



JETNET iQ Snap!

Q4 2012 Summary Report

Prepared for:
JETNET iQ Global Business Survey Respondents

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.

We look forward to seeing you at two important upcoming events: 1) EBACE (May 21-23, 2013) in Geneva, Switzerland and 2) JETNET iQ's next Global Business Aviation Summit (June 4-5, 2013) in New York City. For more information, please see www.jetnetiq.com. Thank you for participating in our quarterly survey - we hope this JETNET iQ *Snap!* Report helps you take your business to a higher altitude.

Vincent Esposito
President, JETNET LLC

Navigating by JETNET iQ

JETNET iQ *Snap!* is one of the ways we would like to say thanks for the time and opinions you provide us when participating in our quarterly JETNET iQ Global Business Aviation Surveys. With seemingly endless demands on your time, we appreciate your help and want to provide you something back in return. In the attached pages you will find some of the latest market intelligence that we have collected and analyzed. Our goal is to be a resource to identify and work the issues that matter to the business aviation community. As an industry leader and aviation professional, you make a difference by participating in these surveys, providing us with objective and subjective perspectives into the state of the worldwide business aviation industry.

JETNET iQ *Snap!* reflects the collaborative insights of you, our respondents, and our JETNET iQ research team. Collectively,

we have extensive experience in business aviation, from executive offices and boardrooms, to the office cubicles, factory floors, design centers, situation rooms, cockpits, service hangars and flight lines of the industry. Much like a magnifying glass concentrates light and energy, JETNET iQ draws from a diverse set of intelligence sources to bring the power of this experience into sharp focus.

Since early 2011, our JETNET iQ research team has been reaching out to you – fixed-wing turbine aircraft owners and operators - with our quarterly JETNET iQ Global Business Aviation Surveys. We hope that this latest issue of JETNET iQ *Snap!* is useful and insightful to you.

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

JETNET

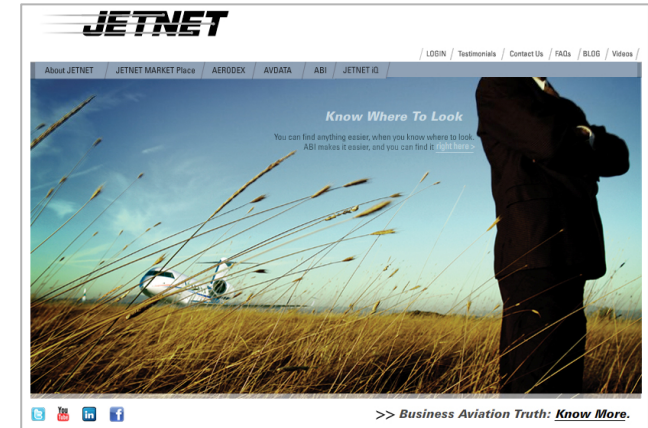
- Founded in 1988
- Privately-owned family business
- Headquarters in Utica, NY
- 70 employees (43 in research)
- Daily contact with aircraft owners and operators globally



JETNET: Worldwide leader in aviation market intelligence

JETNET

- Main products:
 - JETNET iQ
 - JETNET Evolution / Evolution Mobile
 - AERODEX
 - Aviation Business Index (ABI)
 - AvData
 - JETNET CRM
 - Helidex
 - Rotodex
 - 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

JETNET iQ GLOBAL BUSINESS AVIATION SURVEY - Q1 2012 English

WELCOME



WELCOME!

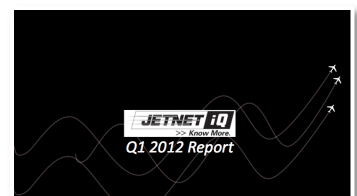
Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence.

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

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

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

JETNET iQ Reports



The Economy

There are 4 main drivers of demand for business aviation:

- Economic expansion
- Corporate profits and wealth
- Value of time
- Convenience and value vs. alternatives

There are large differences in business jet penetration rates across world regions. North America (USA and Canada) has about 29% of the world's GDP but 64% of the world's jet fleet. Fleets in the other two major economic regions of the world - Europe and Asia - are growing rapidly.

In the United States, where more than 60% of the business jet fleet is based, real GDP growth is strongly correlated with the growth of the U.S. business jet fleet (correlation: 0.95).

December 31, 2011 JETNET iQ REPORT: 4th Quarter 2011 - Private & Confidential 27

Pre-Owned Business Jet Inventory

Pre-owned business jet inventory, measured as the % of the current fleet listed for sale, spiked sharply in 2009 and is beginning to show signs of stabilization. Pre-recession jet inventory levels in 2006-2007 ranged from 11-12% on average, lower for newer and larger models.

Date	Percentage
Jan. 1, 2006	12.5%
Jan. 1, 2007	12.2%
Jan. 1, 2008	11.2%
Jan. 1, 2009	16.2%
Jan. 1, 2010	14.0%
Jan. 1, 2011	14.8%
Jan. 1, 2012	13.8%

December 31, 2011 JETNET iQ REPORT: 4th Quarter 2011 - Private & Confidential 89

New Aircraft Purchase Intentions By Region

December 31, 2011 JETNET iQ REPORT: 4th Quarter 2011 - Private & Confidential 210

Pre-Owned Aircraft Selling Intentions

Combined Results of Q1 2011 through Q4 2011 JETNET iQ Surveys

Pre-owned Aircraft Purchase Intentions (61-100% likely)

Region	Turboprops	Small Jets	Medium jets	Large Jets
North America	106	65	65	69
Europe	15	5	7	4
Latin America & Caribbean	69	29	61	23
Asia Pacific	14	8	5	8
Africa	5	3	6	8
Middle East	0	0	0	7
Former Soviet Union	0	0	0	1

December 31, 2011 JETNET iQ REPORT: 4th Quarter 2011 - Private & Confidential 268

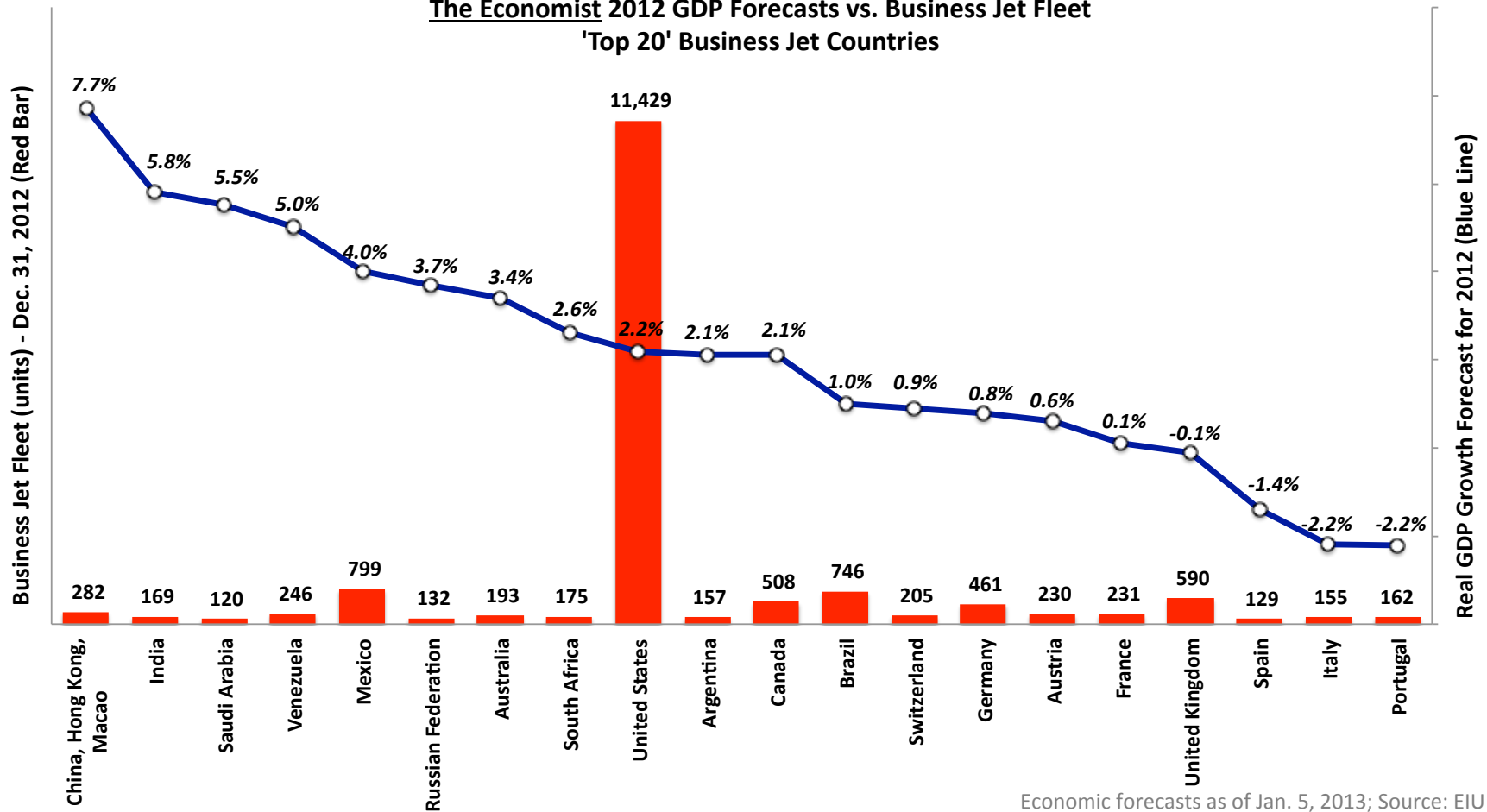
JETNET iQ Summits

- Thought leadership and networking conferences
- Next Summit:
 - June 4-5, 2013 - New York City
 - <http://www.jetnetiq.com/summit.shtml>



The Economy

The Economist 2012 GDP Forecasts vs. Business Jet Fleet
'Top 20' Business Jet Countries

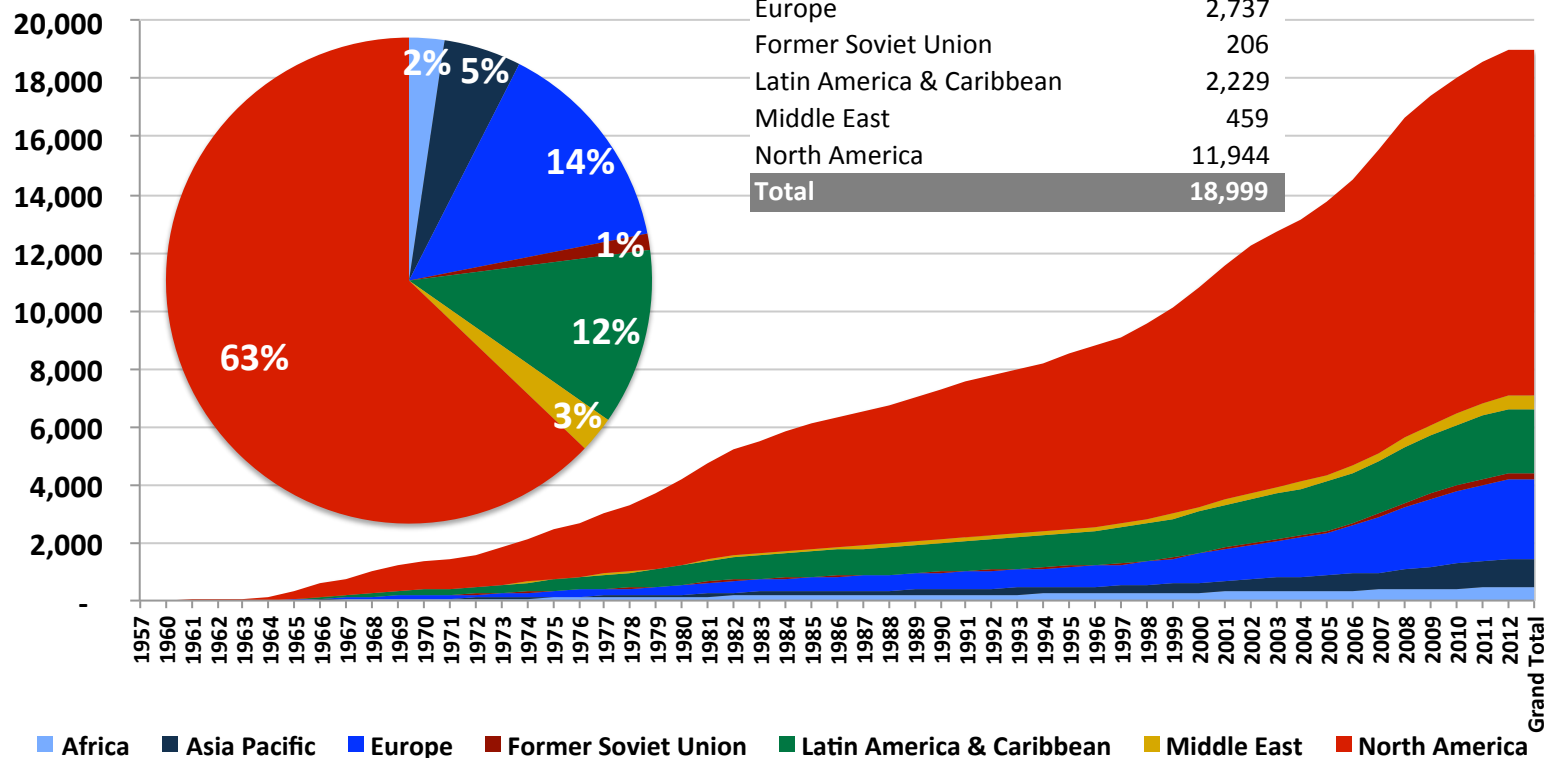


Economic forecasts as of Jan. 5, 2013; Source: EIU

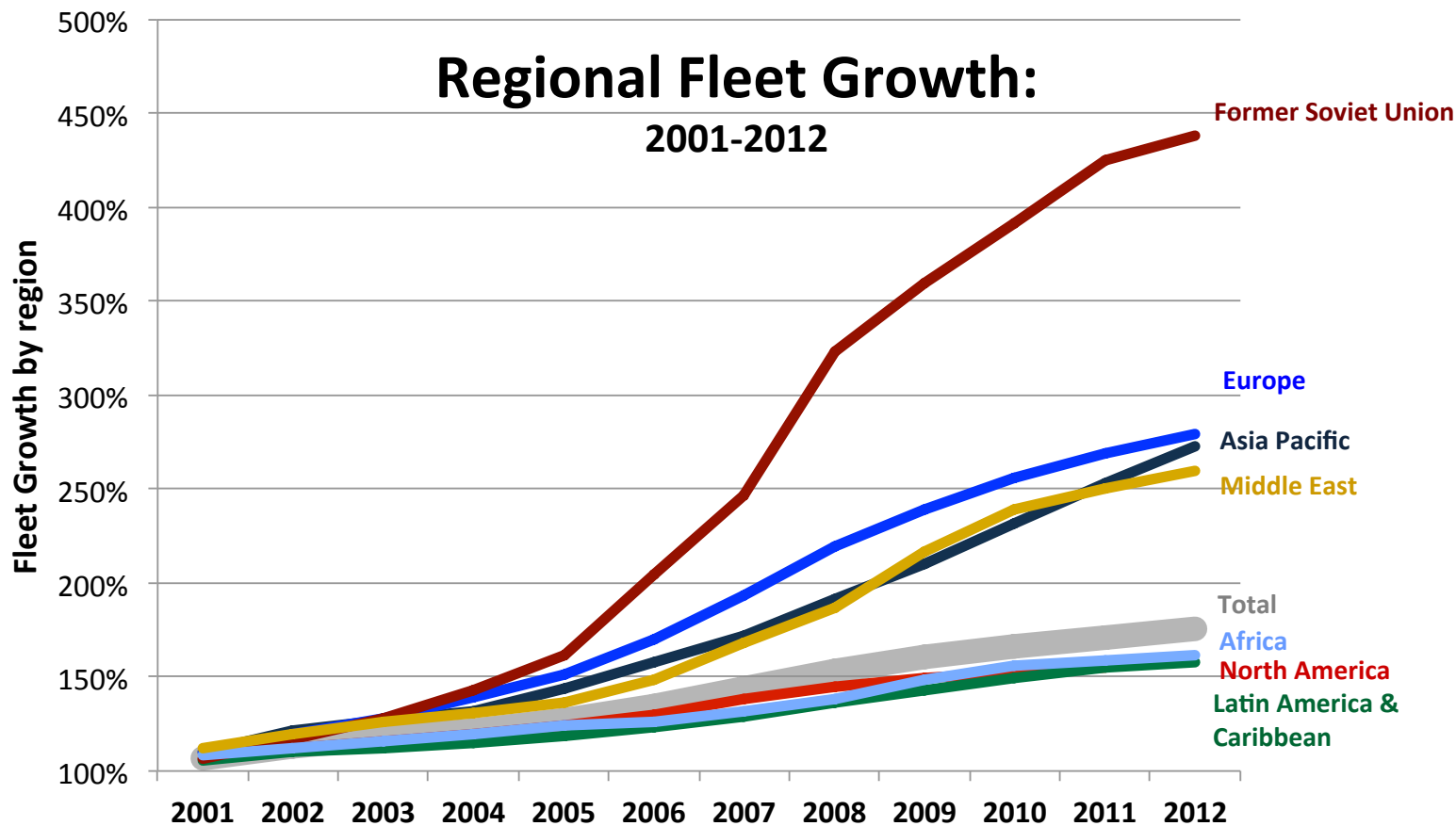
“Top 20” business aviation countries have widely divergent economic performance

Business Jet Fleet by Region

Business Jet Fleet as of Dec 31 2012	
By Region	Total Fleet
Africa	445
Asia Pacific	979
Europe	2,737
Former Soviet Union	206
Latin America & Caribbean	2,229
Middle East	459
North America	11,944
Total	18,999



Business Jet Fleet by Region



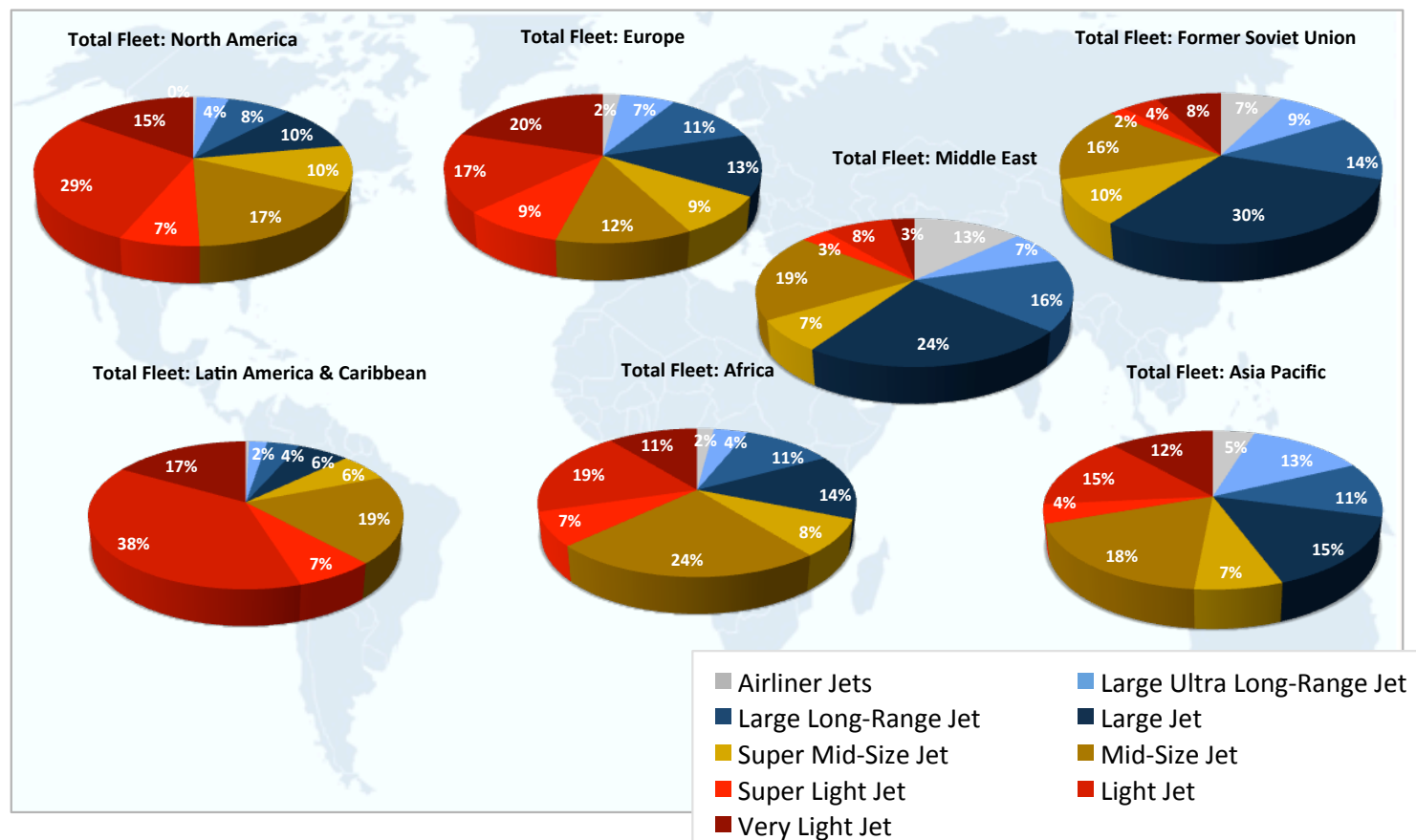
Business Jet Fleet by Manufacturer

NORTH AMERICA		EUROPE		FORMER SOVIET UNION	
OEM	Fleet as of Dec 31 2012	OEM	Fleet as of Dec 31 2012	OEM	Fleet as of Dec 31 2012
Bombardier	2,568	Bombardier	589	Bombardier	67
Cessna Citation	4,196	Cessna Citation	990	Cessna Citation	17
Dassault Falcon	1,177	Dassault Falcon	482	Dassault Falcon	32
Embraer	246	Embraer	108	Embraer	17
Gulfstream	1,548	Gulfstream	183	Gulfstream	18
Hawker Beechcraft	1,504	Hawker Beechcraft	281	Hawker Beechcraft	35
Other	705	Other	104	Other	20
Total	11,944	Total	2,737	Total	206

LATIN AMERICA & CARIB		MIDDLE EAST		AFRICA		ASIA PACIFIC	
OEM	Fleet as of Dec 31 2012	OEM	Fleet as of Dec 31 2012	OEM	Fleet as of Dec 31 2012	OEM	Fleet as of Dec 31 2012
Bombardier	552	Bombardier	95	Bombardier	76	Bombardier	241
Cessna Citation	738	Cessna Citation	59	Cessna Citation	108	Cessna Citation	211
Dassault Falcon	147	Dassault Falcon	53	Dassault Falcon	60	Dassault Falcon	65
Embraer	127	Embraer	34	Embraer	18	Embraer	49
Gulfstream	162	Gulfstream	80	Gulfstream	54	Gulfstream	191
Hawker Beechcraft	343	Hawker Beechcraft	74	Hawker Beechcraft	106	Hawker Beechcraft	160
Other	160	Other	64	Other	23	Other	62
Total	2,229	Total	459	Total	445	Total	979

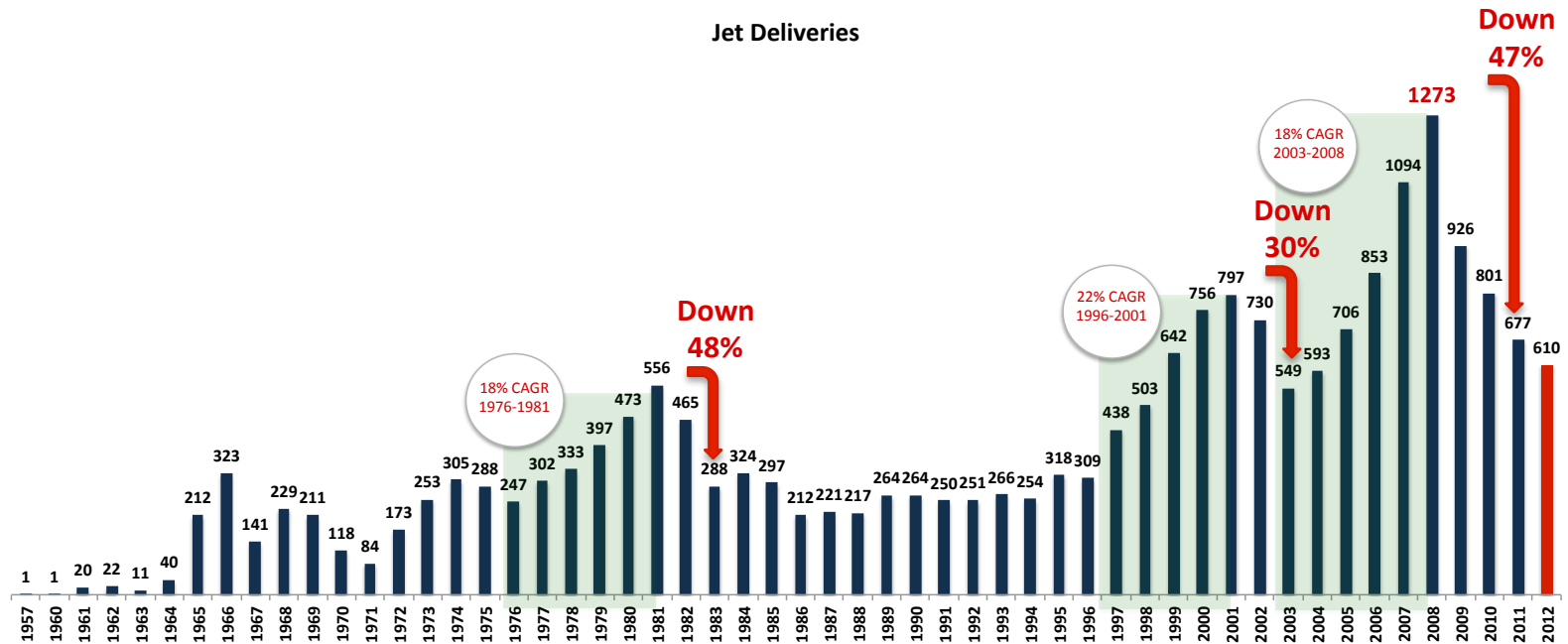
World business jet fleet was 18,999 jets on Dec. 31, 2012

Business Jet Fleet by Size Category



There is a large regional variation in the fleet mix by size category

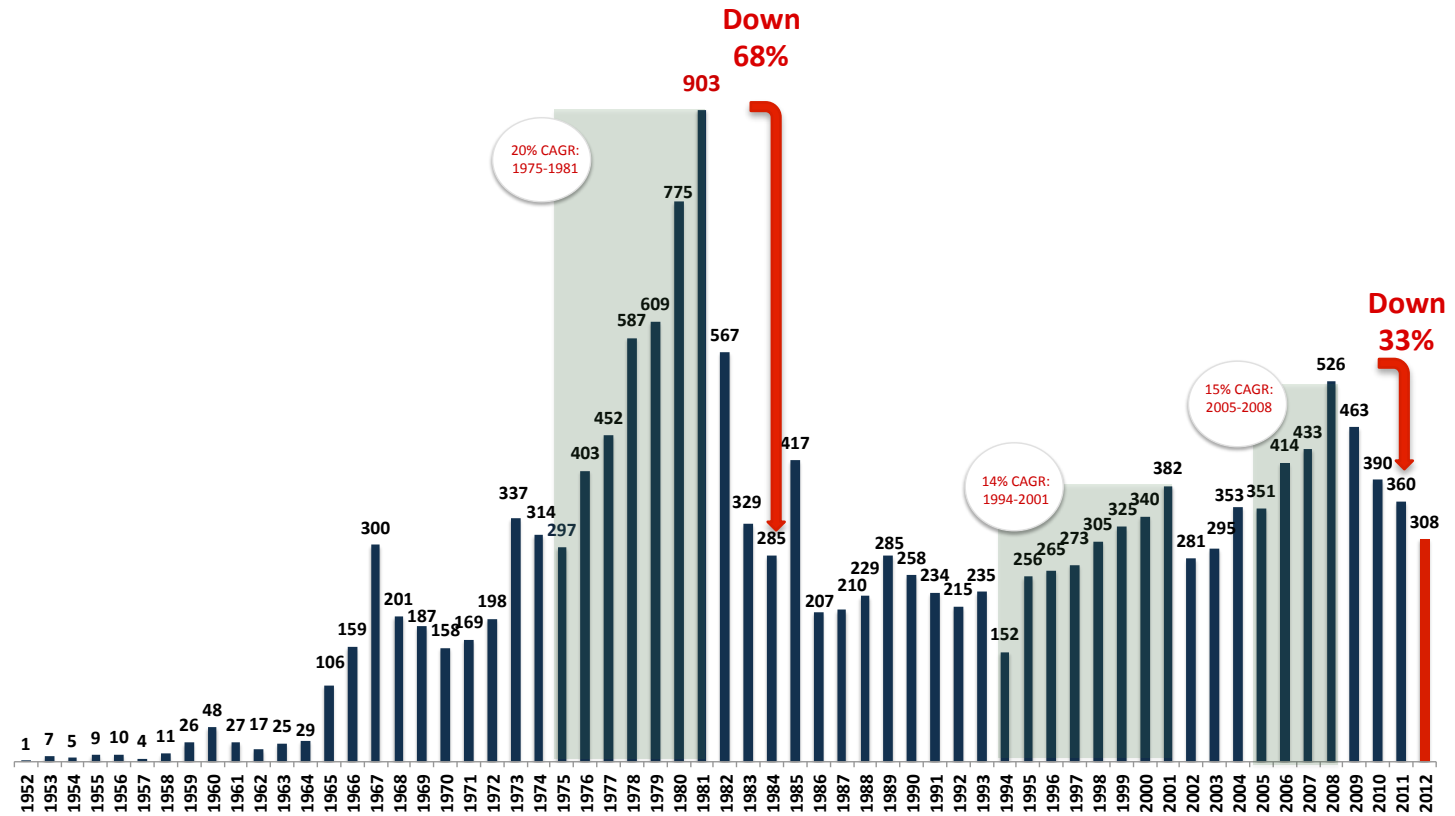
Business Jet Deliveries (units)



Note: 2012 includes deliveries in JETNET database as of early January 2013; final year-end numbers will likely be higher

The 2009-2012 new jet delivery downturn was similar in amplitude to that of 1982-83

Business Turboprop Deliveries (units)

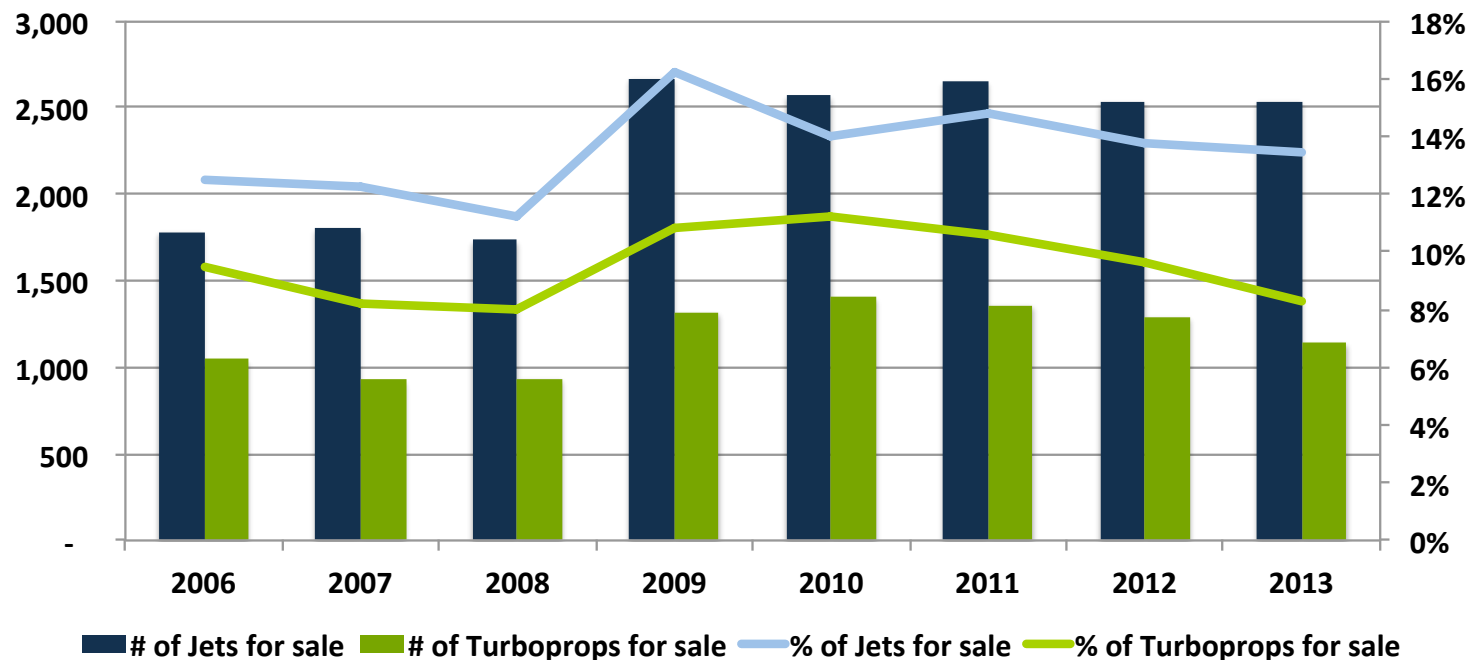


Note: 2012 includes deliveries in JETNET database as of early January 2013; final year-end numbers will likely be higher

Turboprop delivery swings have been less severe than for jets for almost 20 years

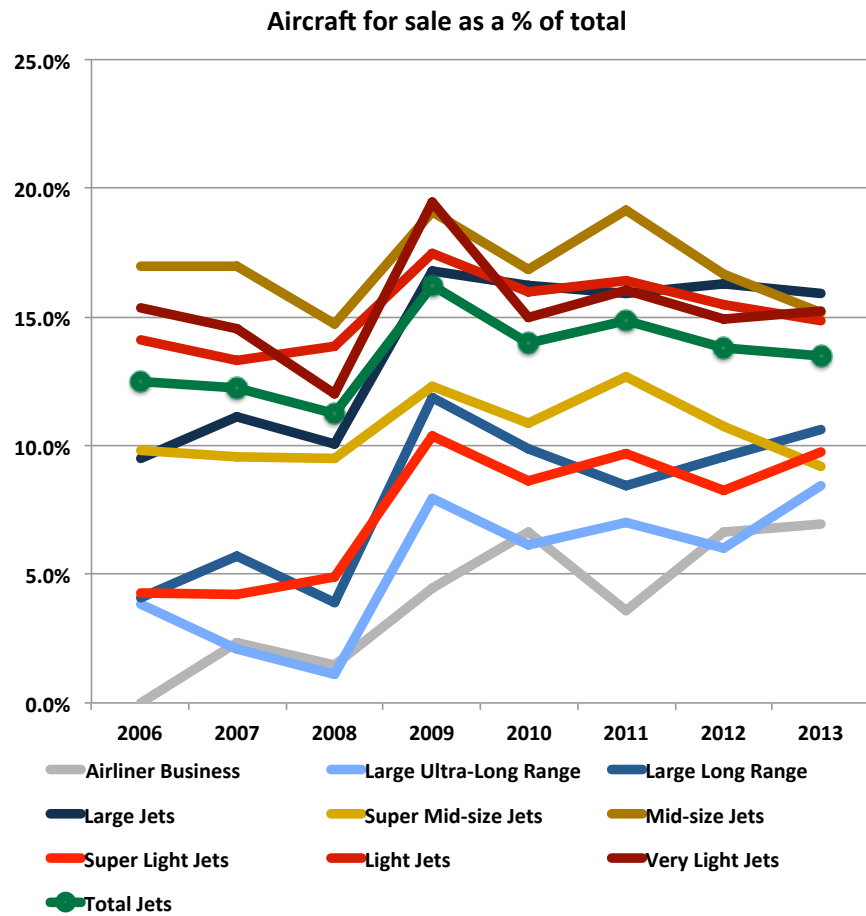
Pre-Owned Business Aircraft Inventory

Business Jets and Turboprops for sale
Jan 2006 Jan 2013



The percentage of pre-owned jets for sale is still about 2% points above 2007 levels

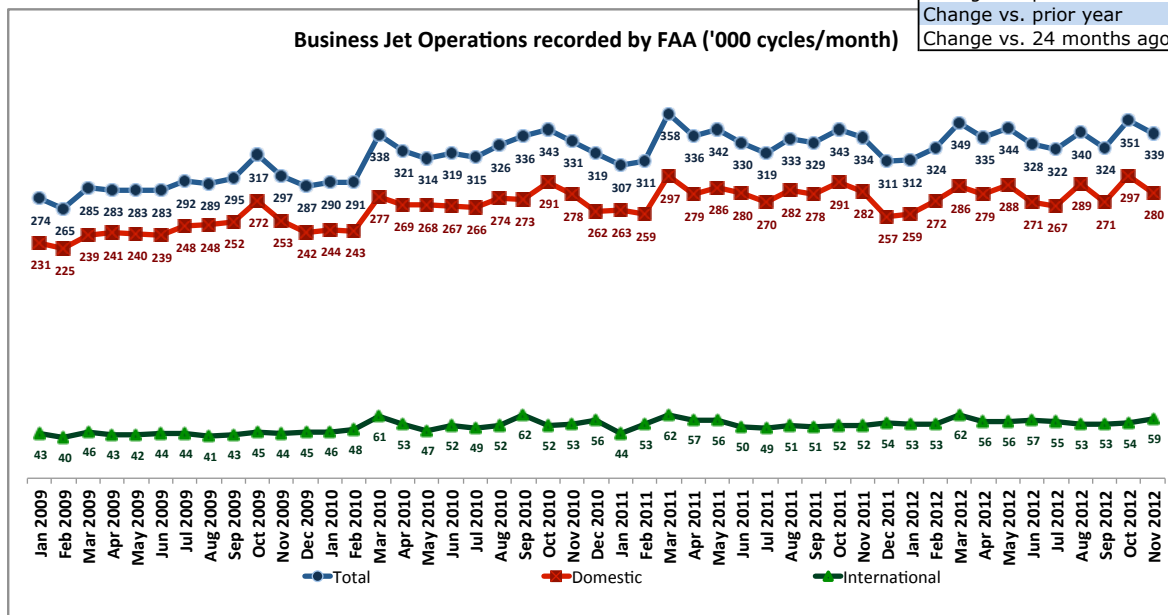
Pre-Owned Business Jet Inventory



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

U.S. Business Jet Utilization

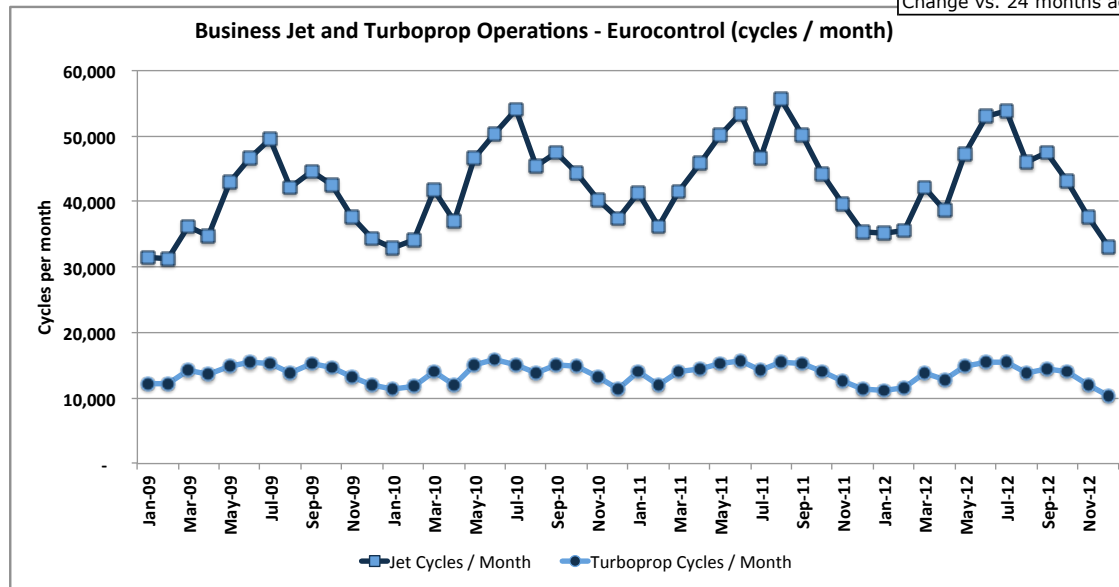
FAA BUSINESS JET OPERATIONS - NOV 2012		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	338,932	3,979,792
Change vs. prior month	-3.5%	0.1%
Change vs. prior year	1.4%	0.4%
Change vs. 24 months ago	2.4%	4.4%
DOMESTIC CYCLES		
Total Domestic Cycles	280,318	3,317,446
Change vs. prior month	-5.7%	0.0%
Change vs. prior year	-0.5%	-0.3%
Change vs. 24 months ago	0.7%	3.9%
INTERNATIONAL CYCLES		
Total International Cycles	58,614	664,348
Change vs. prior month	8.5%	0.9%
Change vs. prior year	11.9%	4.8%
Change vs. 24 months ago	11.0%	7.3%



U.S. utilization: total business jet cycles are up only marginally over the prior year

European Business Aircraft Utilization

EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - DEC 2012		Trailing 12 Months
BUSINESS JETS (EXCLUDING AIRLINERS)		
Total Cycles	33,186	513,406
Change vs. prior month	-12.0%	-0.4%
Change vs. prior year	-6.1%	-4.9%
Change vs. 24 months ago	-11.5%	0.3%
TURBOPROPS		
Total Cycles	10,342	159,955
Change vs. prior month	-13.8%	-0.6%
Change vs. prior year	-8.8%	-4.0%
Change vs. 24 months ago	-9.4%	-2.2%




European utilization: cycles are down 4-5% on a trailing-12-months 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 GLOBAL BUSINESS AVIATION SURVEY - Q1 2012 English

WELCOME



Global Business Aviation Survey

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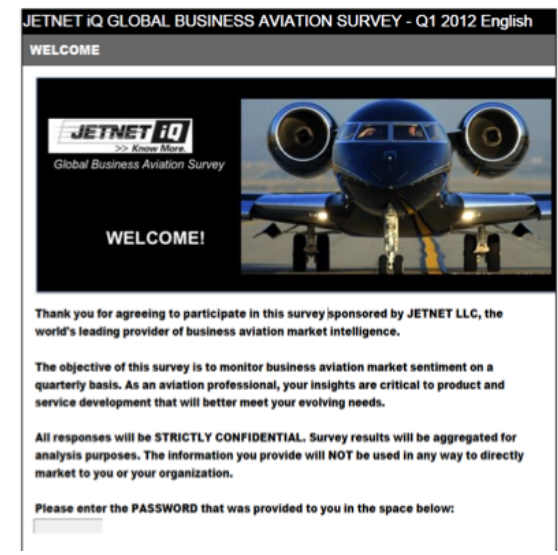
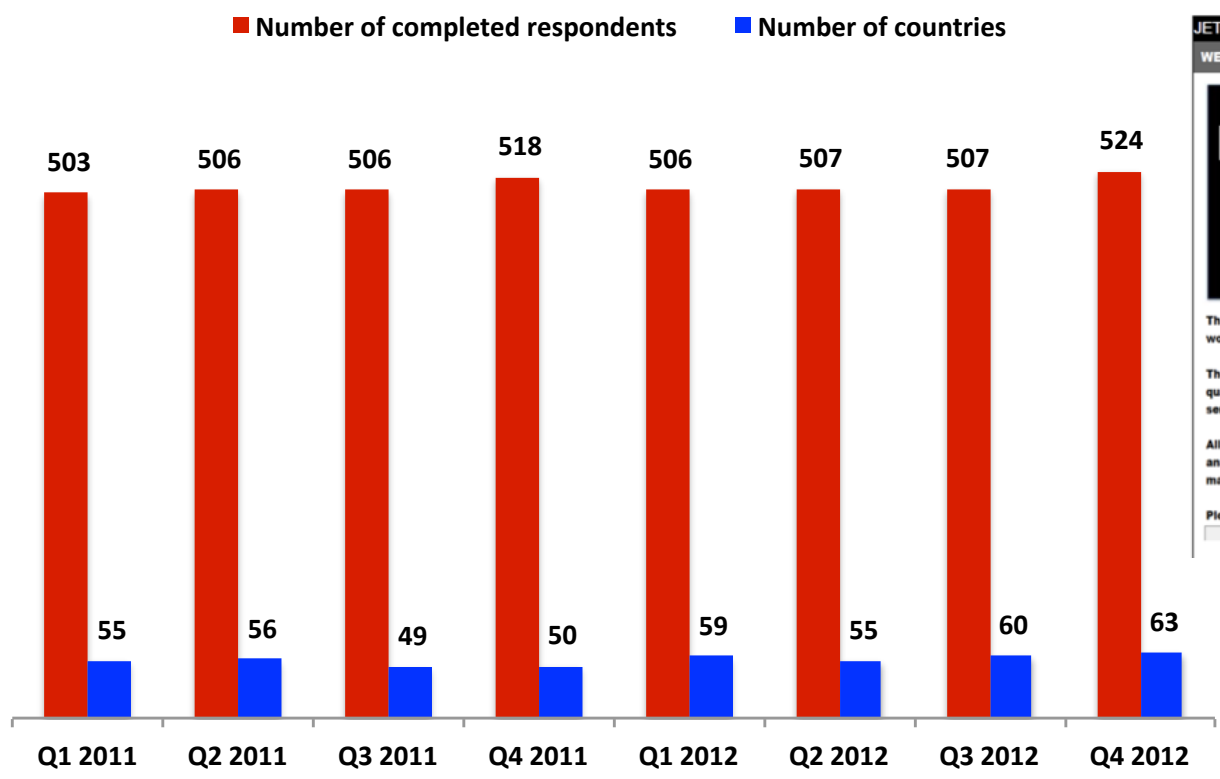
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JETNET iQ Surveys: Quarterly, multilingual, worldwide

JETNET iQ Survey Respondents

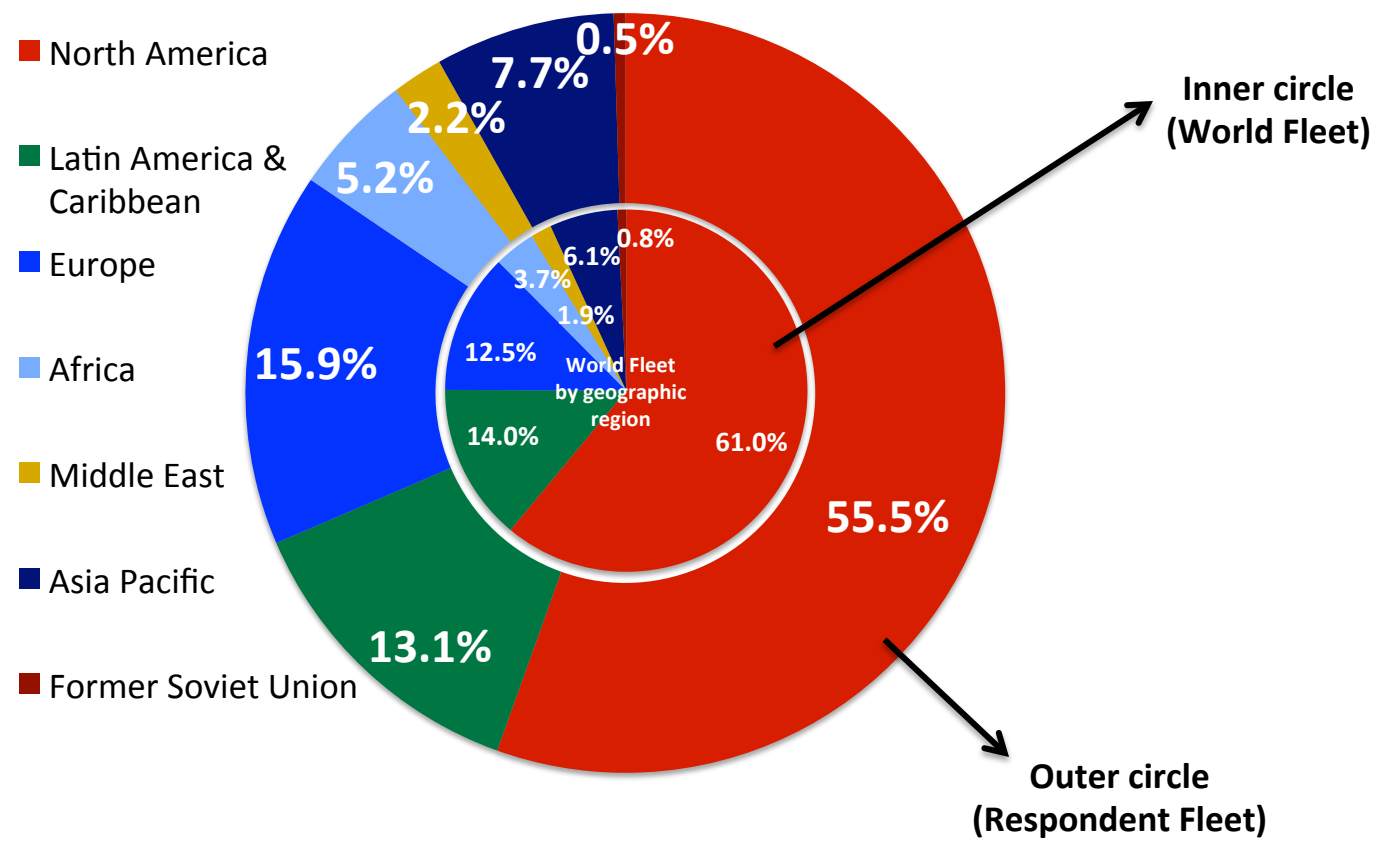


JETNET iQ Surveys: Since Q1 2011, >4,000 respondents from 107 countries

Survey Respondents' Location

By Aircraft Base Location

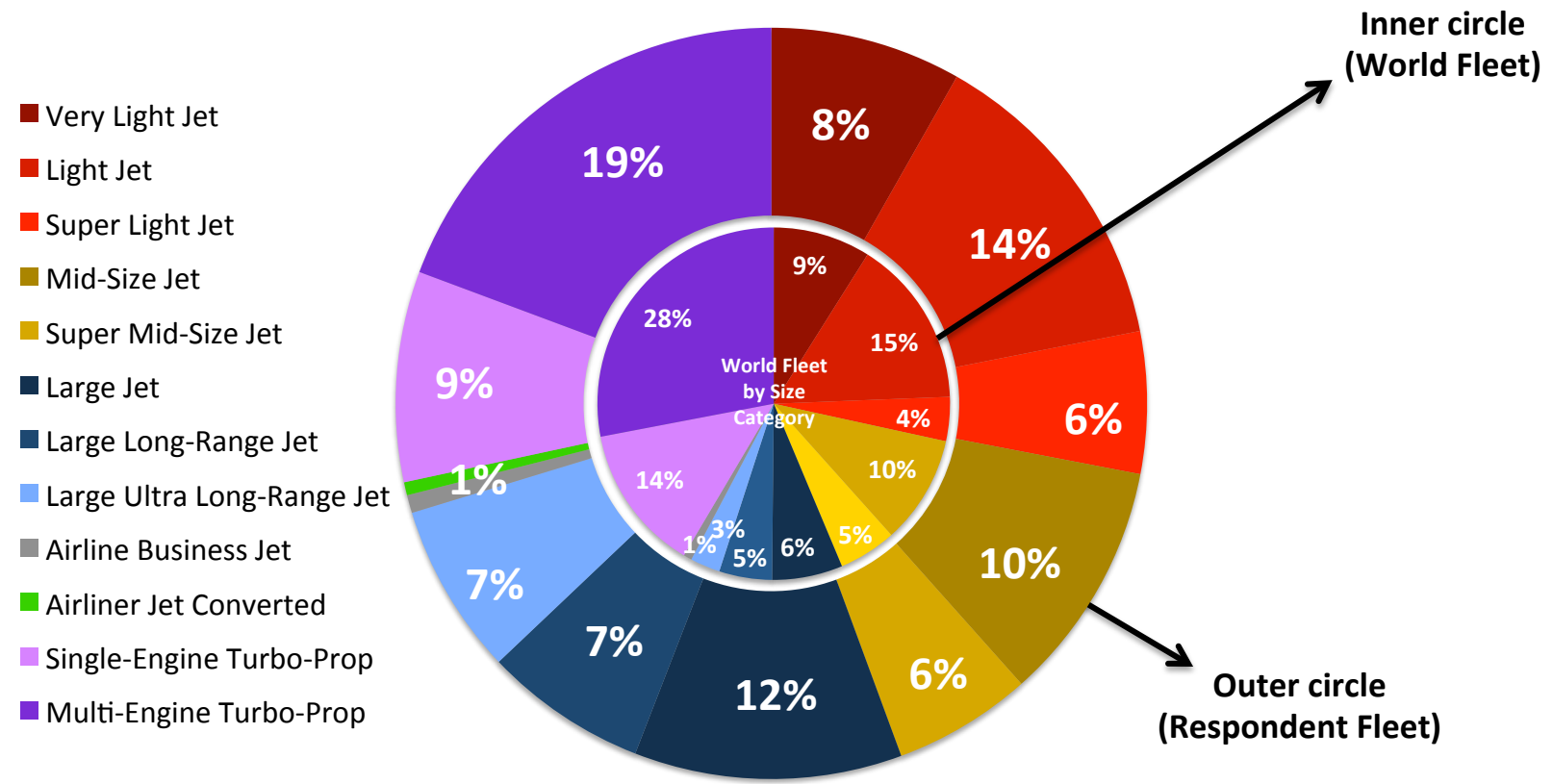
Q4 2012 Survey



Survey Respondents' Fleet

By Aircraft Size Category

Q4 2012 Survey

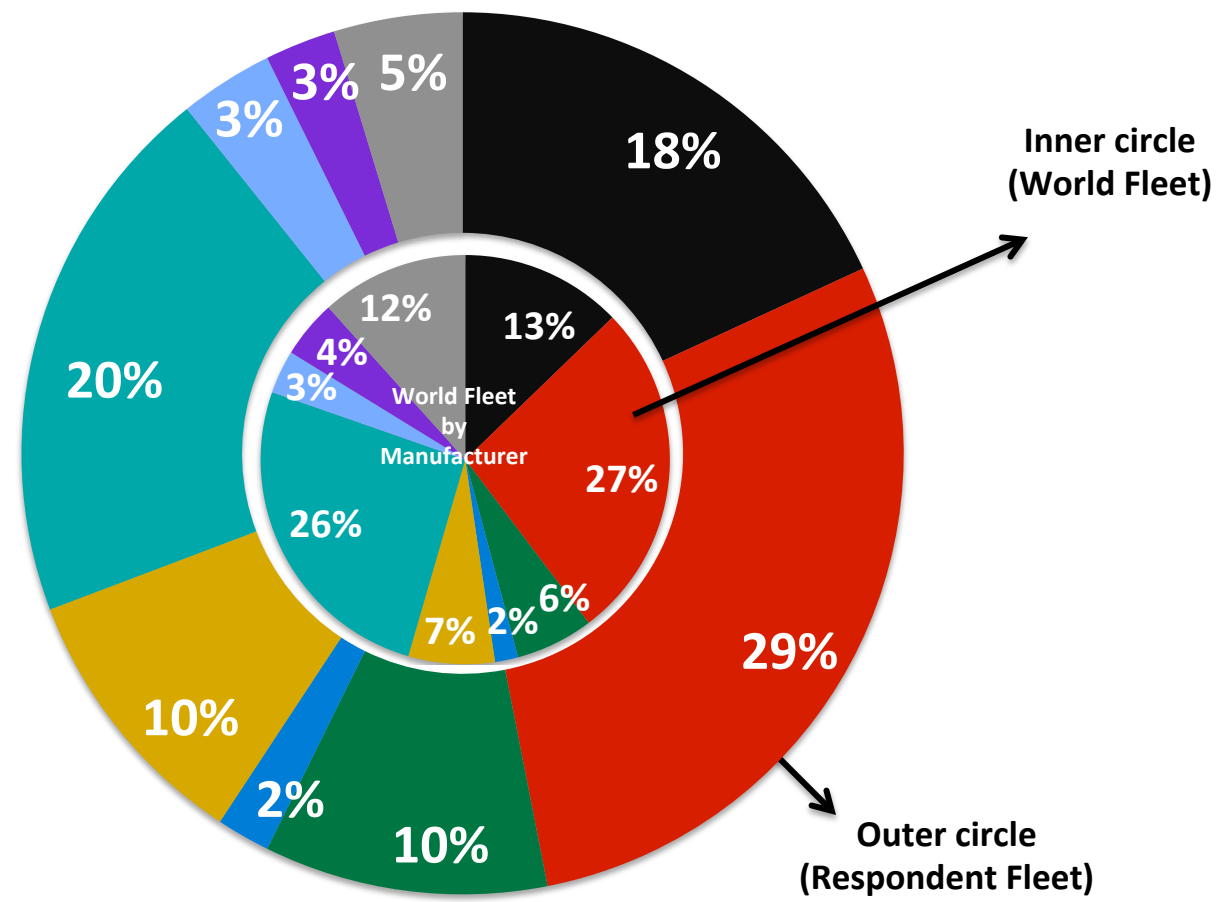


Survey Respondents' Fleet

By Aircraft Manufacturer

Q4 2012 Survey

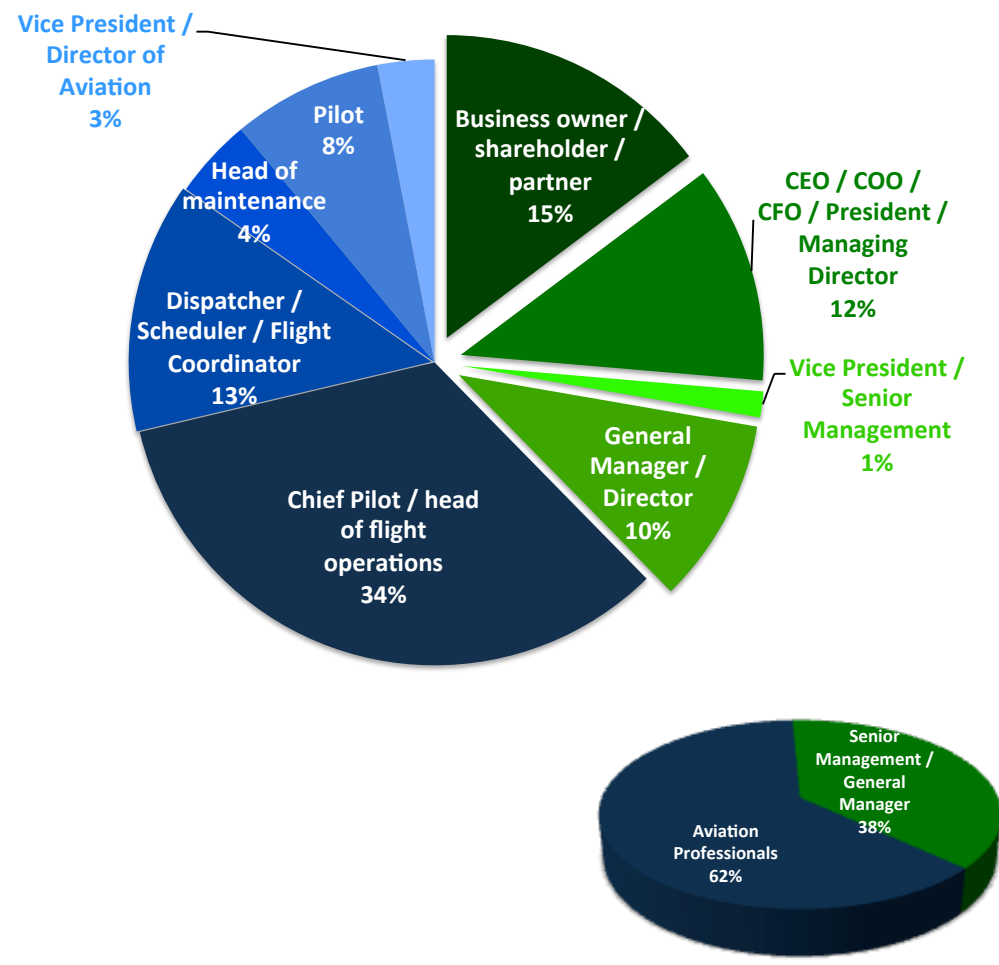
- Bombardier
- Cessna
- Dassault Falcon
- Embraer
- Gulfstream
- Hawker Beechcraft
- Pilatus
- Piper
- Other



Survey Respondents' Roles

By Job Title

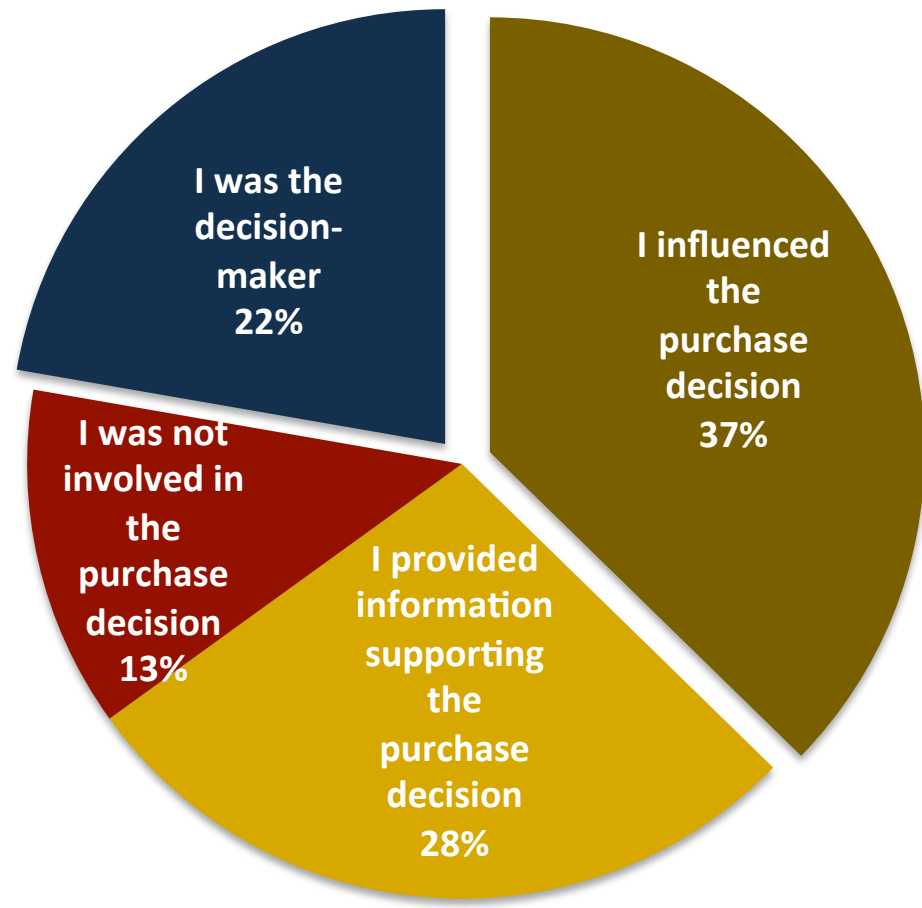
Q4 2012 Survey



Survey Respondents' Roles

By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q4 2012 Survey

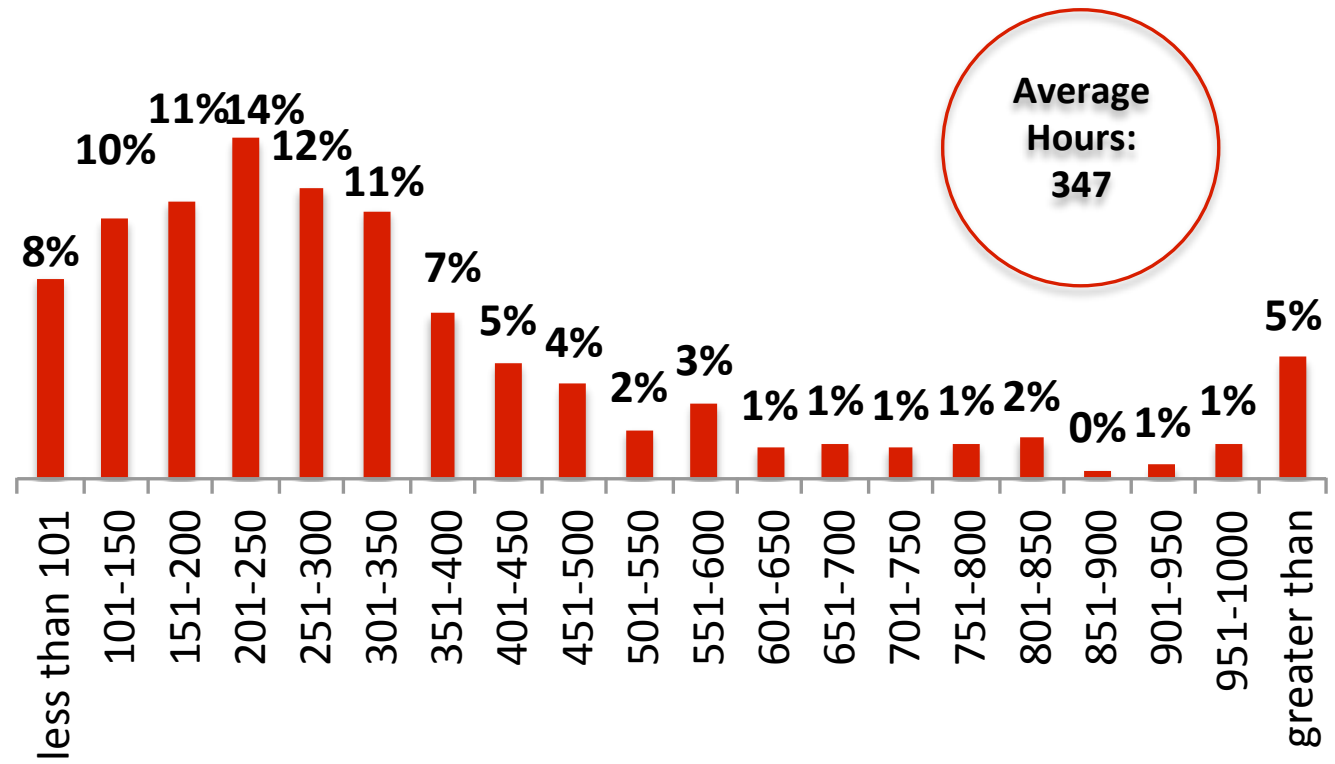


Survey Respondents' Flight Operations

By Average Utilization per Aircraft in Prior 12 Months

Q4 2012 Survey

Annual Flight Hours per aircraft



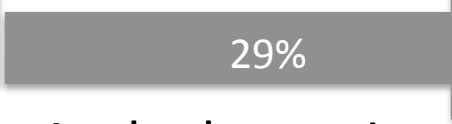
Survey Respondents' Sentiment

Current Market Sentiment

Q4 2012 Survey

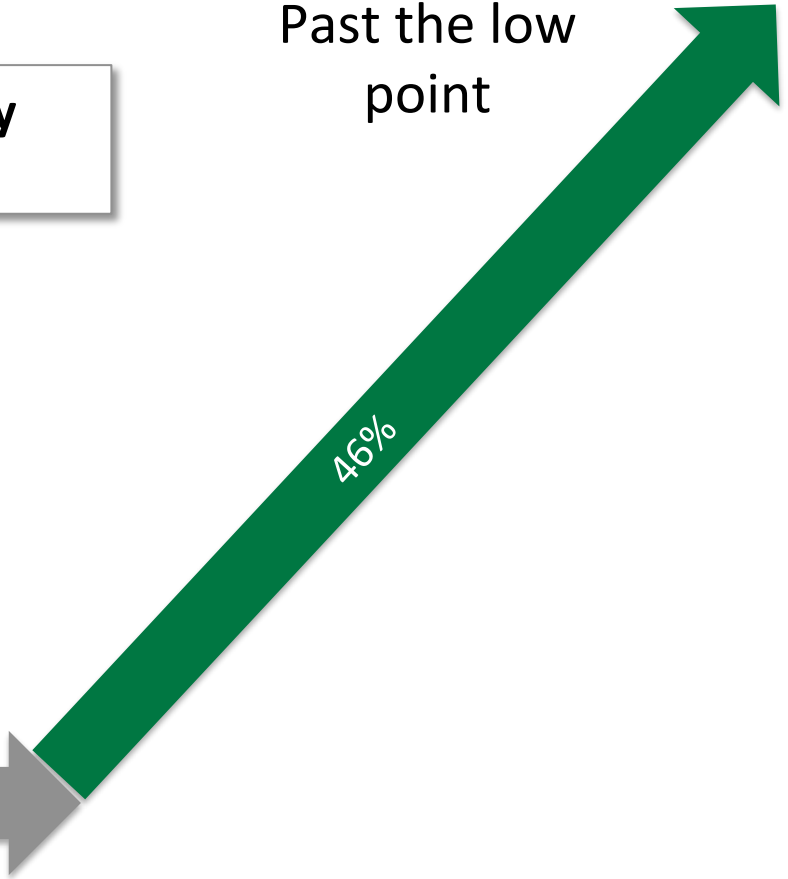
Where is the Business Aviation Industry
In the Current Business Cycle?

Not yet
reached the
low point



At the low point

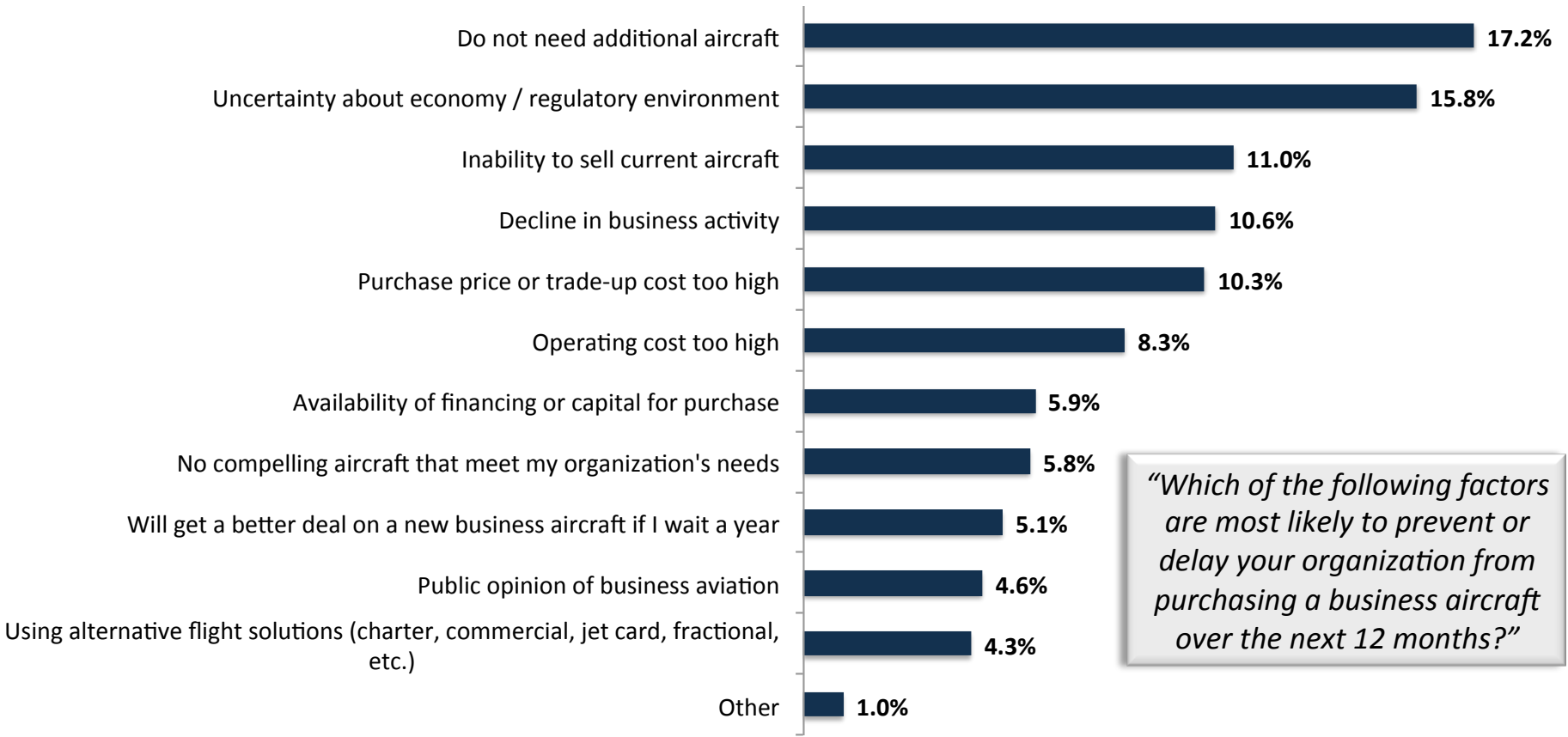
Past the low
point



Aircraft Purchase Inhibitors

Top 3 Inhibitors – Weighted Average

Q4 2012 Survey

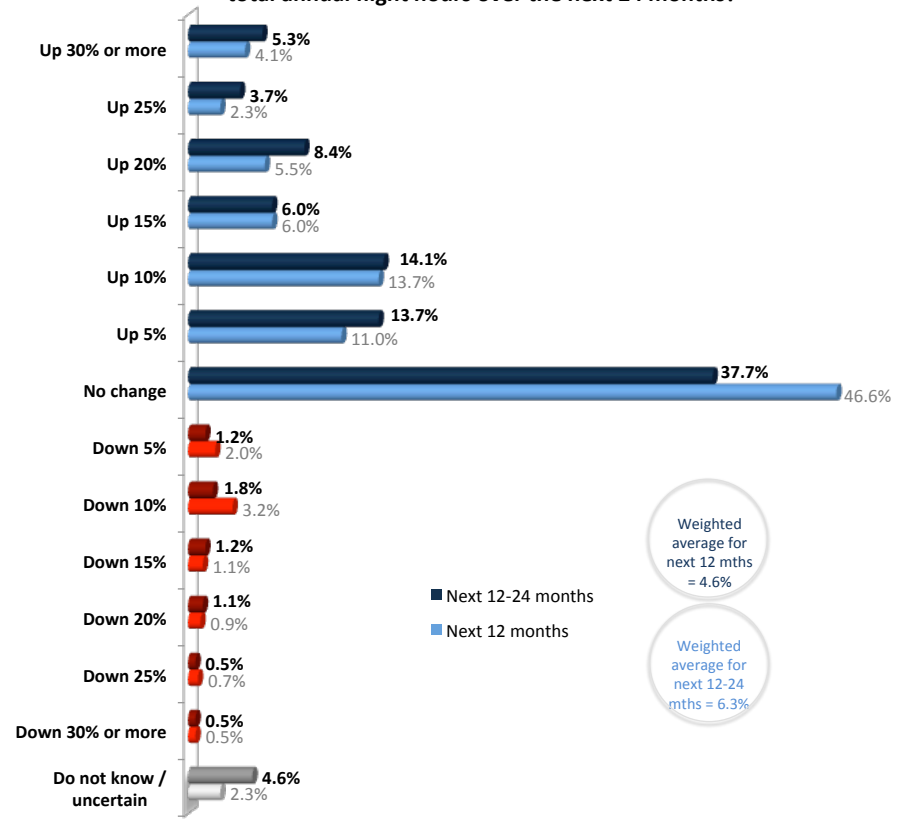


“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”

Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

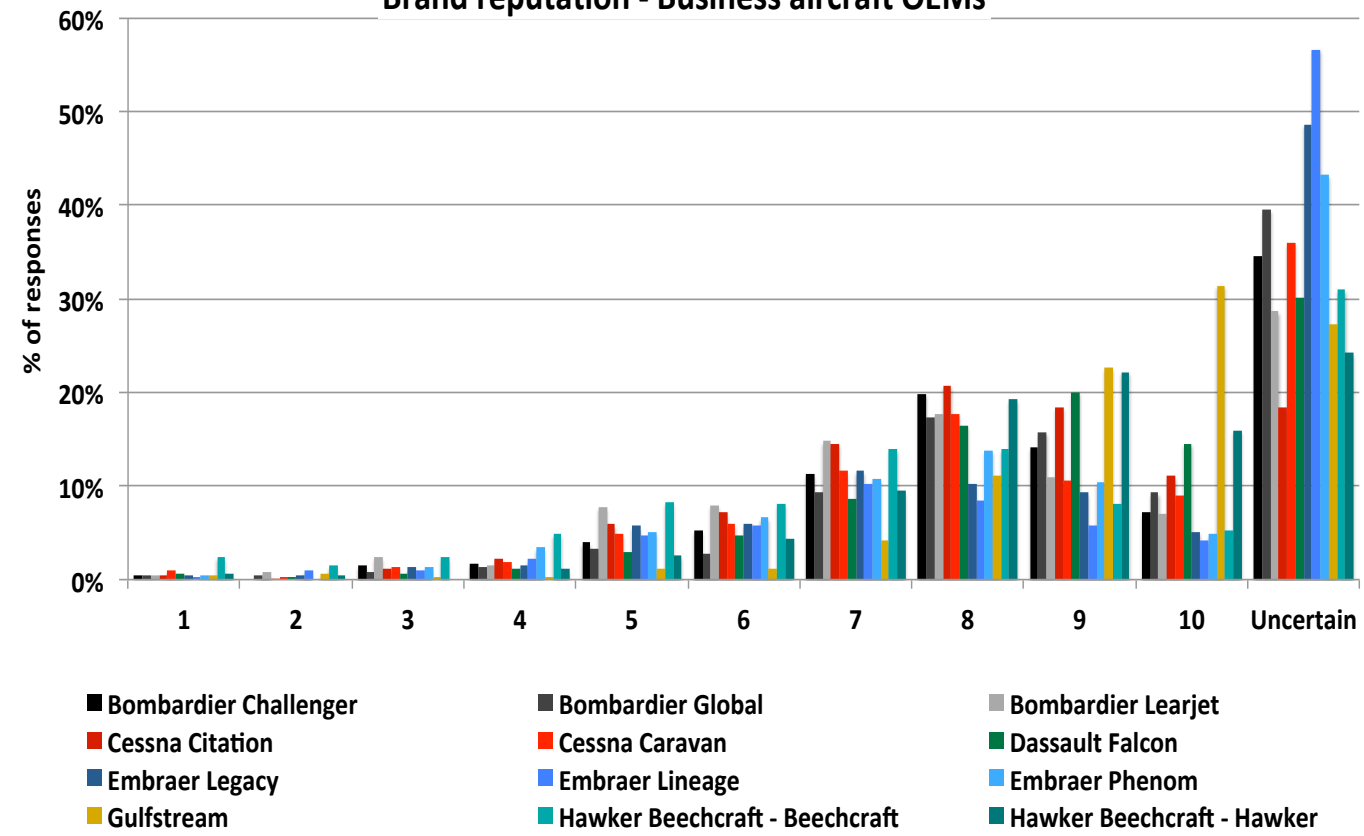
Compared with your past 12 months, what changes do you expect in your total annual flight hours over the next 24 months?



Respondents expect to fly 5% more hours in the next 12 months vs. prior 12 months

Brand Reputations

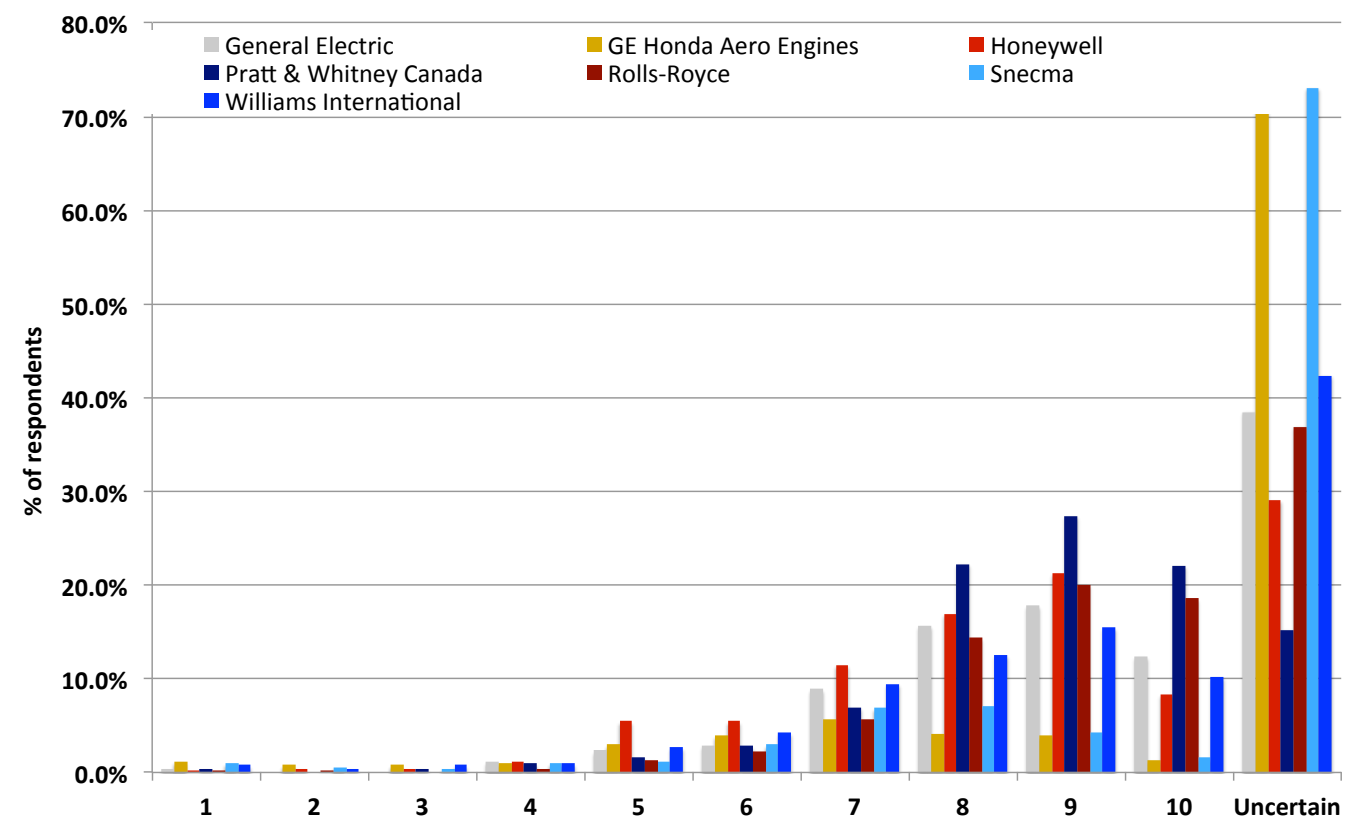
Aircraft Manufacturers on a 1-10 Scale, where “10” = Highest
 Brand reputation - Business aircraft OEMs



Gulfstream is the leading brand amongst aircraft manufacturers

Brand Reputations

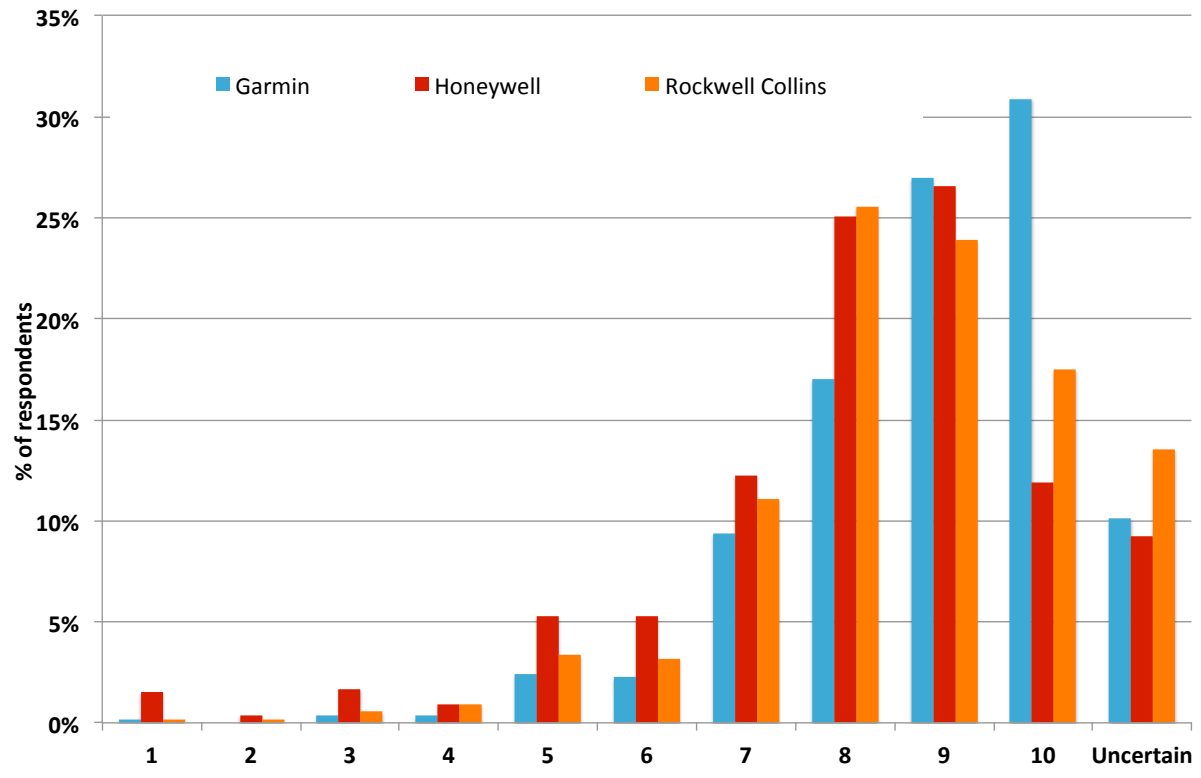
Jet Engine Manufacturers on a 1-10 Scale, where “10” = Highest



Pratt & Whitney Canada is the top-rated jet engine manufacturer brand

Brand Reputations

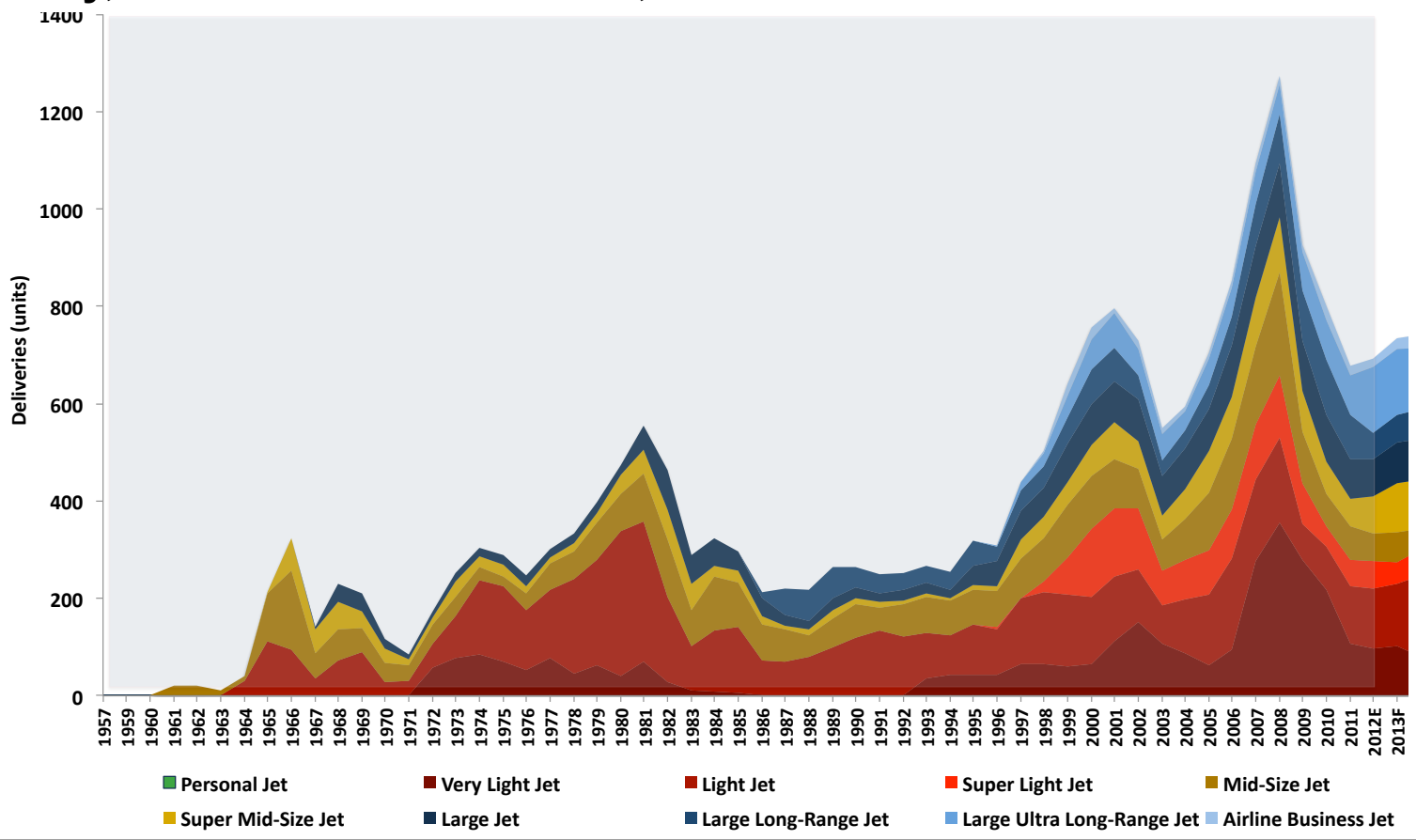
Avionics Manufacturers on a 1-10 Scale, where "10" = Highest



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

Business Jet Deliveries

History, 2012 Year-End Estimate, and 2013 Forecast



JETNET iQ's 2013 business jet delivery forecast is 735 jets, up 6.2% over 2012

About JETNET iQ

Launched in January 2011, JETNET iQ is a forecasting and premium advisory service for the business aviation market, designed to help customers “Know More”. Available on an annual subscription basis, JETNET iQ has 3 main elements:

- 1) JETNET iQ REPORTS are the definitive analytical reference for the business aviation industry, incorporating state-of-the-industry analyses, proprietary aircraft owner/operator surveys, and detailed 10-year delivery and fleet forecasts, updated quarterly.
- 2) JETNET iQ SUMMITS provide fast-paced thought-provoking insights into the state of the industry, and unique networking opportunities.
- 3) JETNET iQ CONSULTING serves the needs of members with customized research and analysis requirements on a project-by-project basis.

For more information on JETNET iQ, log on to www.jetnetiq.com 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 some 100,000 airframes. Headquartered in its state-of-the-art facility in Utica, NY, JETNET offers comprehensive user-friendly aircraft data via real-time internet access or regular updates.

For more information on JETNET LLC log on to jetnet.com or contact Paul Cardarelli, JETNET Director of Sales and Marketing, at 800-553-8638 (USA) or paul@jetnet.com; International inquiries, contact Karim Derbala, JETNET Exclusive Agent, EMEA, at 41.0.43.243.7056 or karim@jetnet.com