



JETNET iQ *Snap!*

Q4 2013 Summary Report

Prepared for:
JETNET iQ Global Business Survey Respondents

December 31, 2013

JETNET iQ Snap!: 4th Quarter 2013 - 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.

The Year 2013 marked JETNET's 25th year of doing business, and we thank you for believing in us and sharing the journey. It was an eventful year, with our participation at ABACE, EBACE, NAFA, NARA, TRB, NBAA2013 and other venues. Once again this year, we look forward to hosting our 4th annual JETNET iQ Global Business Aviation Summit on June 3-4, 2014 in New York City. Thank you for participating in our quarterly survey – as always, 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. As always, we hope that this latest issue of JETNET iQ *Snap!* is useful and insightful to you.

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

JETNET

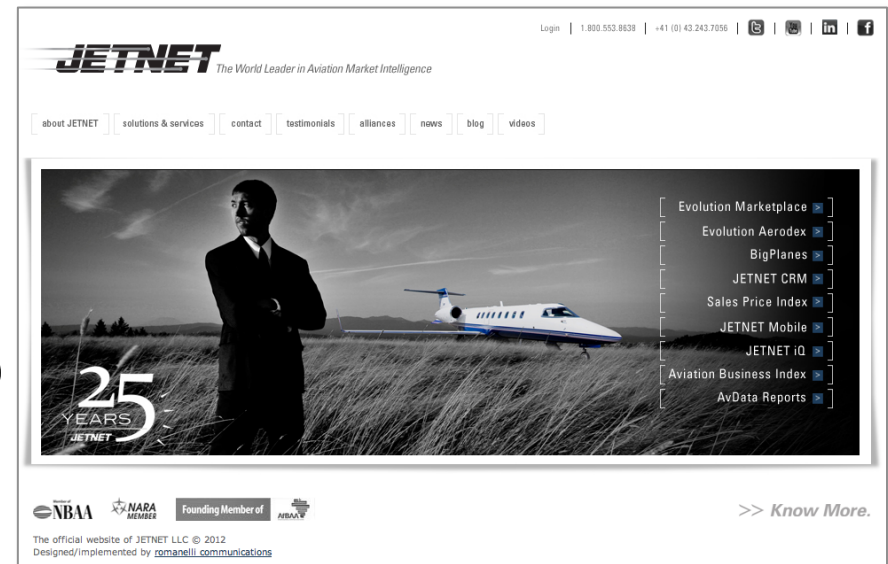
- Founded in 1988
- Privately-owned family business
- Headquarters in Utica, NY
- 70+ employees (47 in research)
- Daily contact with aircraft owners and operators globally



JETNET: Worldwide leader in aviation market intelligence

JETNET

- Main products:
 - JETNET iQ
 - JETNET Evolution / Mobile
 - AERODEX
 - Aviation Business Index (ABI)
 - AvData
 - JETNET CRM
 - Helidex
 - Rotodex
 - BigPlanes - Commercial Airliner Database
 - Sales Price Index (SPI)
- Data coverage:
 - 60,000 business aircraft (fixed and rotary wing)
 - 50,000 commercial aircraft



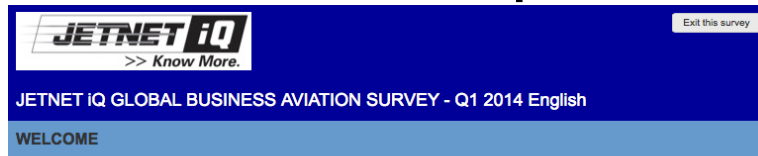
JETNET: Tracking more than 110,000 aircraft worldwide

JETNET iQ

- *Intelligence....quarterly*
- Focus: Business aviation research & forecasting
- Main features
 - Surveys – of aircraft owners and operators
 - Reports – of current and forecast market conditions
 - Summits – of industry thought leaders

JETNET iQ Surveys

- Turbine business aircraft owners and operators
- Quarterly
- Global
- On-line
- Multilingual
- Password-protected
- Password-linked

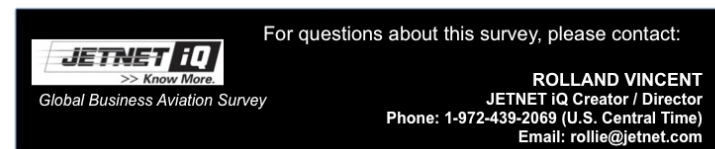


Thank you for agreeing to participate in this survey sponsored by JETNET LLC, the world's leading provider of business aviation market intelligence. Your insights are critical to product and service development that will better meet your evolving needs.

Survey responses:

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

PASSWORD:



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

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).

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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%

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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

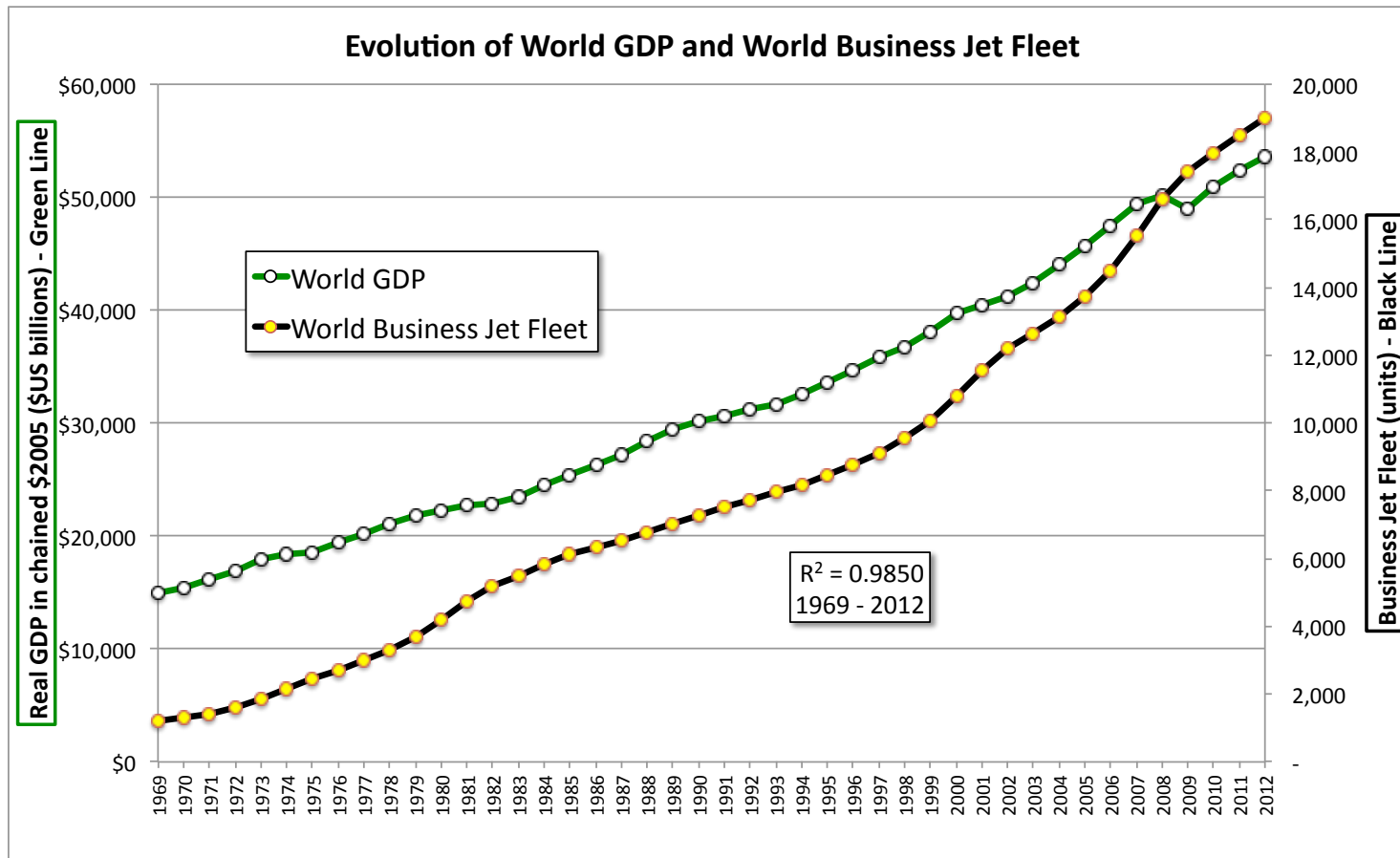
December 31, 2011 JETNET iQ REPORT: 4th Quarter 2011 - Private & Confidential 268

JETNET iQ Summits

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

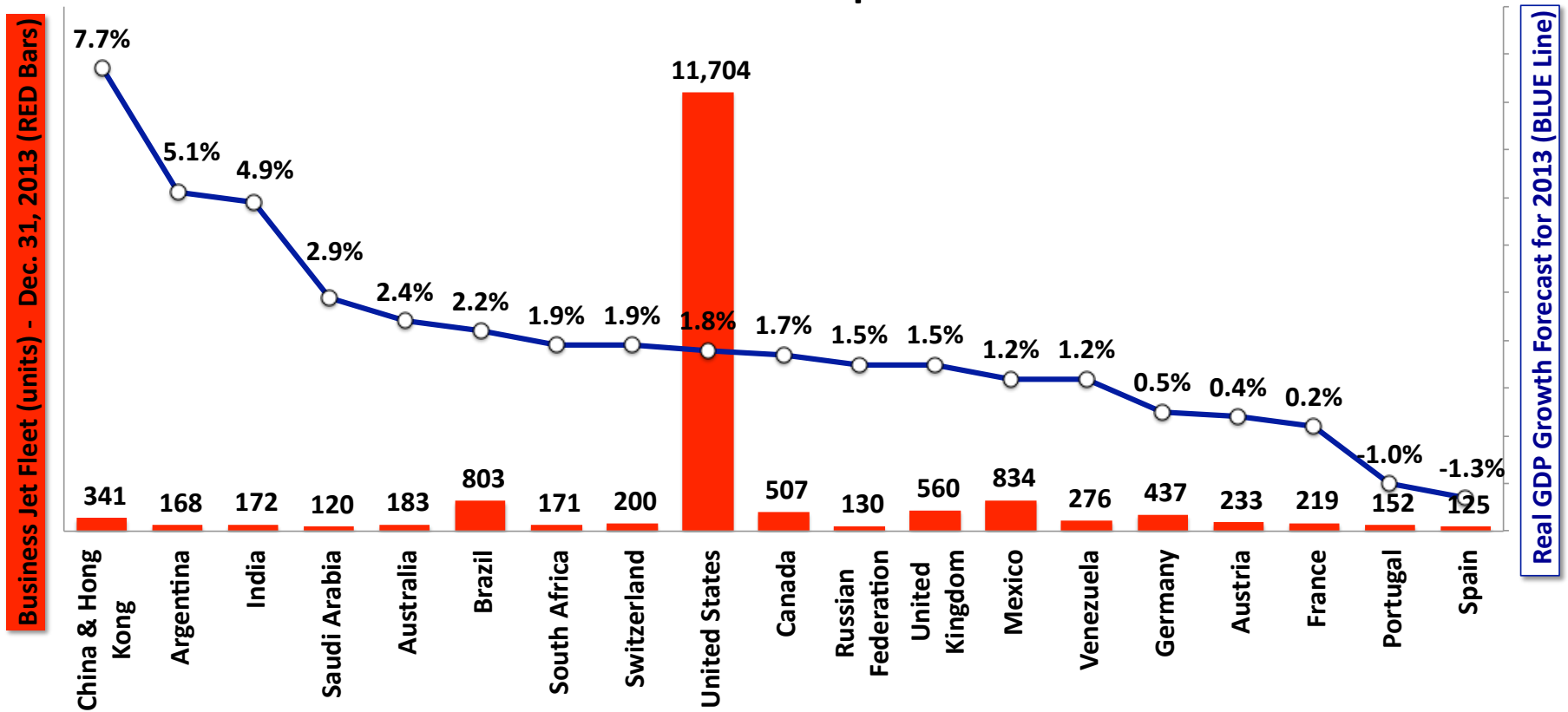


The Economy



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

The Economy

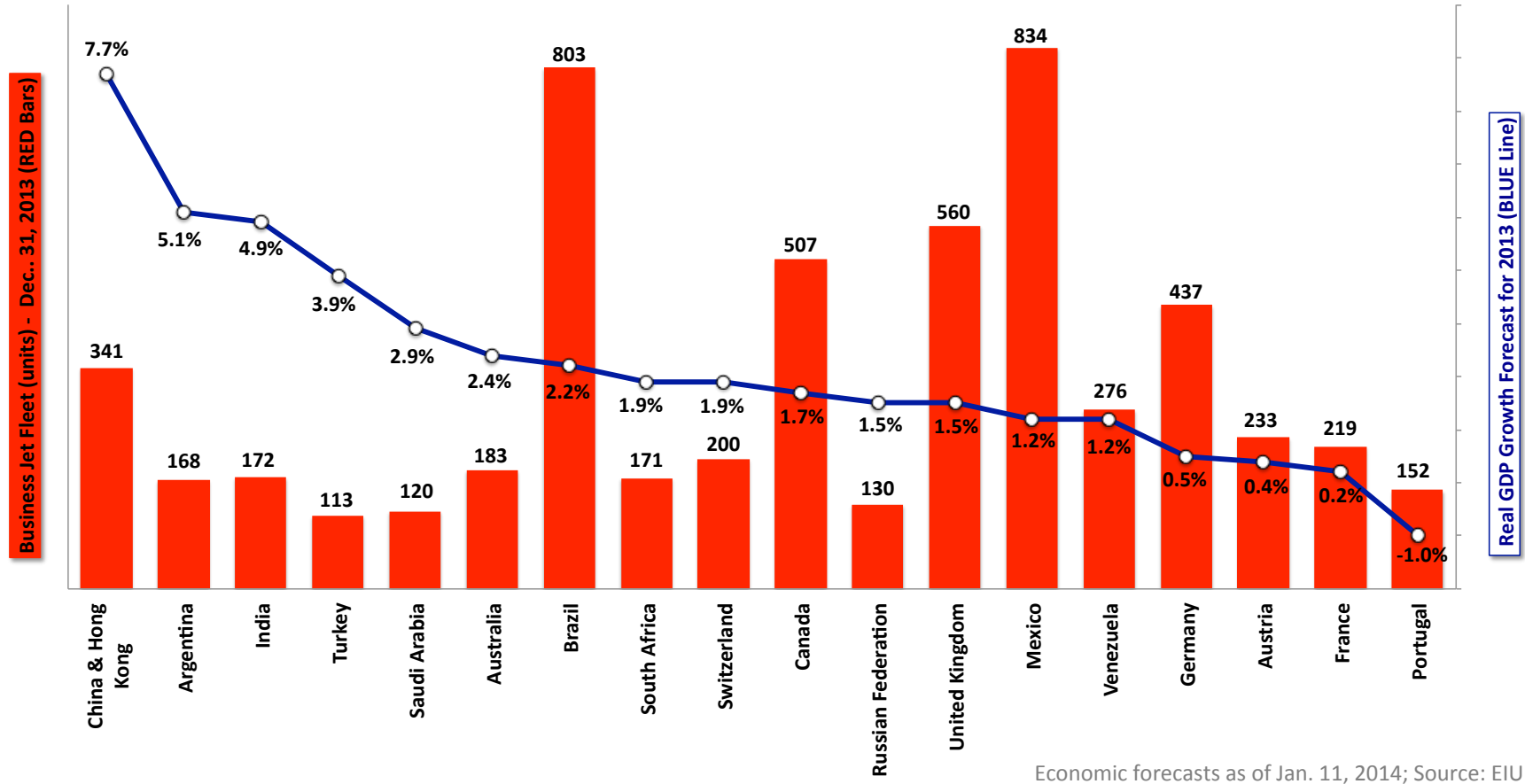


Economic forecasts as of Jan. 11, 2014; Source: EIU

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

The Economy

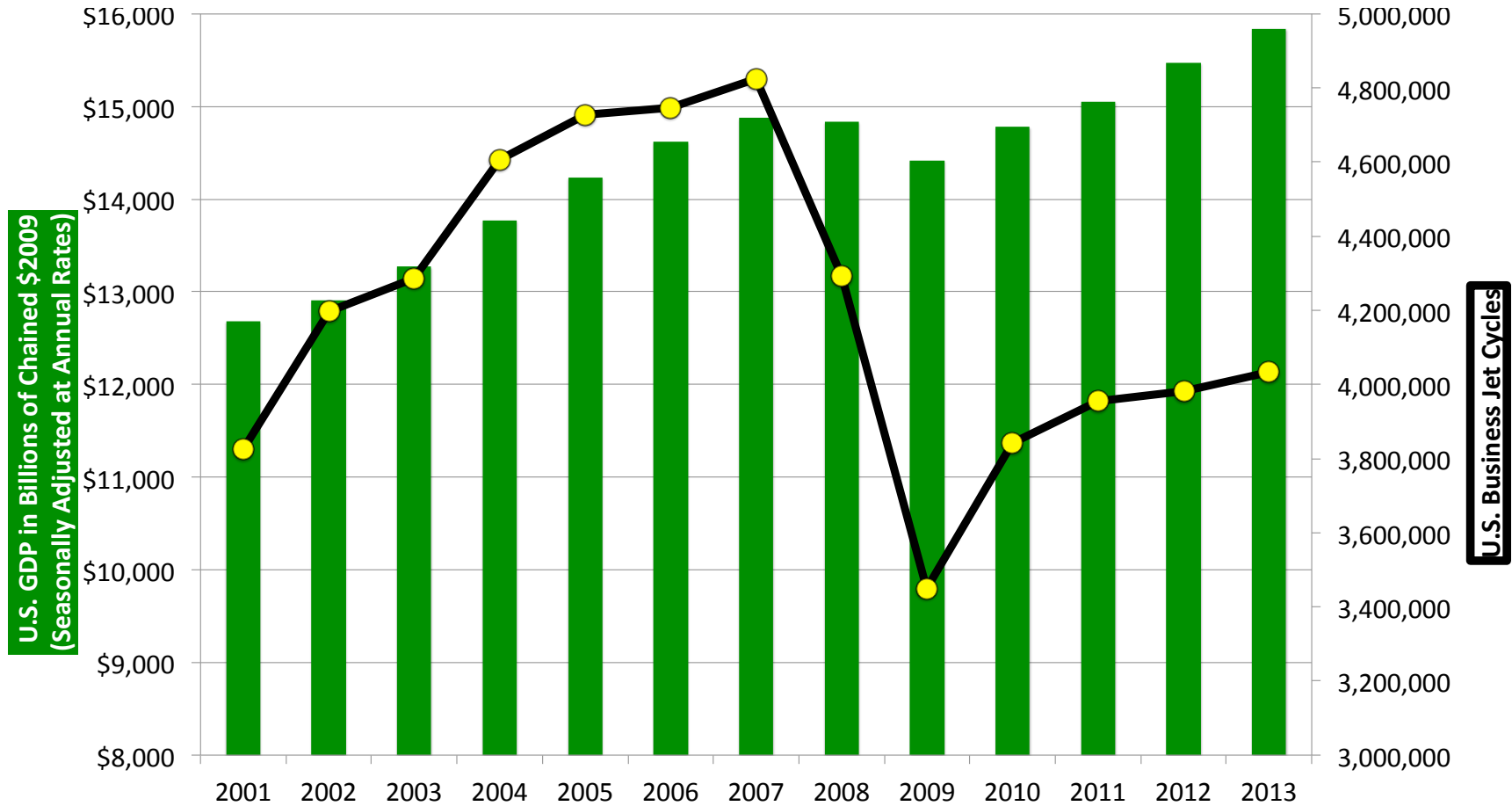
2013 GDP Forecasts and "Top 20" Business Jet Fleets
 (excluding the United States)



Economic forecasts as of Jan. 11, 2014; Source: EIU

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

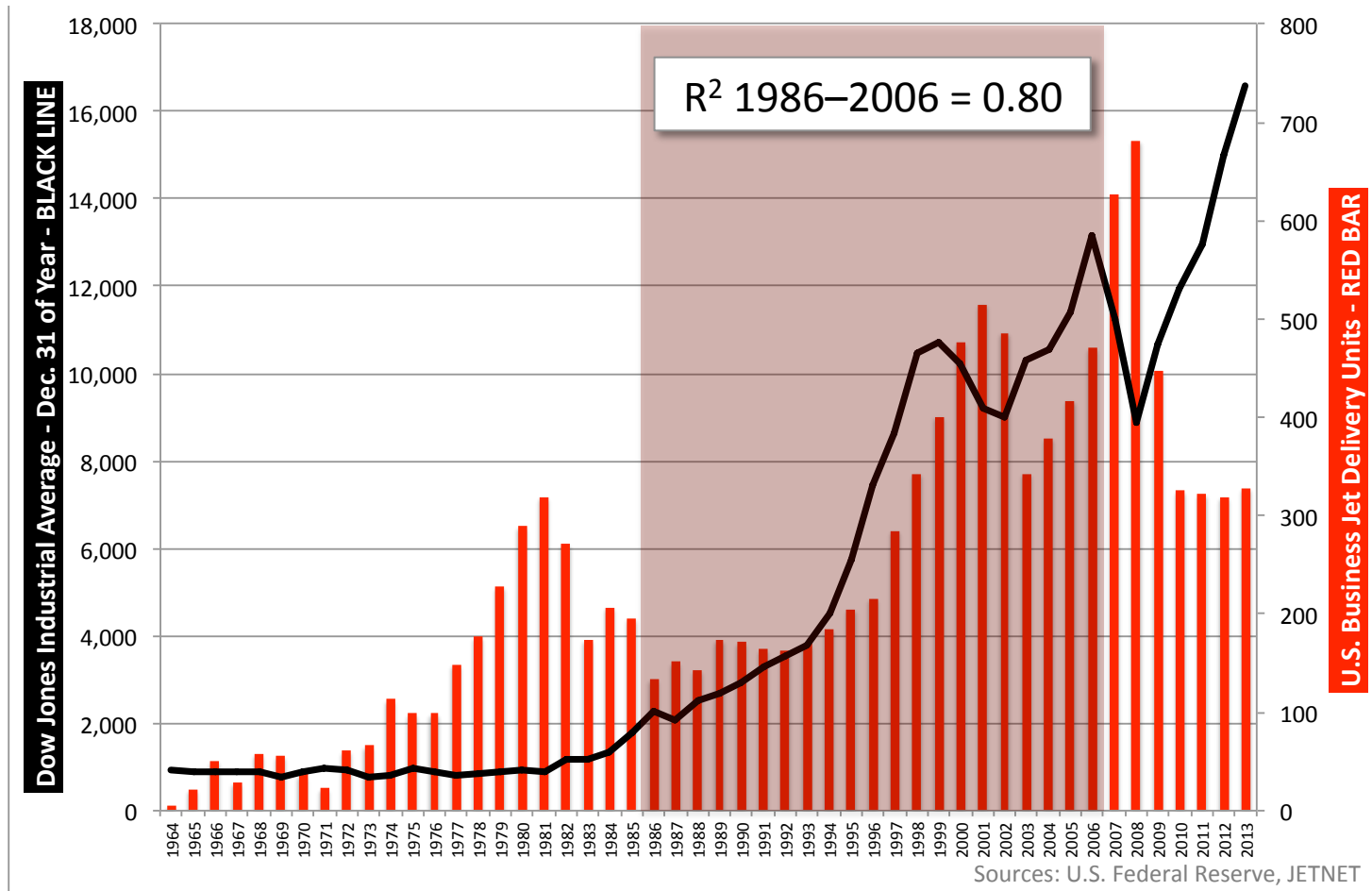
The Economy



Sources: U.S. BEA, FAA

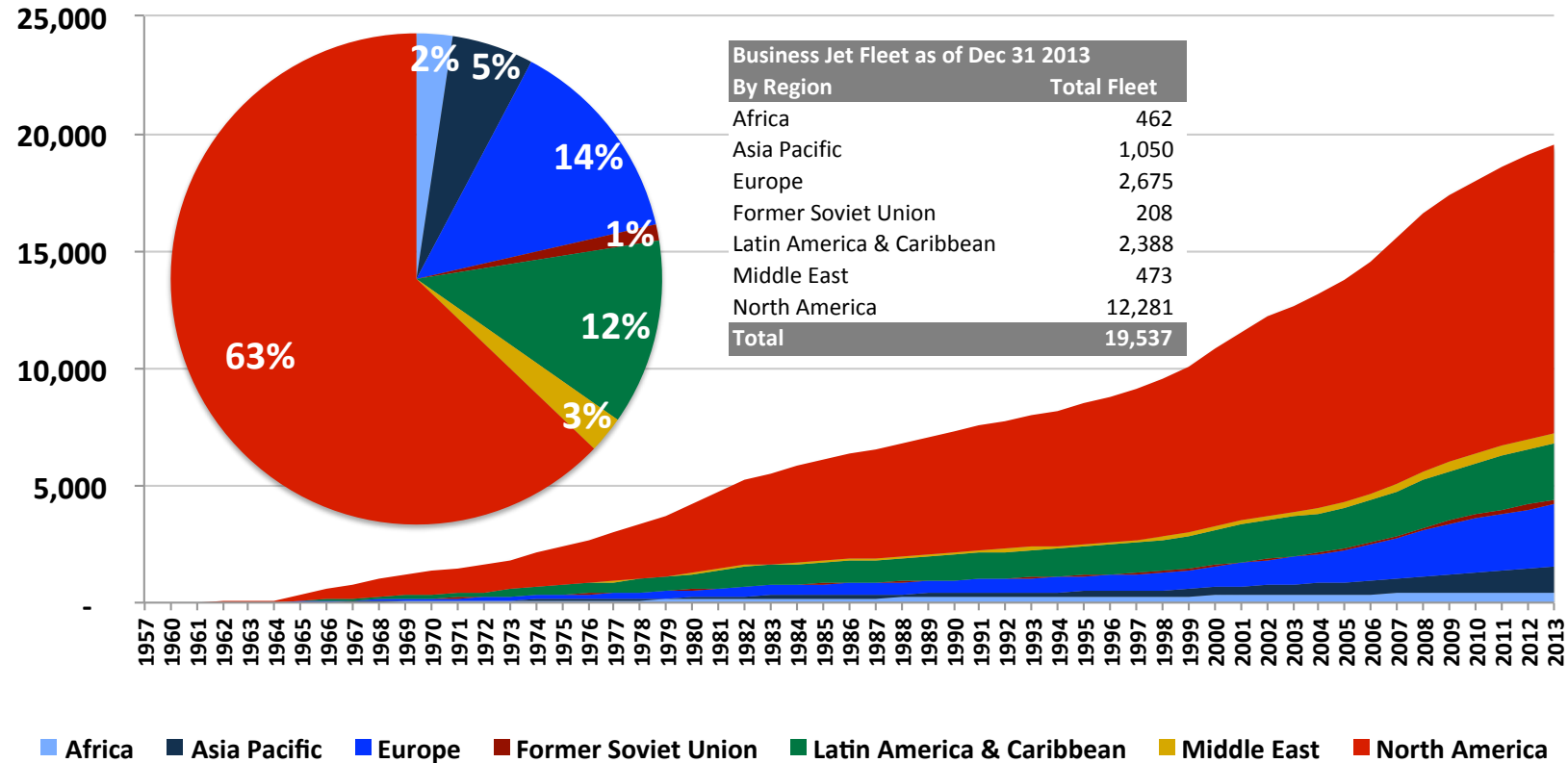
U.S. business jet takeoffs and landings are still 16% below pre-recession levels

The Economy



Dow Jones Industrial Average and business jet deliveries remain out of sync

Business Jet Fleet by Region



Business Jet Fleet by Manufacturer

NORTH AMERICA OEM	Fleet as of Dec 31 2013
Bombardier	2,660
Cessna Citation	4,298
Dassault Falcon	1,225
Embraer	315
Gulfstream	1,612
Hawker Beechcraft	1,501
Other	670
Total	12,281

EUROPE OEM	Fleet as of Dec 31 2013
Bombardier	589
Cessna Citation	945
Dassault Falcon	474
Embraer	111
Gulfstream	210
Hawker Beechcraft	247
Other	99
Total	2,675

FORMER SOVIET UNION OEM	Fleet as of Dec 31 2013
Bombardier	64
Cessna Citation	19
Dassault Falcon	30
Embraer	22
Gulfstream	21
Hawker Beechcraft	34
Other	18
Total	208

MIDDLE EAST OEM	Fleet as of Dec 31 2013
Bombardier	94
Cessna Citation	62
Dassault Falcon	60
Embraer	35
Gulfstream	82
Hawker Beechcraft	71
Other	69
Total	473

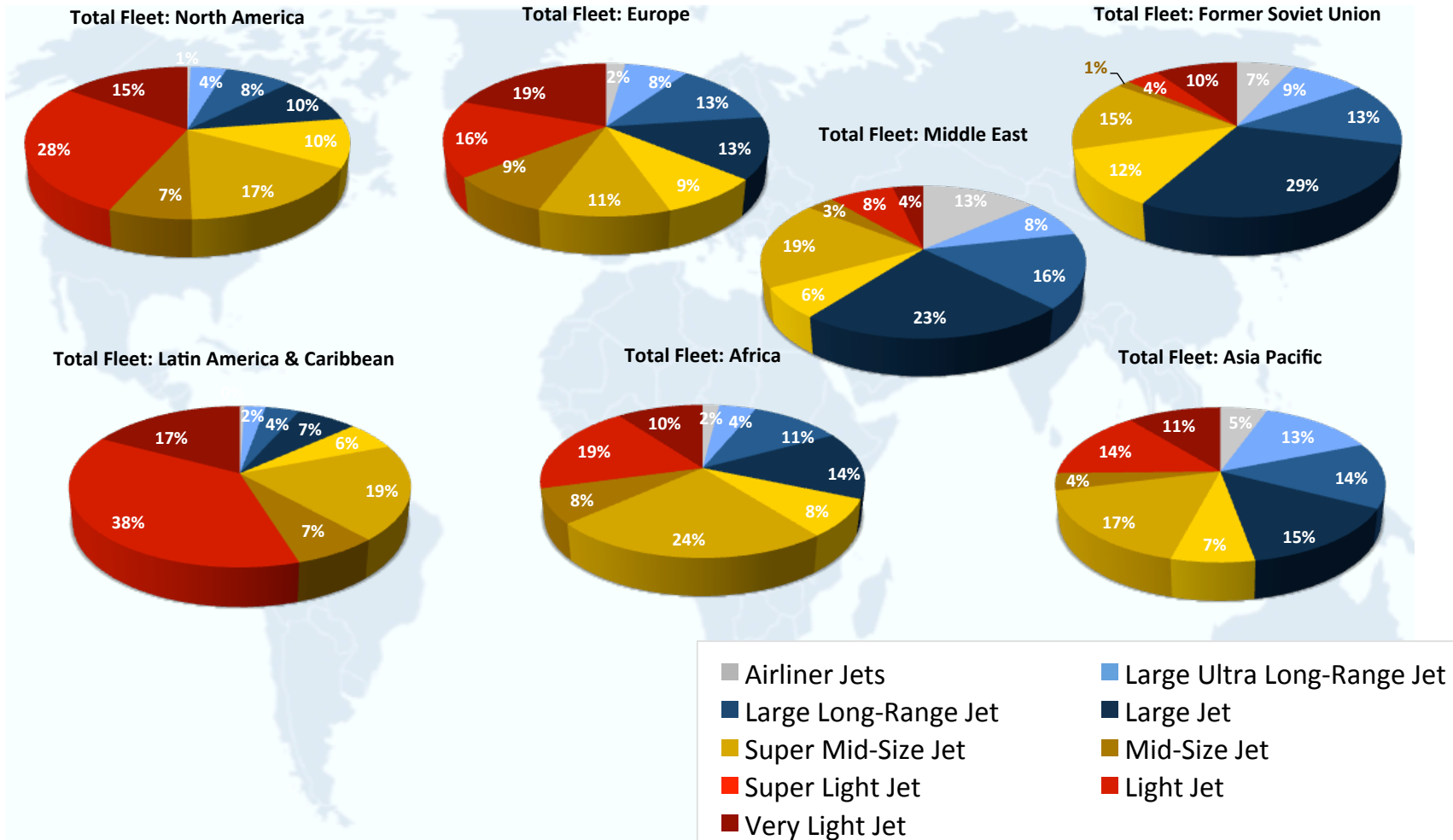
LATIN AMERICA & CARIBBEA OEM	Fleet as of Dec 31 2013
Bombardier	587
Cessna Citation	795
Dassault Falcon	155
Embraer	161
Gulfstream	164
Hawker Beechcraft	354
Other	172
Total	2,388

AFRICA OEM	Fleet as of Dec 31 2013
Bombardier	86
Cessna Citation	109
Dassault Falcon	63
Embraer	16
Gulfstream	57
Hawker Beechcraft	113
Other	18
Total	462

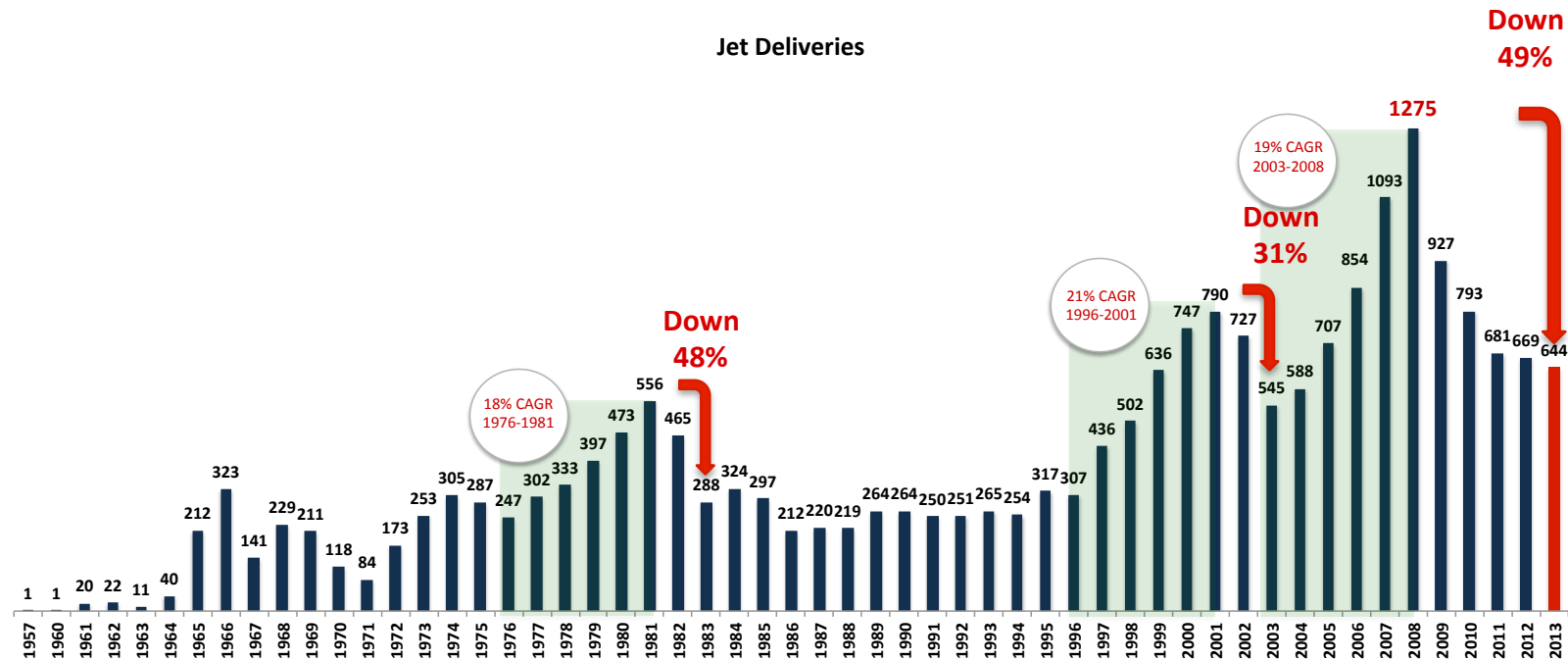
ASIA PACIFIC OEM	Fleet as of Dec 31 2013
Bombardier	248
Cessna Citation	216
Dassault Falcon	77
Embraer	60
Gulfstream	220
Hawker Beechcraft	162
Other	67
Total	1,050

World business jet fleet was 19,537 jets on December 31, 2013

Business Jet Fleet by Size Category

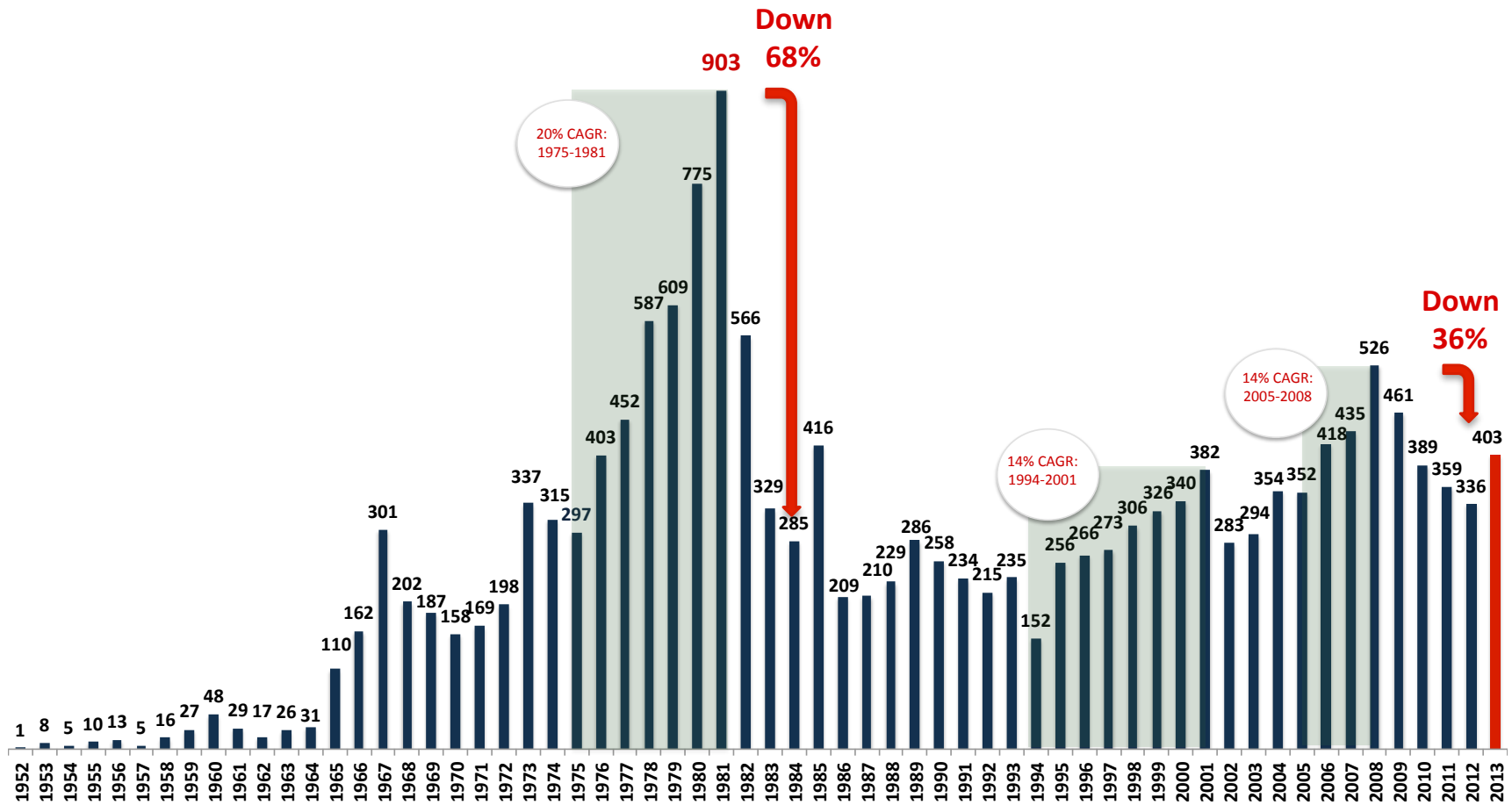


Business Jet Deliveries (units)



The 2009-2013 new jet delivery downturn slightly exceeds that of 1982-83

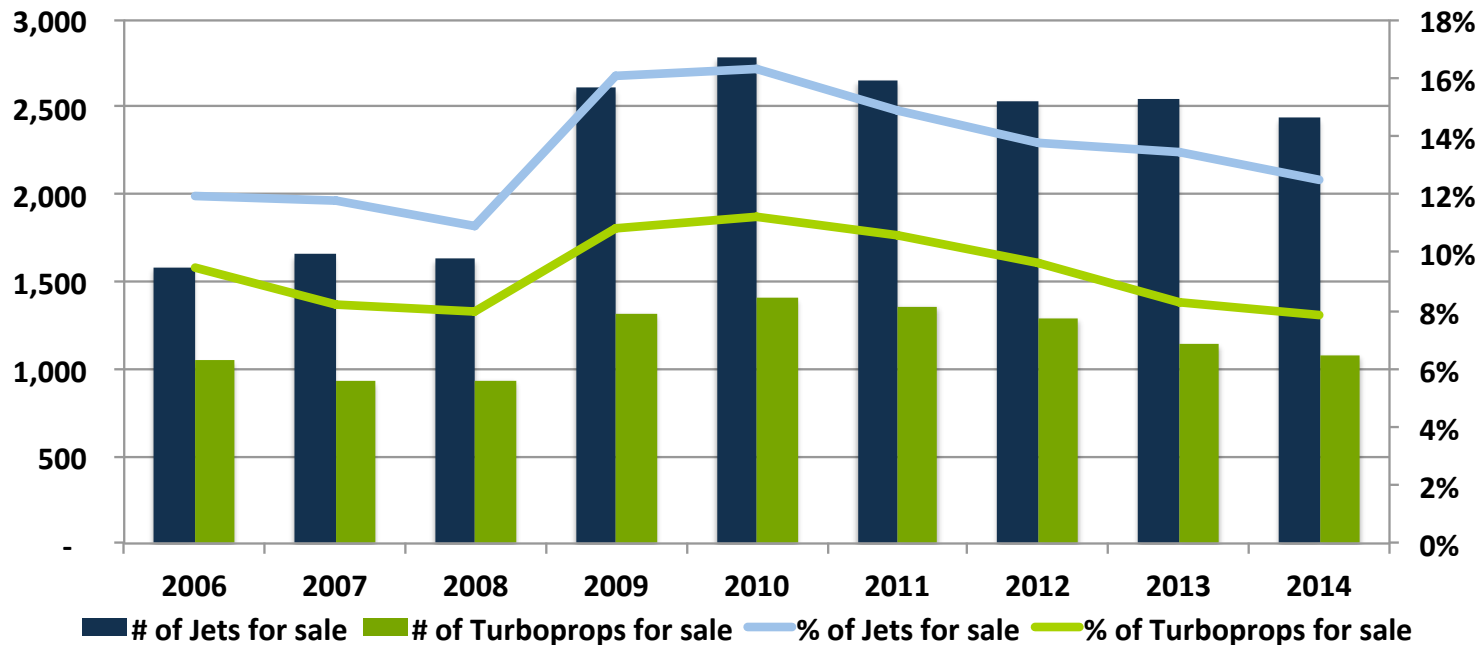
Business Turboprop Deliveries (units)



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

Pre-Owned Business Aircraft Inventory

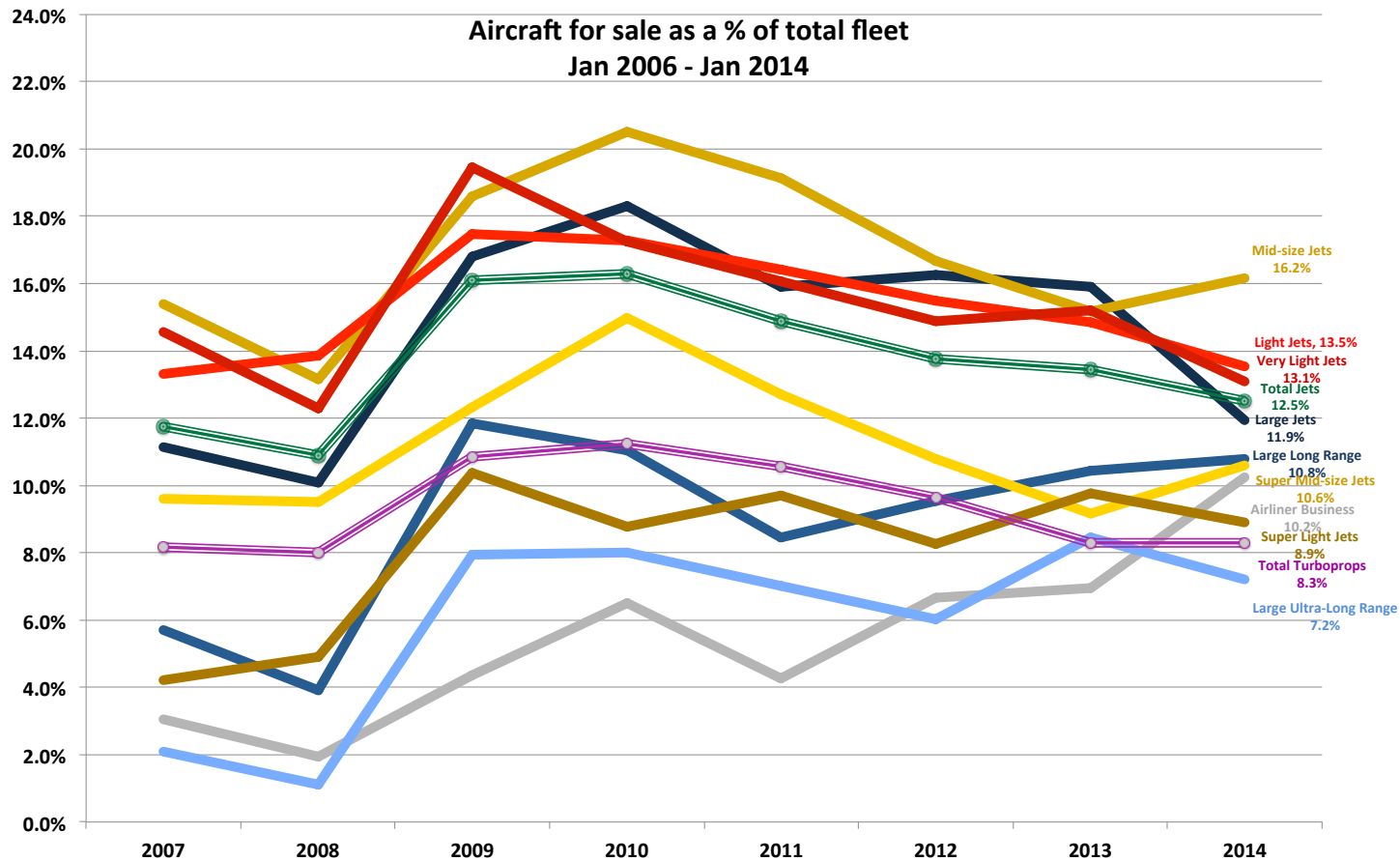
Business Jets and Turboprops for sale
Jan 2006 - Jan 2014



Jets Available for Sale as % of World Fleet (as of January 1)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business Jets	11.9%	11.7%	10.9%	16.1%	16.3%	14.9%	13.8%	13.4%	12.5%
Turboprop	9.5%	8.2%	8.0%	10.9%	11.2%	10.6%	9.6%	8.3%	7.8%

The % of pre-owned jets for sale in Jan 2014 is slightly below 2007 levels (0.4%)

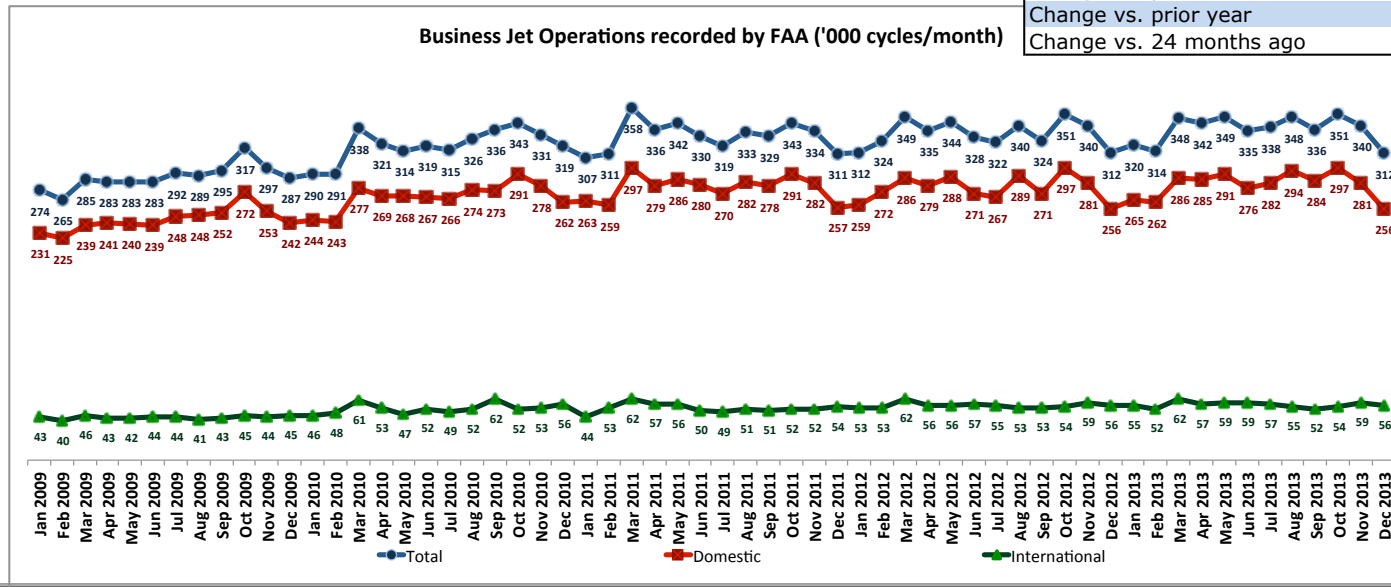
Pre-Owned Business Jet Inventory



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

U.S. Business Jet Utilization

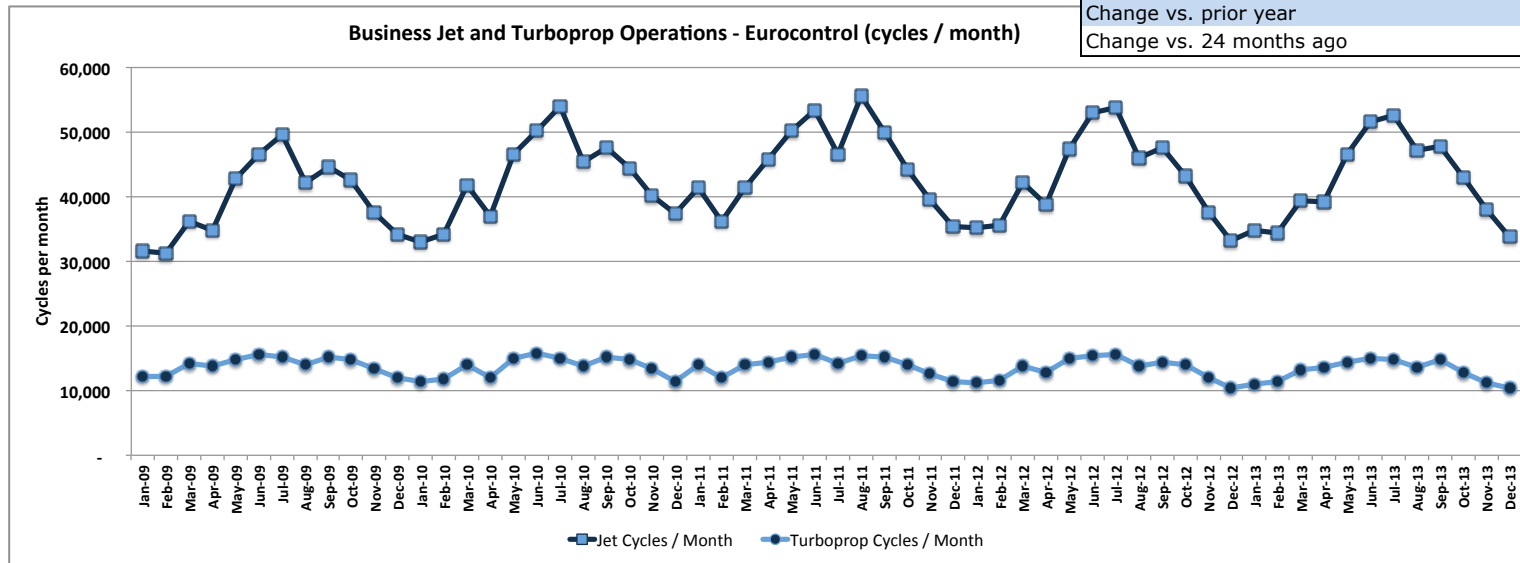
FAA BUSINESS JET OPERATIONS - DEC 2013		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	311,916	4,034,274
Change vs. prior month	-8.3%	0.0%
Change vs. prior year	0.0%	1.3%
Change vs. 24 months ago	0.2%	2.0%
DOMESTIC CYCLES		
Total Domestic Cycles	255,858	3,358,182
Change vs. prior month	-9.0%	0.0%
Change vs. prior year	0.0%	1.2%
Change vs. 24 months ago	-0.6%	1.1%
INTERNATIONAL CYCLES		
Total International Cycles	56,058	676,092
Change vs. prior month	-4.8%	0.0%
Change vs. prior year	0.0%	1.4%
Change vs. 24 months ago	3.8%	7.0%



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

European Business Aircraft Utilization

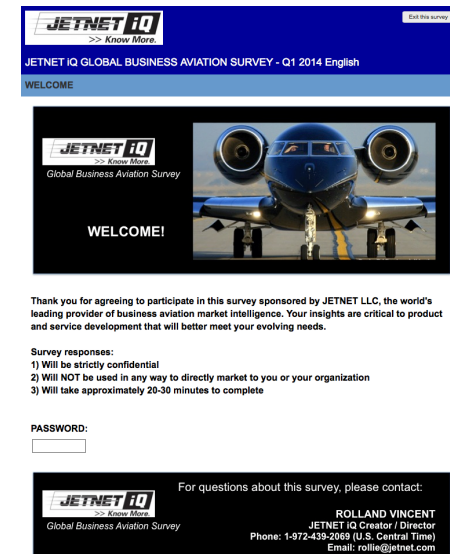
EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - DEC 2013		Trailing 12 Months
BUSINESS JETS (EXCLUDING AIRLINERS)		
Total Cycles	33,818	508,528
Change vs. prior month	-11.2%	0.1%
Change vs. prior year	1.9%	-1.0%
Change vs. 24 months ago	-4.3%	-5.8%
TURBOPROPS		
Total Cycles	10,397	156,180
Change vs. prior month	-7.3%	0.0%
Change vs. prior year	0.5%	-2.4%
Change vs. 24 months ago	-8.3%	-7.3%



European utilization: cycles for business jets and turboprops are marginally up (respectively 1.9% and 0.5%) on a trailing 12-months basis

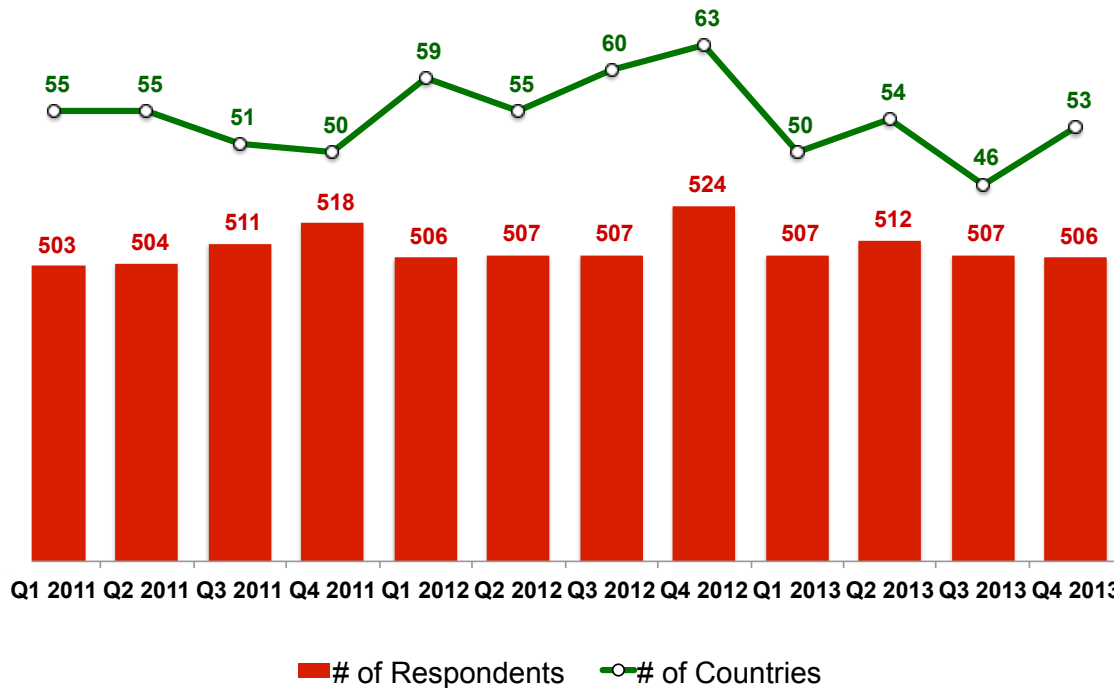
JETNET iQ Quarterly Surveys

- 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 Surveys: Quarterly, multilingual, worldwide

JETNET iQ Survey Respondents



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.

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PASSWORD:

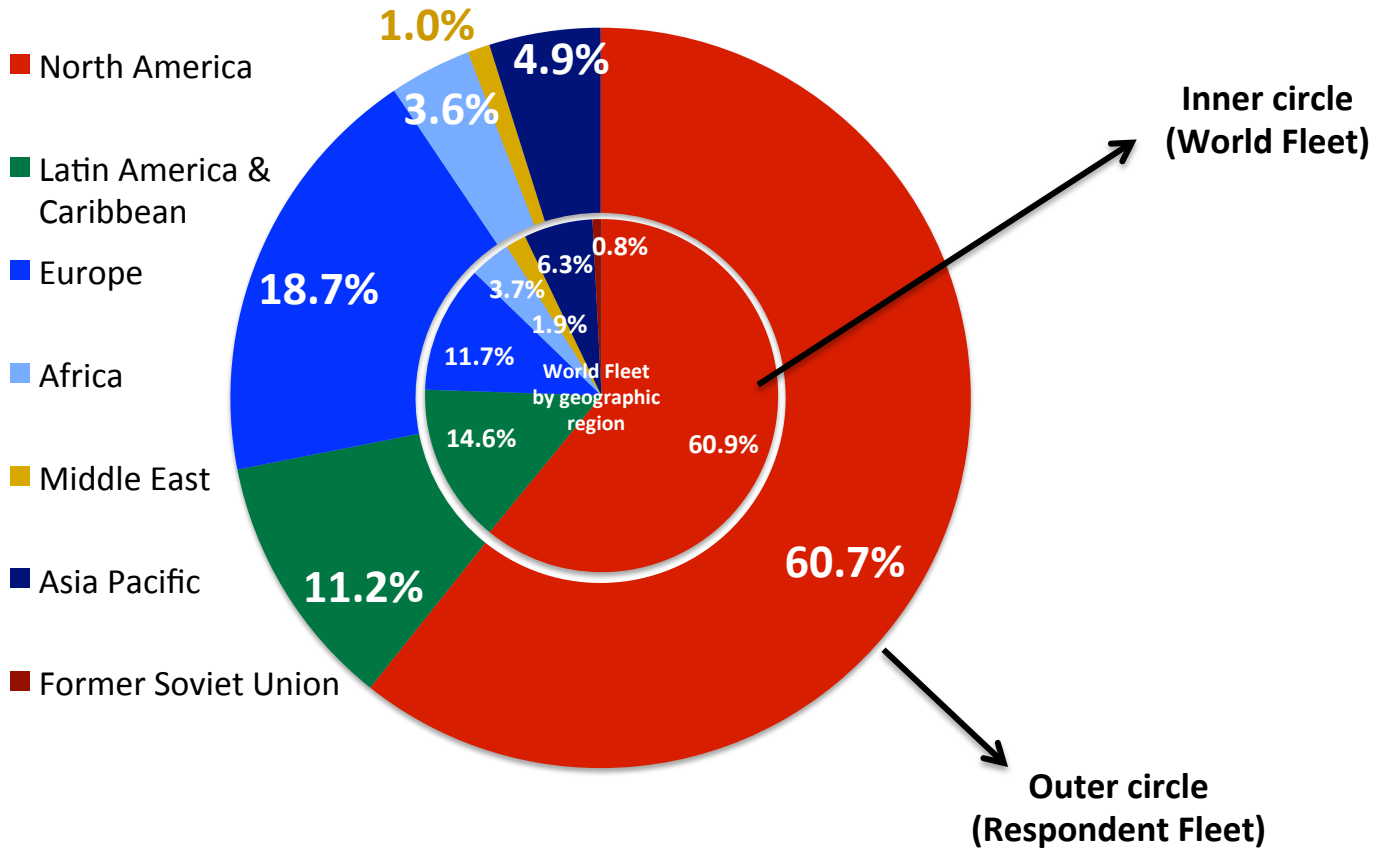
For questions about this survey, please contact:
ROLLAND VINCENT
 JETNET iQ Creator / Director
 Phone: 1-972-439-2069 (U.S. Central Time)
 Email: rollie@jetnet.com

JETNET iQ Surveys: Since Q1 2011, >6,000 respondents from 114 countries

Survey Respondents' Location

By Aircraft Base Location

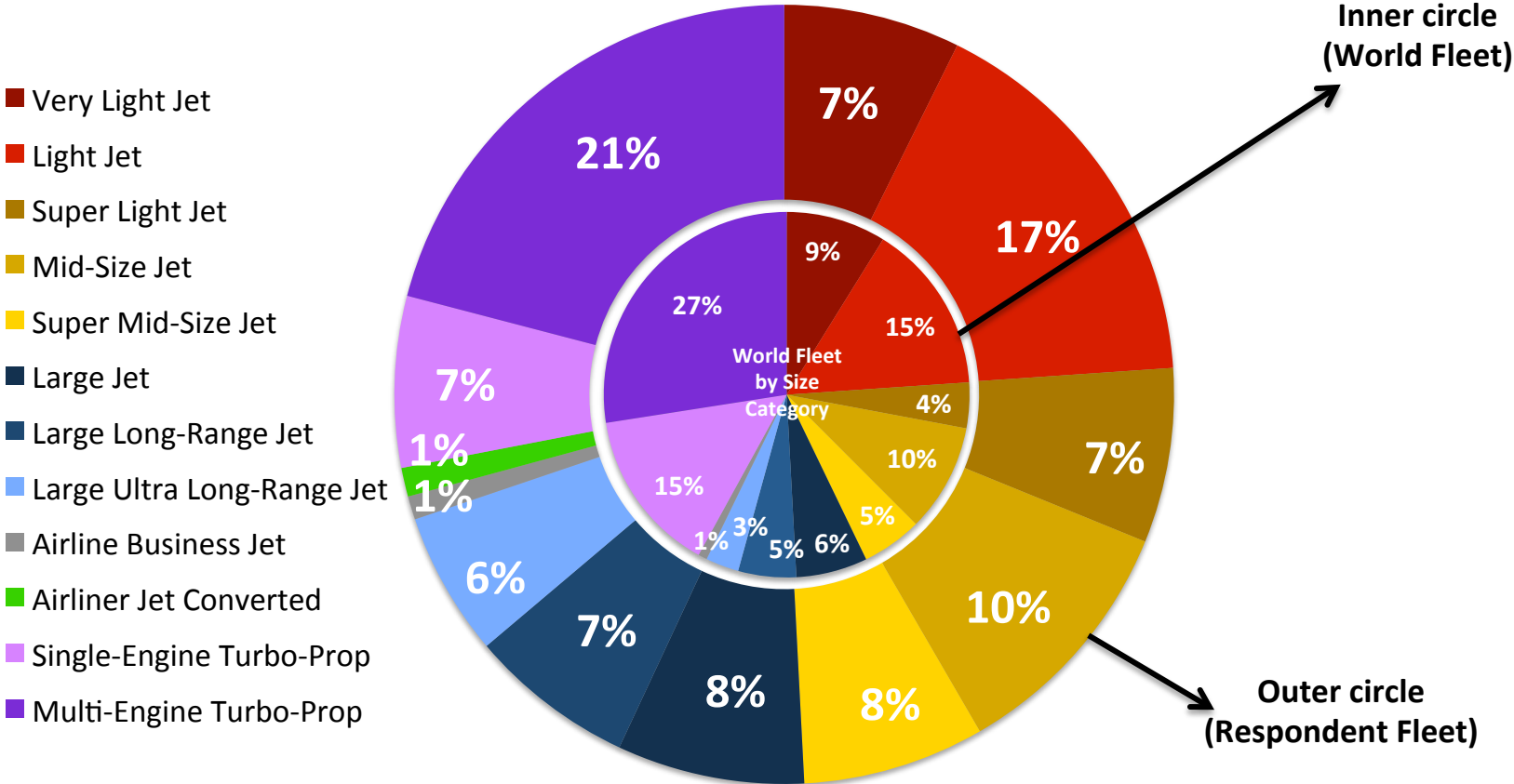
Q4 2013 Survey



Survey Respondents' Fleet

By Aircraft Size Category

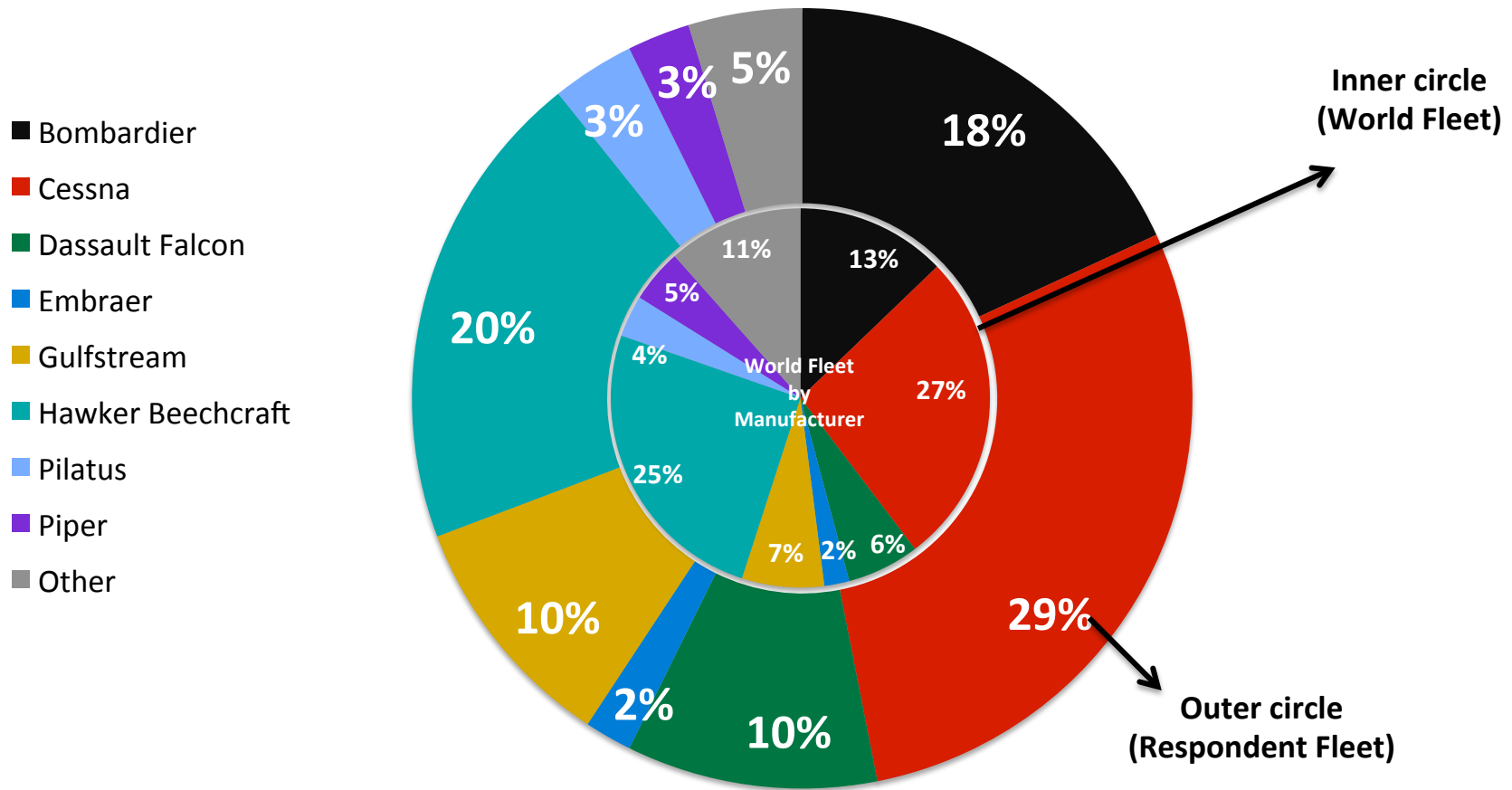
Q4 2013 Survey



Survey Respondents' Fleet

By Aircraft Manufacturer

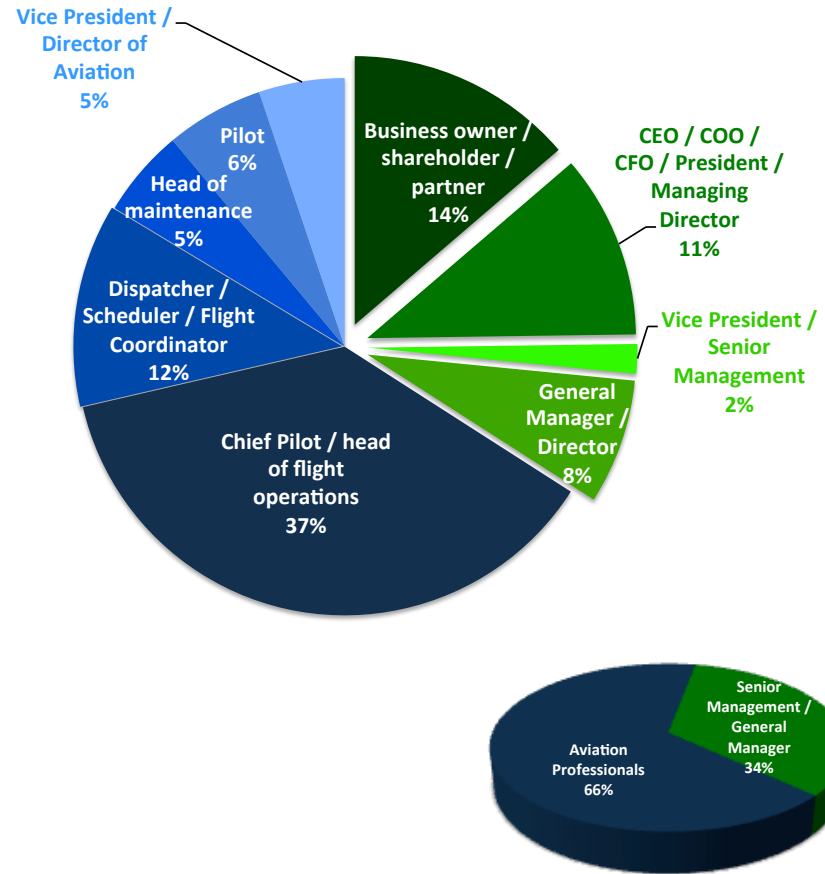
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Survey Respondents' Roles

By Job Title

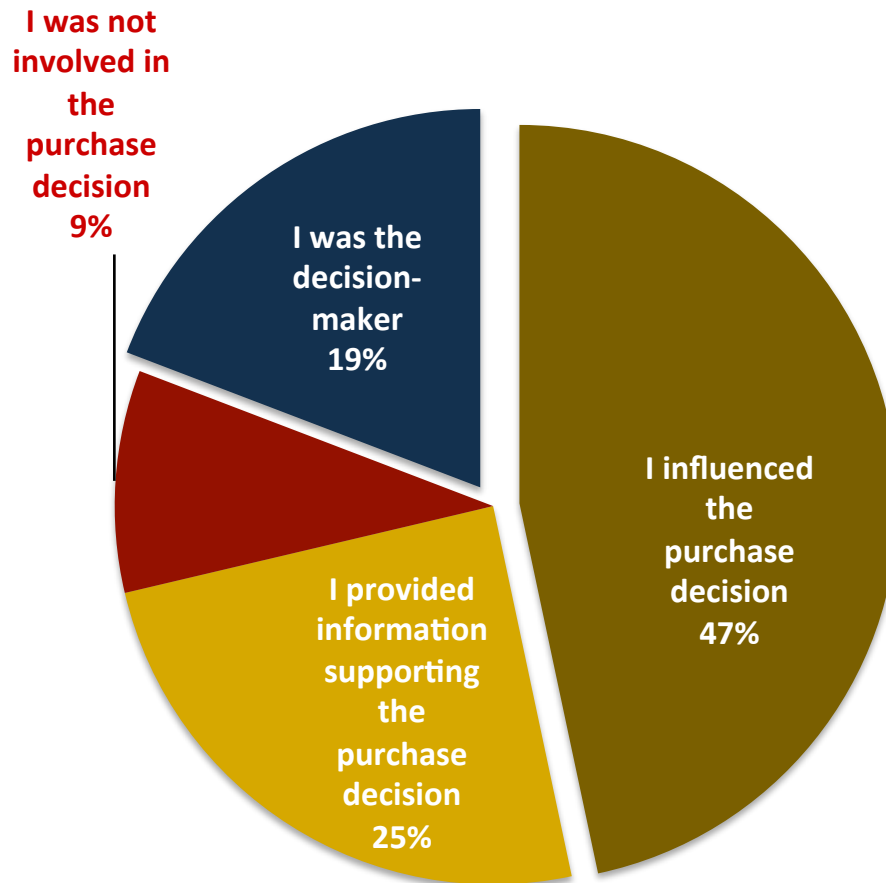
Q4 2013 Survey



Survey Respondents' Roles

By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q4 2013 Survey

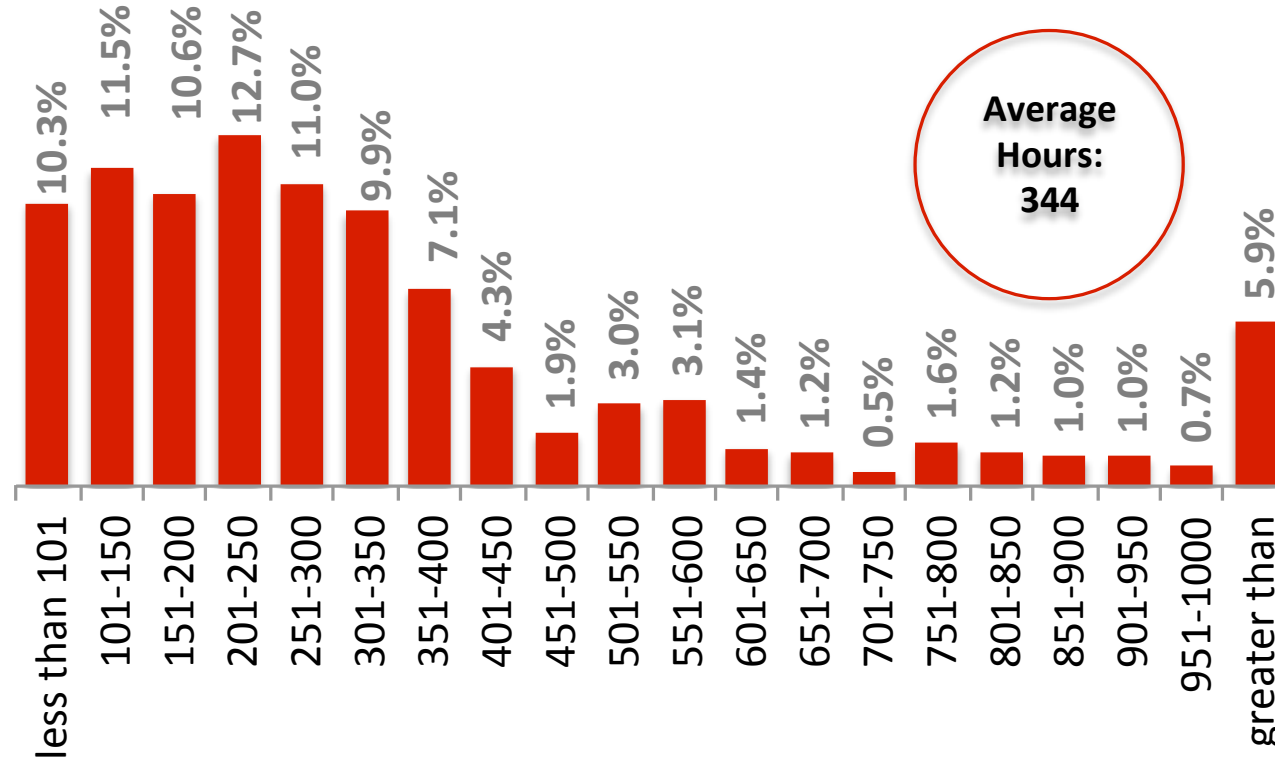


Survey Respondents' Flight Operations

By Average Utilization per Aircraft in Prior 12 Months

Q4 2013 Survey

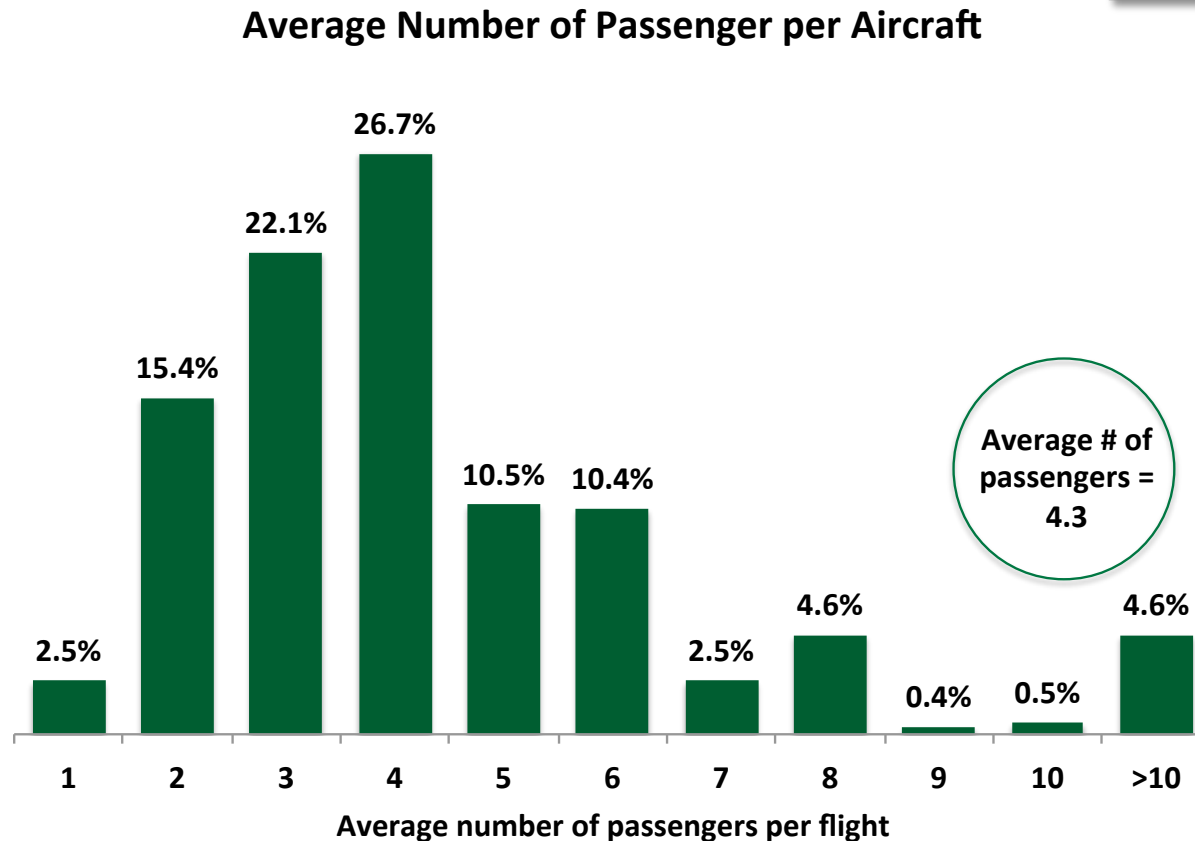
Annual Flight Hours per aircraft



Survey Respondents' Flight Operations

By Average Passengers per Aircraft in Prior 12 Months

Q4 2013 Survey

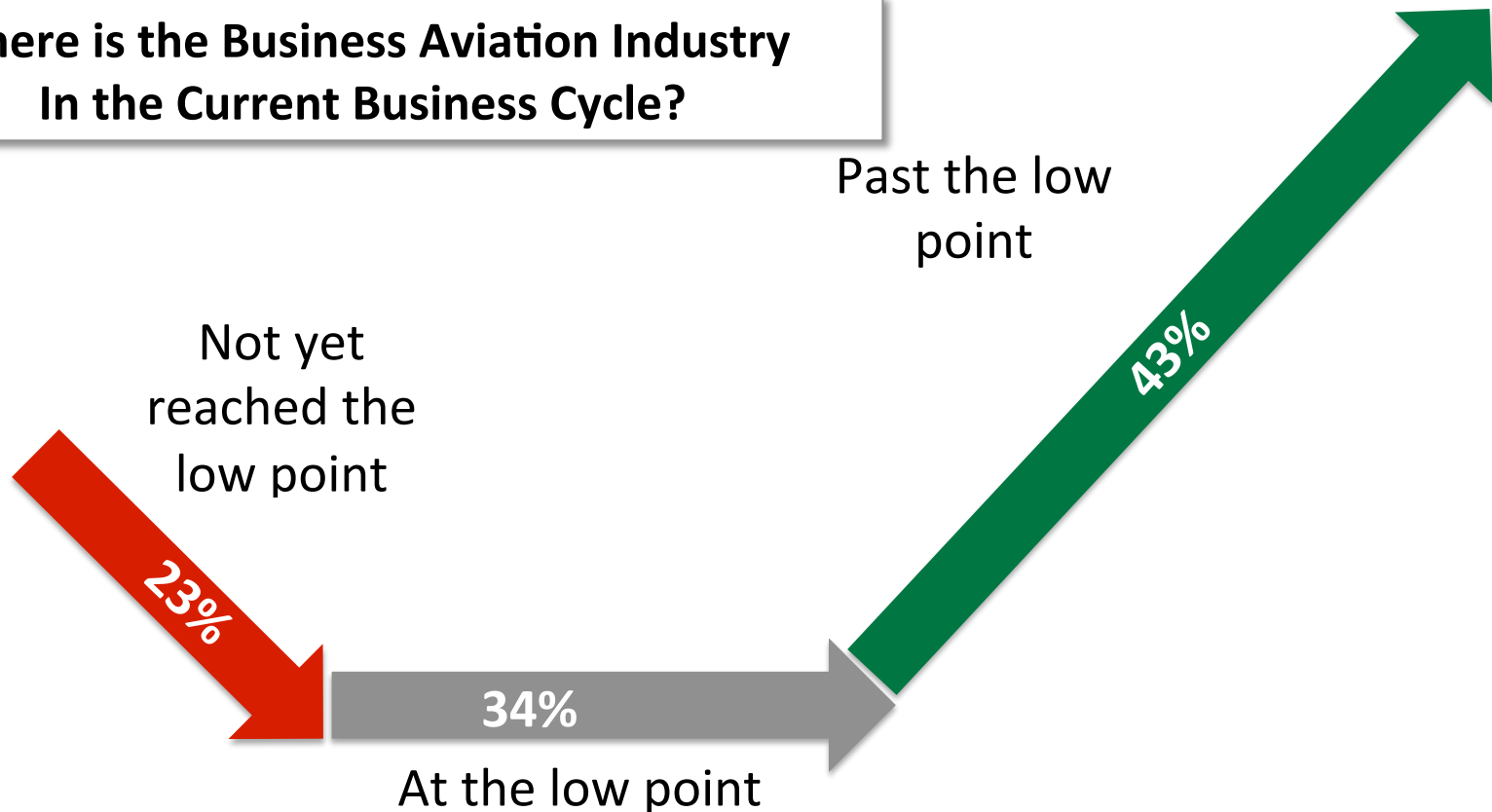


Survey Respondents' Sentiment

Current Market Sentiment

Q4 2013 Survey

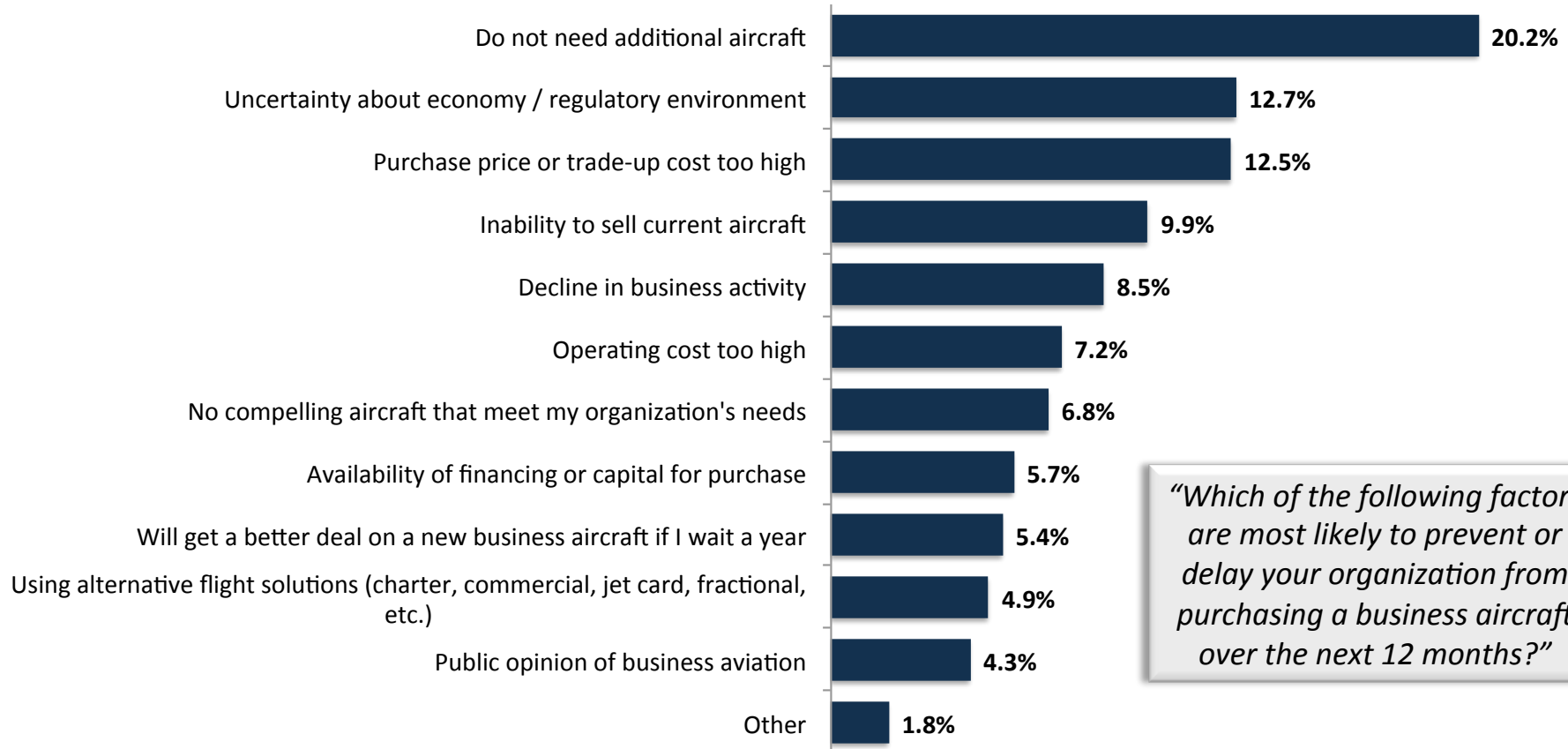
Where is the Business Aviation Industry
In the Current Business Cycle?



Aircraft Purchase Inhibitors

Top 3 Inhibitors – Weighted Average

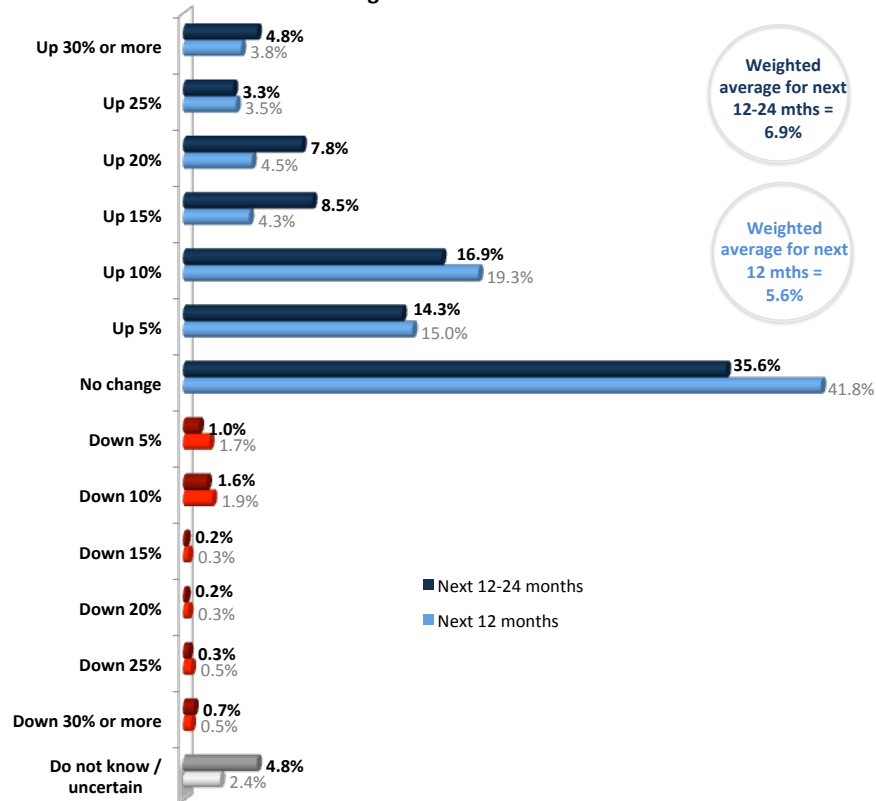
Q4 2013 Survey



Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

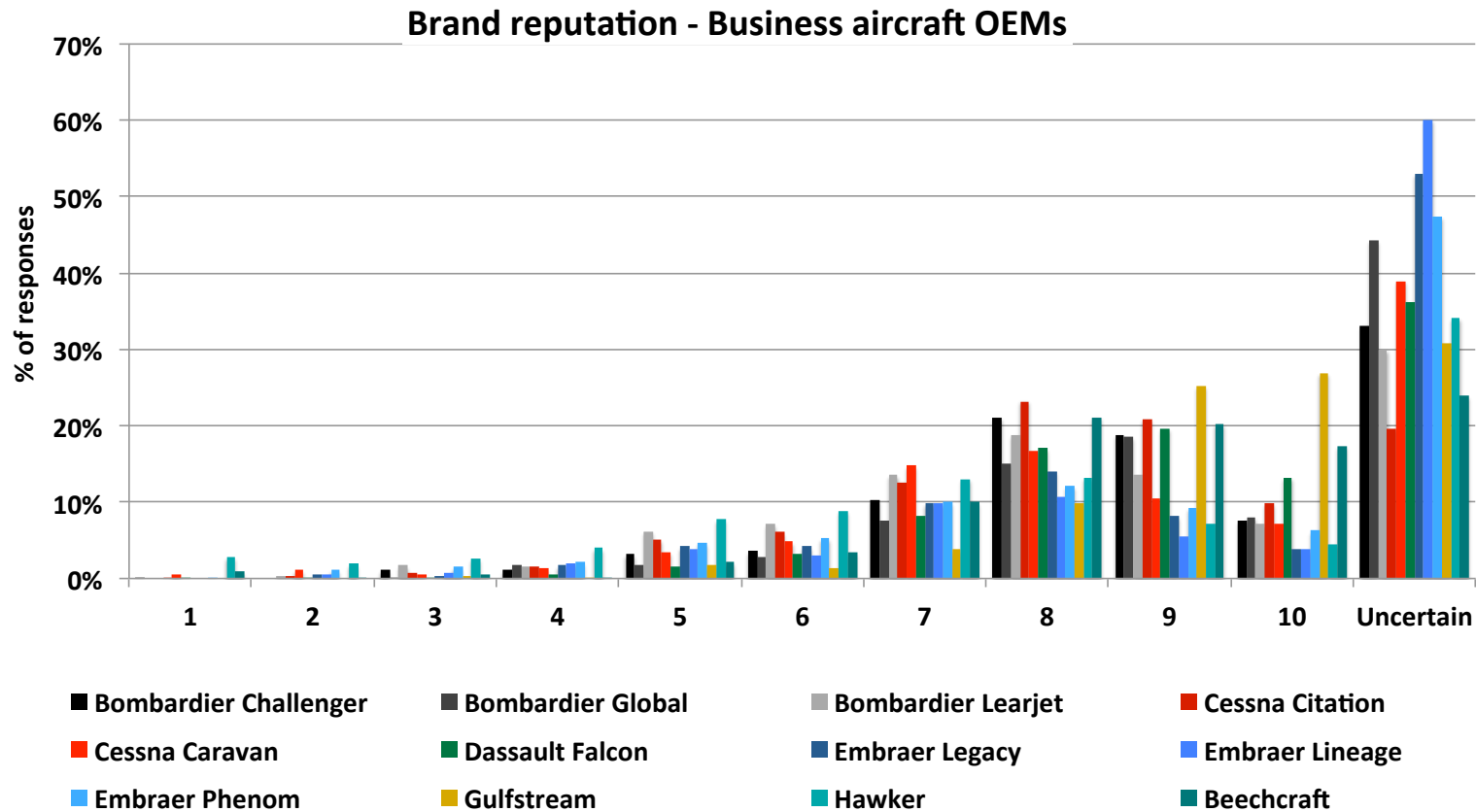
Compared with your past 12 months, what changes do you expect in your total annual flight hours over the next 24 months?



Respondents expect to fly 5.6% more hours in the next 12 months vs. prior 12 months

Brand Reputations

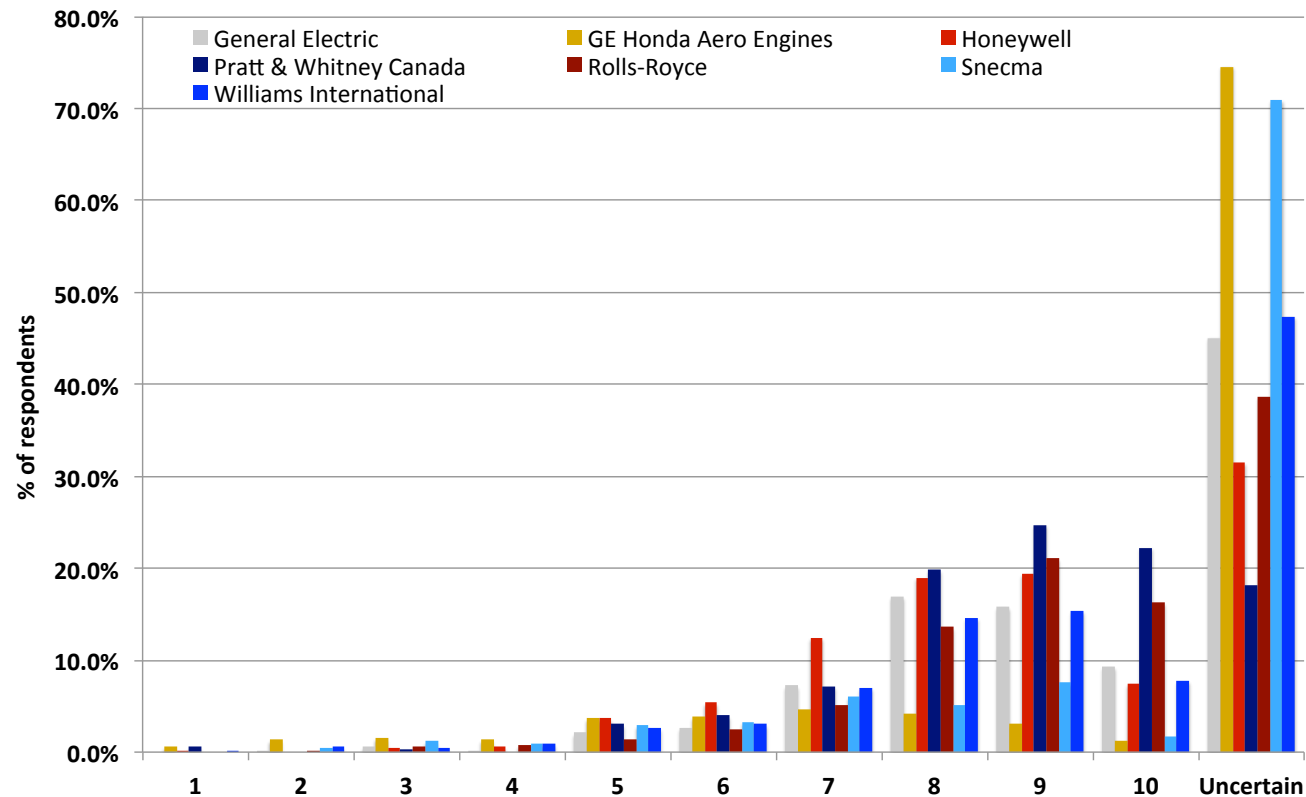
Aircraft Manufacturers on a 1-10 Scale, where "10" = Highest



Gulfstream is the leading brand amongst business aircraft manufacturers

Brand Reputations

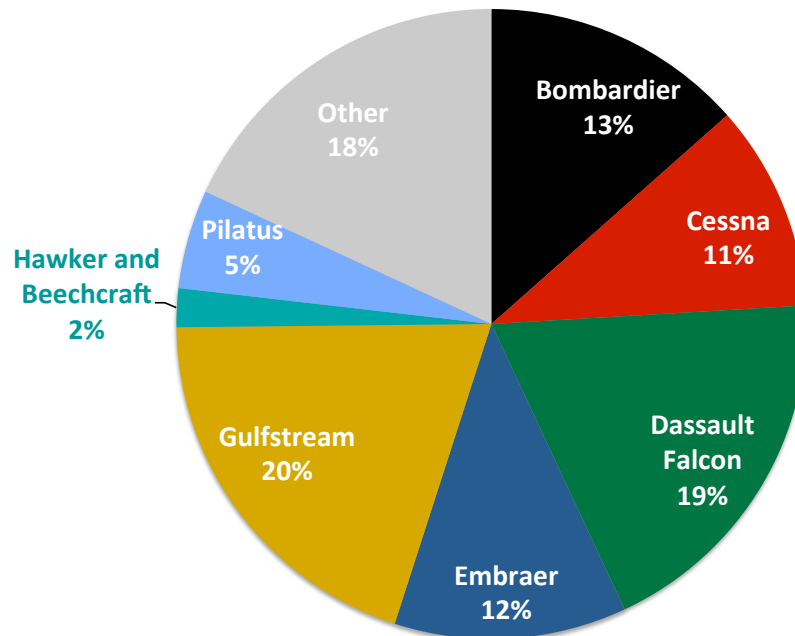
Jet Engine Manufacturers on a 1-10 Scale, where “10” = Highest



Rolls-Royce is the top-rated jet engine manufacturer brand, followed closely by Pratt & Whitney Canada

Aircraft Brands

“providing most innovative design”



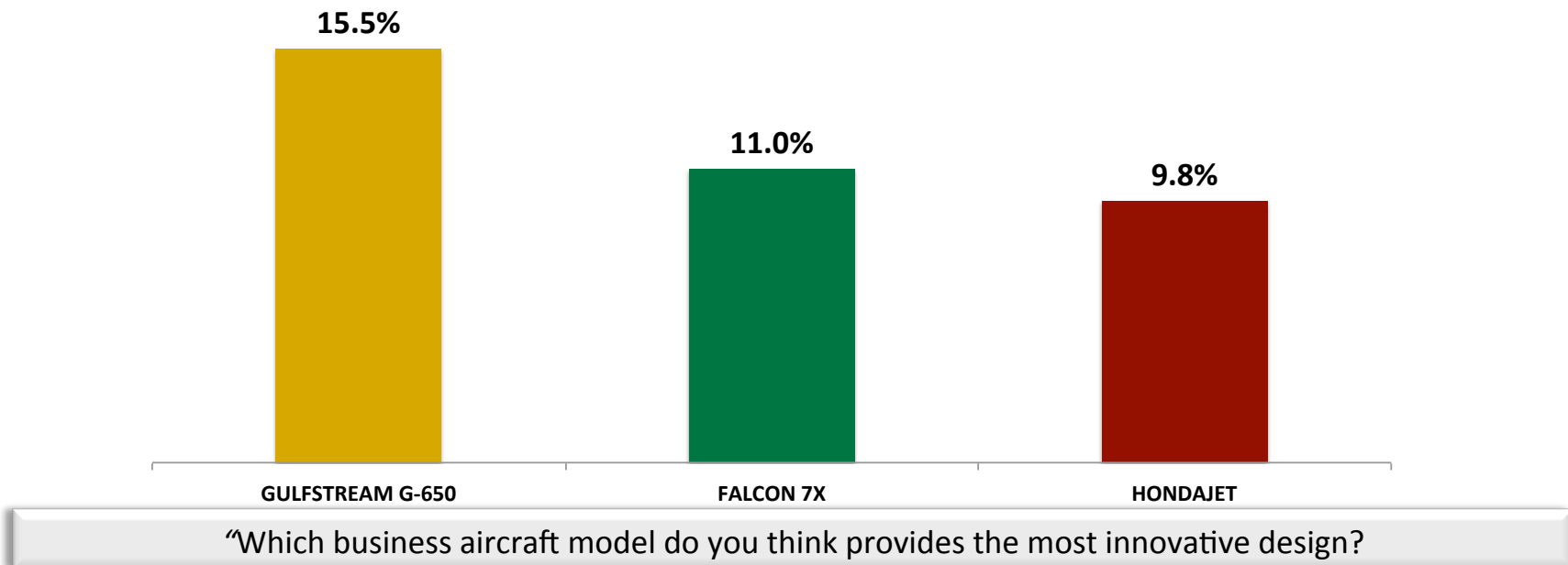
“Which business aircraft brand do you think provides the most innovative designs?”

Based on Q4 2013 survey respondents, Gulfstream provides the most innovative designs, followed closely by Dassault Falcon

Aircraft Brands

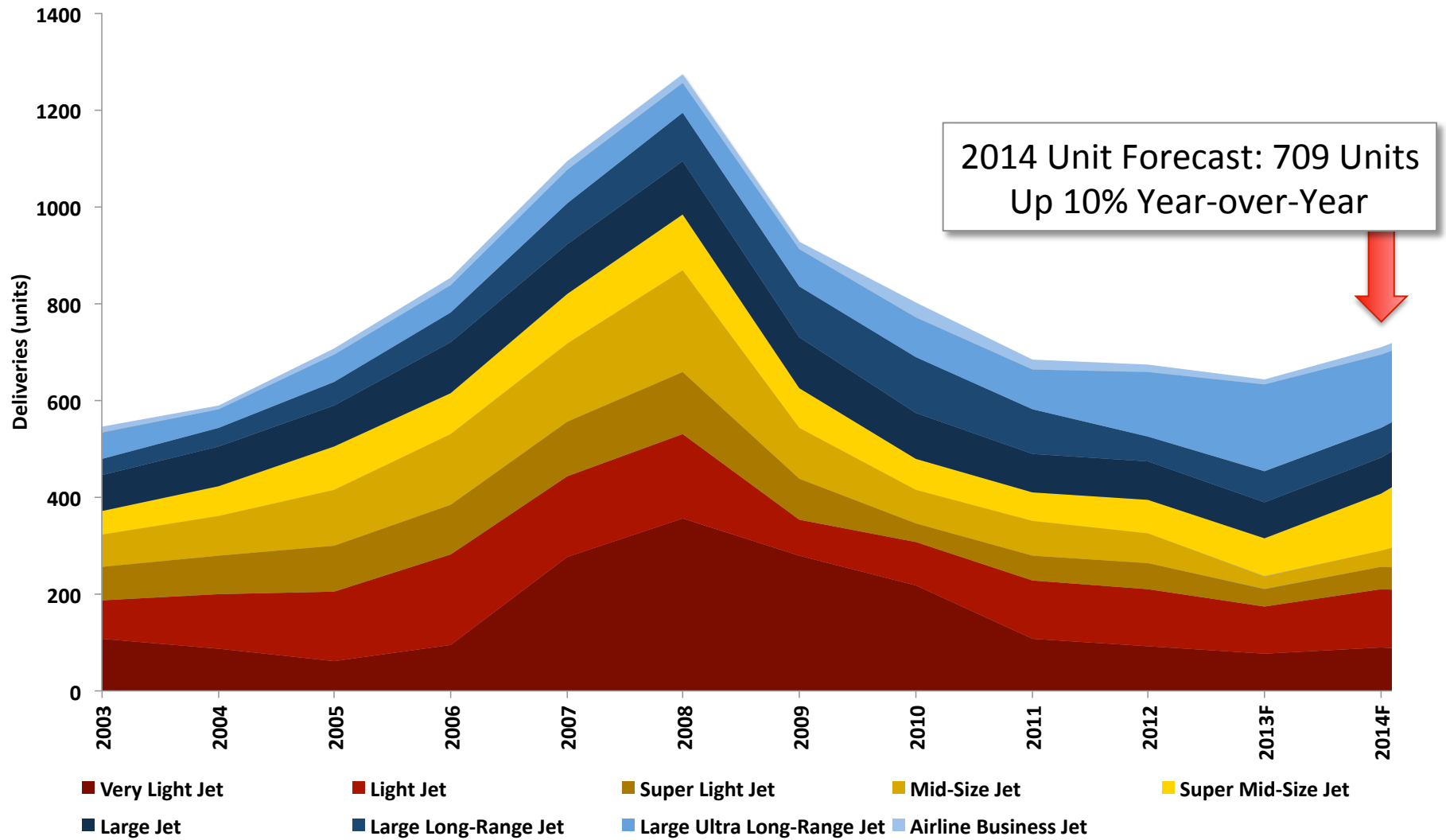
“providing most innovative design”

Top 3 models - worldwide
"Most innovative design"



Based on Q4 2013 survey respondents, Gulfstream 650 is most chosen as the most innovative model, followed by Dassault Falcon 7X and HondaJet

Business Jet Delivery History & Forecast



December 31, 2013

JETNET iQ Snap!: 4th Quarter 2013 - Private & Confidential

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 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 Vice President of Sales, at 800-553-8638 (USA) or paul@jetnet.com; International inquiries, contact Karim Derbala, JETNET Managing Director of Global Sales, at 41.0.43.243.7056 or karim@jetnet.com.