



JETNET iQ *Snap!* Report

Q3 2015 Summary Report

Prepared for:
JETNET iQ Global Business Aviation Survey Respondents

September 30, 2015

JETNET iQ Snap!: 3rd Quarter 2015 - 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
 - Sales Price Index
 - Aviation Business Index
 - AvData Reports
 - Helidex
 - Rotodex
 - BigPlanes
- 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

- about JETNET
- solutions & services
- contact
- testimonials
- alliances
- news
- blog
- videos



- Evolution Marketplace >
- Evolution Aerodex >
- BigPlanes >
- Marketplace Manager >
- Sales Price Index >
- JETNET Mobile >
- JETNET iQ >
- Aviation Business Index >
- AvData Reports >



Founding Member of



>> 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

JETNET iQ GLOBAL BUSINESS AVIATION SURVEY - Q2 2015 English

WELCOME



* 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:

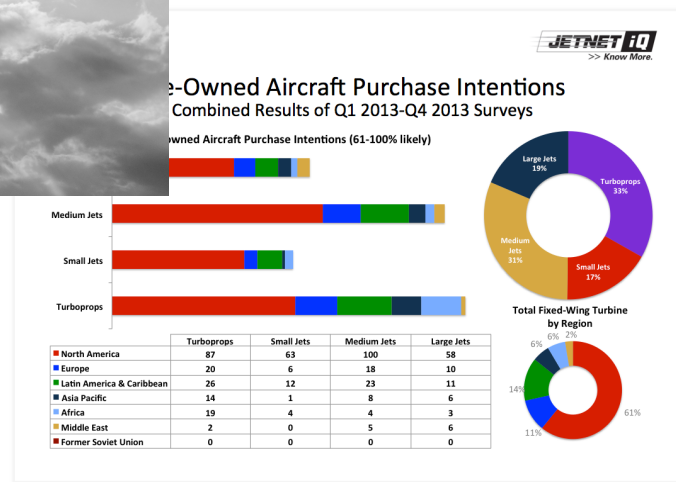
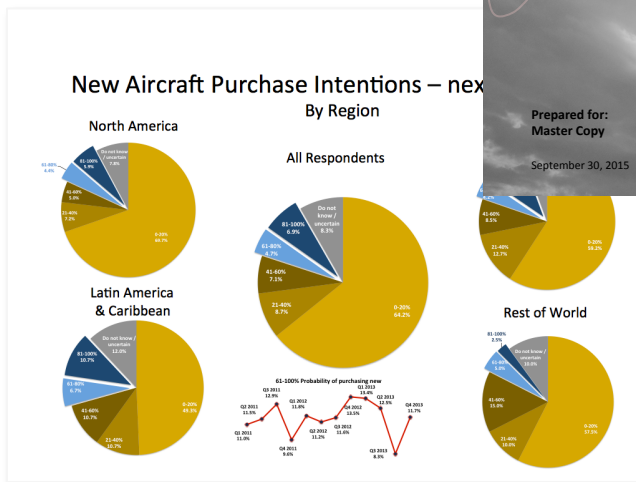
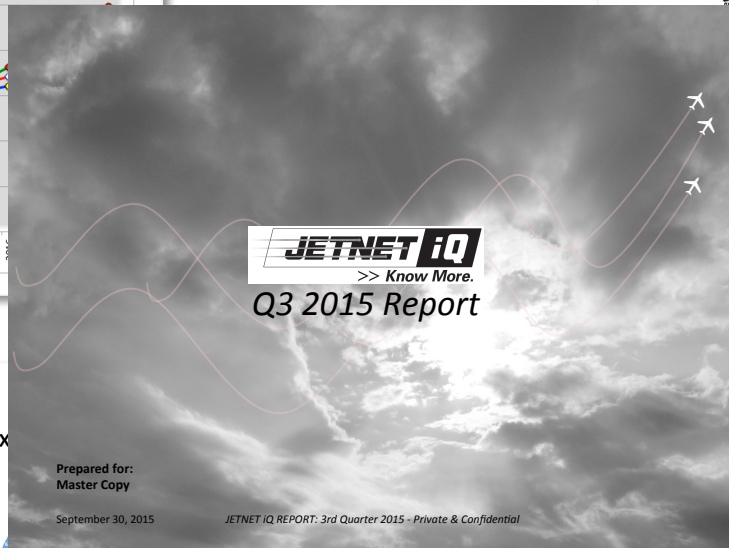
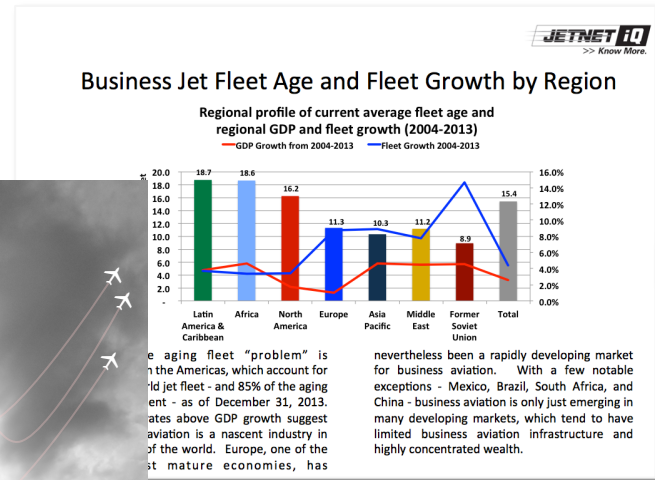
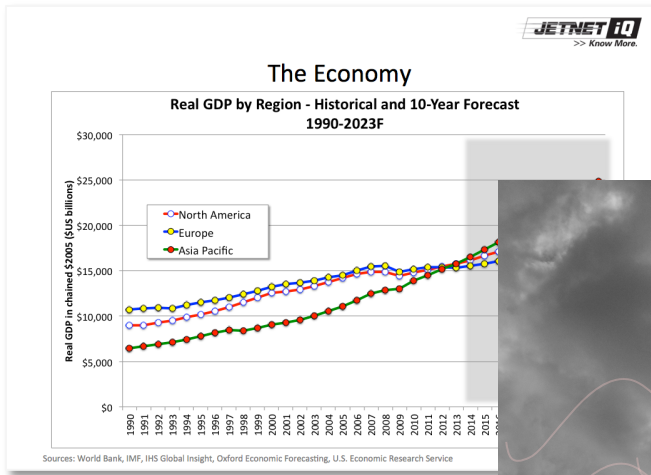


Global Business Aviation Survey

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



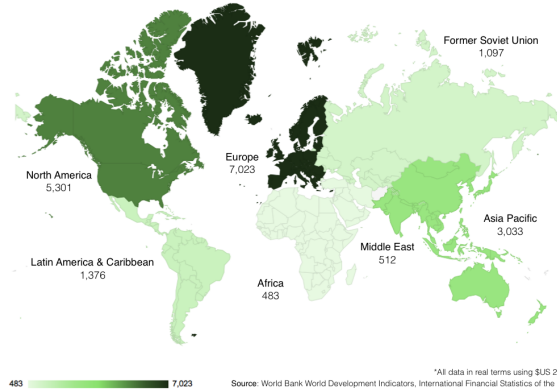
JETNET iQ Summits

- Thought leadership and networking conferences
- 5th Global Business Aviation Summit:
 - June 23-24, 2015 - New York City
 - <http://www.jetnetiq.com/summit.shtml>

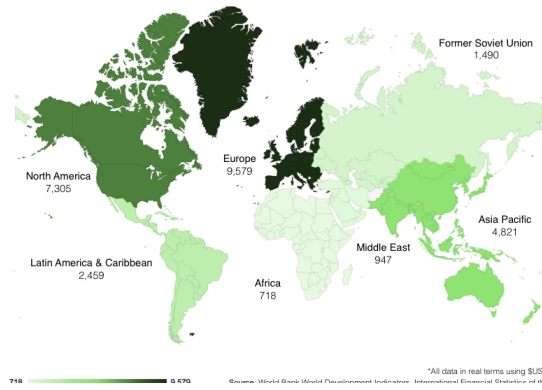


The Global Economy

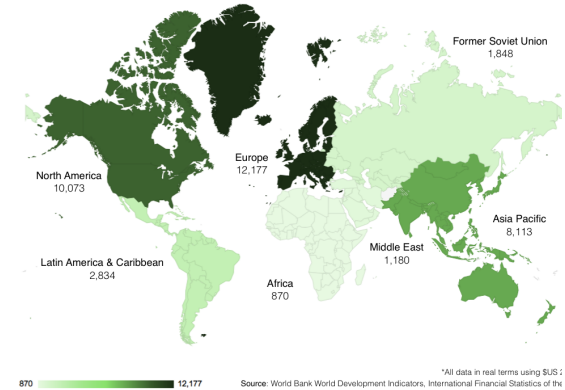
Regional GDP in 1970 (\$US 2010 Billion)



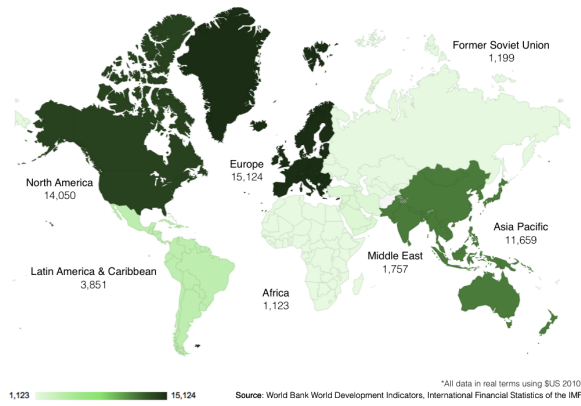
Regional GDP in 1980 (\$US 2010 Billion)



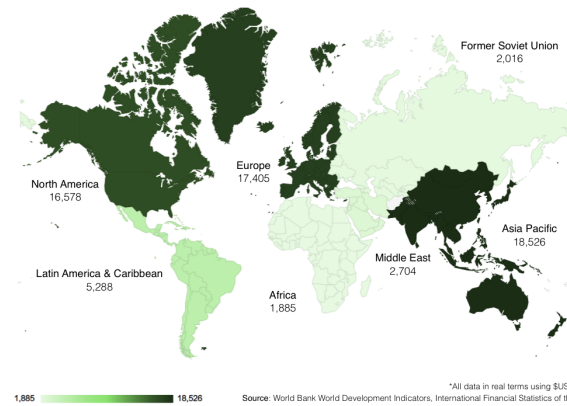
Regional GDP in 1990 (\$US 2010 Billion)



Regional GDP in 2000 (\$US 2010 Billion)



Regional GDP in 2010 (\$US 2010 Billion)

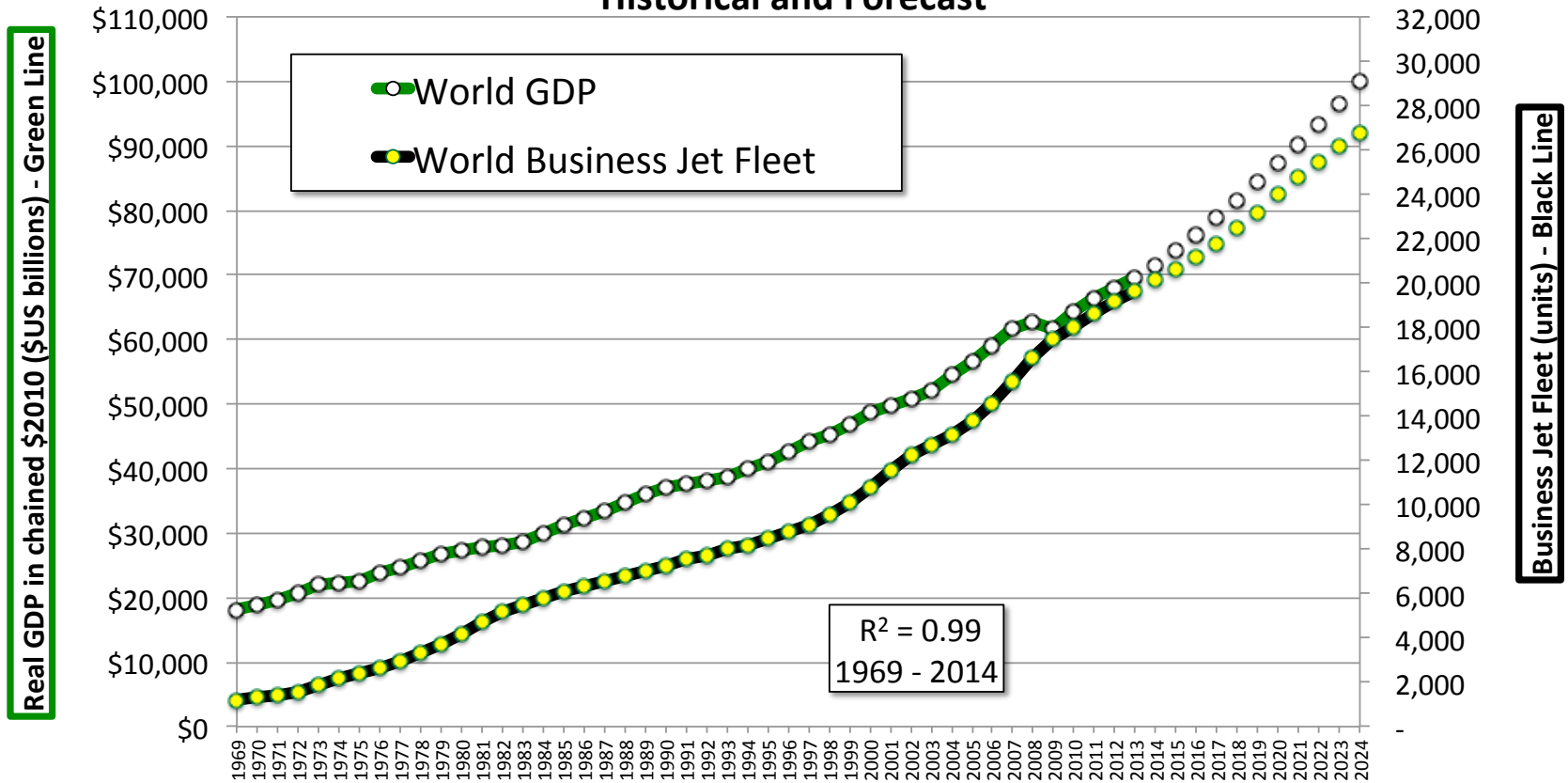


Sources: U.S. Economic Research Service

GDP growth has been strongest in the Asia, Latin America & Caribbean and Africa

The Economy

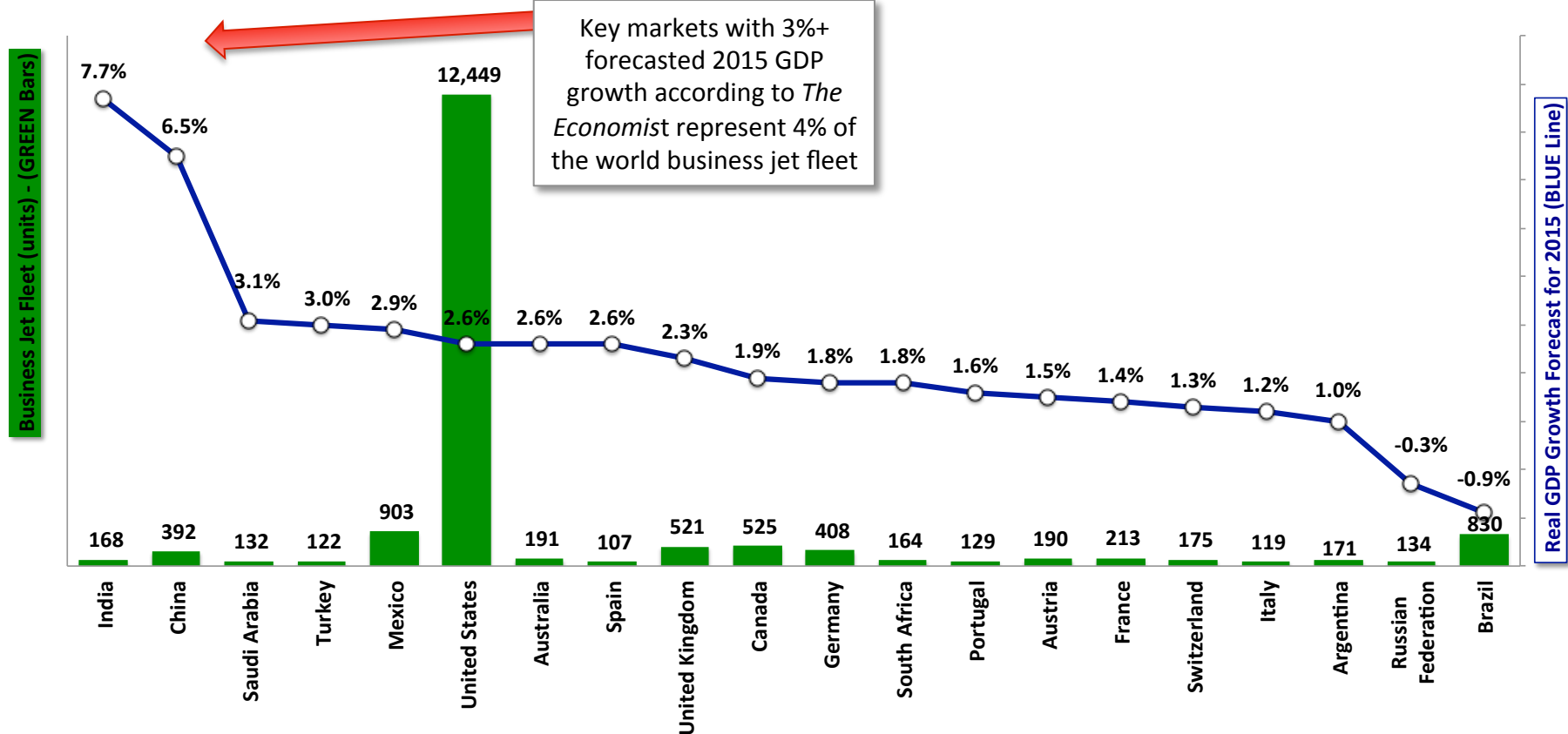
**World GDP and World Business Jet Fleet
Historical and Forecast**



Business jet fleet growth is tightly correlated with world GDP growth

The Economy

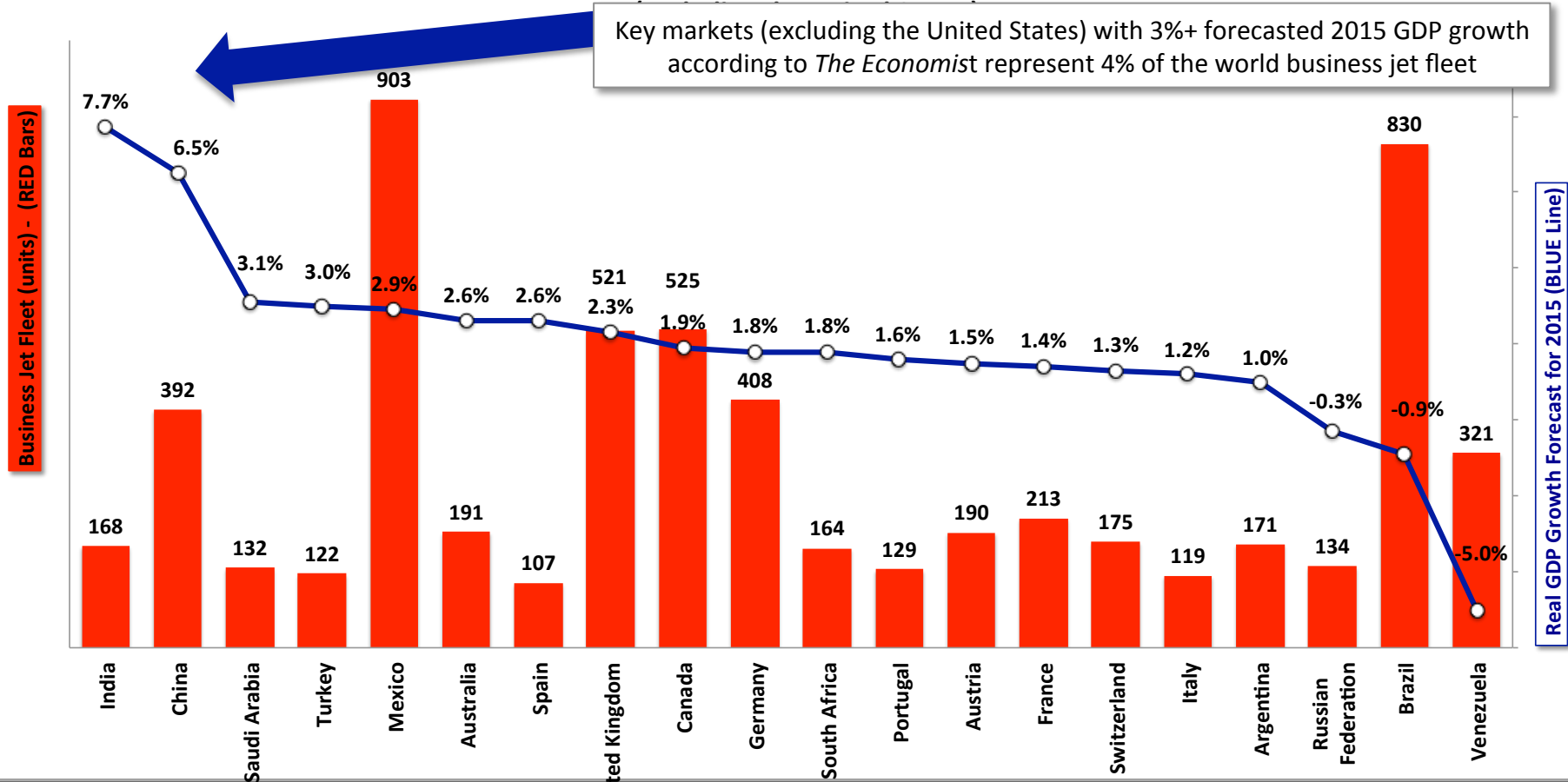
2015 GDP Forecasts and "Top 20" Business Jet Fleets



Mexico and Brazil - next largest fleets after the USA; India - fastest growing economy

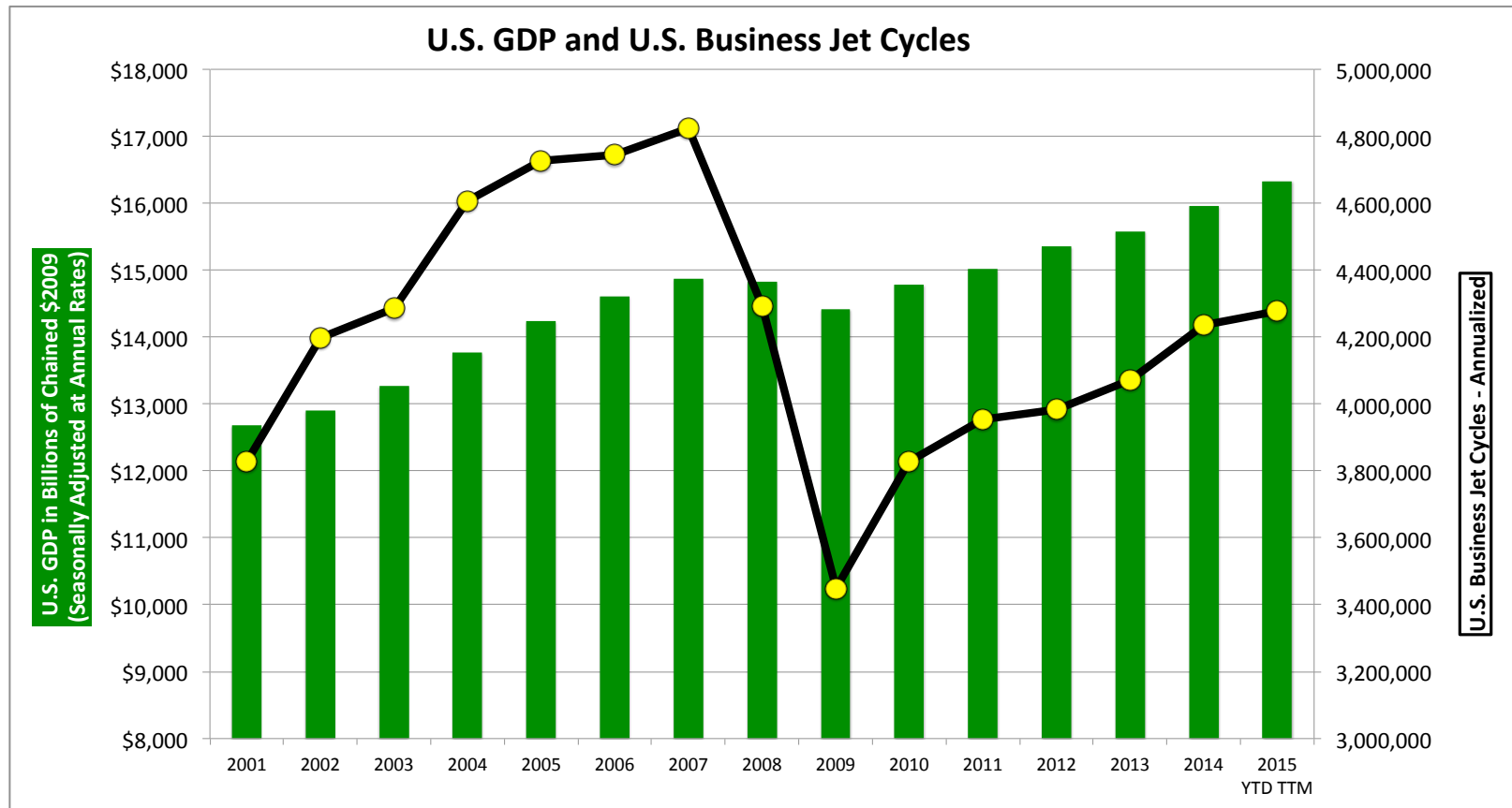
The Economy

2015 GDP Forecasts and "Top 20" Business Jet Fleets



"Top 20" business aviation countries have widely divergent economic outlooks

The Economy



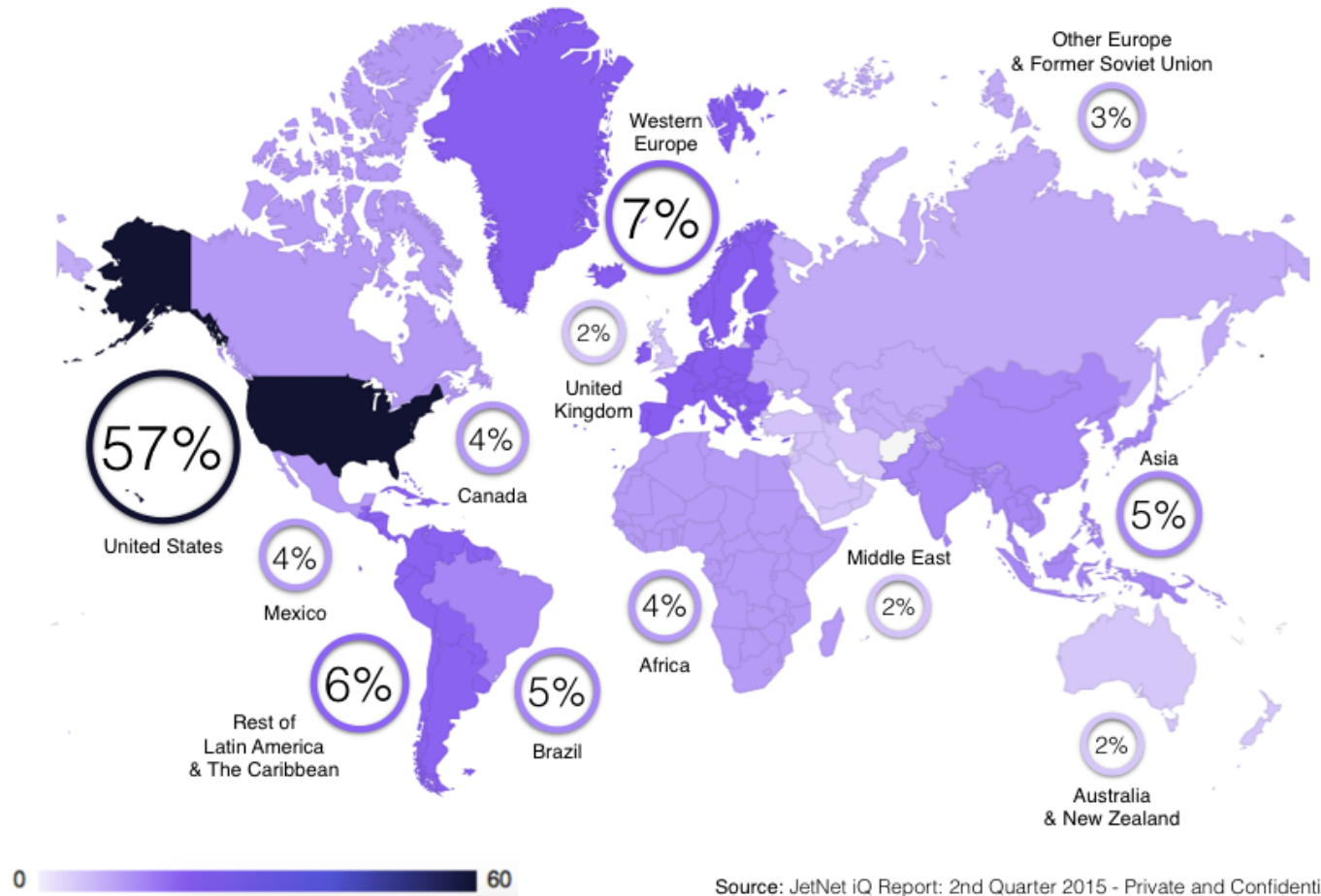
Sources: U.S. BEA, FAA

U.S. business jet cycles have steadily increased but remain below 2003-2008 levels

Business Aircraft Fleet by Region

Percentage of Total Fleet by Region

As of Q3 2015

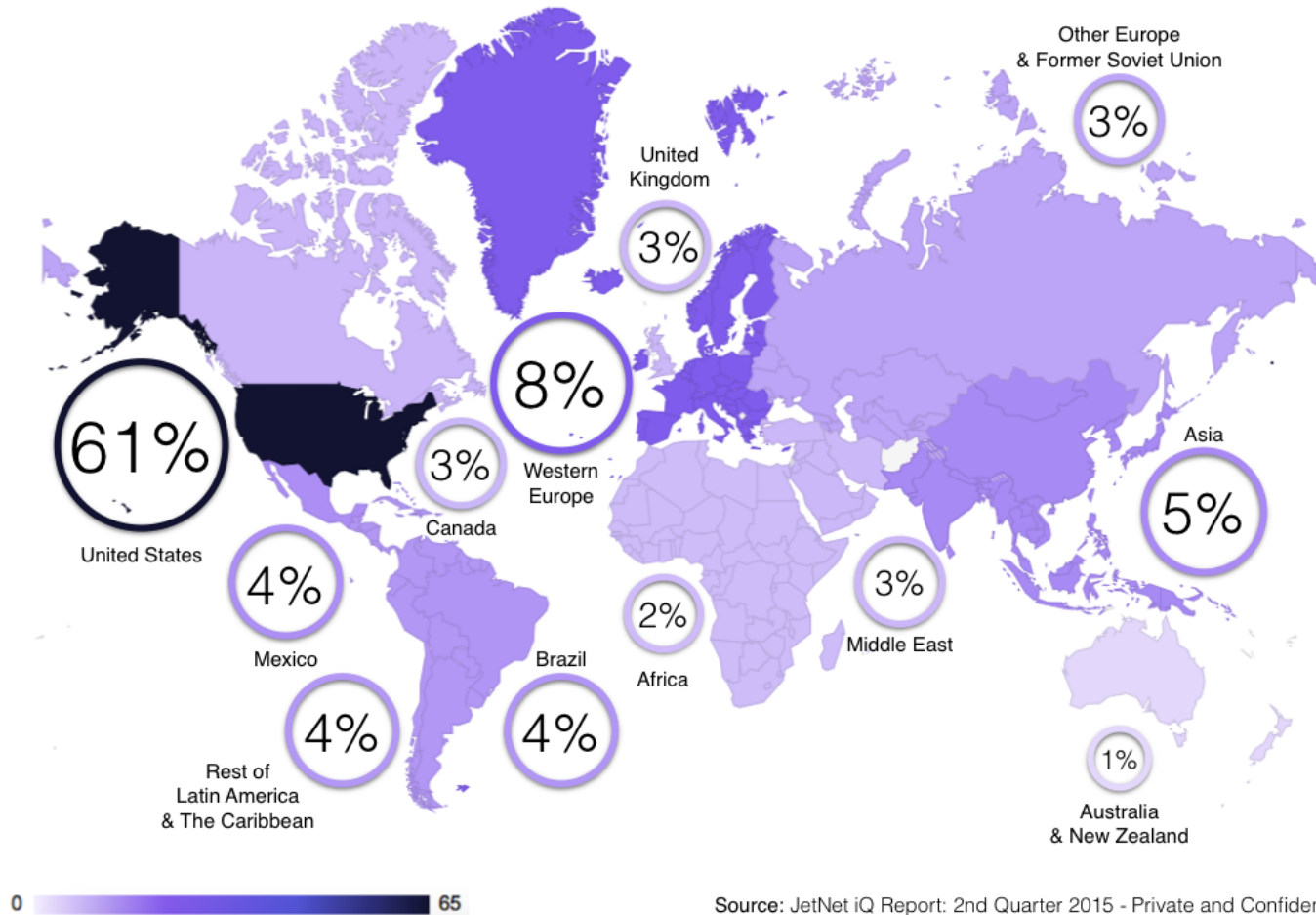


Source: JetNet iQ Report: 2nd Quarter 2015 - Private and Confidential

Business Jet Fleet by Region

Percentage of Business Jet Fleet by Region

As of Q2 2015

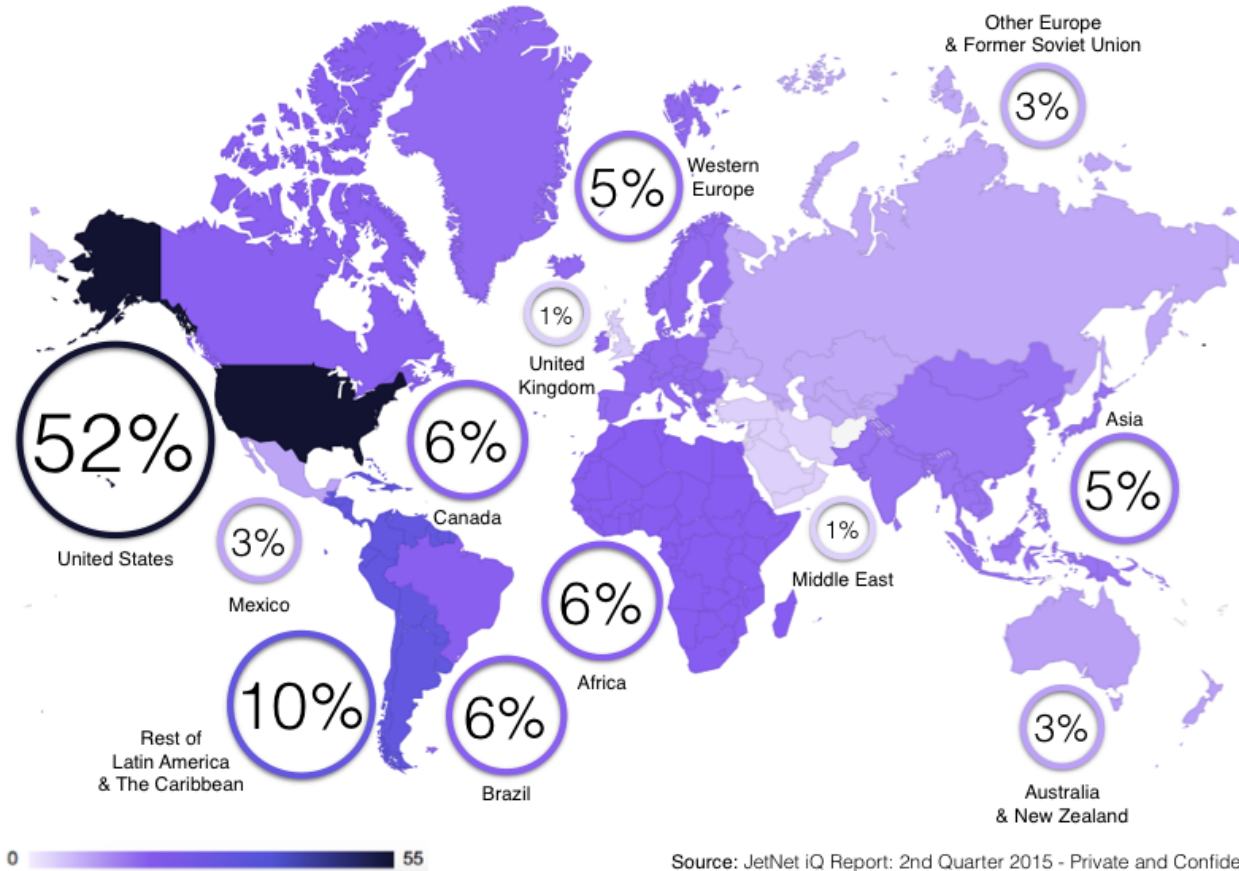


Source: JetNet iQ Report: 2nd Quarter 2015 - Private and Confidential

Business Turboprop Fleet by Region

Percentage of Turboprop Fleet by Region

As of Q2 2015



Source: JetNet iQ Report: 2nd Quarter 2015 - Private and Confidential

Business Jet Fleet by Manufacturer

NORTH AMERICA OEM	Fleet as of Sep 30, 2015
Beechcraft	254
Bombardier	2,787
Cessna Citation	4,511
Dassault Falcon	1,298
Embraer	387
Gulfstream	1,703
Hawker	1,253
Other	781
Total	12,974

EUROPE OEM	Fleet as of Sep 30, 2015
Beechcraft	19
Bombardier	571
Cessna Citation	840
Dassault Falcon	447
Embraer	117
Gulfstream	192
Hawker	189
Other	146
Total	2,521

FORMER SOVIET UNION OEM	Fleet as of Sep 30, 2015
Beechcraft	-
Bombardier	73
Cessna Citation	16
Dassault Falcon	24
Embraer	23
Gulfstream	24
Hawker	36
Other	20
Total	216

MIDDLE EAST OEM	Fleet as of Sep 30, 2015
Beechcraft	4
Bombardier	114
Cessna Citation	60
Dassault Falcon	62
Embraer	38
Gulfstream	91
Hawker	62
Other	80
Total	511

LATIN AMERICA & CARIBBEAN OEM	Fleet as of Sep 30, 2015
Beechcraft	68
Bombardier	638
Cessna Citation	829
Dassault Falcon	147
Embraer	200
Gulfstream	188
Hawker	314
Other	177
Total	2,561

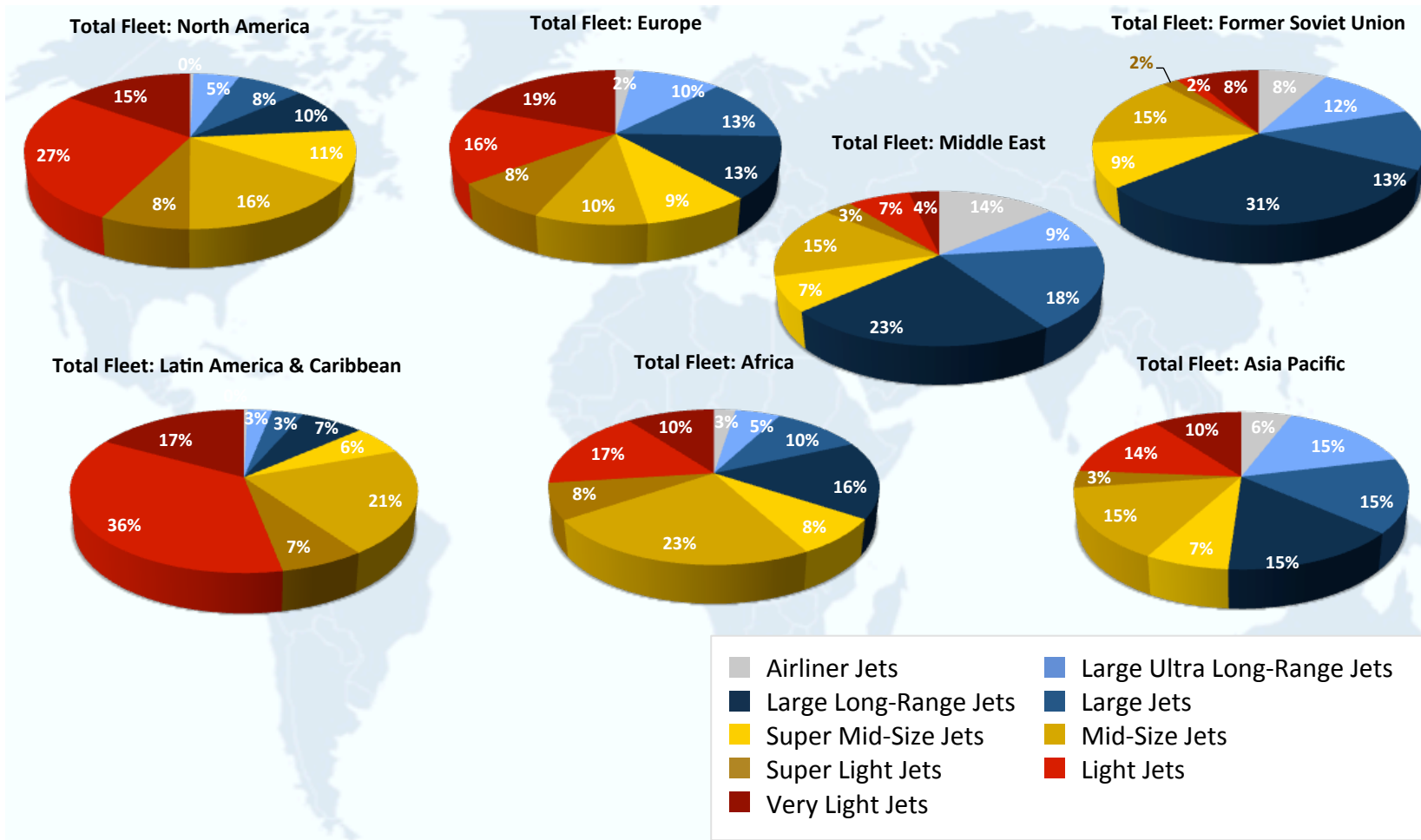
AFRICA OEM	Fleet as of Sep 30, 2015
Beechcraft	5
Bombardier	91
Cessna Citation	105
Dassault Falcon	65
Embraer	21
Gulfstream	60
Hawker	110
Other	21
Total	478

ASIA PACIFIC OEM	Fleet as of Sep 30, 2015
Beechcraft	10
Bombardier	260
Cessna Citation	220
Dassault Falcon	95
Embraer	71
Gulfstream	249
Hawker	143
Other	100
Total	1,148

World business jet fleet was 20,409 jets on September 30, 2015

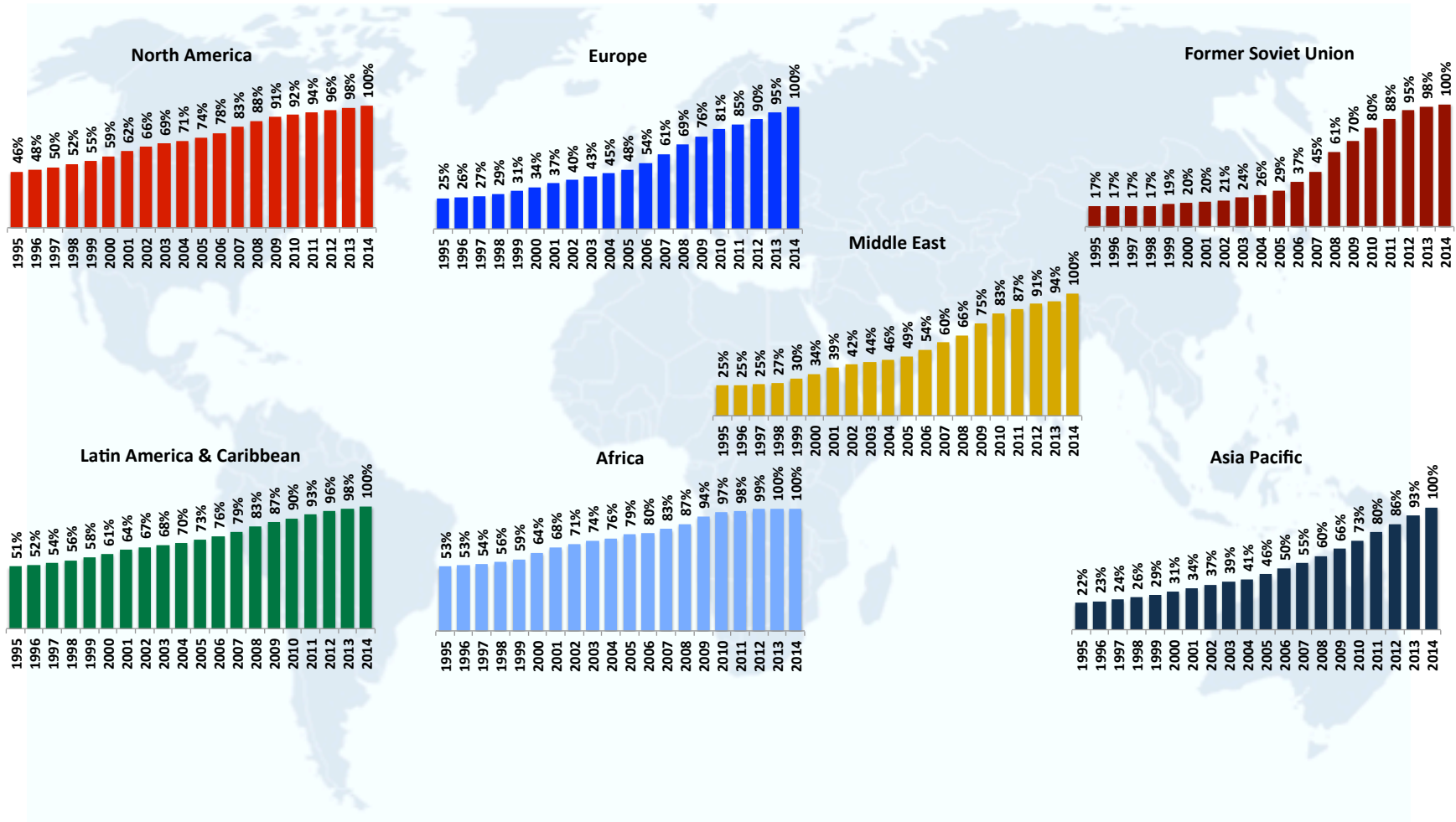
Business Jet Fleet by Size Category

September 30, 2015

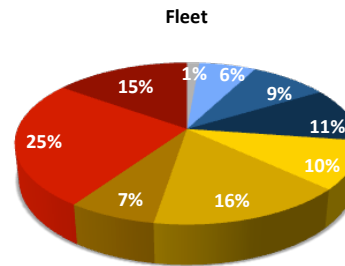
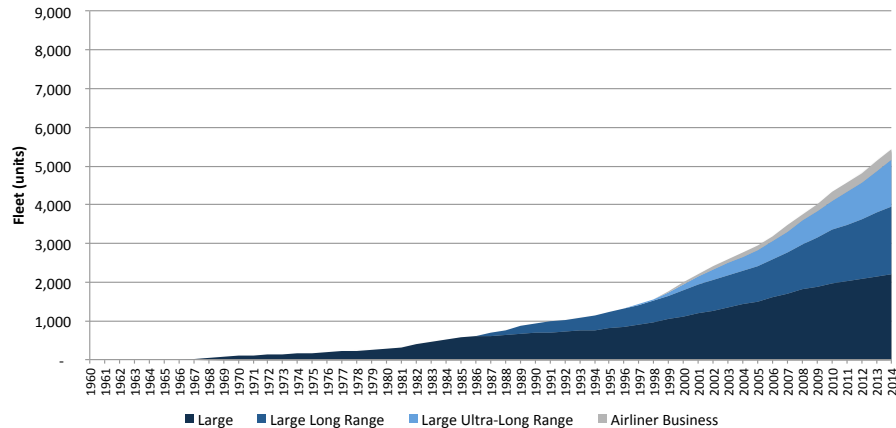
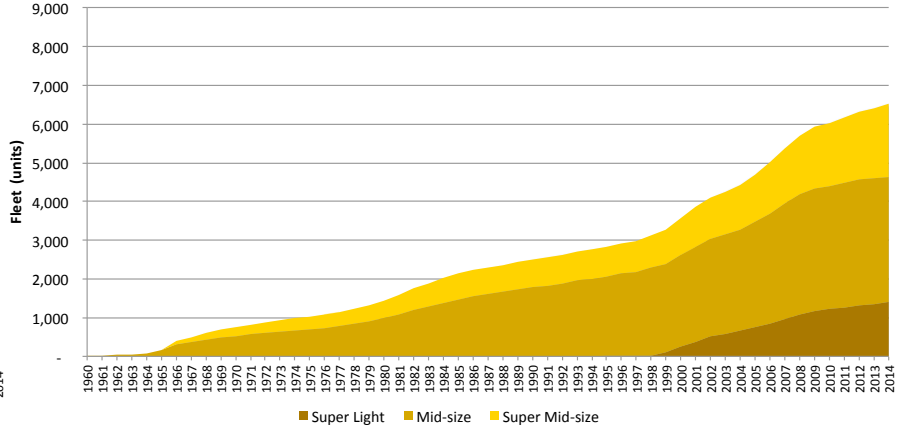
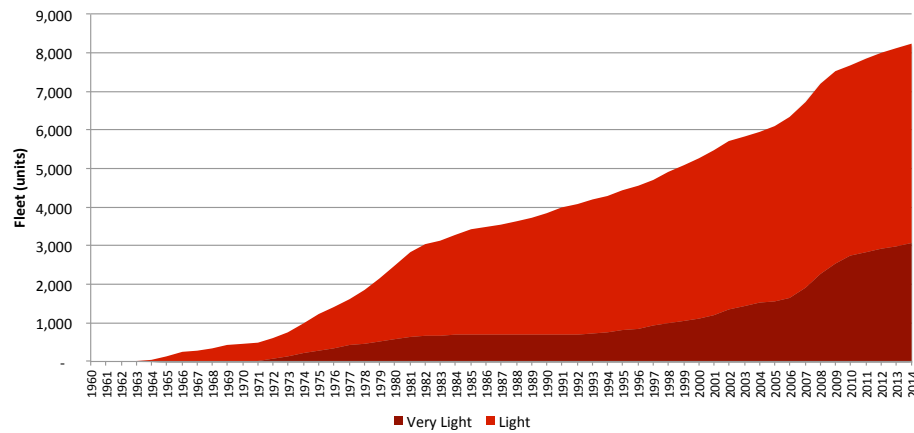


Business Jet Fleet Growth: 1995-2014

Fleet in Years 1995 to 2014 as a % of Year-End 2014 Fleet by Region



Business Jet Fleet by Size Category Fleet in Years 1960 - 2014

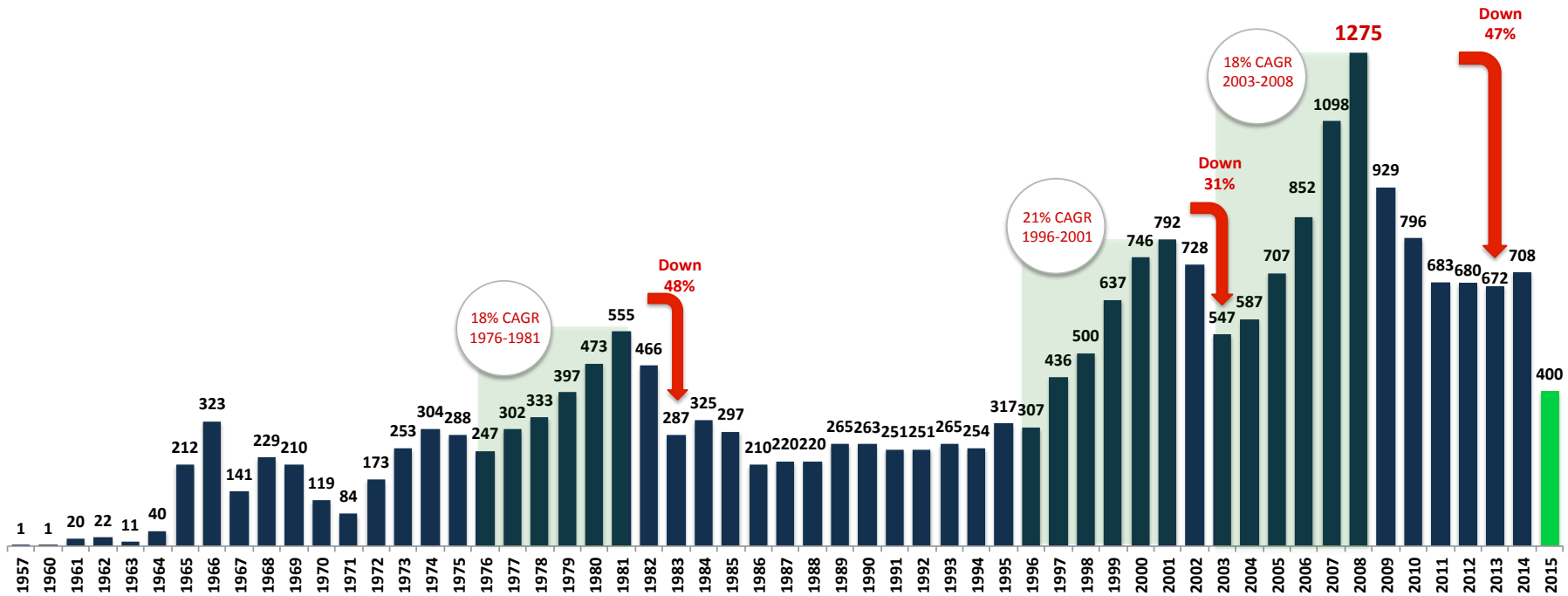


Business Jet Fleet as of September 30, 2015	
By size category	
Airliner Business	280
Large Ultra-Long Range	1,293
Large Long Range	1,776
Large Jets	2,221
Super Mid-size Jets	1,955
Mid-size Jets	3,207
Super Light Jets	1,435
Light Jets	5,161
Very Light Jets	3,081
Total	20,409

Business Jet Deliveries (units)

Note: 2015 deliveries are Year-to-Date through Sept 30, 2015

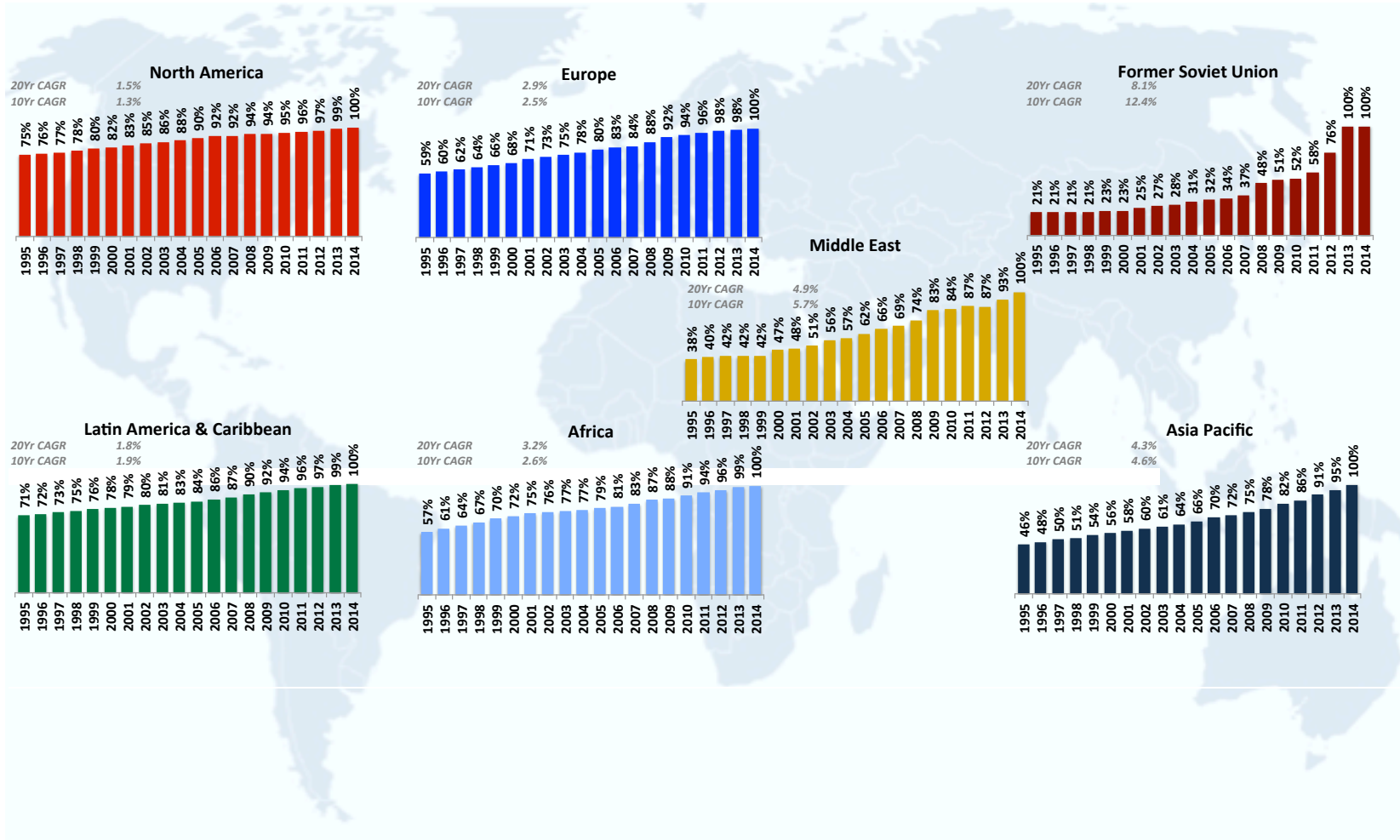
Business Jet Deliveries



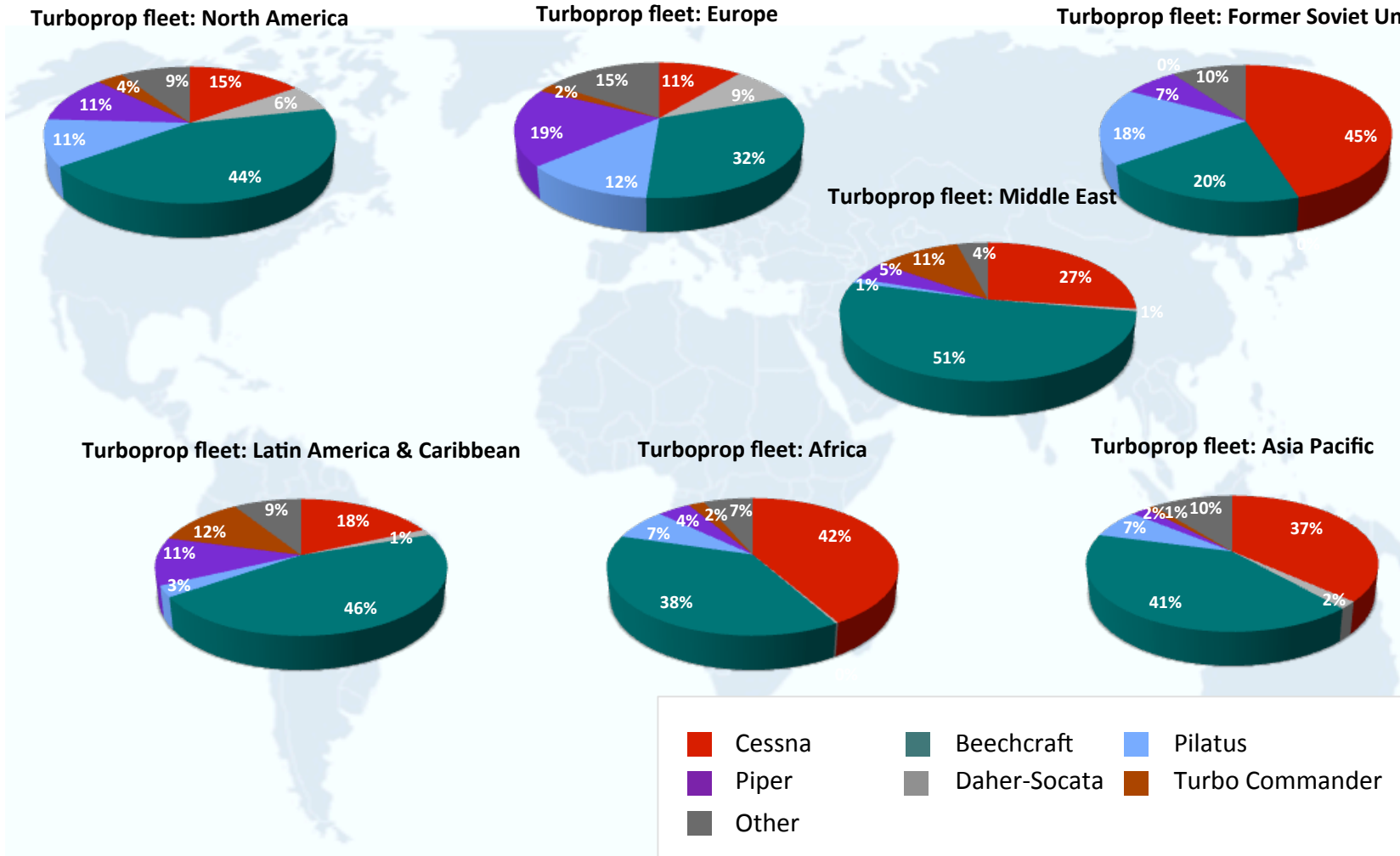
**New business jet delivery units have remained relatively flat for 4 years;
New business jet delivery value in 2014 was about \$22B based on equipped list prices**

Turboprop Fleet Growth: 1995-2014

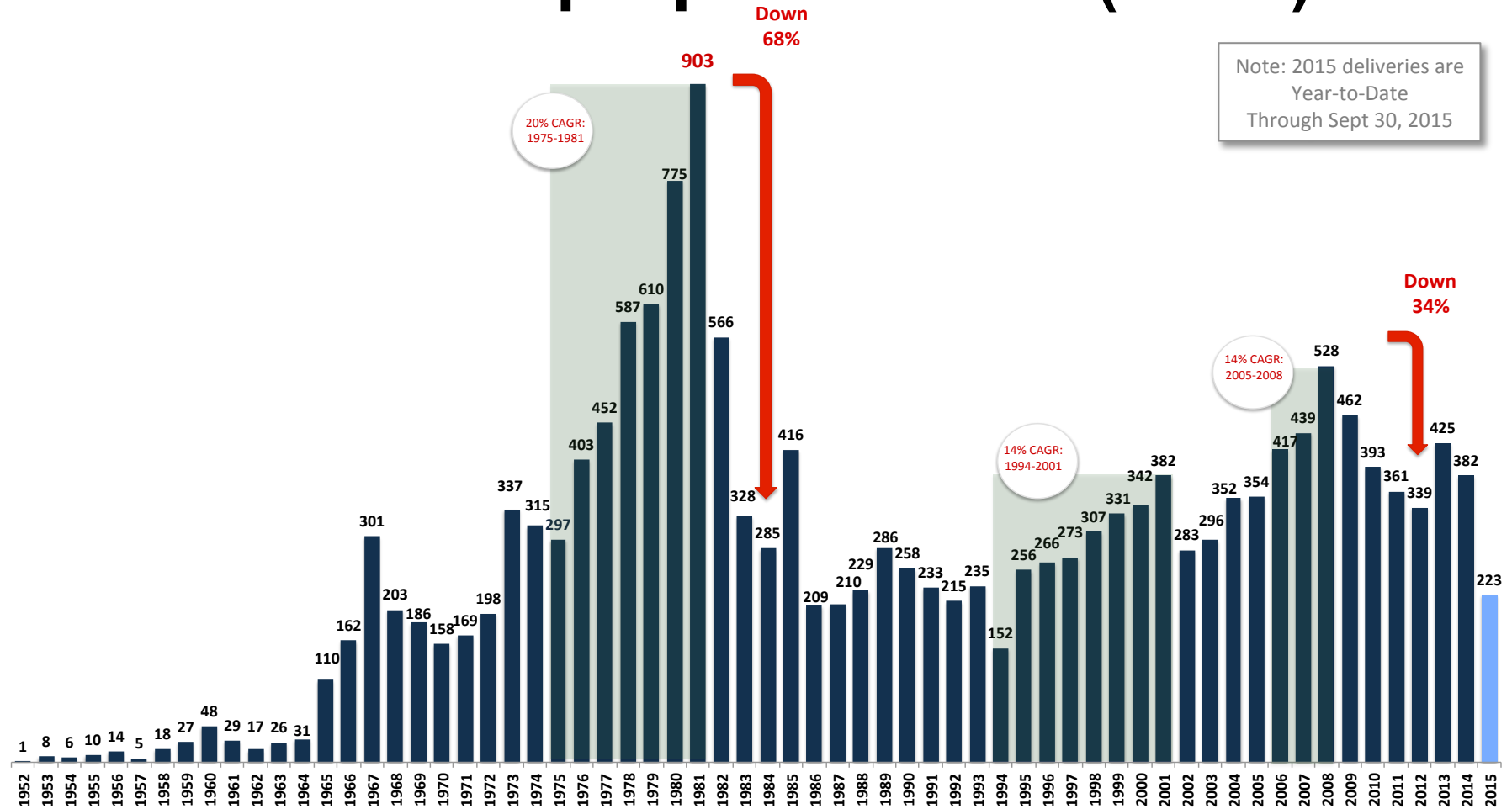
Fleet in Years 1995 to 2014 as a % of Year-End 2014 Fleet by Region



Business Turboprop Fleet by Manufacturer



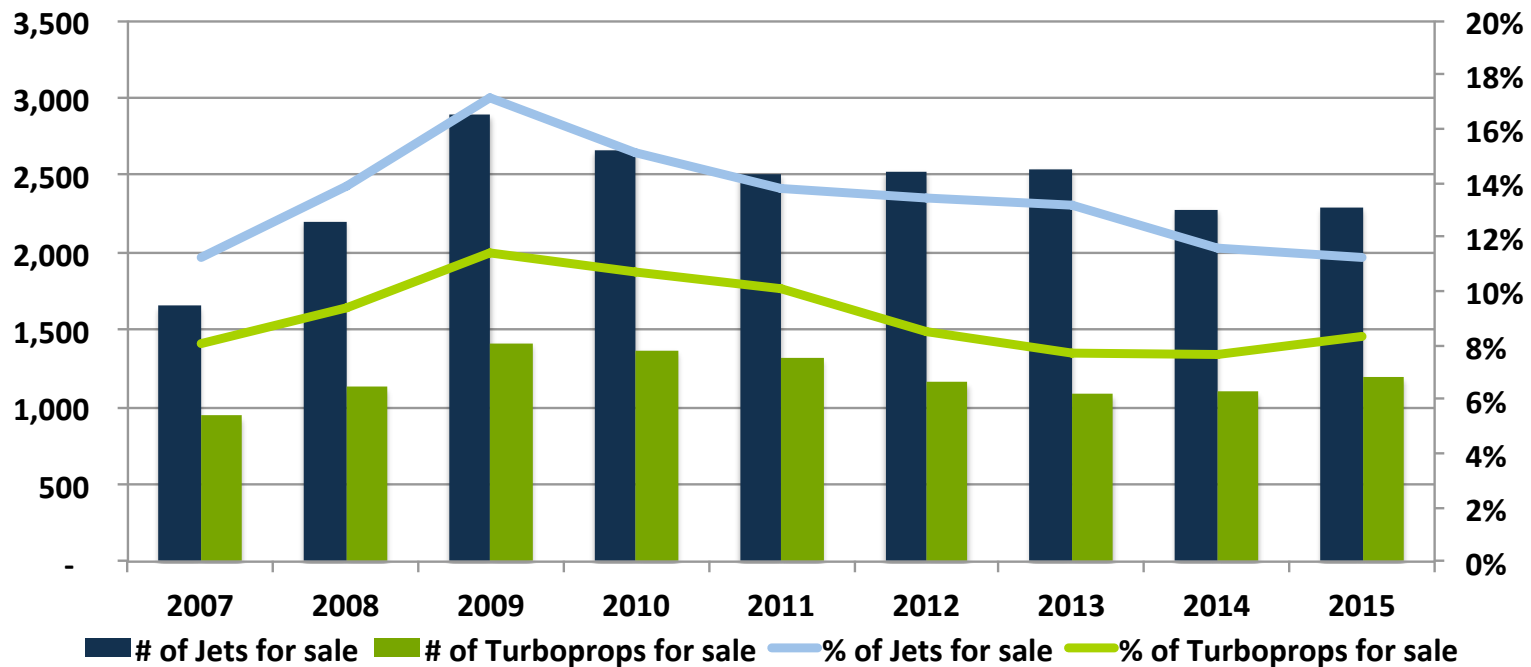
Business Turboprop Deliveries (units)



New turboprop deliveries were down from 2013 to 2014

Pre-Owned Business Aircraft Inventory

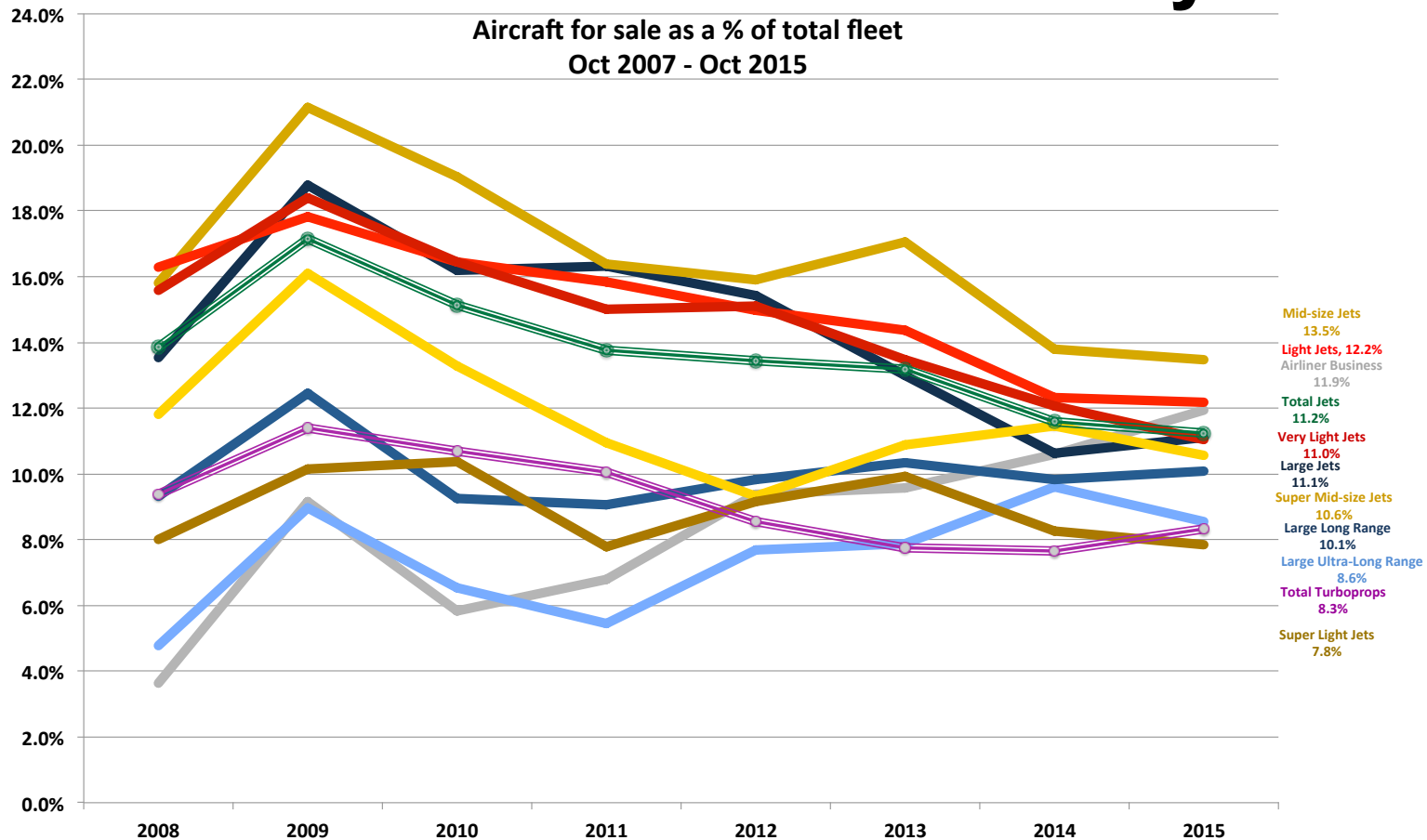
Business Jets and Turboprops for sale
Oct 2007 - Oct 2015



Aircraft Available for Sale as % of World Fleet (as of Oct 1)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business Jets	11.2%	13.8%	17.1%	15.1%	13.8%	13.5%	13.2%	11.6%	11.2%
Turboprop	8.1%	9.4%	11.4%	10.7%	10.1%	8.5%	7.7%	7.7%	8.3%

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

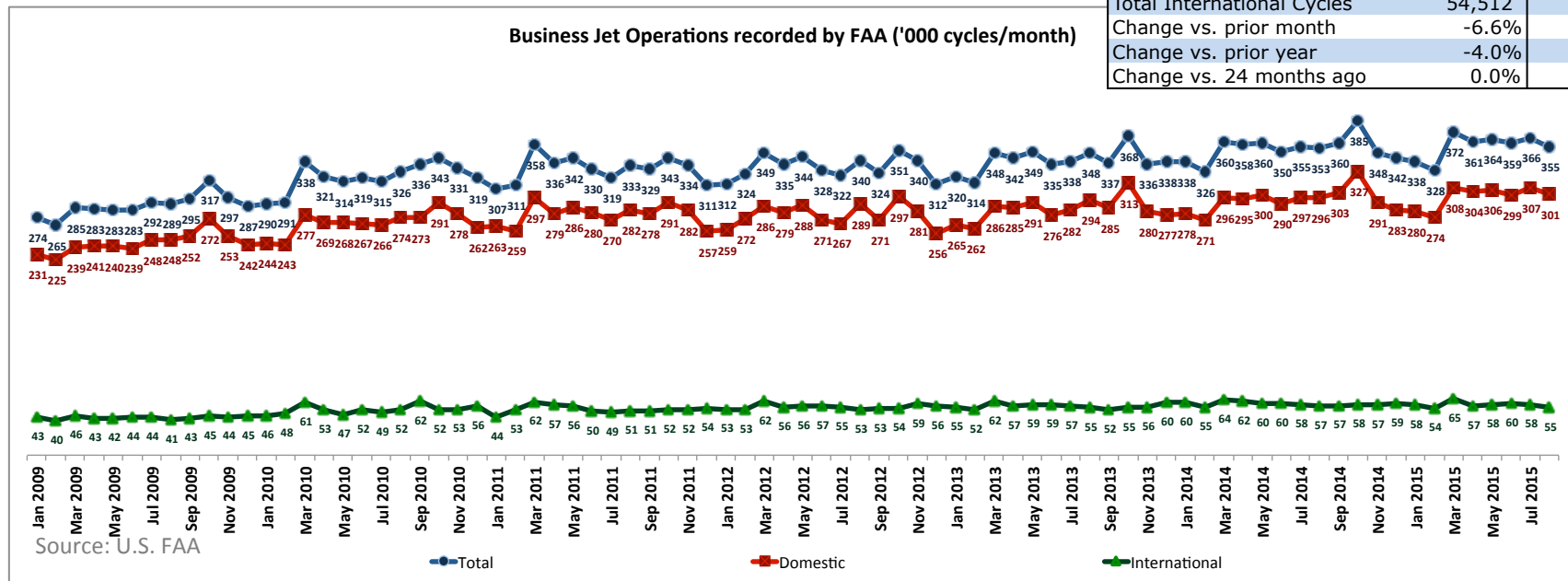
Pre-Owned Business Jet Inventory



Pre-owned jet inventory levels vary significantly by size category, with light, very light and mid-size still with highest % for sale due to age (with downward trend since 2009)

U.S. Business Jet Utilization

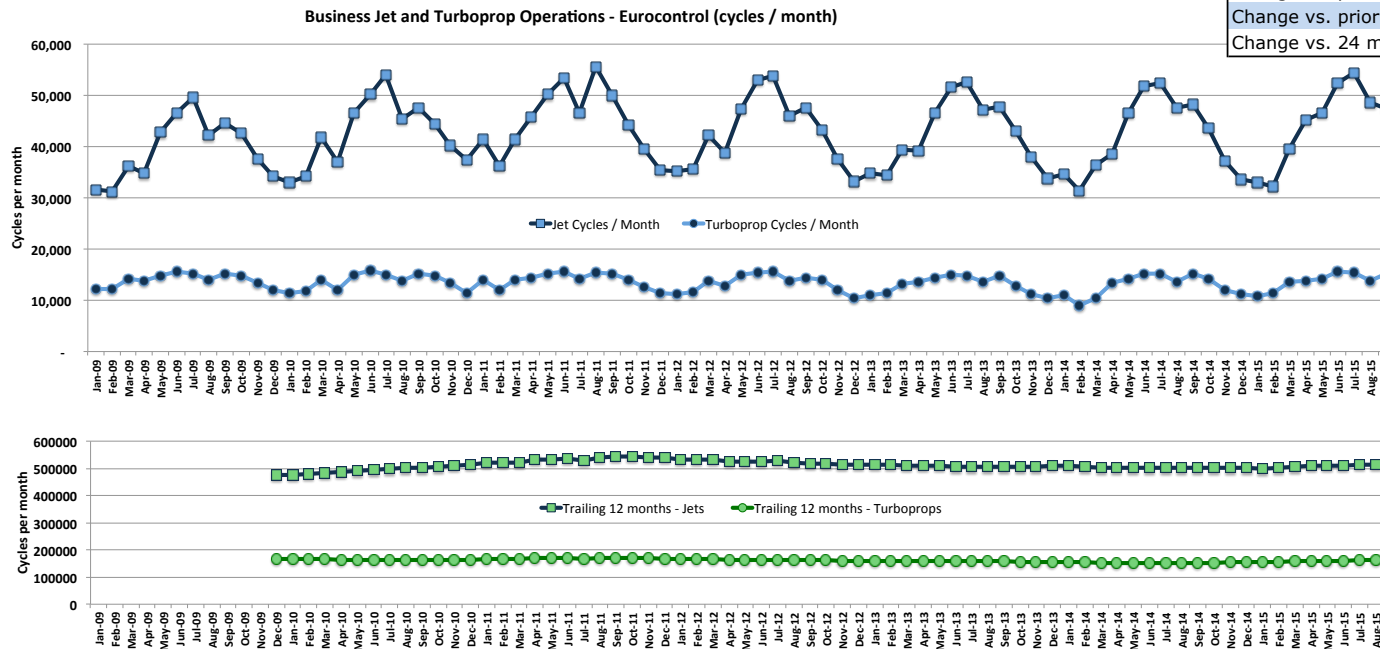
FAA BUSINESS JET OPERATIONS - AUG 2015		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	355,072	4,278,710
Change vs. prior month	-2.9%	0.0%
Change vs. prior year	0.5%	2.4%
Change vs. 24 months ago	2.0%	6.4%
DOMESTIC CYCLES		
Total Domestic Cycles	300,560	3,581,762
Change vs. prior month	-2.2%	0.1%
Change vs. prior year	1.4%	3.0%
Change vs. 24 months ago	2.3%	7.1%
INTERNATIONAL CYCLES		
Total International Cycles	54,512	696,948
Change vs. prior month	-6.6%	-0.3%
Change vs. prior year	-4.0%	-0.4%
Change vs. 24 months ago	0.0%	2.9%



Annualized U.S. business jet cycles through Sept 2015 are up 6.4% over 2 years ago

European Business Aircraft Utilization

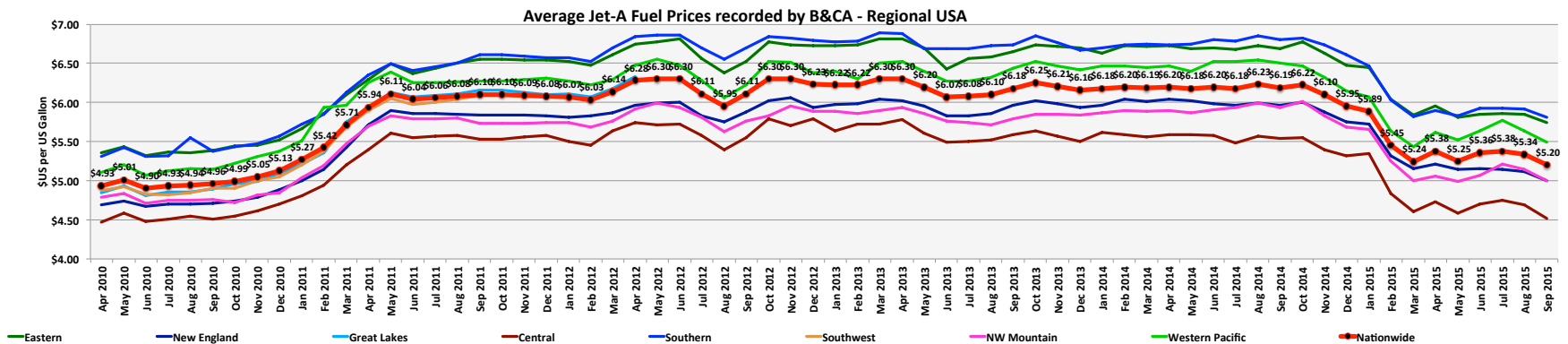
EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - SEP 2015		Trailing 12 Months
BUSINESS JETS (EXCLUDING AIRLINERS)		
Total Cycles	47,471	513,945
Change vs. prior month	-2.3%	-0.1%
Change vs. prior year	-1.5%	2.3%
Change vs. 24 months ago	-0.6%	1.2%
TURBOPROPS		
Total Cycles	15,244	161,414
Change vs. prior month	10.3%	0.0%
Change vs. prior year	0.2%	6.4%
Change vs. 24 months ago	3.5%	2.1%



Source: Eurocontrol

Annualized European cycles are up 2.3% for business jets and up 6.4% for business turboprops over the prior year on a trailing 12 months (TTM) basis

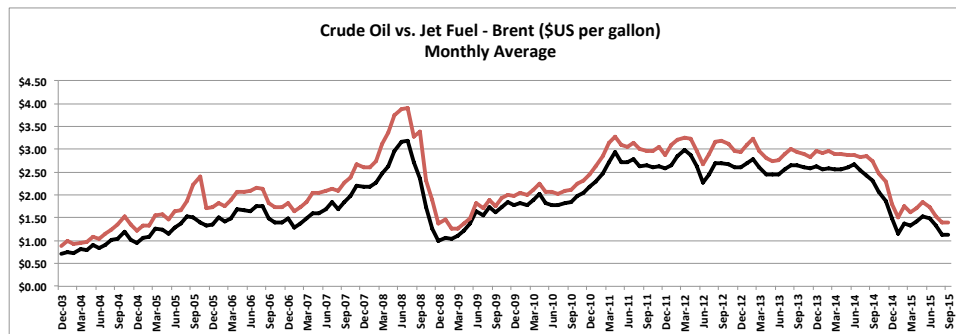
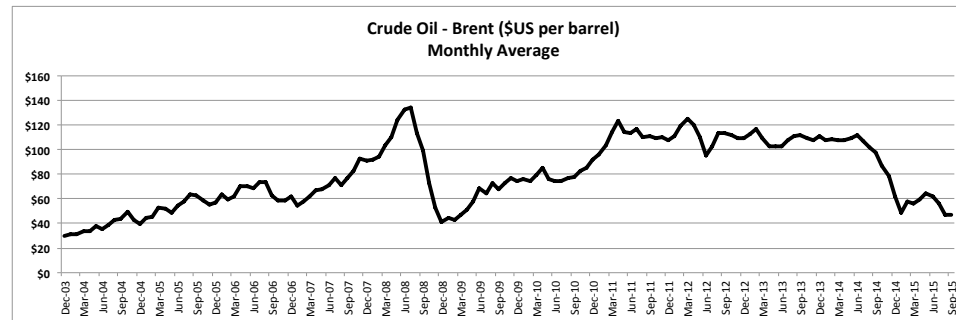
Jet-A Fuel Prices at U.S. FBOs



Source: [Business & Commercial Aviation](#)

Jet-A fuel prices in September 2015 are averaging about \$5.20 at U.S. FBOs, down from \$6.19 year-over-year

Crude Oil and Jet Fuel Prices



IATA Fuel Price Monitor Oct 9, 2015)	Share in World Index	\$/US gallon	\$/barrel	Index Value 2000= 100	vs. 1 week ago	vs. 1 month ago	vs.1 yr ago
Jet Fuel Price	100%	\$ 1.511	\$ 63.50	173.50	4.9%	2.6%	*39.7
Asia & Oceania	22%	\$ 1.497	\$ 62.90	179.60	5.4%	2.6%	-39.9%
Europe & CIS	28%	\$ 1.496	\$ 62.80	169.20	6.8%	0.5%	-40.9%
Middle East & Africa	7%	\$ 1.436	\$ 60.30	180.10	6.5%	1.9%	-41.3%
North America	39%	\$ 1.539	\$ 64.60	171.80	3.2%	4.1%	-38.2%
Latin & Central America	4%	\$ 1.548	\$ 65.00	180.10	3.0%	4.4%	-40.5%

Global average price paid at the refinery for aviation jet fuel - IATA

Source: IndexMundi; IATA from PLATTS

September 30, 2015


JETNET iQ Snap!: 3rd Quarter 2015 - Private & Confidential

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, oil prices, Ukraine / Crimea, etc.

JETNET iQ GLOBAL BUSINESS AVIATION SURVEY - Q4 2014 English

WELCOME



WELCOME!


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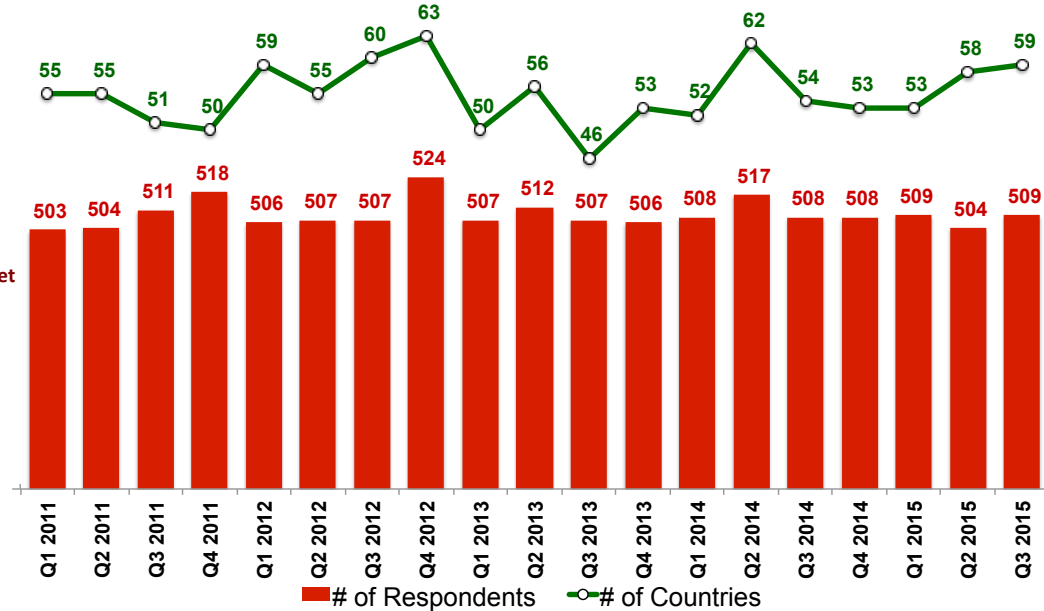
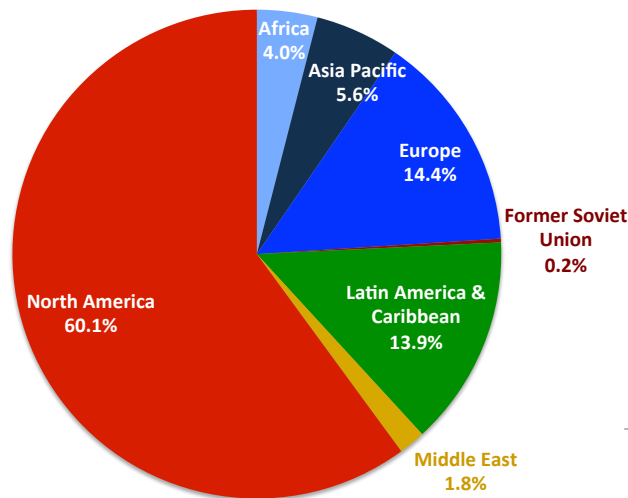


ROLLAND VINCENT
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Email: rollie@jetnet.com

JETNET iQ Surveys: Quarterly, multilingual, worldwide

JETNET iQ Survey Respondents

Respondent Fleet Location Q1 2011 - Q3 2015



	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Total
# of Respondents	503	504	511	518	506	507	507	524	507	512	507	508	509	508	509	9,675
# of Countries	55	55	51	50	59	55	60	63	50	56	46	53	52	54	53	124

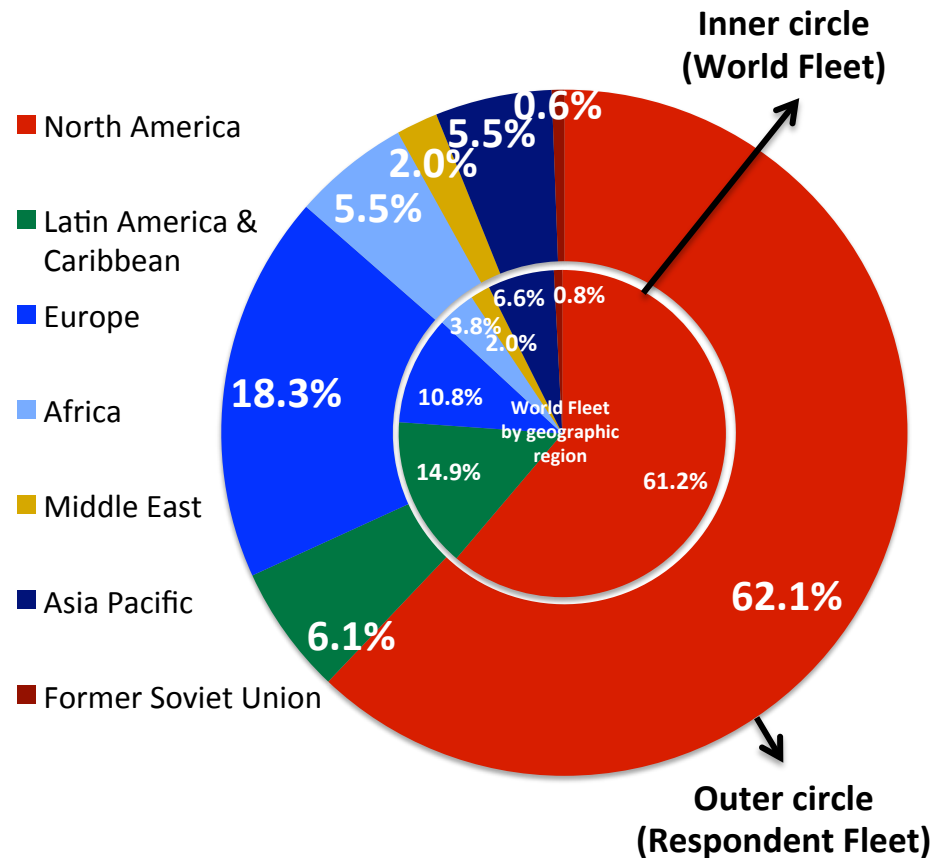
JETNET iQ Surveys: Since Q1 2011, >9,600 respondents from 124 countries

Survey Respondents' Location

By Aircraft Base Location

Q3 2015 Survey

RESPONDENT COUNTRIES FROM Q3 2015 SURVEY			
COUNTRIES/TERRITORIES	# of respondents		# of respondents
ARGENTINA	4	PAPUA NEW GUINEA	2
AUSTRALIA	14	POLAND	1
AUSTRIA	9	PUERTO RICO	3
BARBADOS	1	ROMANIA	1
BELGIUM	1	RUSSIAN FEDERATION	1
BRAZIL	11	SAUDI ARABIA	2
BULGARIA	2	SCOTLAND	1
CANADA	19	SINGAPORE	2
CHINA	1	SLOVENIA	2
CROATIA	1	SOUTH AFRICA	3
CZECH REPUBLIC	4	SOUTH KOREA	4
DENMARK	3	SPAIN	1
DOMINICAN REPUBLIC	3	SWEDEN	19
ESTONIA	2	SWITZERLAND	3
FINLAND	2	TANZANIA	2
FRANCE	5	THAILAND	1
GERMANY	10	TURKEY	9
GUATEMALA	2	UNITED ARAB EMIRATES	2
INDIA	2	UNITED KINGDOM	3
IRELAND	2	UNITED STATES	5
ITALY	6	UNKNOWN	12
JAPAN	1	URUGUAY	287
KAZAKHSTAN	1	VENEZUELA	4
KENYA	2	ZAMBIA	2
LEBANON	2	ZIMBABWE	2
LITHUANIA	1	Total # of respondents	510
MACAU	1	Total # of countries	59
MADAGASCAR	1		
MALTA	4	Africa	28
MEXICO	7	Asia Pacific	28
NETHERLANDS	4	Europe	93
NEW CALEDONIA	1	Former Soviet Union	3
NEW ZEALAND	2	Latin America & Caribbean	31
NIGERIA	3	Middle East	10
PAKISTAN	1	North America	316
PANAMA	1	Total	509



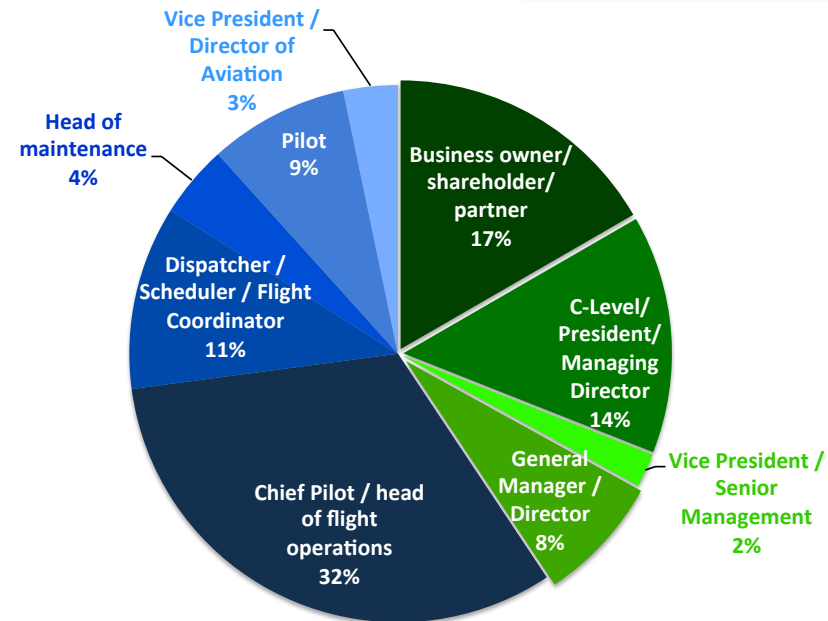
Survey Respondents' Roles

By Job Title

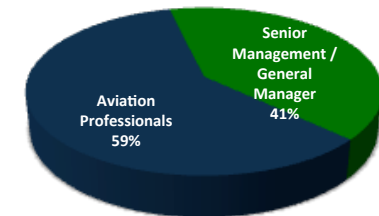
Q3 2015 Survey

Title of respondent	Completed
Business owner/shareholder/partner	107
C-Level/President/Managing Director	92
Vice President / Senior Management	13
General Manager / Director	49
Chief Pilot / head of flight operations	207
Dispatcher / Scheduler / Flight Coordinator	71
Head of maintenance	28
Pilot	54
Vice President / Director of Aviation	21
Total	642

Note: Respondent was able to chose whichever applied



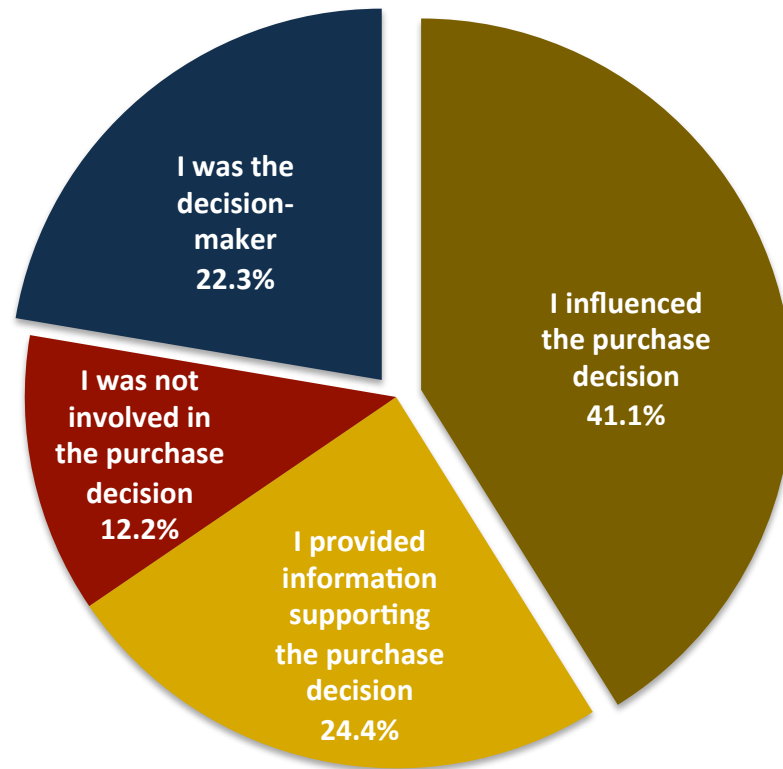
Aviation Professionals	381	59%
Senior Management / General Manager	261	41%



Survey Respondents' Roles

By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q3 2015 Survey

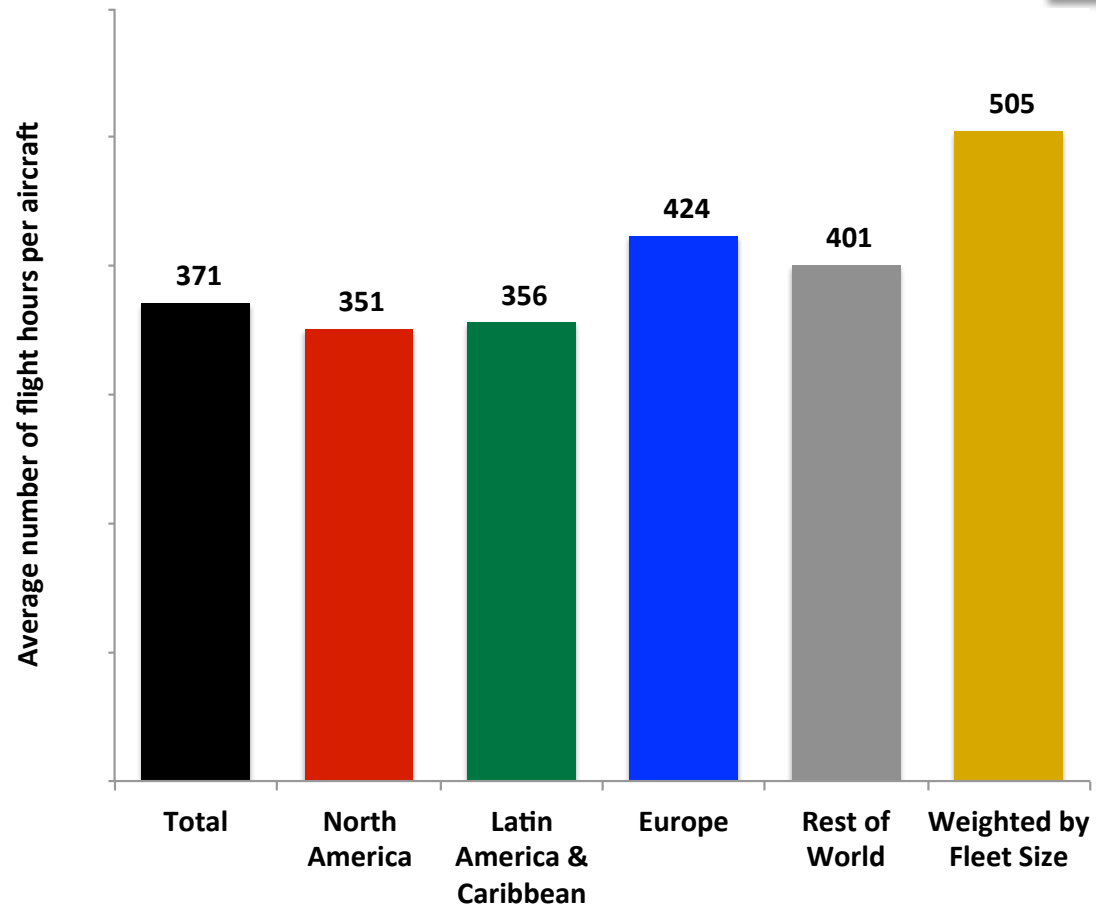


Survey Respondents' Flight Operations

Regional Average Utilization per Aircraft in Prior 12 Months

Average flight hours per year

Q3 2015 Survey

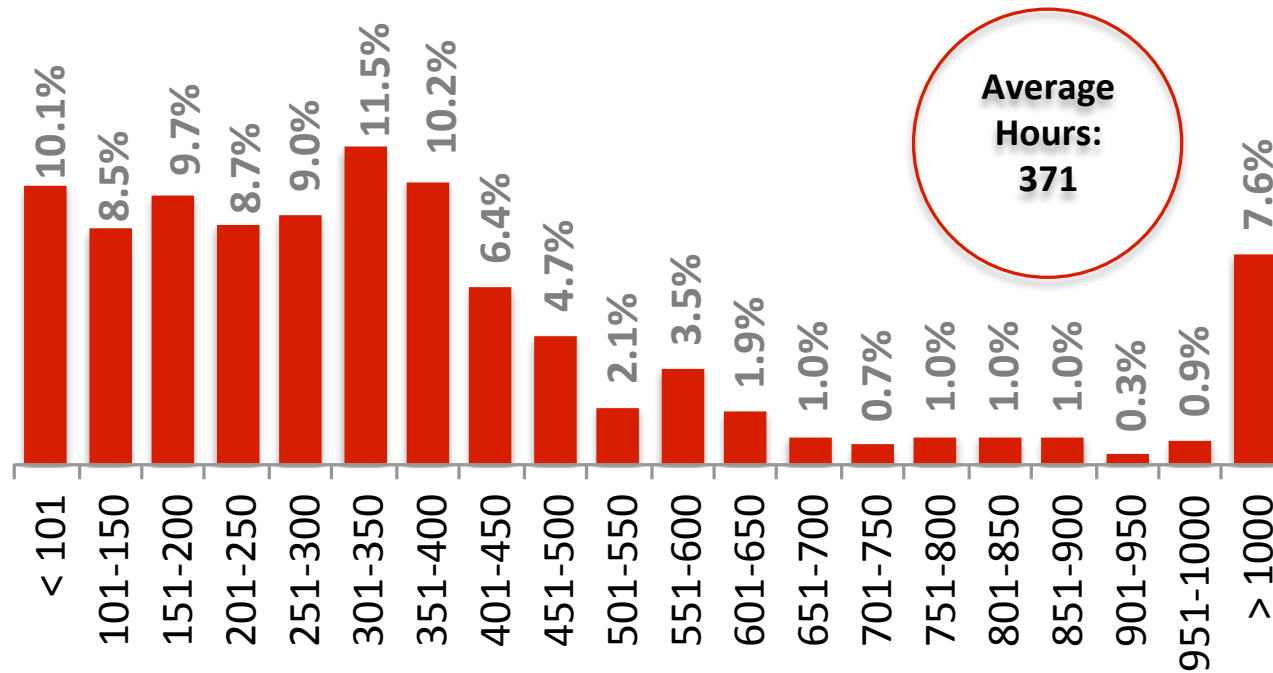


Survey Respondents' Flight Operations

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

Q3 2015 Survey

Annual Flight Hours Per Aircraft

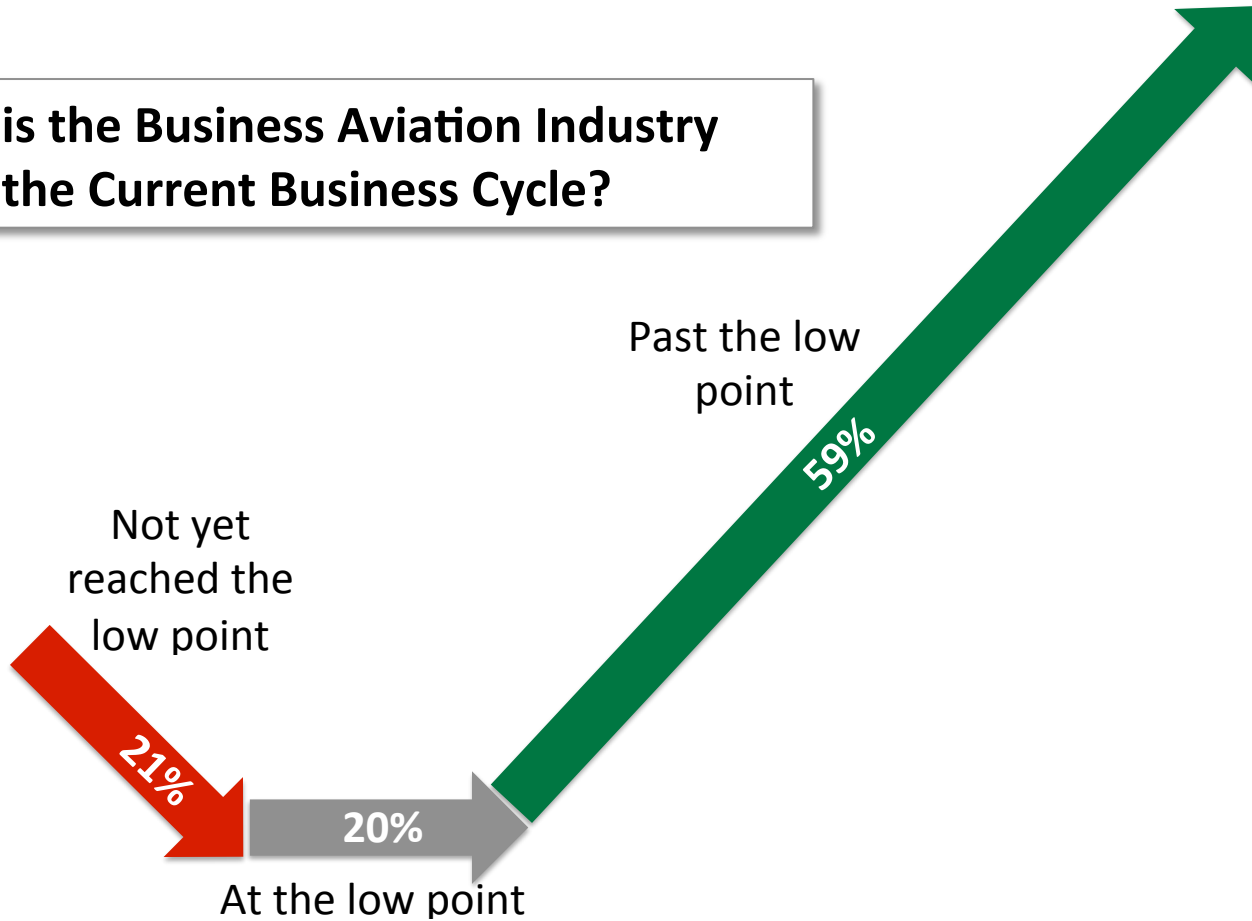


Survey Respondents' Sentiment

Current Market Sentiment

Q3 2015 Survey

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



Aircraft Purchase Inhibitors

Top 3 Inhibitors – Weighted Average

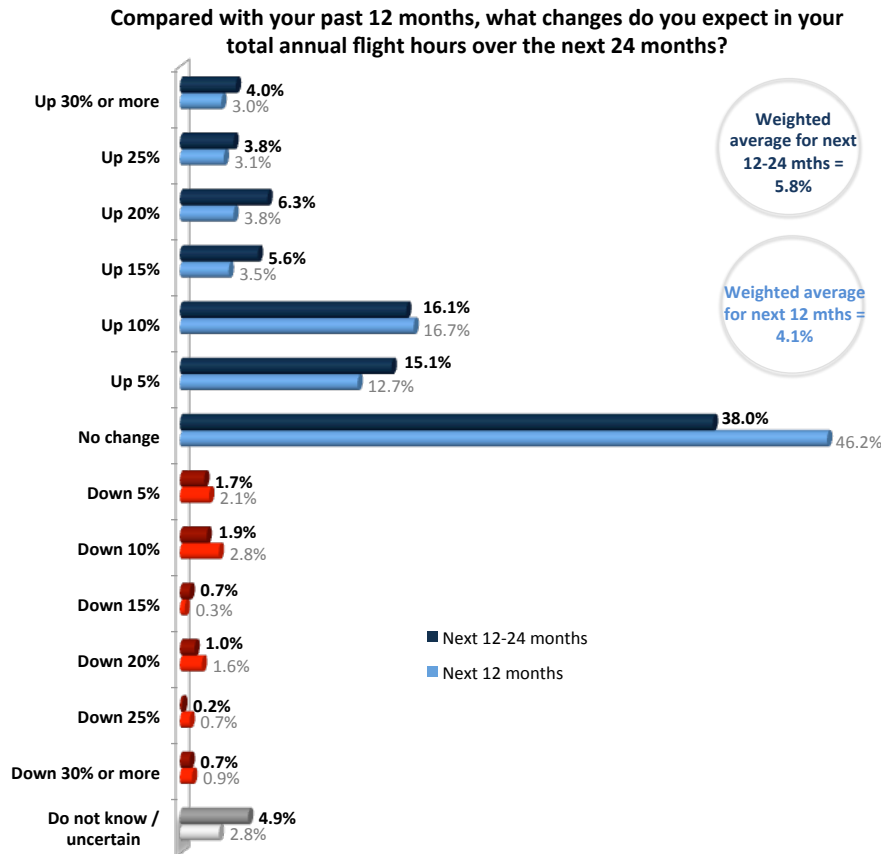
Q3 2015 Survey



Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

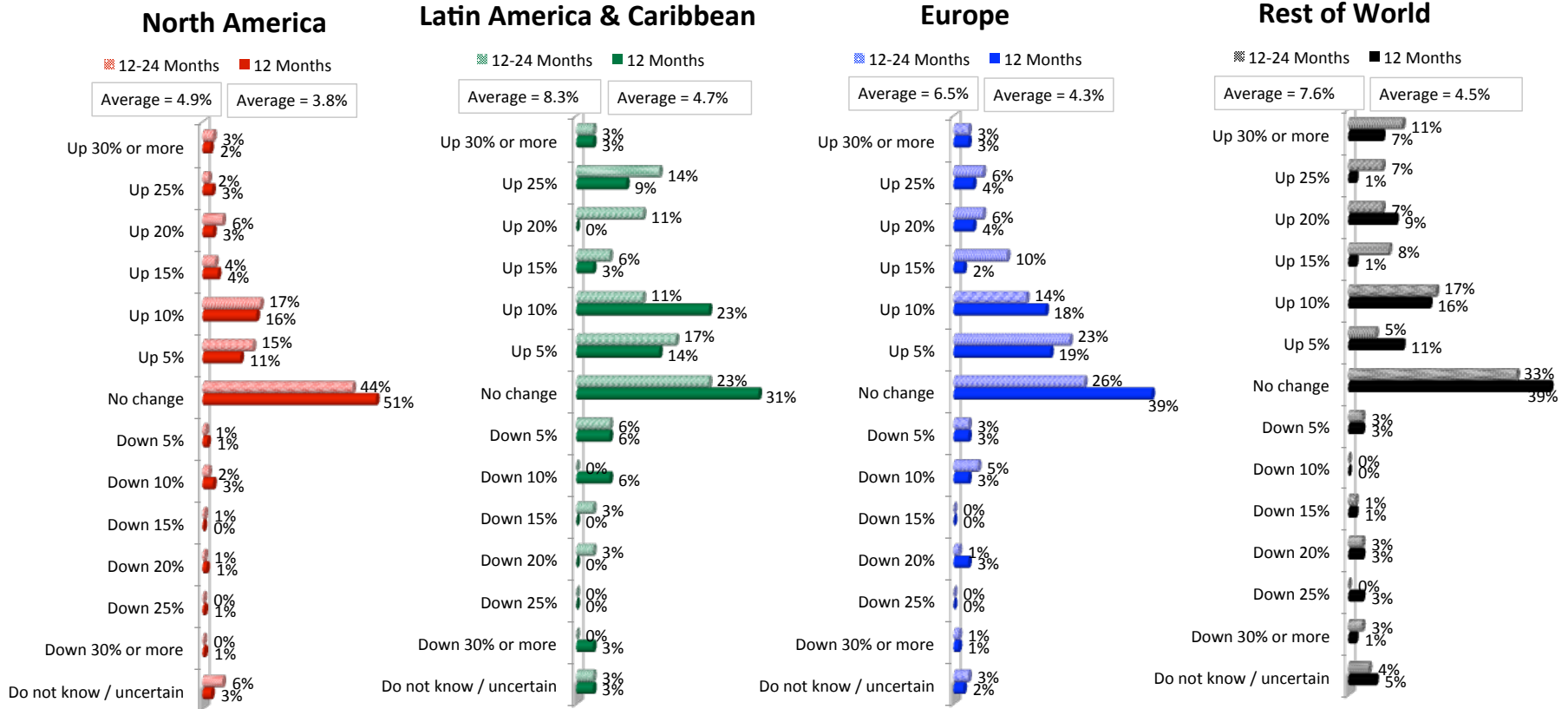
Q3 2015 Survey



Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

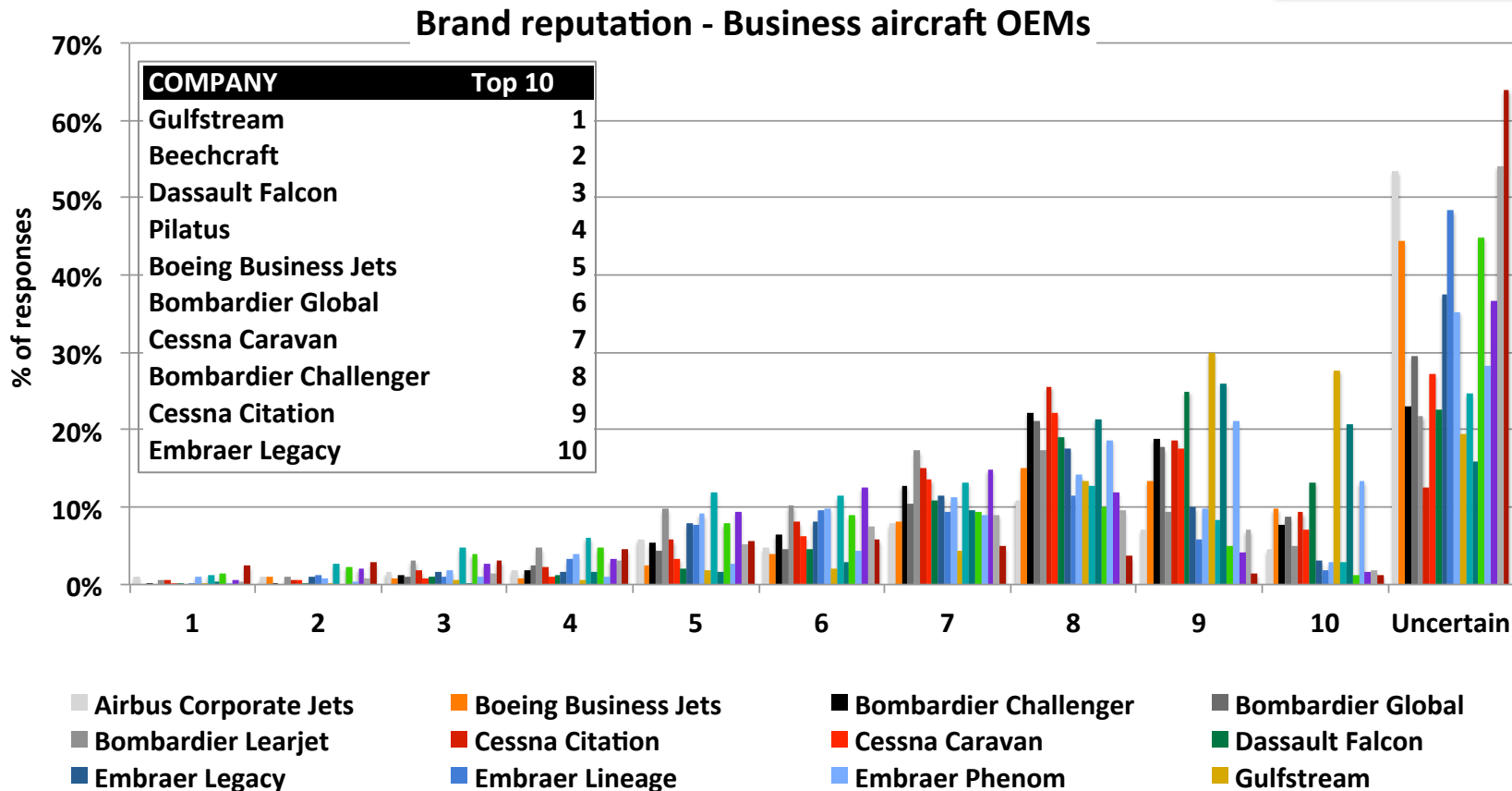
Q3 2015 Survey



Respondents expect to fly 3.7% more hours in the next 12 months vs. prior 12 months

Brand Reputations

Aircraft Manufacturers on a 1-10 Scale, where "10" = Highest Q3 2015 Survey

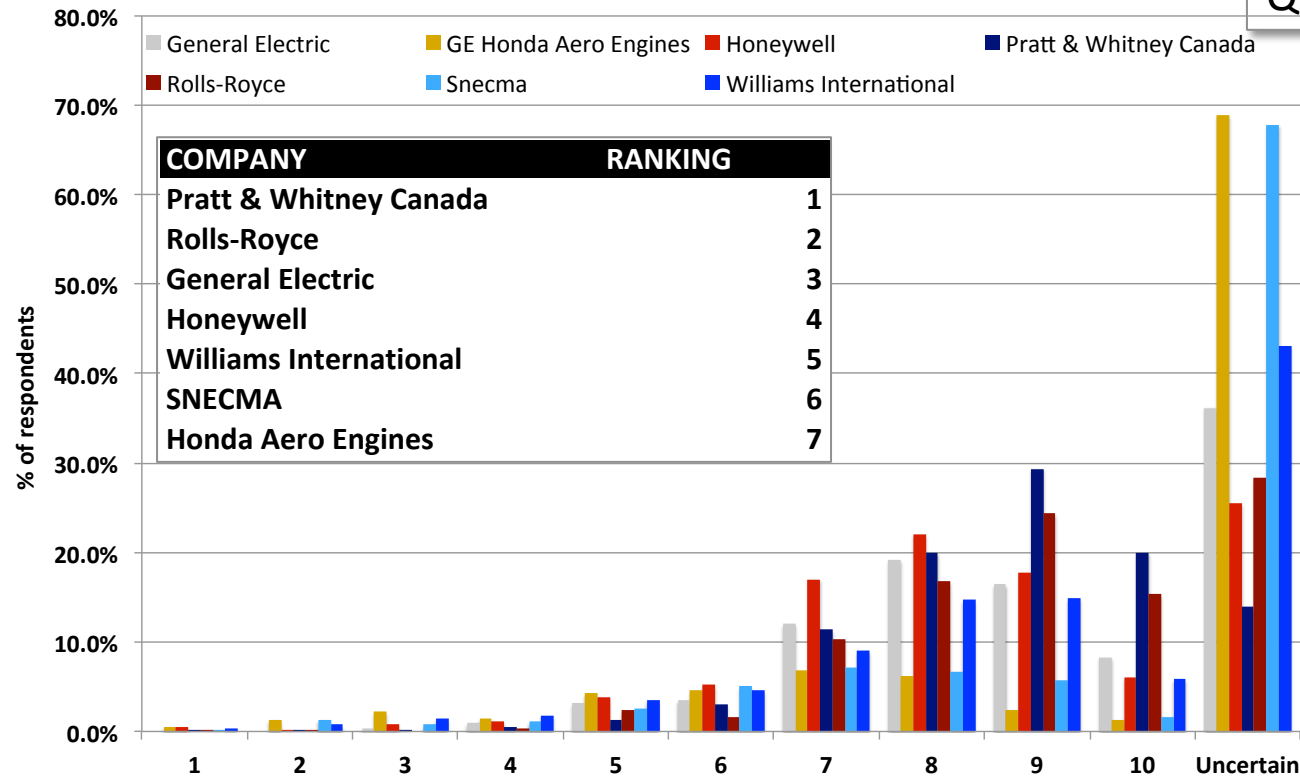


Gulfstream, Beechcraft and Dassault Falcon are the top rated business aircraft brands

Brand Reputations

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

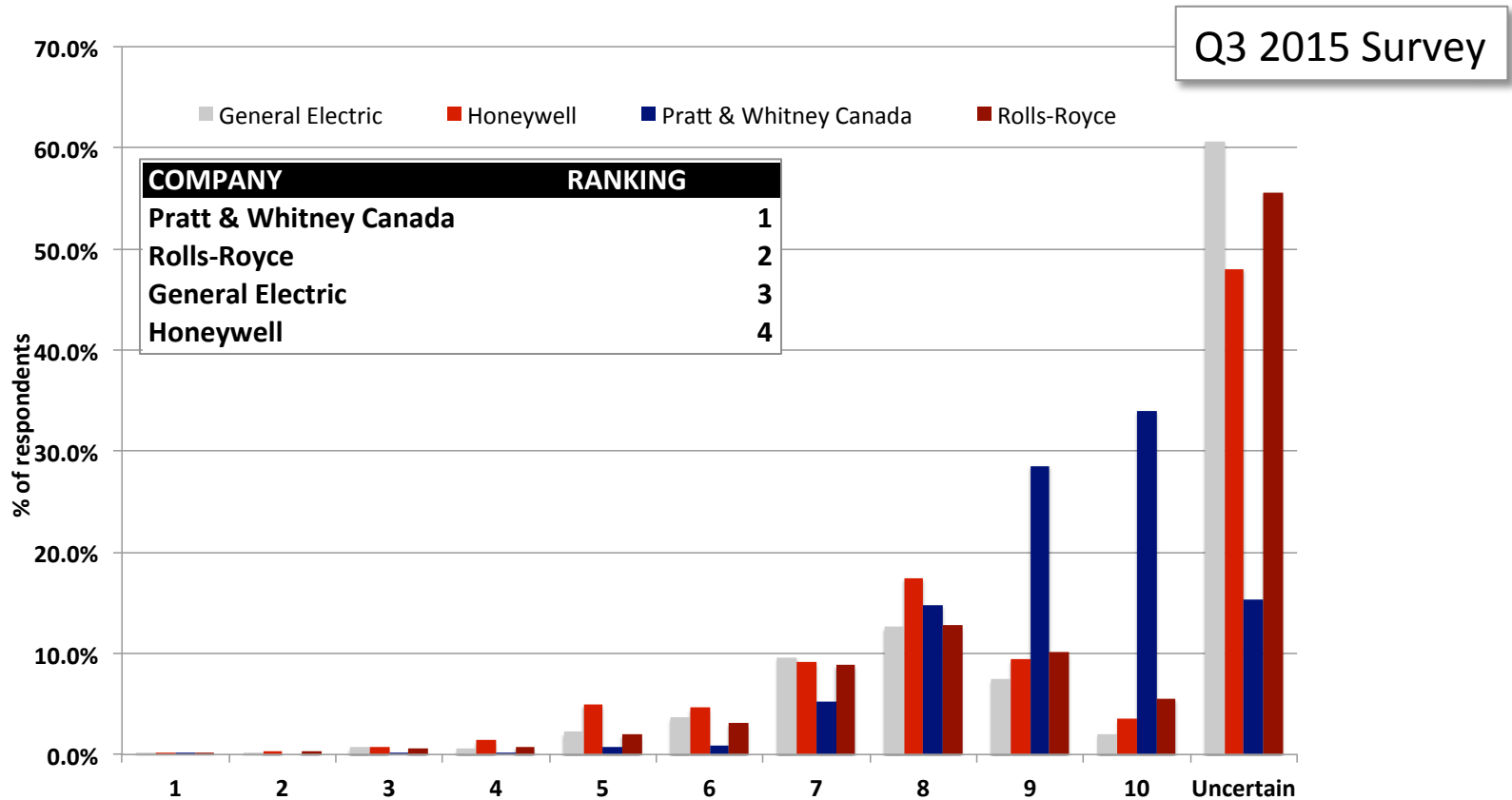
Q3 2015 Survey



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



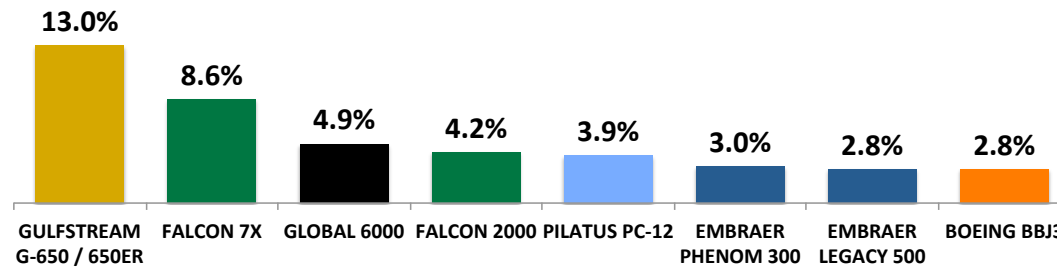
Pratt & Whitney Canada is the highest rated turboprop engine manufacturer brand, well ahead of Rolls-Royce and General Electric

Aircraft Brands

Offers best cockpit design & ergonomics

Q3 2015 Survey

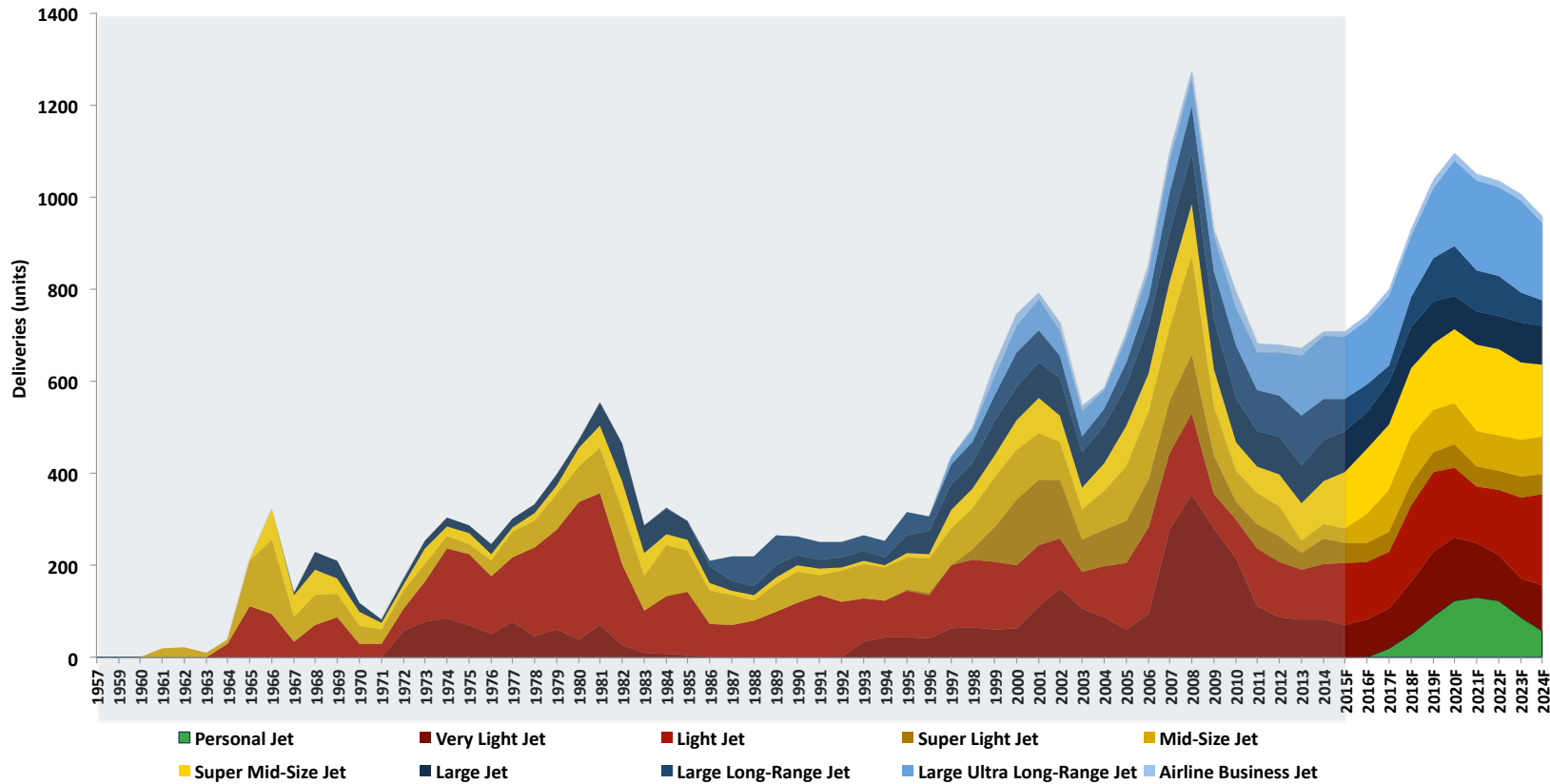
Top 8 models - worldwide
Offers the best cockpit design and ergonomics
Q3 2015



According to Q3 2015 survey, the top 4 models that offer the best cockpit design & ergonomics are G-650, Falcon 7X, Global 6000 and Falcon 2000

Business Jet Delivery History & Forecast

Business jet delivery forecast by size category: Historical - 2024



JETNET iQ 10-year forecast for 2015-2024 is for 9,365 new business jet deliveries valued at \$255 billion in \$2015

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.