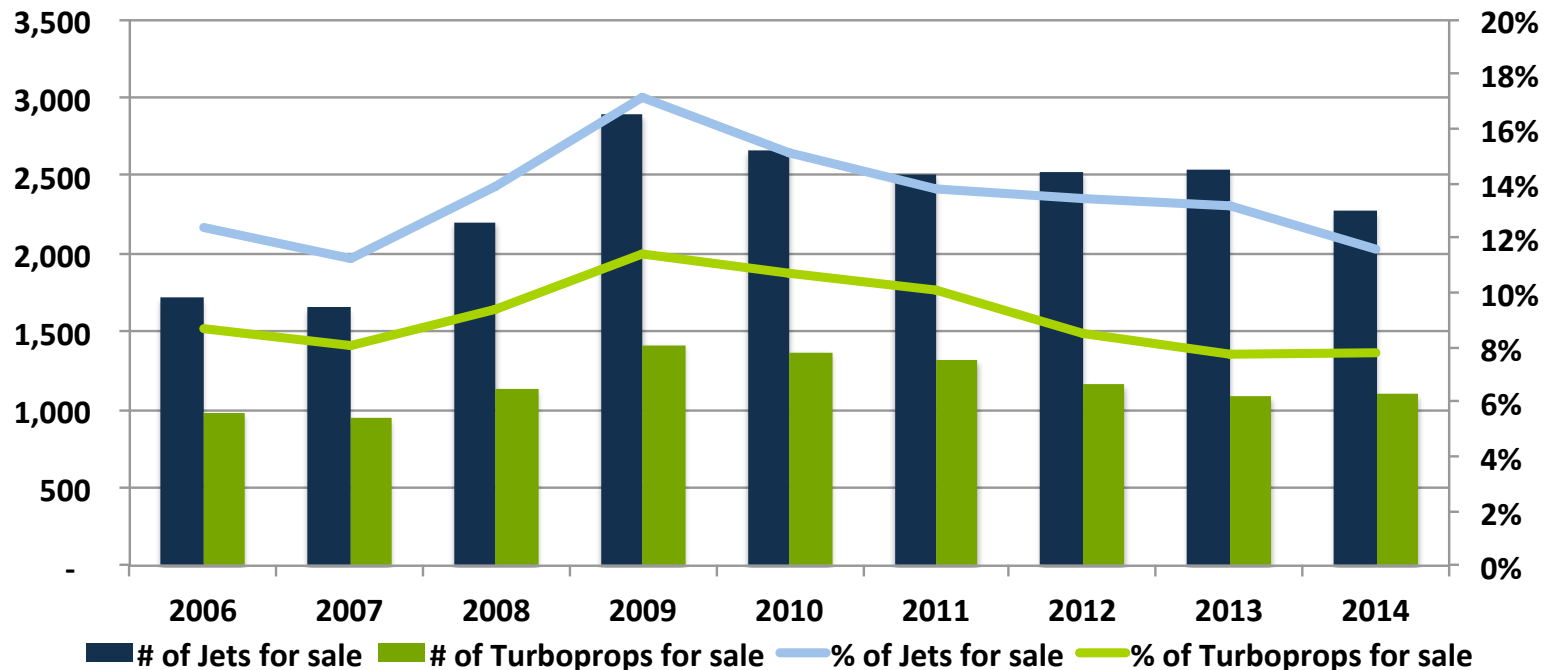
Note: 2014 deliveries are year-to-date through September 2014

New turboprop deliveries showed a 25% upswing from 2012 to 2013

Pre-Owned Business Aircraft Inventory

Business Jets and Turboprops for sale

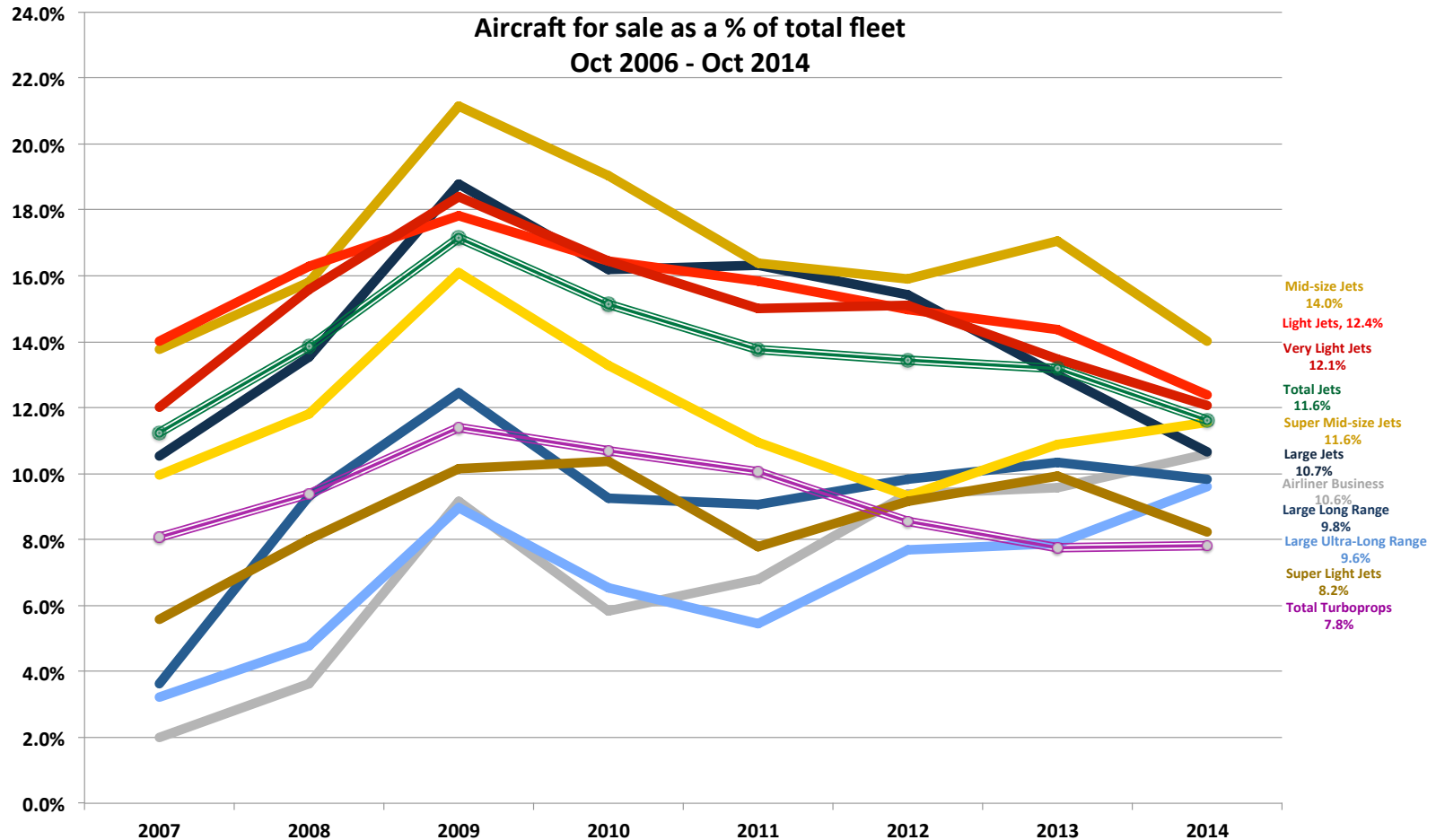
Oct 2006 - Oct 2014



Jets Available for Sale as % of World Fleet (as of October 1)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business Jets	12.4%	11.2%	13.8%	17.1%	15.1%	13.8%	13.5%	13.2%	11.6%
Turboprop	8.7%	8.1%	9.4%	11.4%	10.7%	10.1%	8.5%	7.7%	7.8%

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

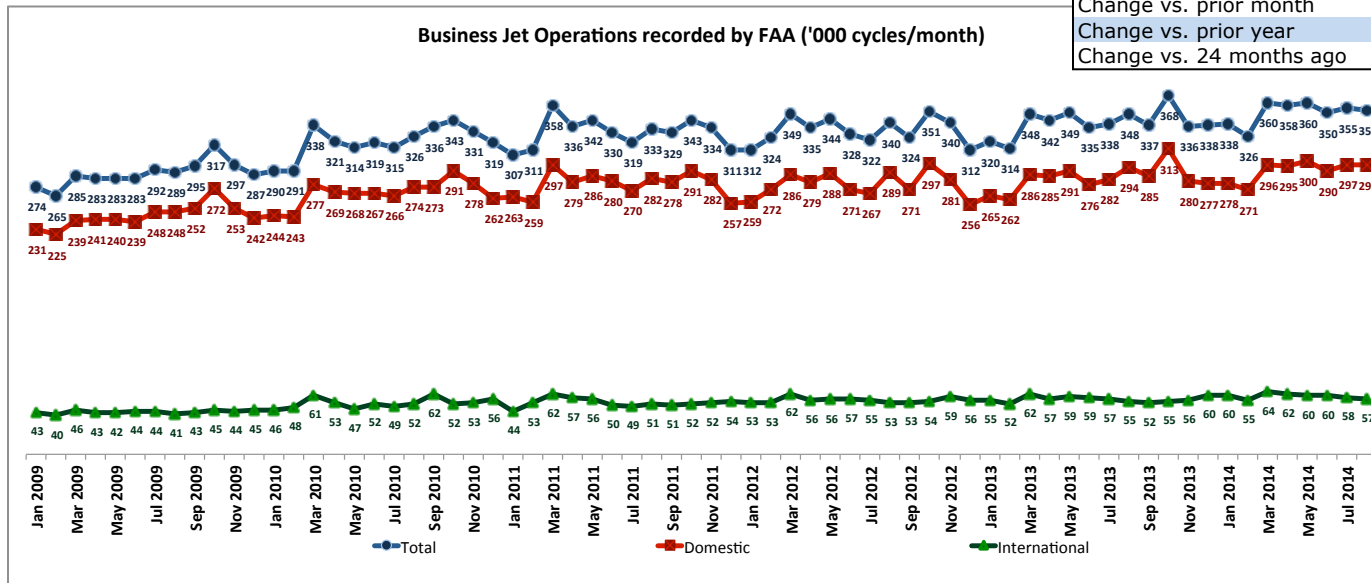
Pre-Owned Business Jet Inventory



Pre-owned jet inventory levels vary significantly by size category

U.S. Business Jet Utilization

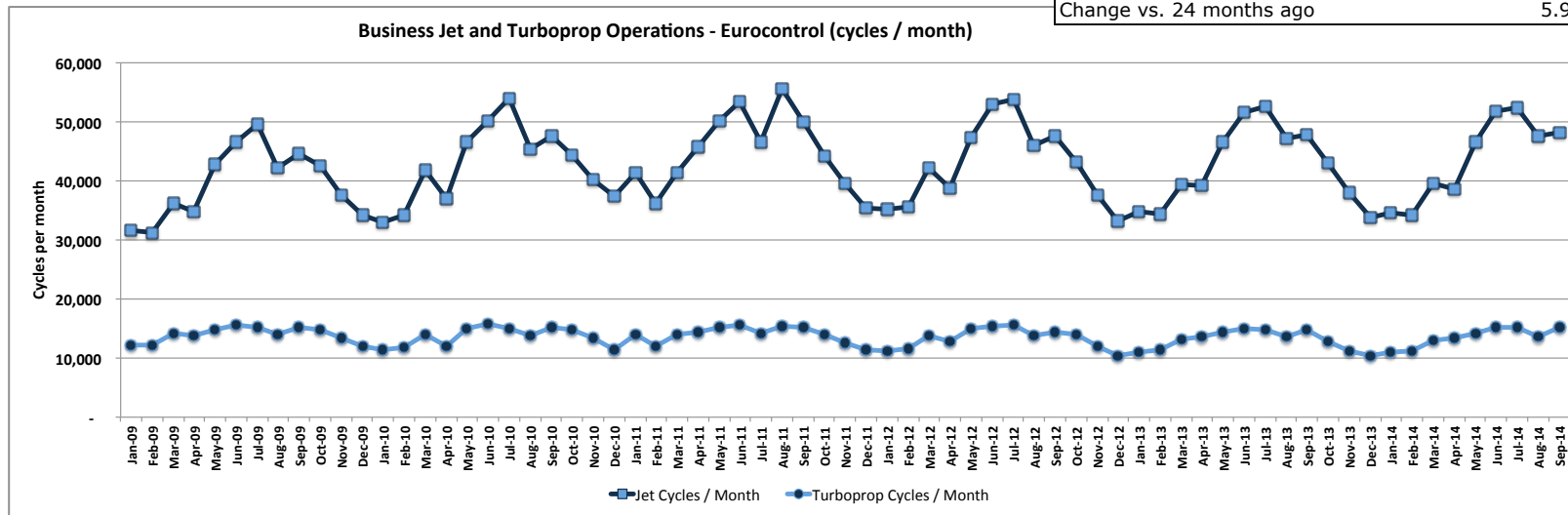
FAA BUSINESS JET OPERATIONS - AUG 2014		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	352,788	4,177,784
Change vs. prior month	-0.7%	0.1%
Change vs. prior year	1.3%	3.9%
Change vs. 24 months ago	3.9%	5.2%
DOMESTIC CYCLES		
Total Domestic Cycles	296,080	3,478,398
Change vs. prior month	-0.3%	0.1%
Change vs. prior year	0.8%	4.0%
Change vs. 24 months ago	2.5%	4.8%
INTERNATIONAL CYCLES		
Total International Cycles	56,708	699,386
Change vs. prior month	-2.5%	0.3%
Change vs. prior year	4.0%	3.3%
Change vs. 24 months ago	7.8%	7.0%



Annualized U.S. business jet cycles through Aug. 2014 are up 3.9% over the prior year

European Business Aircraft Utilization

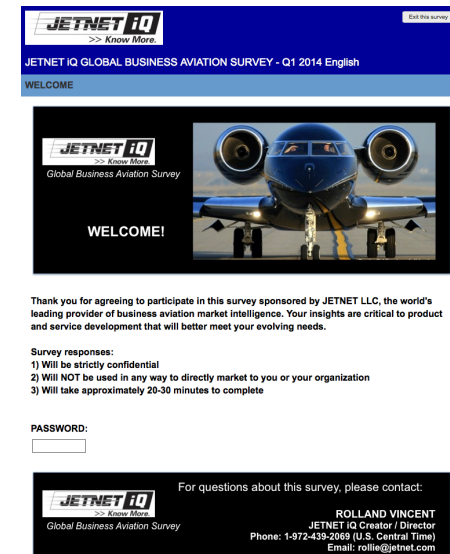
EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - SEP 2014		Trailing 12 Months
BUSINESS JETS (EXCLUDING AIRLINERS)		
Total Cycles	48,206	508,625
Change vs. prior month	1.1%	0.1%
Change vs. prior year	1.0%	0.2%
Change vs. 24 months ago	1.4%	-1.9%
TURBOPROPS		
Total Cycles	15,210	156,420
Change vs. prior month	12.5%	0.3%
Change vs. prior year	3.3%	-1.1%
Change vs. 24 months ago	5.9%	-3.3%



Annualized European cycles are flat for business jets and down 1% for business turboprops over the prior year on a trailing 12 months (TTM) basis

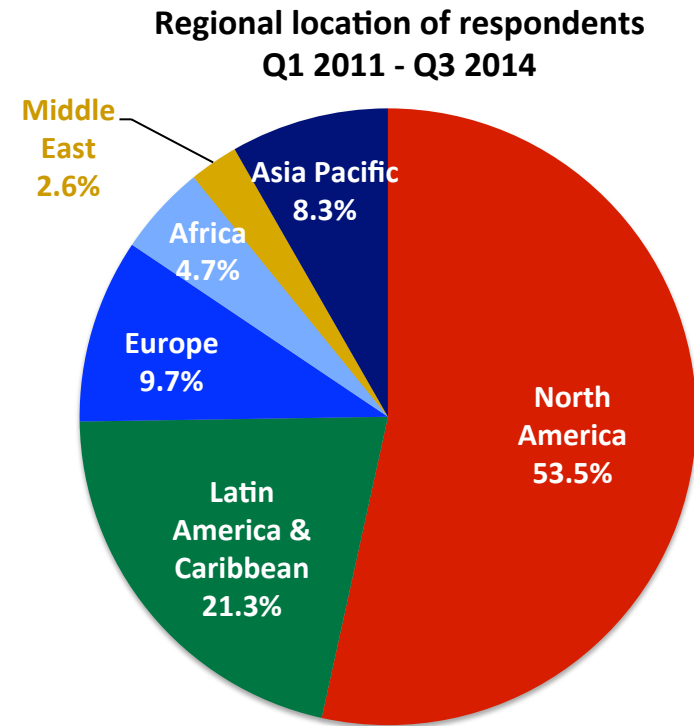
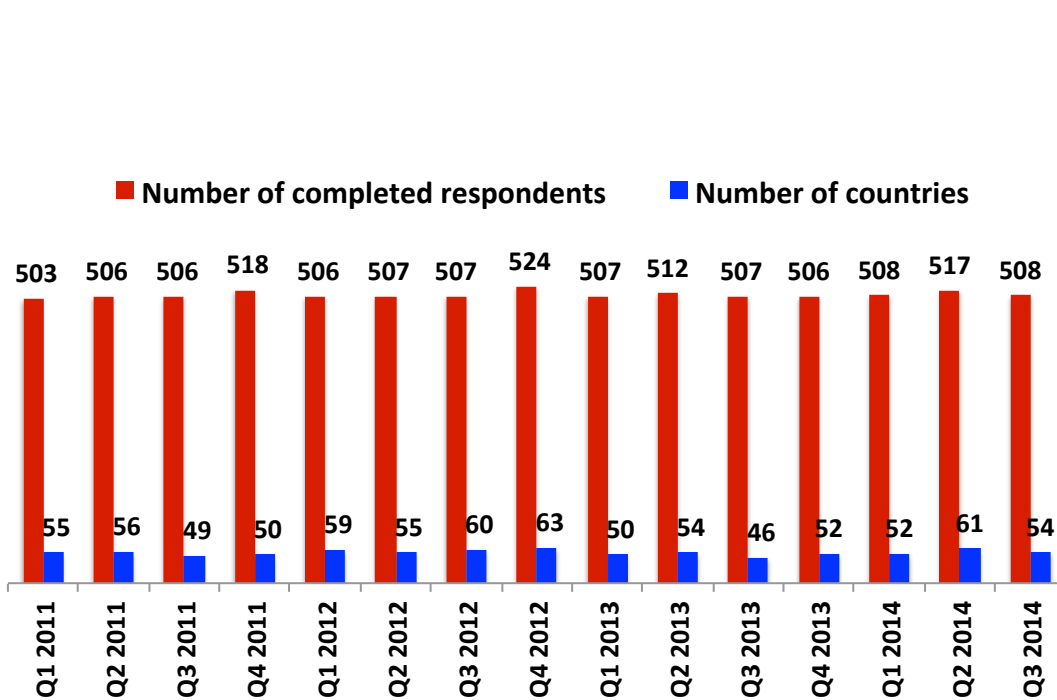
JETNET iQ Quarterly Surveys

- 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



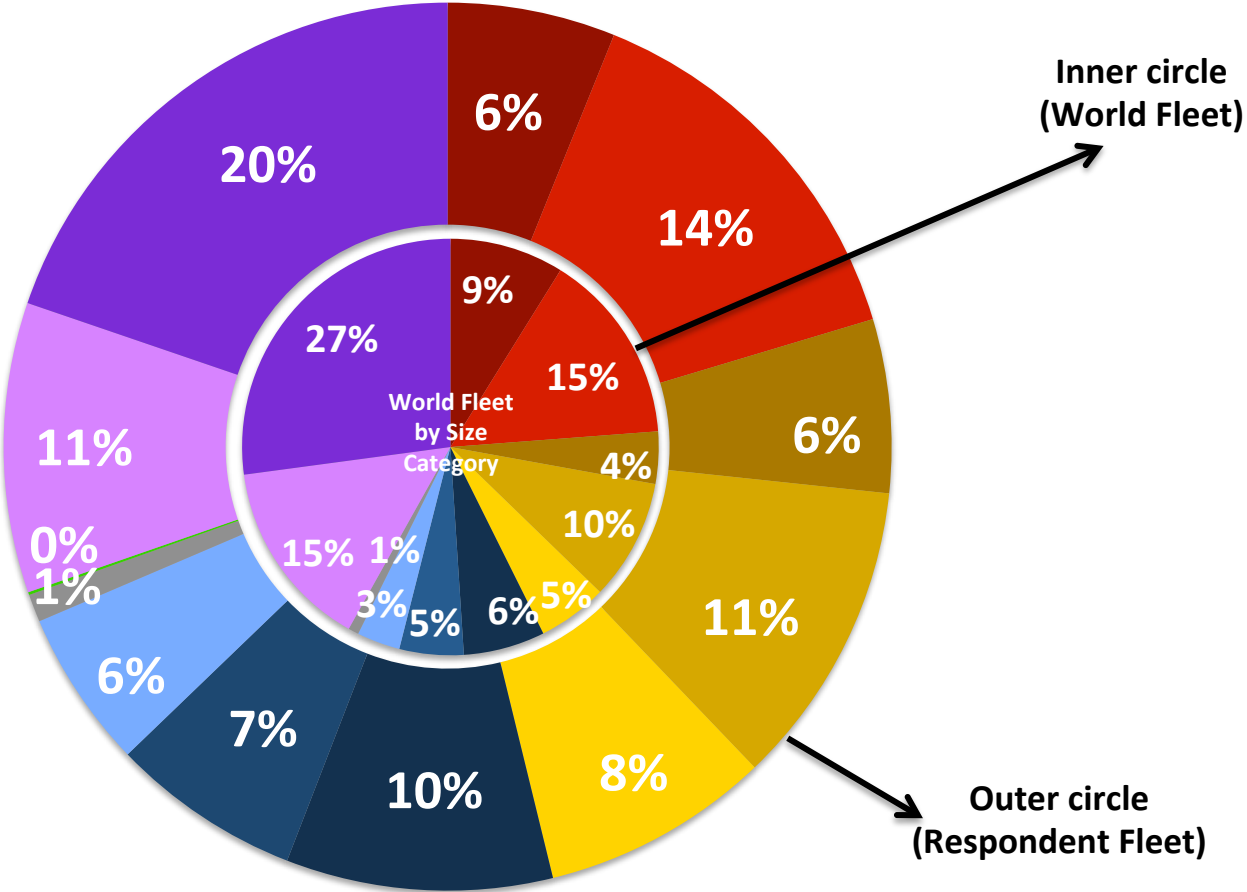
JETNET iQ Surveys: Since Q1 2011, >7,600 respondents from 119 countries

Survey Respondents' Fleet

By Aircraft Size Category

Q3 2014 Survey

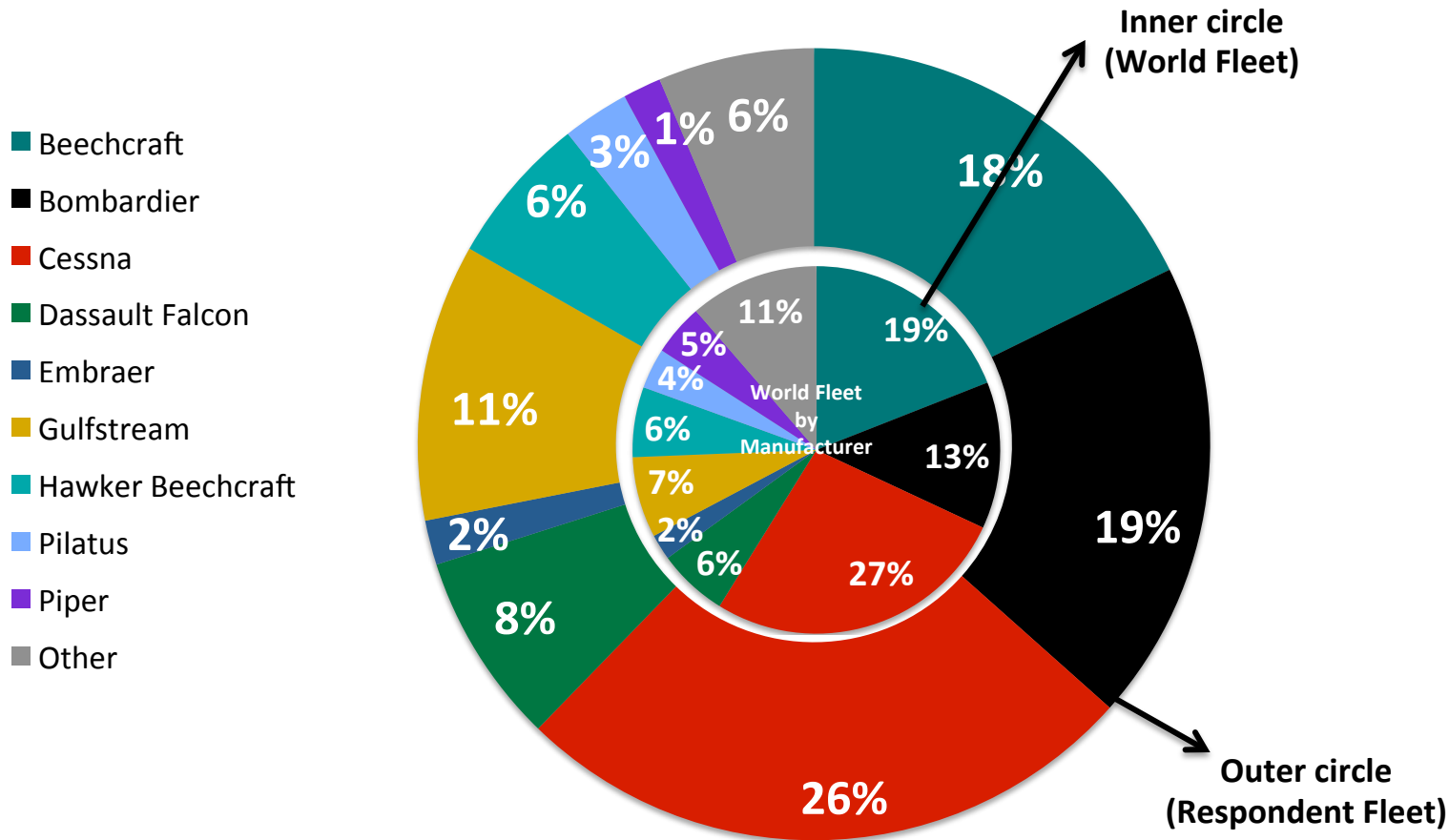
- Very Light Jet
- Light Jet
- Super Light Jet
- Mid-Size Jet
- Super Mid-Size Jet
- Large Jet
- Large Long-Range Jet
- Large Ultra Long-Range Jet
- Airline Business Jet
- Airliner Jet Converted
- Single-Engine Turbo-Prop
- Multi-Engine Turbo-Prop



Survey Respondents' Fleet

By Aircraft Manufacturer

Q3 2014 Survey



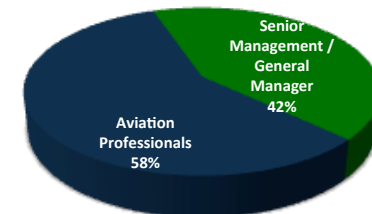
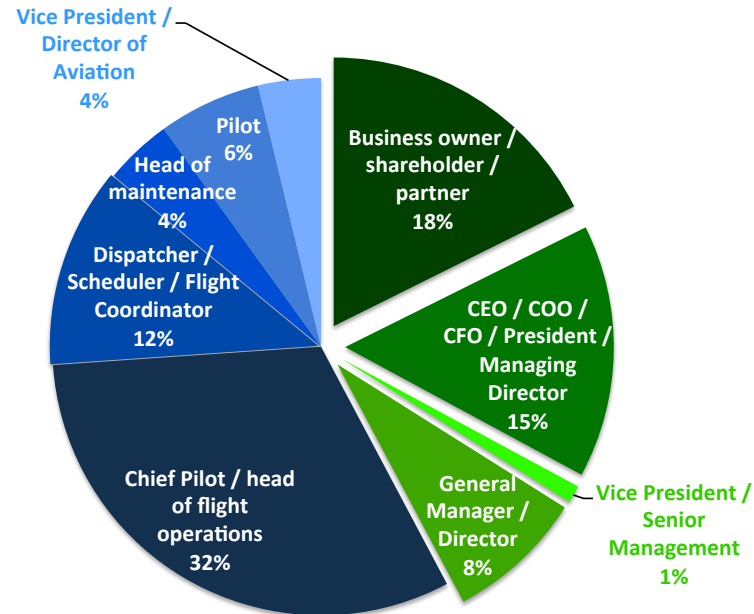
Survey Respondents' Roles

By Job Title

Q3 2014 Survey

Title of respondent	Completed
Business owner / shareholder / partner	117
CEO / COO / CFO / President / Managing Direct	101
Vice President / Senior Management	7
General Manager / Director	55
Chief Pilot / head of flight operations	210
Dispatcher / Scheduler / Flight Coordinator	80
Head of maintenance	27
Pilot	41
Vice President / Director of Aviation	25
Total	663

Note: Respondent was able to chose whichever applied

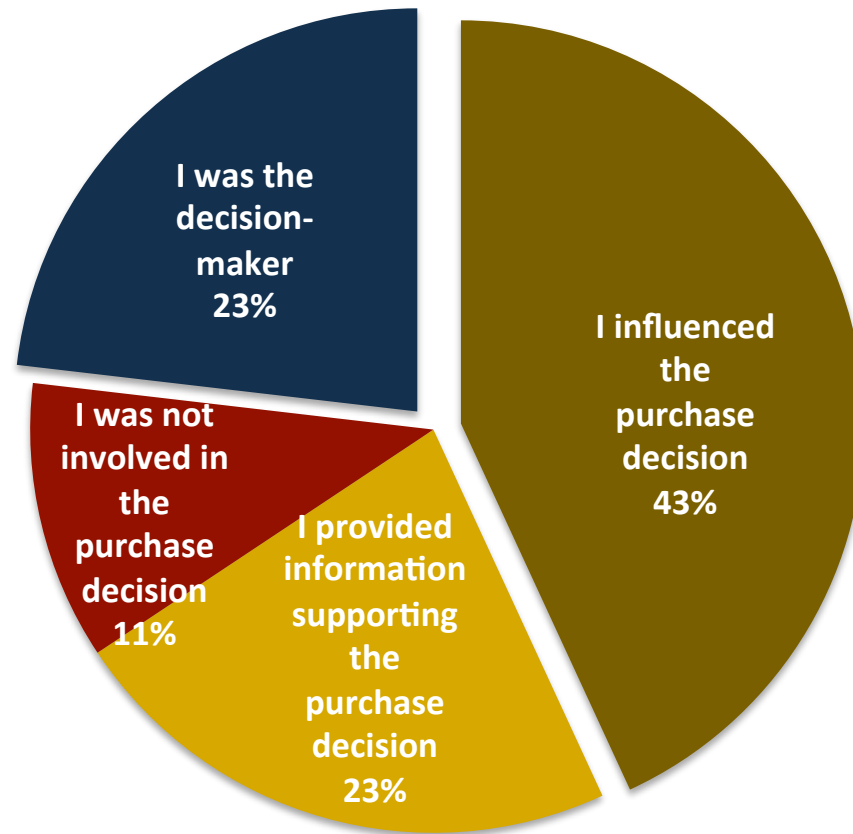


Aviation Professionals	383	58%
Senior Management / General Manager	280	42%

Survey Respondents' Roles

By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q3 2014 Survey

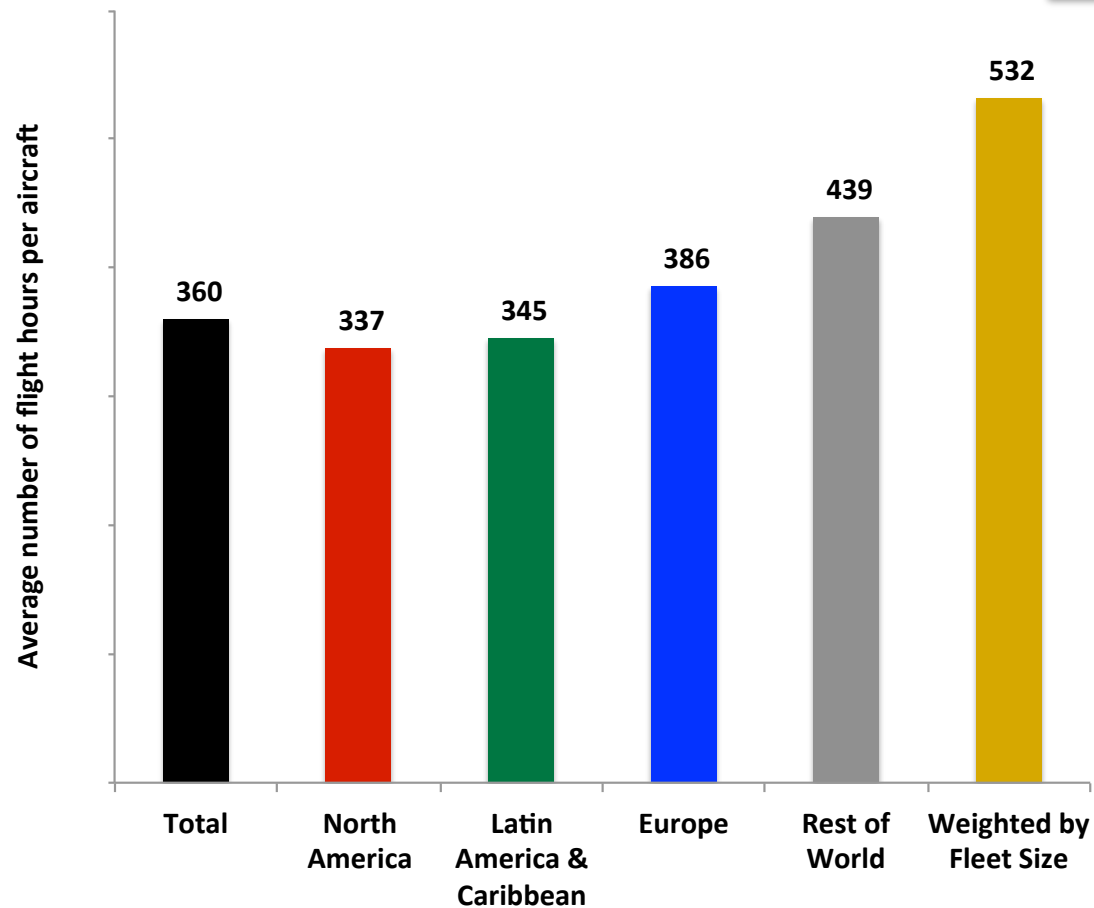


Survey Respondents' Flight Operations

Regional Average Utilization per Aircraft in Prior 12 Months

Average flight hours per year

Q3 2014 Survey

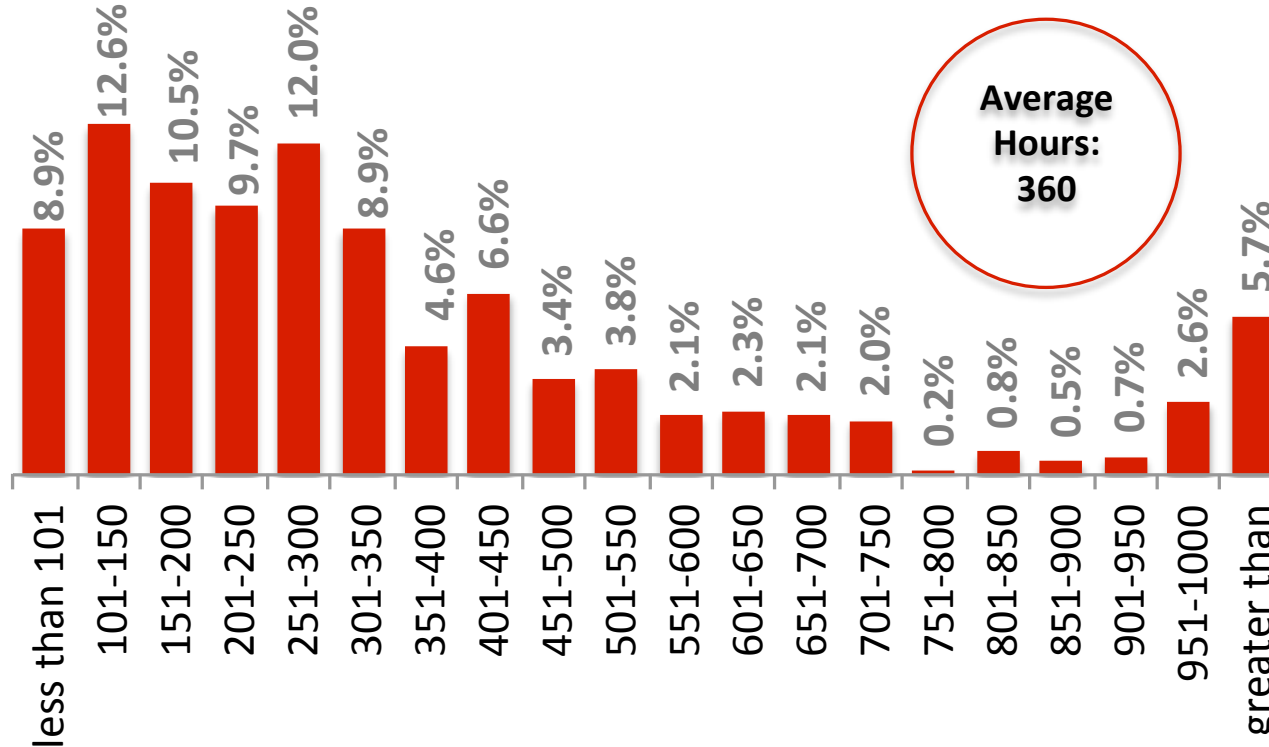


Survey Respondents' Flight Operations

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

Q3 2014 Survey

Annual Flight Hours Per Aircraft



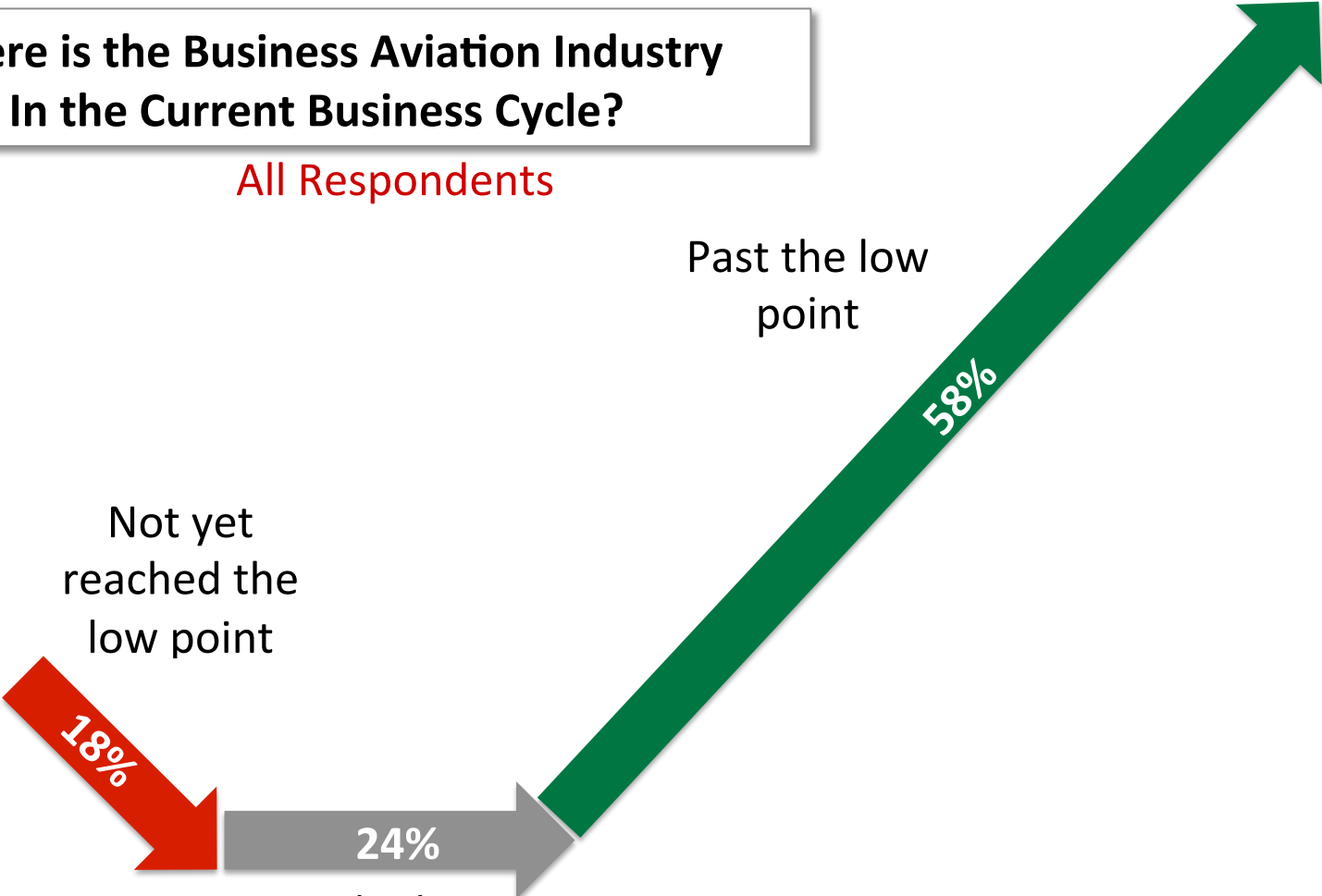
Survey Respondents' Sentiment

Current Market Sentiment

Q3 2014 Survey

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

All Respondents



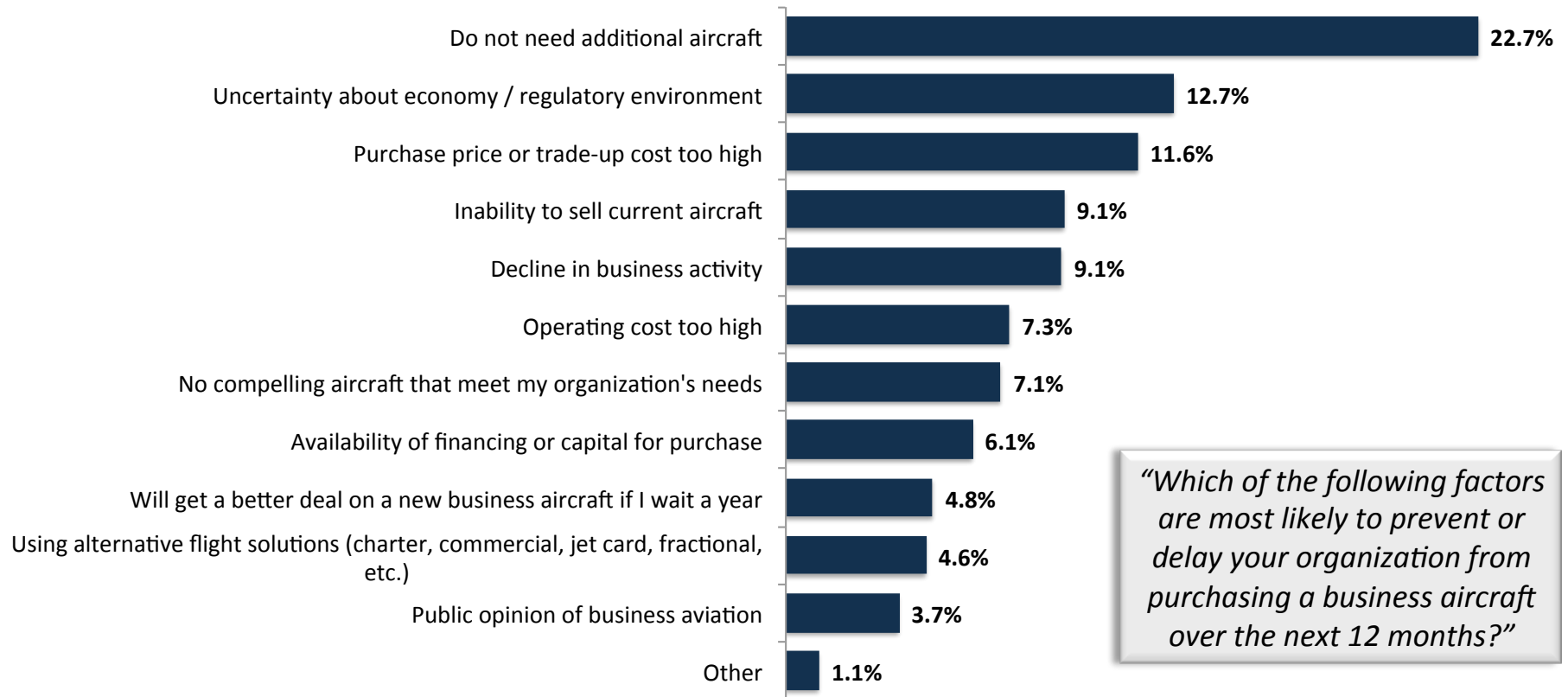
September 30, 2014

JETNET iQ Snap!: 3rd Quarter 2014 - Private & Confidential

Aircraft Purchase Inhibitors

Top 3 Inhibitors – Weighted Average

Q3 2014 Survey

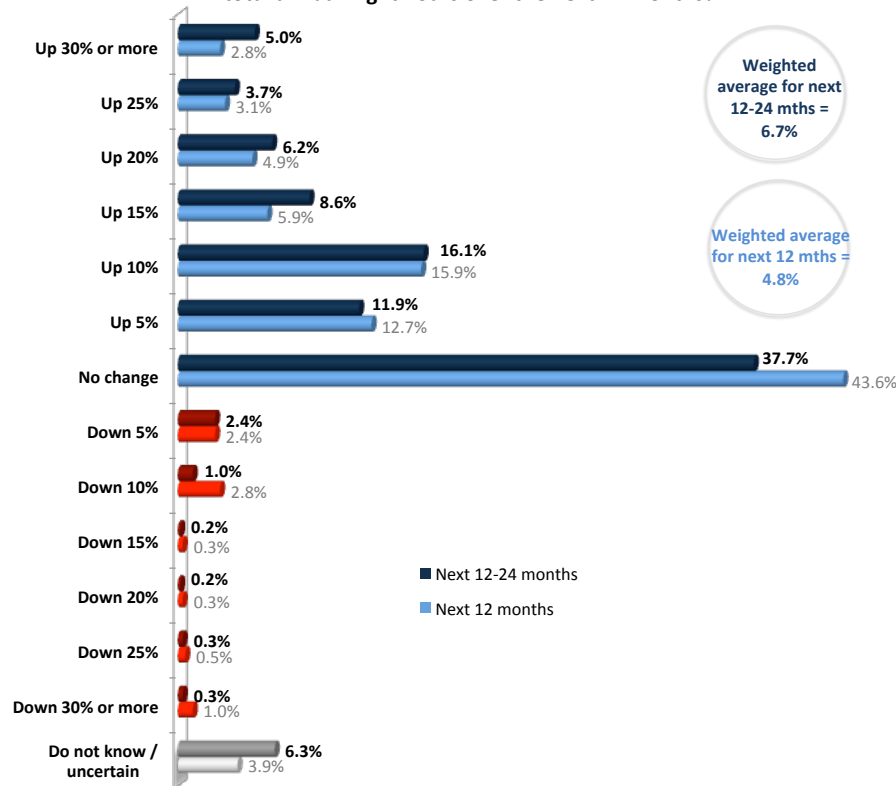


“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”

Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

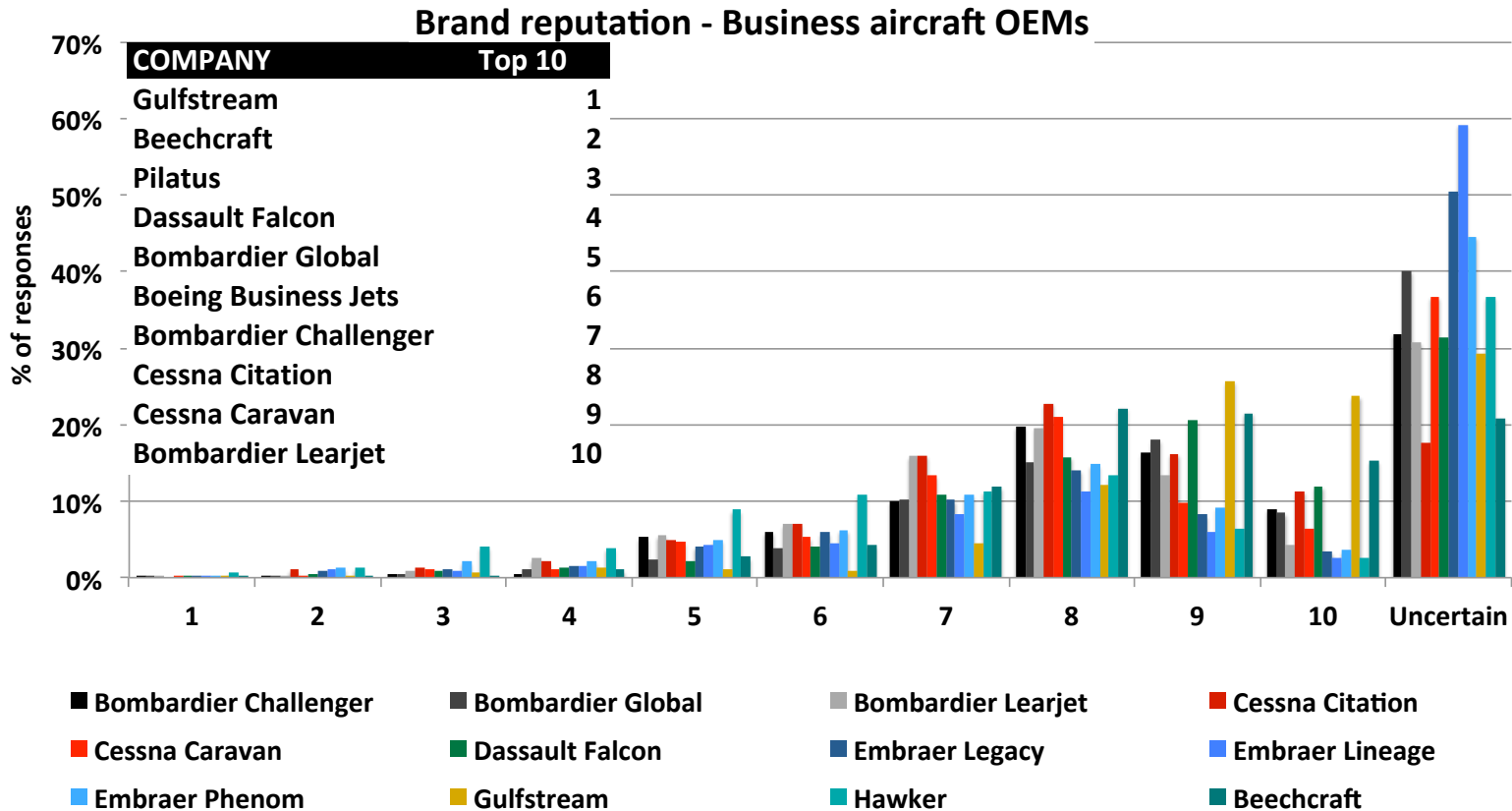
Compared with your past 12 months, what changes do you expect in your total annual flight hours over the next 24 months?



Respondents expect to fly 4.8% more hours in the next 12 months vs. prior 12 months

Brand Reputations

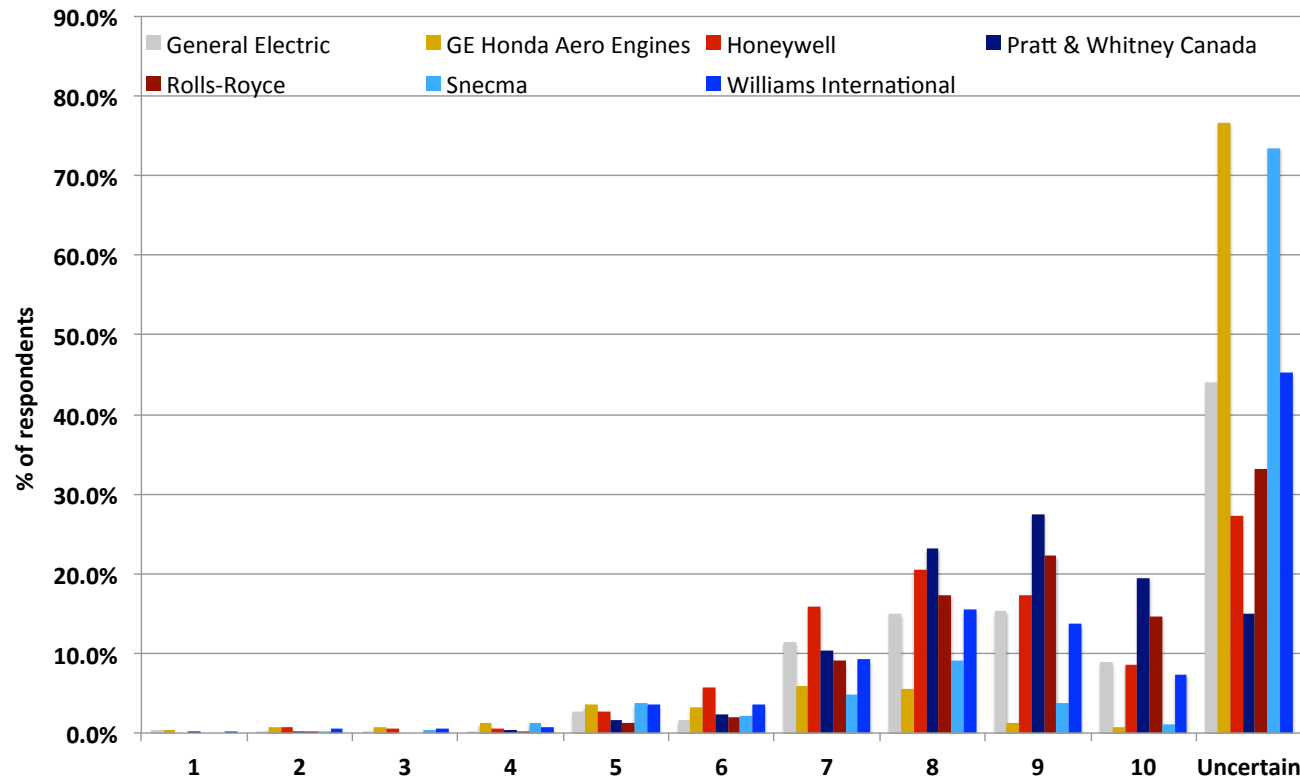
Aircraft Manufacturers on a 1-10 Scale, where “10” = Highest



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

Brand Reputations

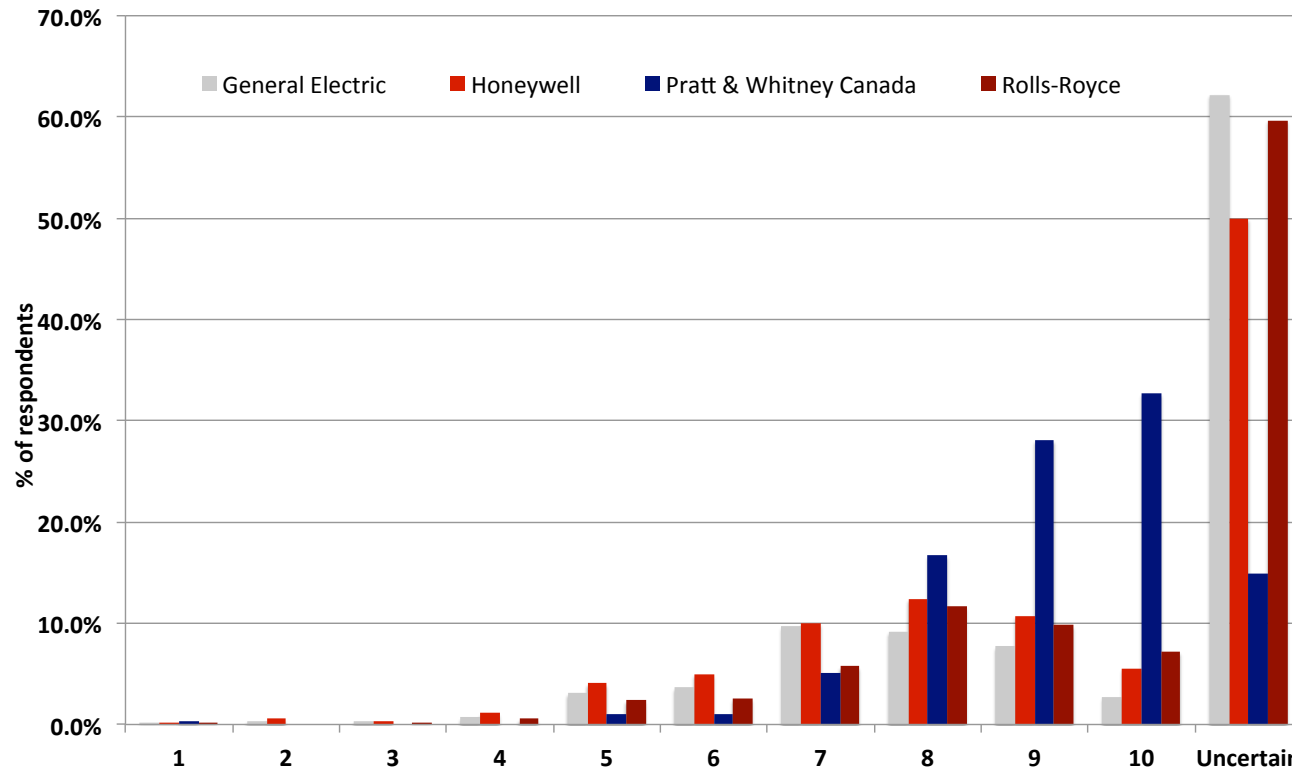
Jet Engine Manufacturers on a 1-10 Scale, where “10” = Highest



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

Brand Reputations

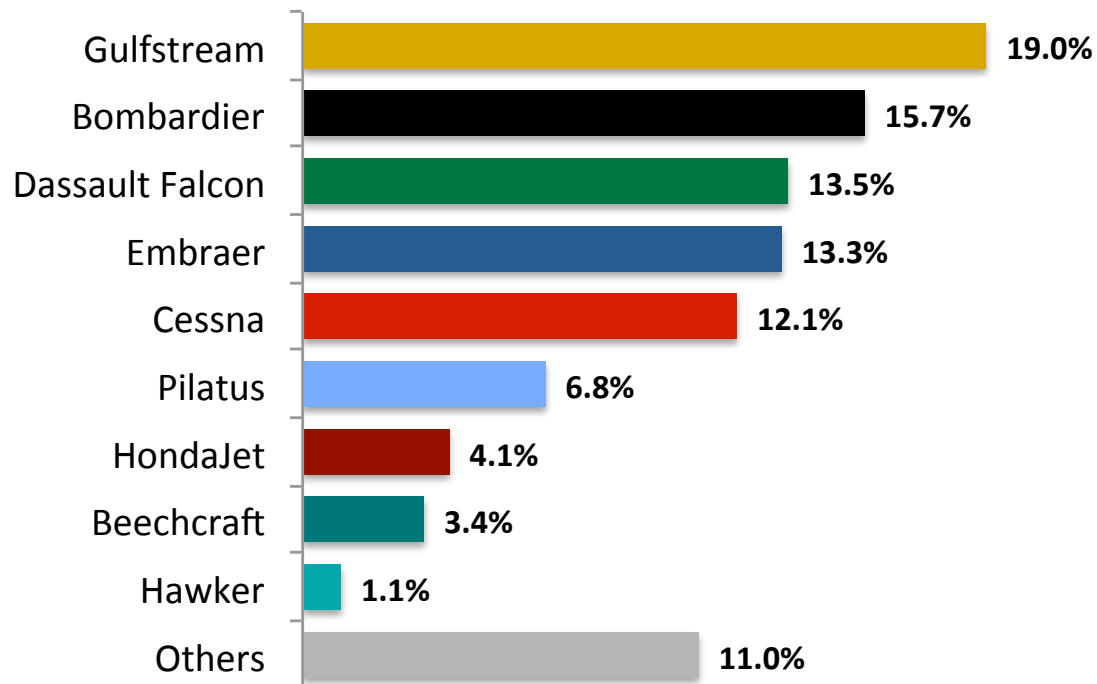
Turboprop Engine Manufacturers on a 1-10 Scale - "10" = Highest



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

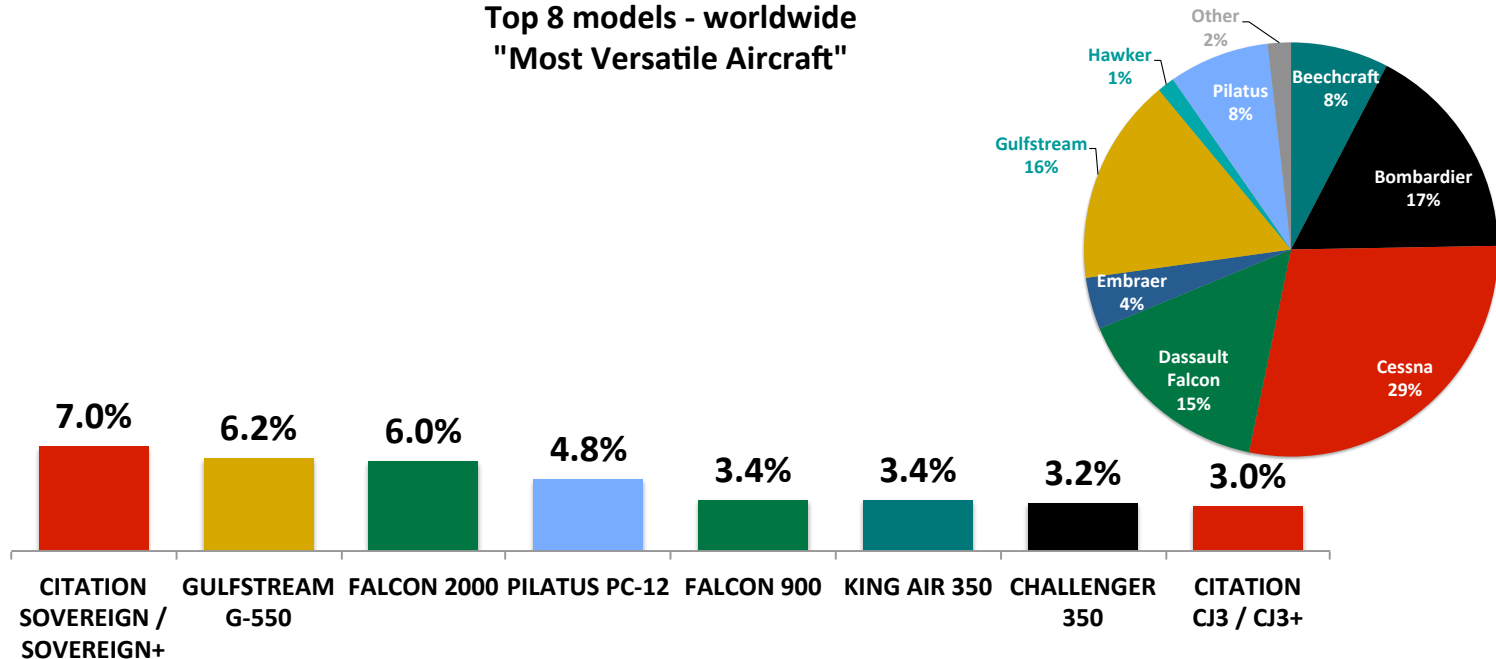


According to Q3 2014 survey respondents, Gulfstream, Bombardier, and Dassault Falcon are expected to be the most improved brands over the next 5-10 years

Aircraft Brands

“providing most versatile aircraft”

Top 8 models - worldwide
"Most Versatile Aircraft"

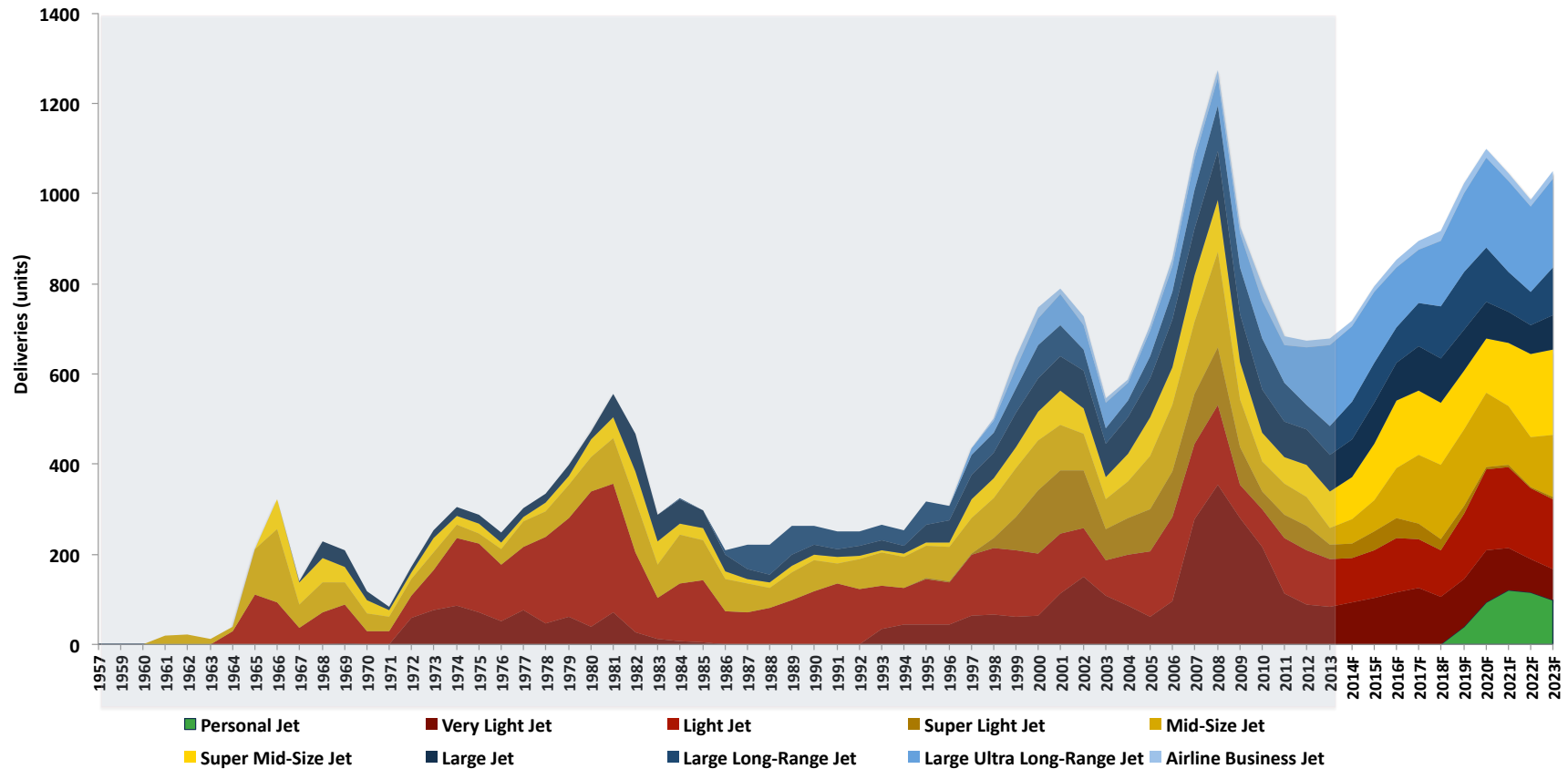


“Which aircraft brand provides the most versatile aircraft model that satisfies the broadest range of mission needs?”

According to Q3 2014 survey respondents, the Citation Sovereign is the most versatile aircraft, followed by the Gulfstream G-550 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.