

The logo for JETNET iQ, featuring the word "JETNET" in a bold, italicized, sans-serif font, followed by "iQ" in a smaller, italicized, sans-serif font. The logo is set against a dark blue background with white horizontal lines.

➤➤ KNOW MORE.

JETNET iQ Snap! Report Q4 2015 Summary Report

➤ BUSINESS AVIATION MARKET INTELLIGENCE ➤ REPORTS ➤ SUMMITS ➤ CONSULTING

Prepared for:
JETNET iQ Global Business Aviation Survey Respondents

December 31, 2015

JETNET iQ Snap!: 4th 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

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- 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

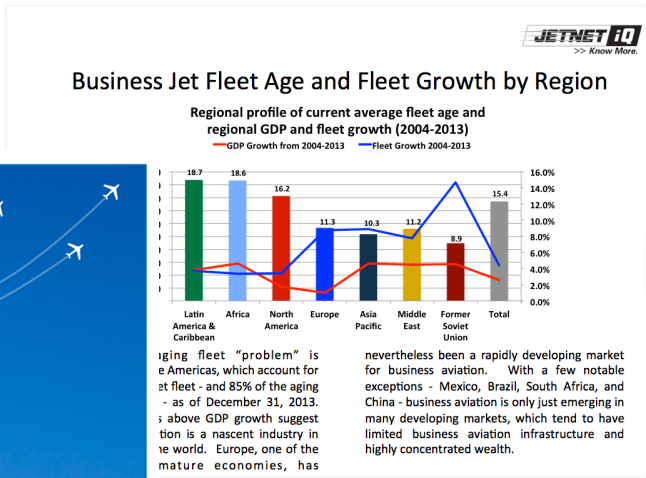
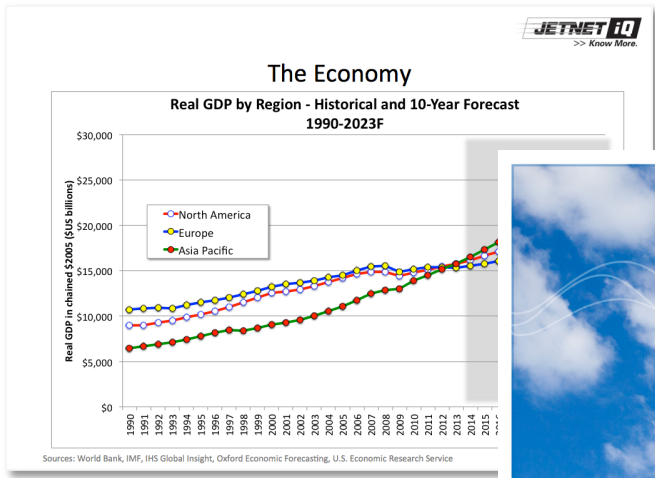
PASSWORD:

For questions about this survey, please contact:



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

JETNET iQ Reports



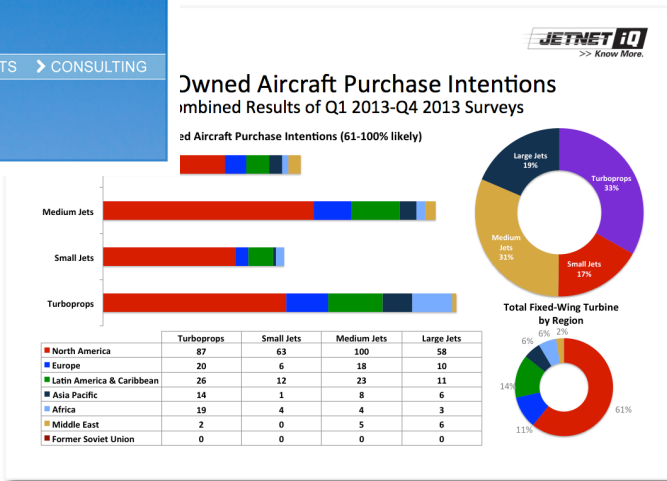
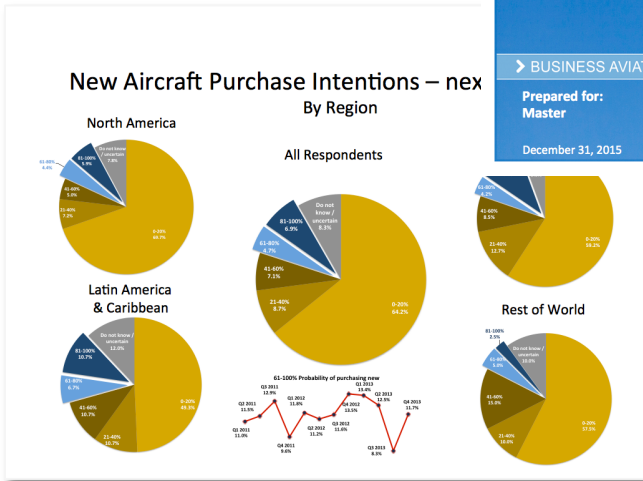
JETNET iQ
 >> KNOW MORE.

Q4 2015 Report

> BUSINESS AVIATION MARKET INTELLIGENCE > REPORTS > SUMMITS > CONSULTING

Prepared for:
 Master

December 31, 2015 JETNET iQ REPORT: 4th Quarter 2015 - Private & Confidential



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 6th Global Business Aviation Summit will be in New York City September 13-14, 2016

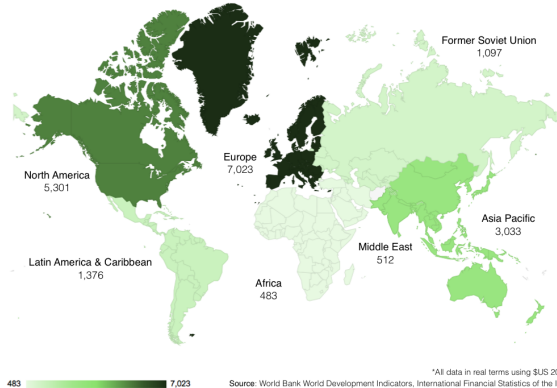


December 31, 2015

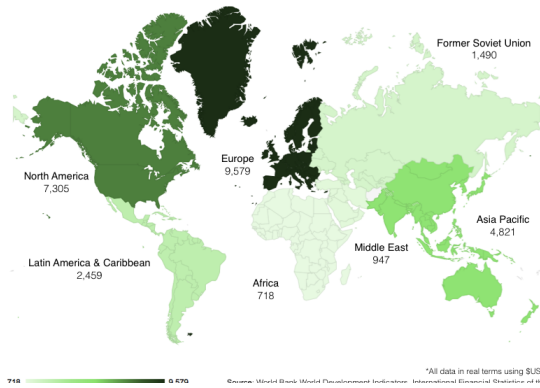
JETNET iQ Snap!: 4th Quarter 2015 - Private & Confidential

The Global Economy

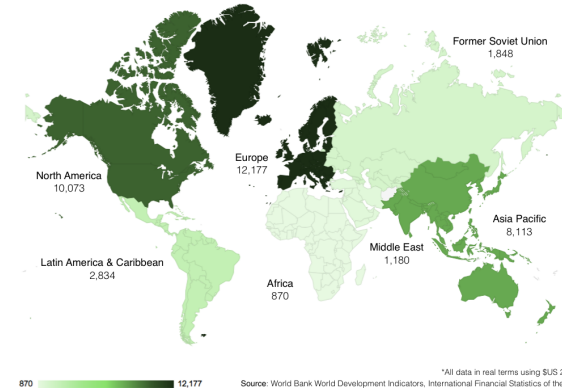
Regional GDP in 1970 (\$US 2010 Billion)



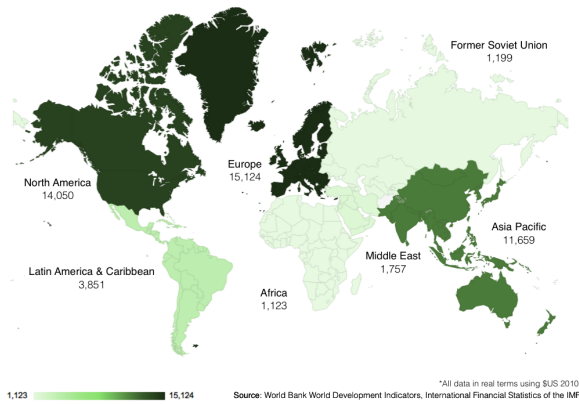
Regional GDP in 1980 (\$US 2010 Billion)



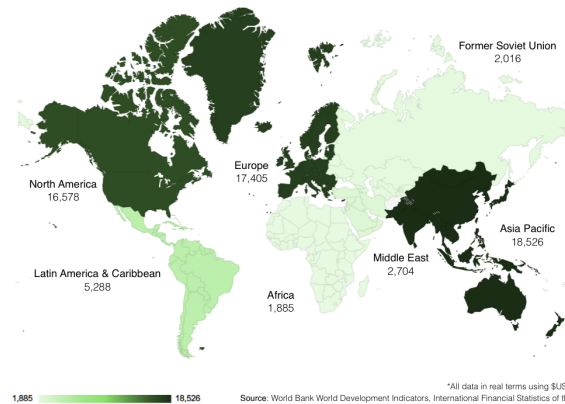
Regional GDP in 1990 (\$US 2010 Billion)



Regional GDP in 2000 (\$US 2010 Billion)



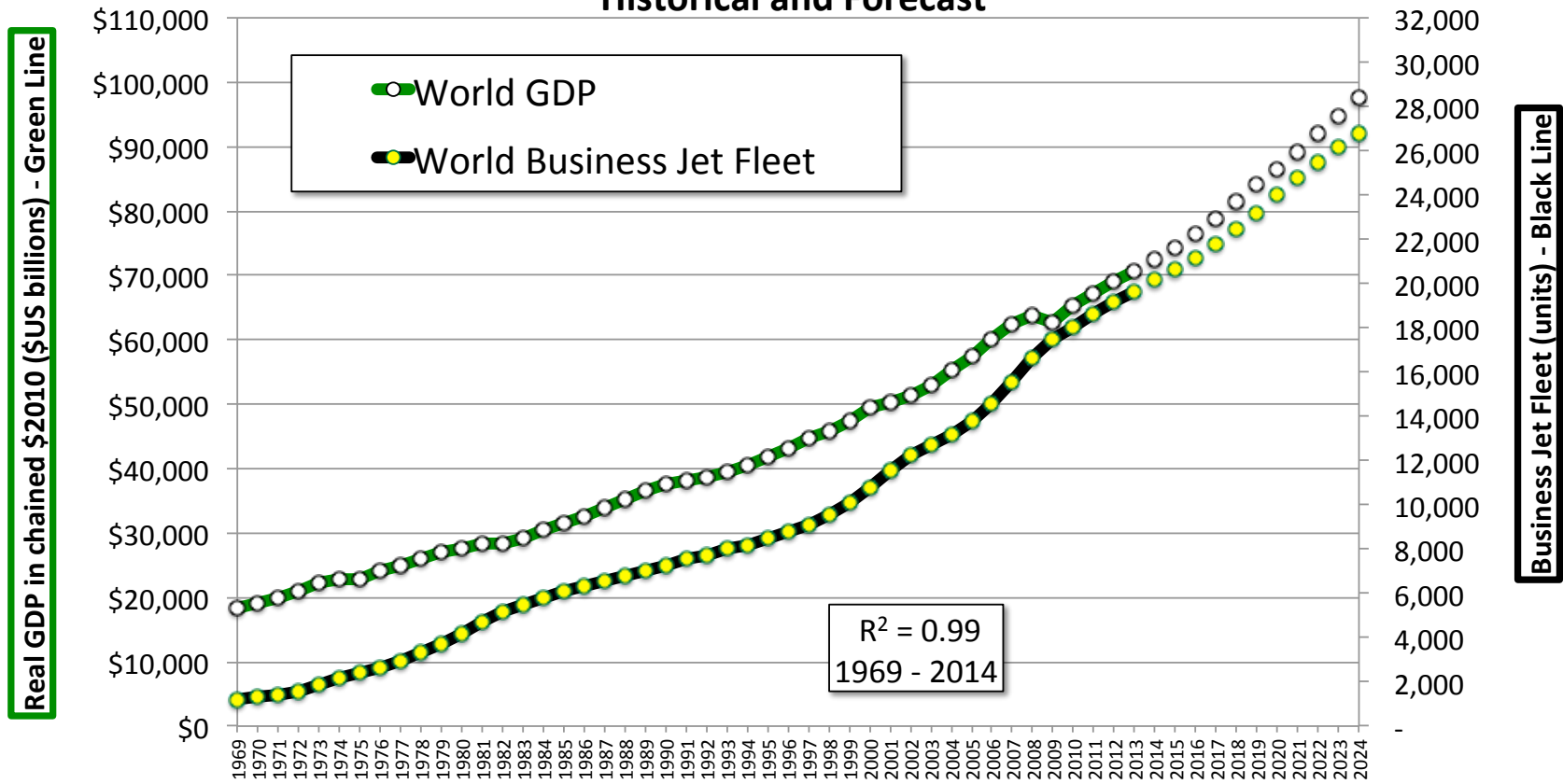
Regional GDP in 2010 (\$US 2010 Billion)



Sources: U.S. Economic Research Service

The Economy

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

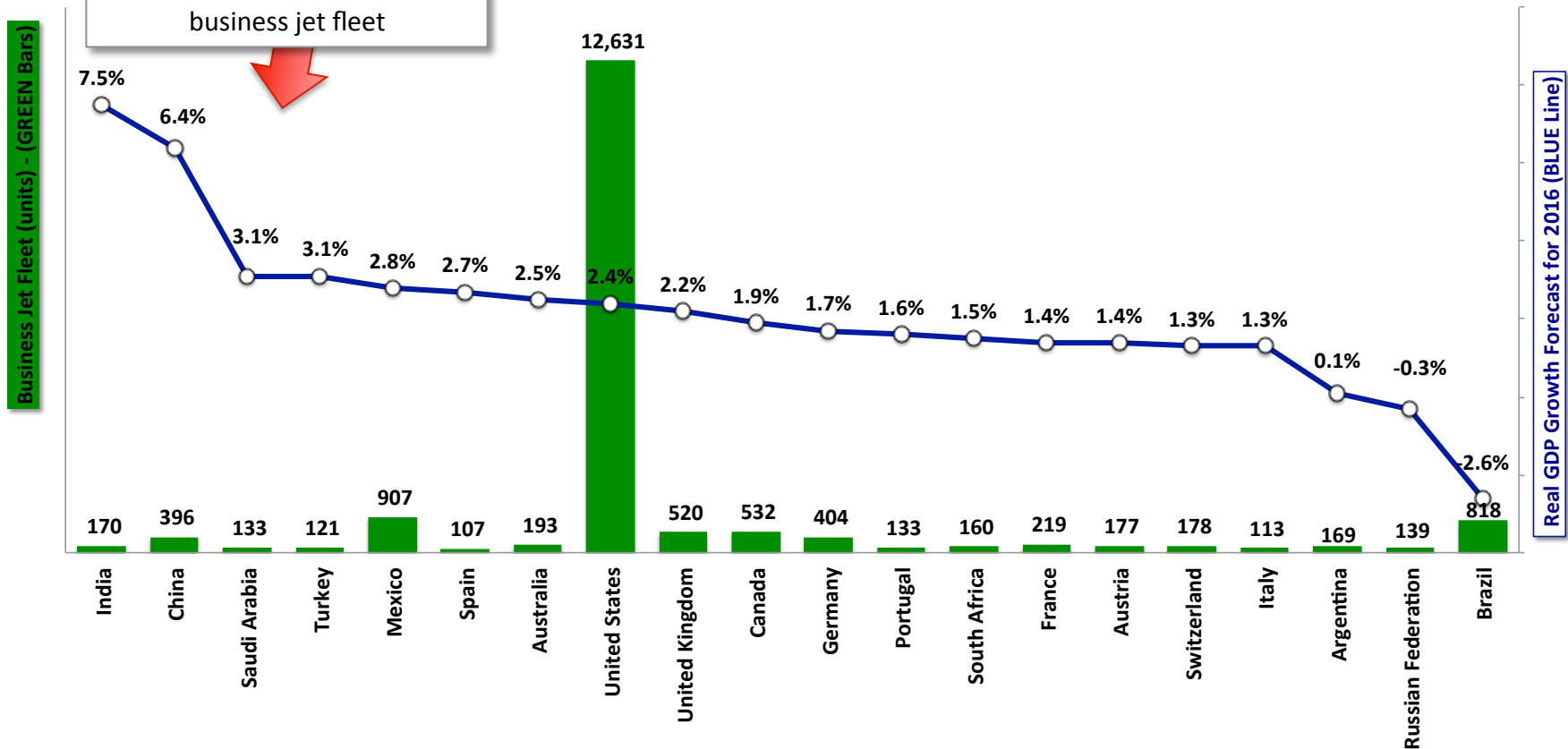


Business jet fleet growth is tightly correlated with world GDP growth

The Economy

Key markets with 3%+ forecasted 2016 GDP growth represent just 4% of the world business jet fleet

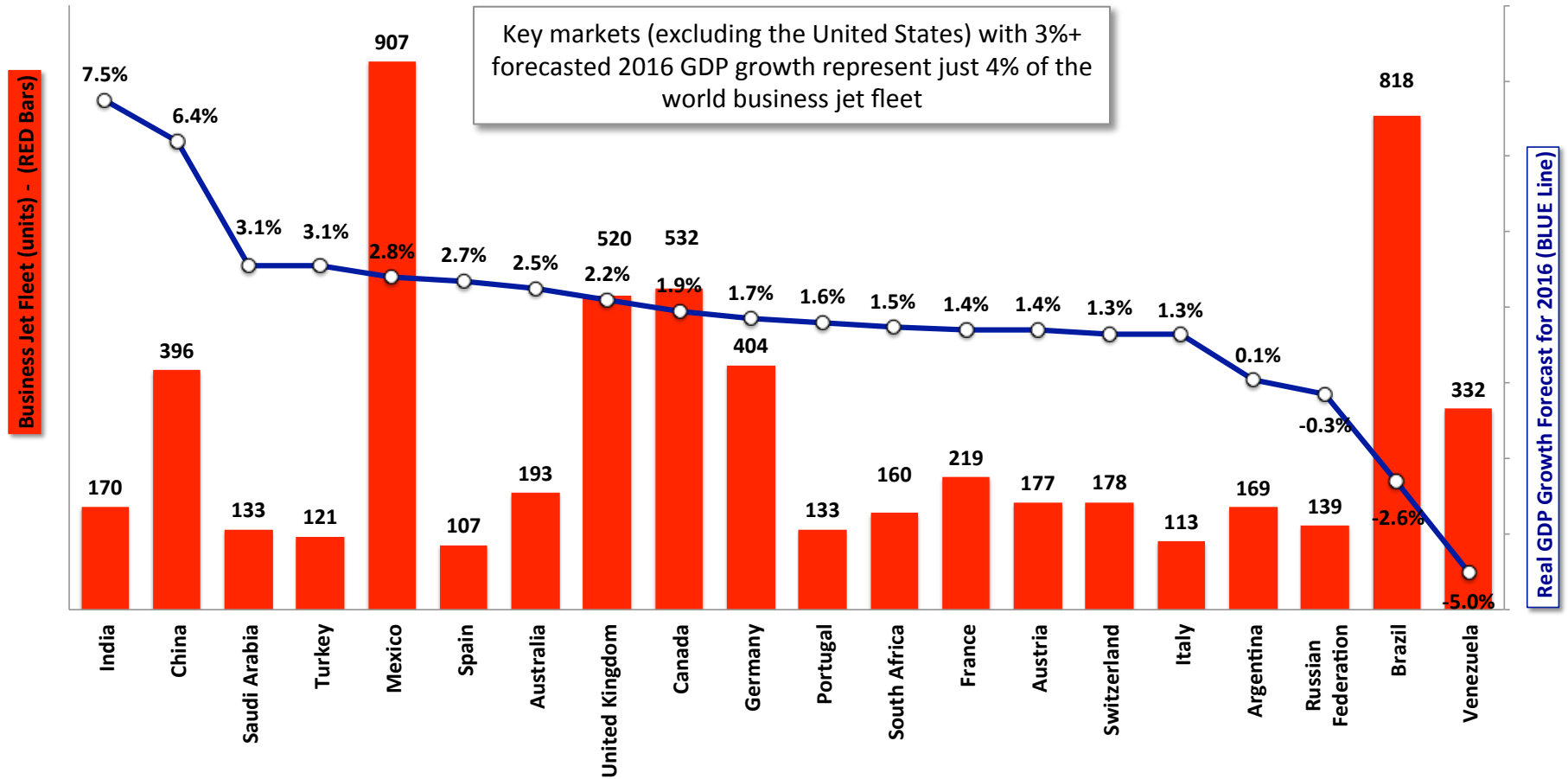
2016 GDP Forecasts and "Top 20" Business Jet Fleets



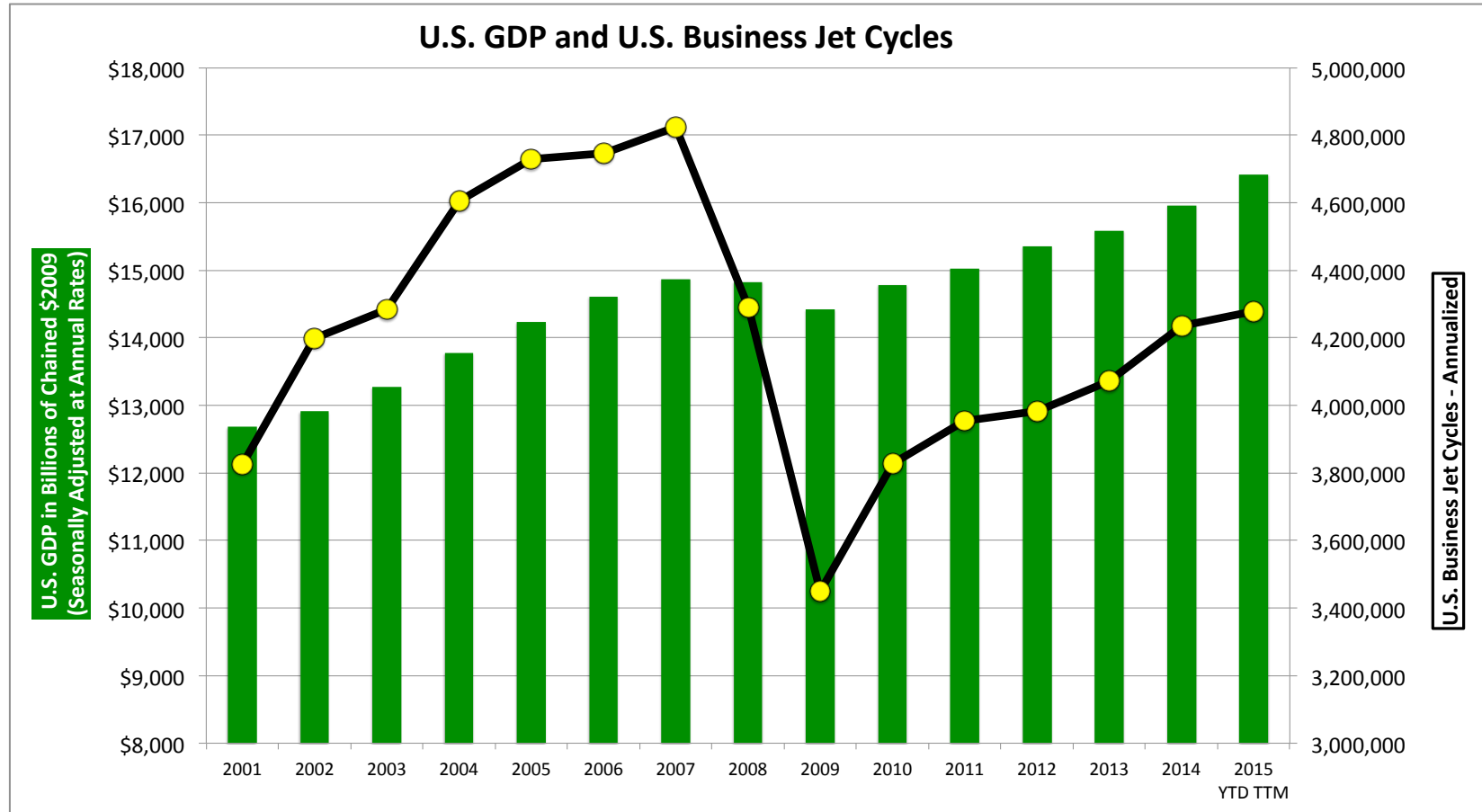
Mexico and Brazil - next largest fleets after the USA; India - fastest growing economy

The Economy

2016 GDP Forecasts and "Top 20" Business Jet Fleets
(excluding the United States)



The Economy

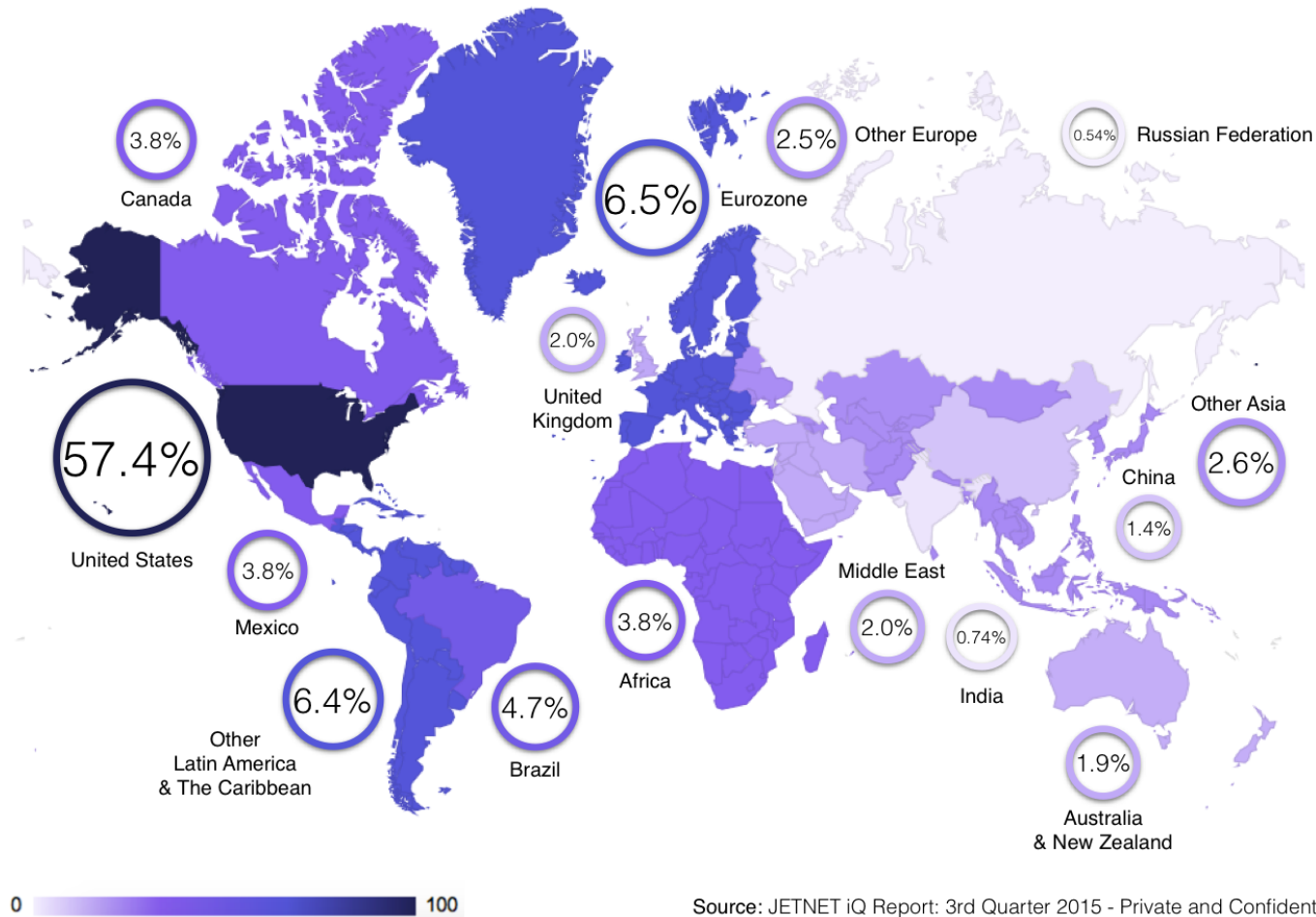


U.S. business jet cycles have steadily increased but remain below 2003-2008 levels

Business Aircraft Fleet by Region

Share of Business Aircraft Fleet by Region

As of Q4 2015

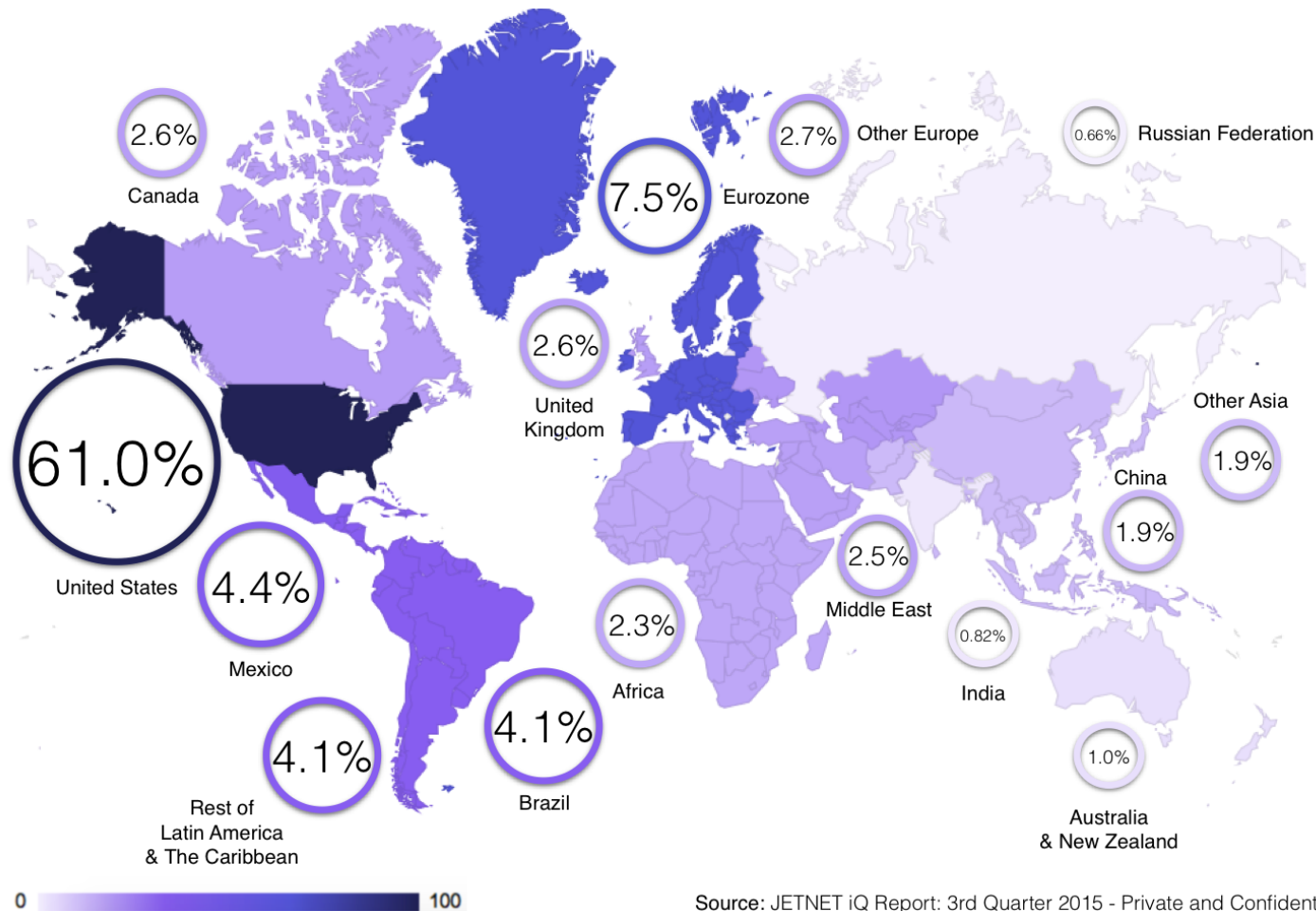


Source: JETNET iQ Report: 3rd Quarter 2015 - Private and Confidential

Business Jet Fleet by Region

Share of Business Jet Fleet by Region

As of Q4 2015

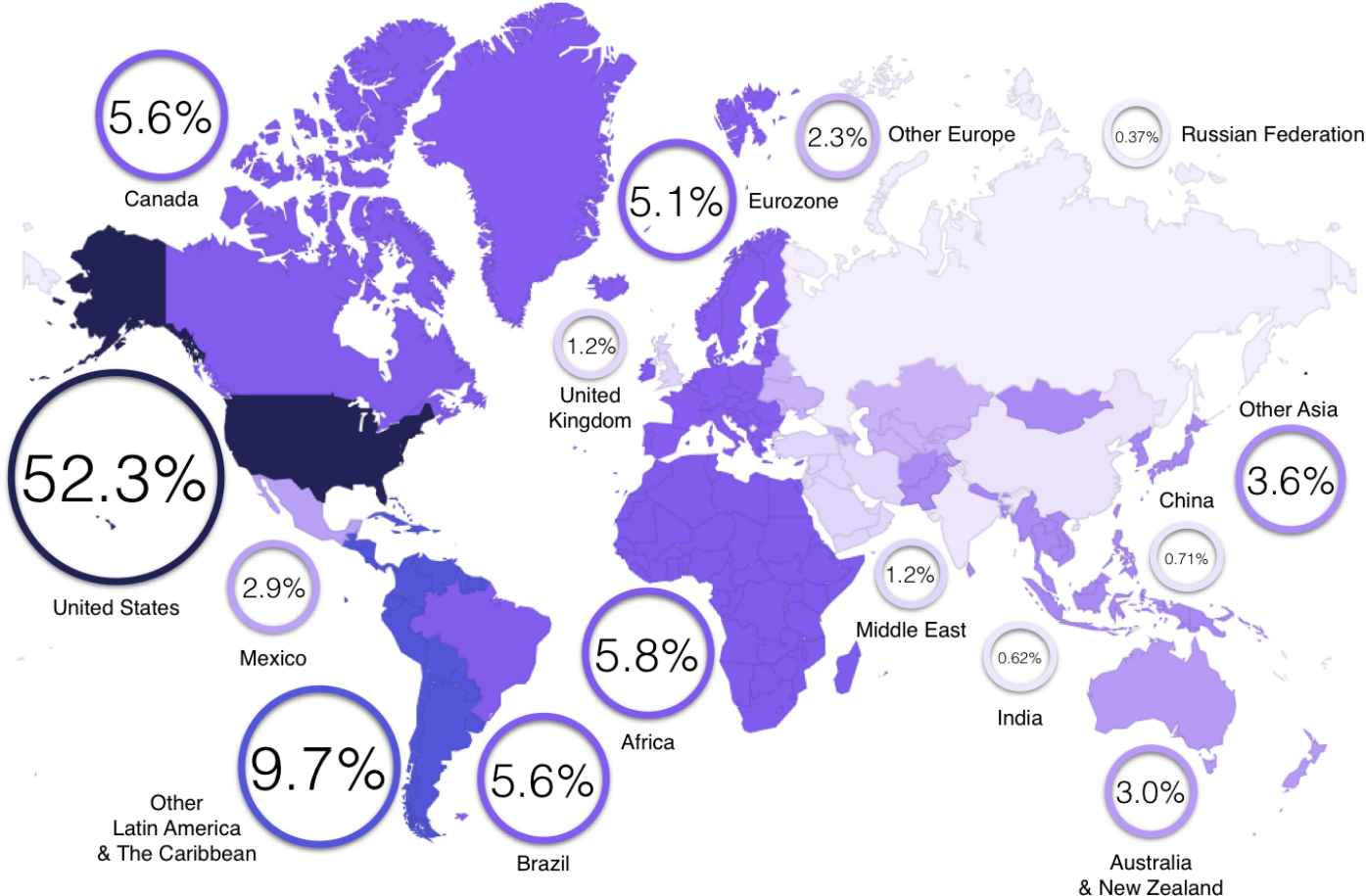


Source: JETNET iQ Report: 3rd Quarter 2015 - Private and Confidential

Business Turboprop Fleet by Region

Share of Business Turboprop Fleet by Region

As of Q4 2015



Source: JETNET iQ Report: 3rd Quarter 2015 - Private and Confidential

Business Jet Fleet by Manufacturer

NORTH AMERICA OEM	Fleet as of Dec 31, 2015
Beechcraft	255
Bombardier	2,798
Cessna Citation	4,521
Dassault Falcon	1,307
Embraer	386
Gulfstream	1,710
Hawker	1,261
Other	920
Total	13,158

EUROPE OEM	Fleet as of Dec 31, 2015
Beechcraft	19
Bombardier	567
Cessna Citation	821
Dassault Falcon	442
Embraer	118
Gulfstream	187
Hawker	187
Other	186
Total	2,527

FORMER SOVIET UNION OEM	Fleet as of Dec 31, 2015
Beechcraft	-
Bombardier	73
Cessna Citation	25
Dassault Falcon	26
Embraer	24
Gulfstream	25
Hawker	35
Other	22
Total	230

MIDDLE EAST OEM	Fleet as of Dec 31, 2015
Beechcraft	4
Bombardier	109
Cessna Citation	62
Dassault Falcon	61
Embraer	37
Gulfstream	89
Hawker	61
Other	89
Total	512

LATIN AMERICA & CARIBBEAN OEM	Fleet as of Dec 31, 2015
Beechcraft	66
Bombardier	642
Cessna Citation	834
Dassault Falcon	142
Embraer	199
Gulfstream	189
Hawker	313
Other	175
Total	2,560

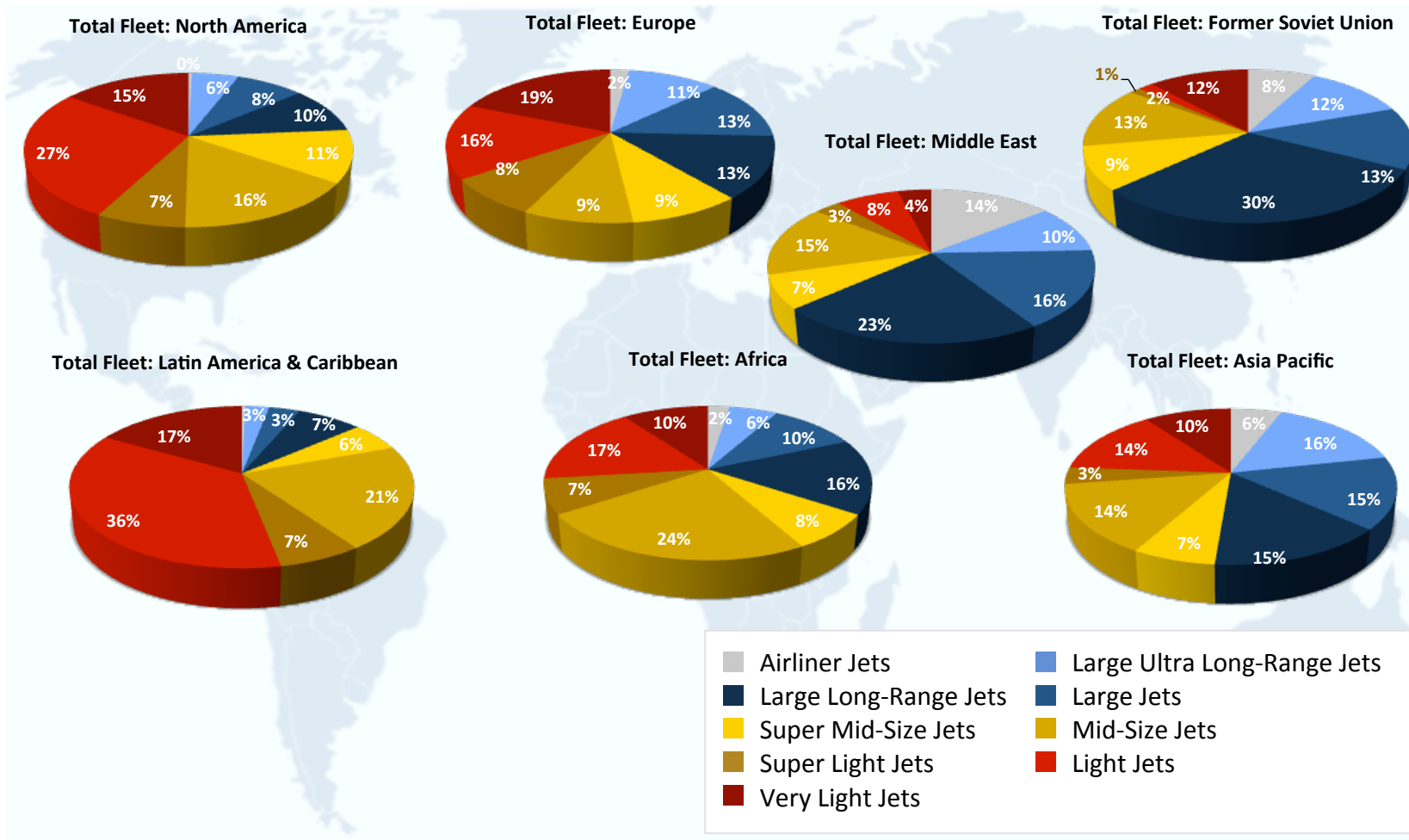
AFRICA OEM	Fleet as of Dec 31, 2015
Beechcraft	5
Bombardier	89
Cessna Citation	105
Dassault Falcon	65
Embraer	20
Gulfstream	60
Hawker	112
Other	20
Total	476

ASIA PACIFIC OEM	Fleet as of Dec 31, 2015
Beechcraft	11
Bombardier	263
Cessna Citation	217
Dassault Falcon	95
Embraer	73
Gulfstream	246
Hawker	141
Other	114
Total	1,160

World business jet fleet was 20,623 jets on December 31, 2015 (preliminary)

Business Jet Fleet by Size Category

December 31, 2015

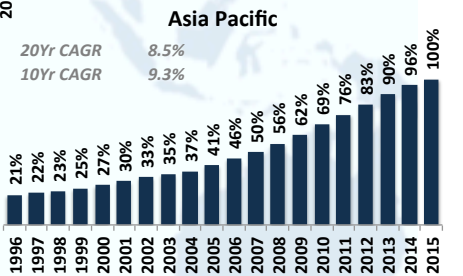
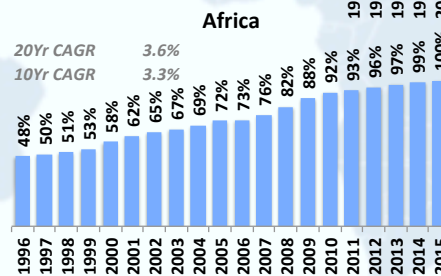
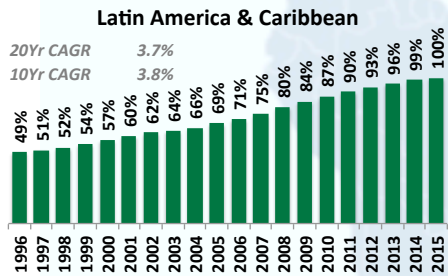
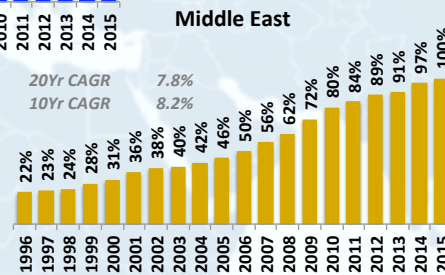
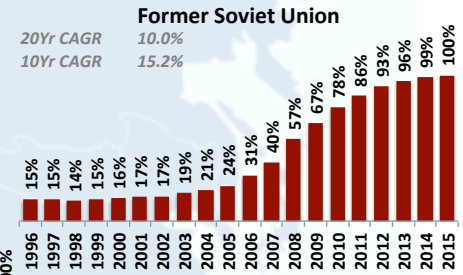
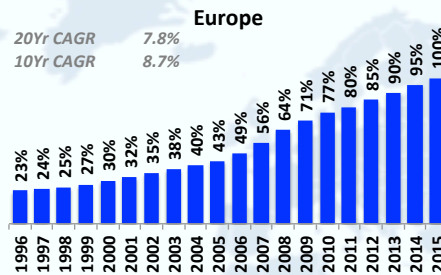
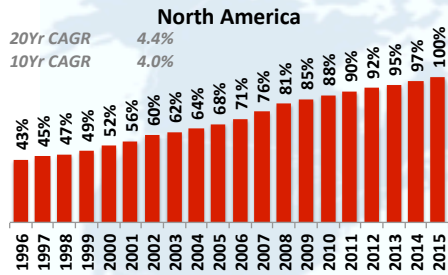


December 31, 2015

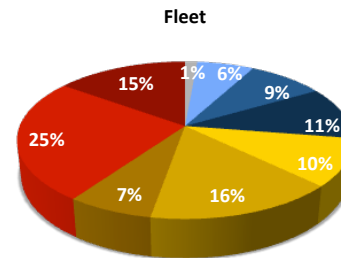
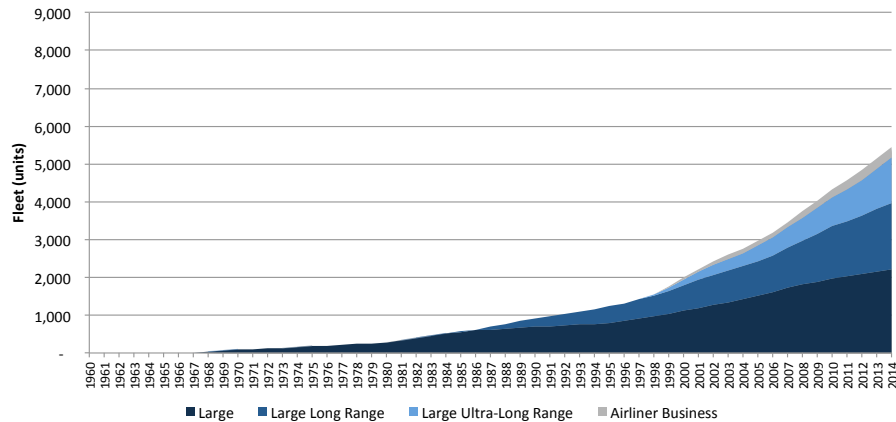
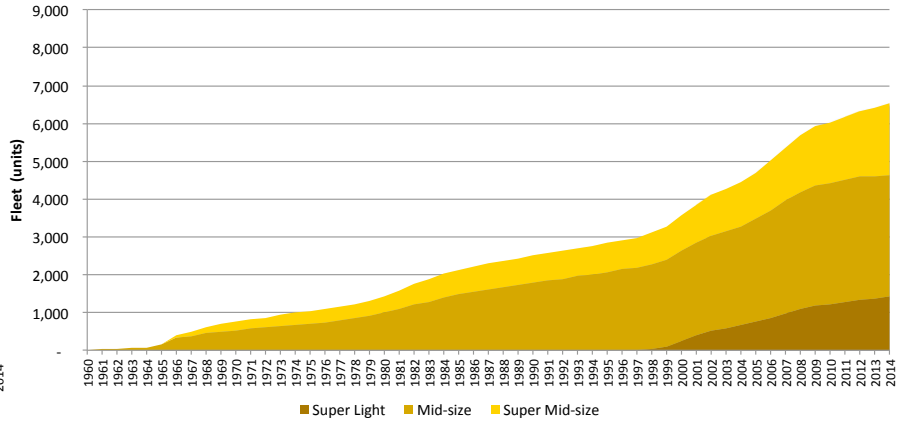
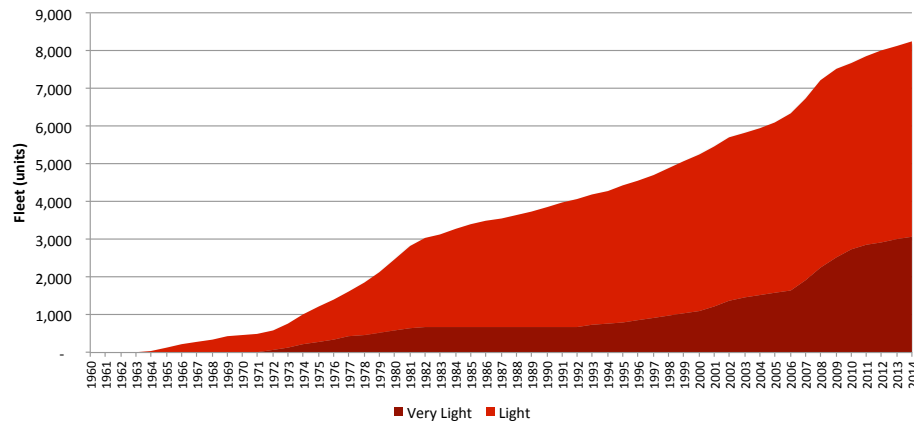
JETNET iQ Snap!: 4th Quarter 2015 - Private & Confidential

Business Jet Fleet Growth: 1996-2015

Fleet in Years 1996 to 2015 as a % of Year-End 2015 Fleet by Region



Business Jet Fleet by Size Category Fleet in Years 1960 - 2015

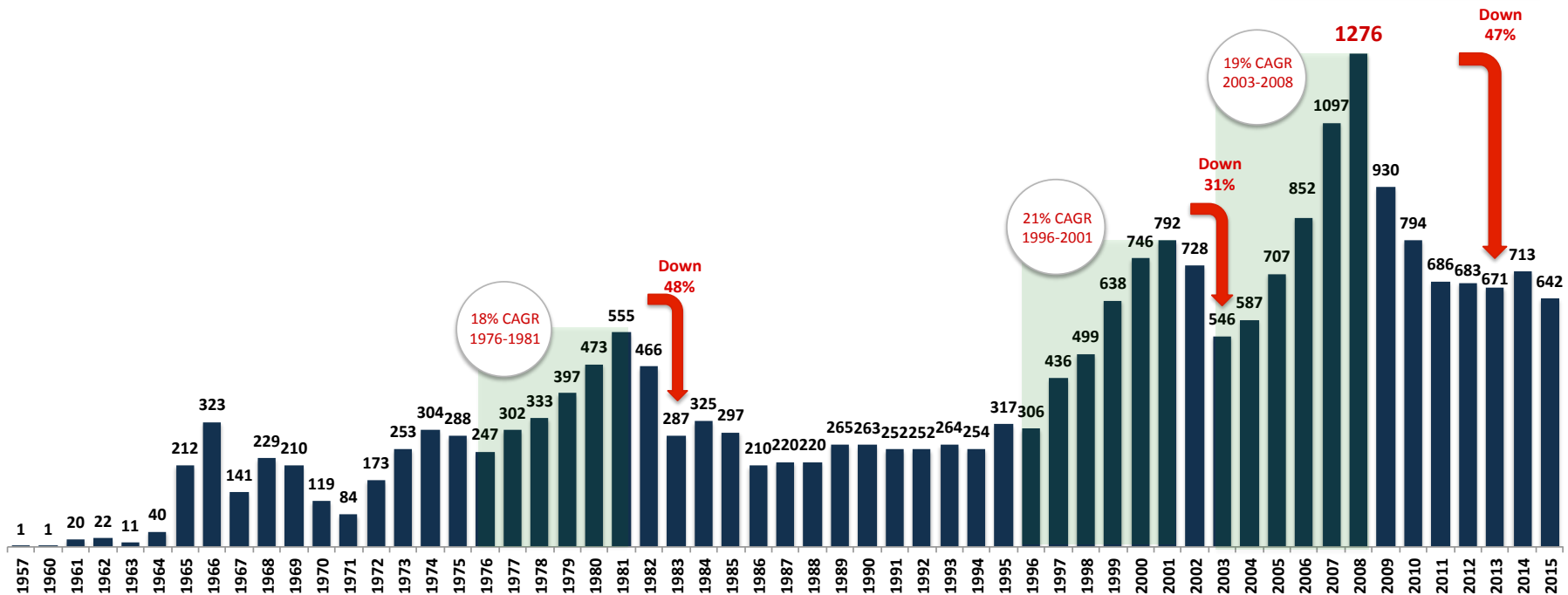


Business Jet Fleet as of December 31, 2015	
By size category	
Airliner Business	289
Large Ultra-Long Range	1,345
Large Long Range	1,796
Large Jets	2,237
Super Mid-size Jets	1,998
Mid-size Jets	3,215
Super Light Jets	1,451
Light Jets	5,190
Very Light Jets	3,102
Total	20,623

Business Jet Deliveries (units)

Business Jet Deliveries

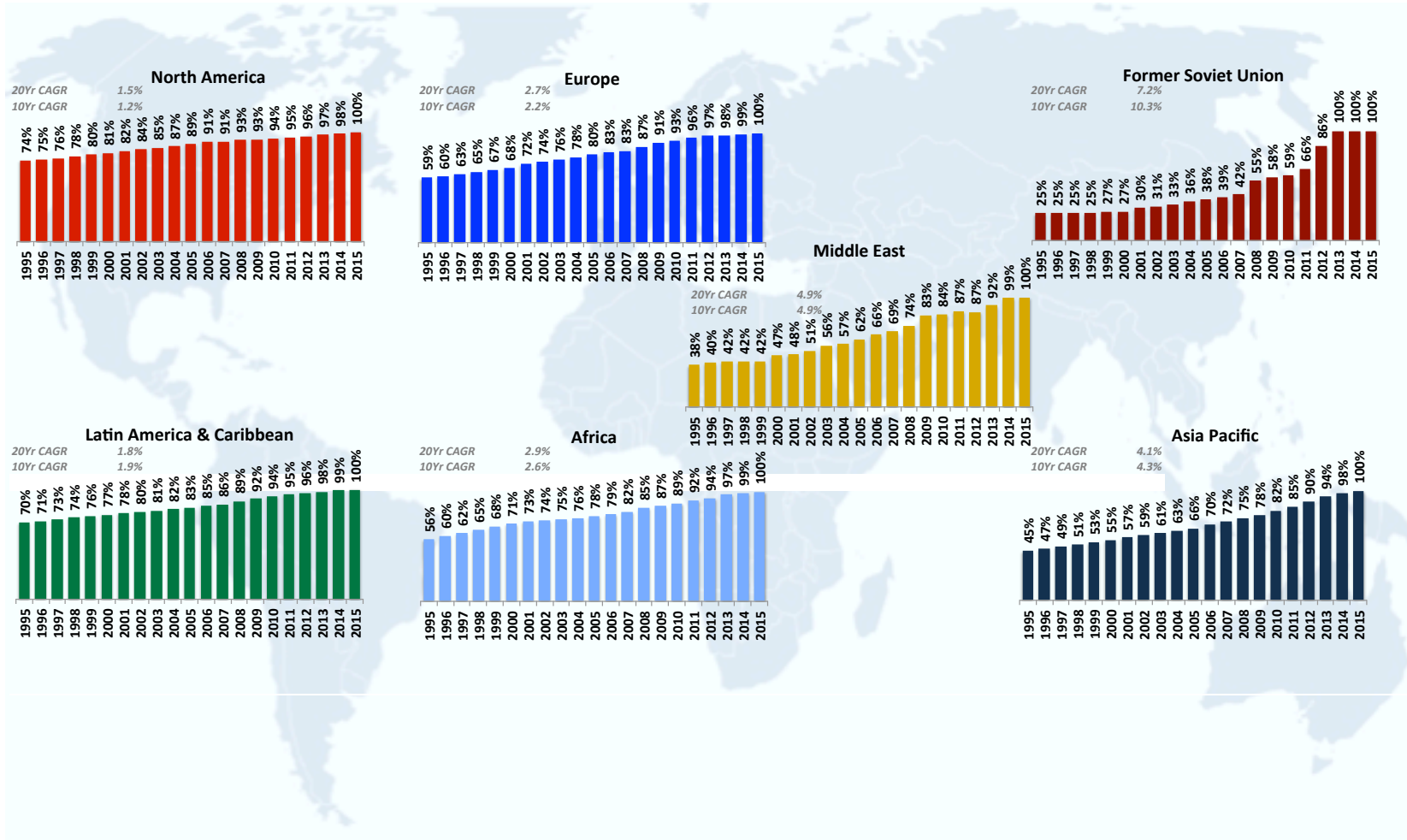
Note: 2015 deliveries are Preliminary Year-to-Date Through Dec 31, 2015; our JETNET iQ Forecast for 2015 is 709 units



New business jet delivery units have remained relatively flat for 5 years; New business jet delivery value in 2015 was about \$22B based on equipped list prices

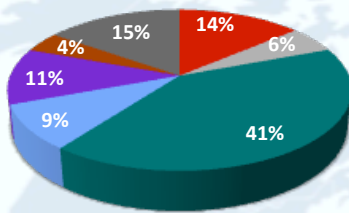
Turboprop Fleet Growth: 1996-2015

Fleet in Years 1996 to 2015 as a % of Year-End 2015 Fleet by Region

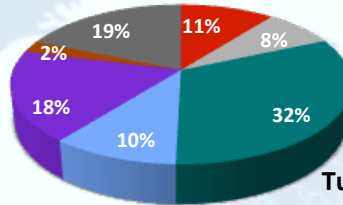


Business Turboprop Fleet by Manufacturer

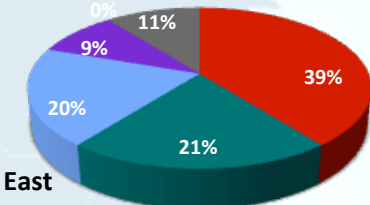
Turboprop deliveries: North America



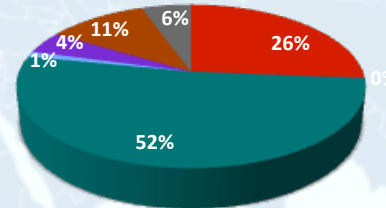
Turboprop deliveries: Europe



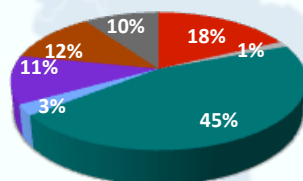
Turboprop deliveries: Former Soviet Union



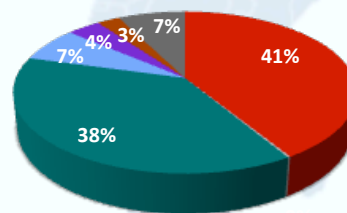
Turboprop Deliveries: Middle East



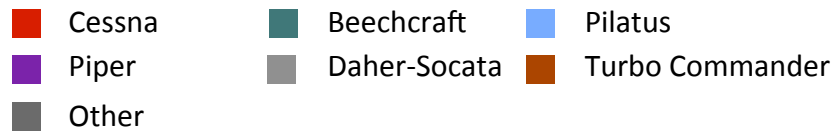
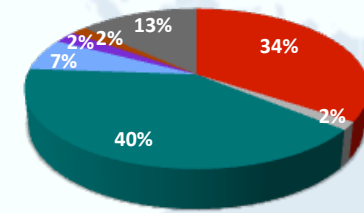
Turboprop deliveries: Latin America & Caribbean



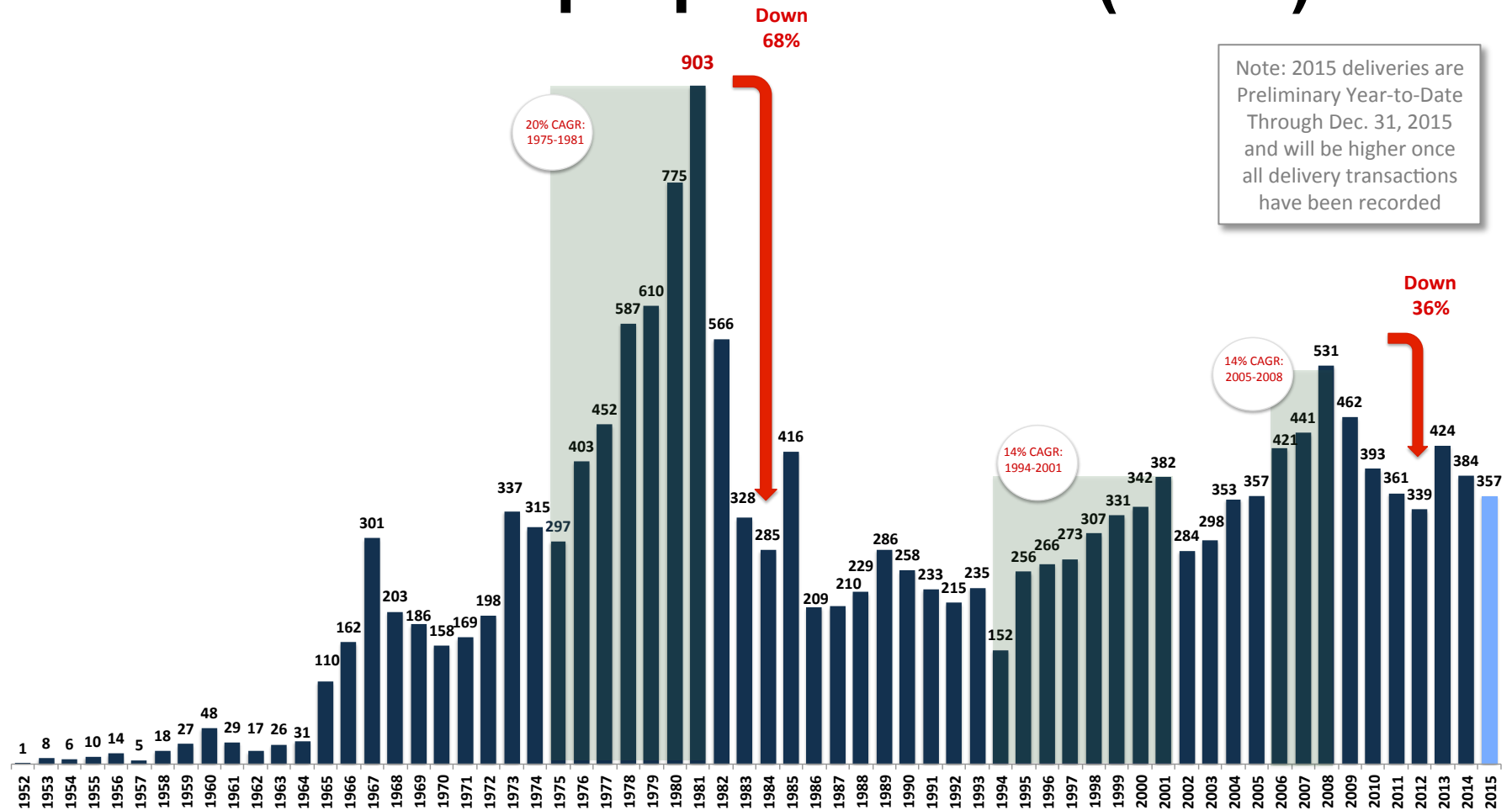
Turboprop deliveries: Africa



Turboprop deliveries: Asia Pacific



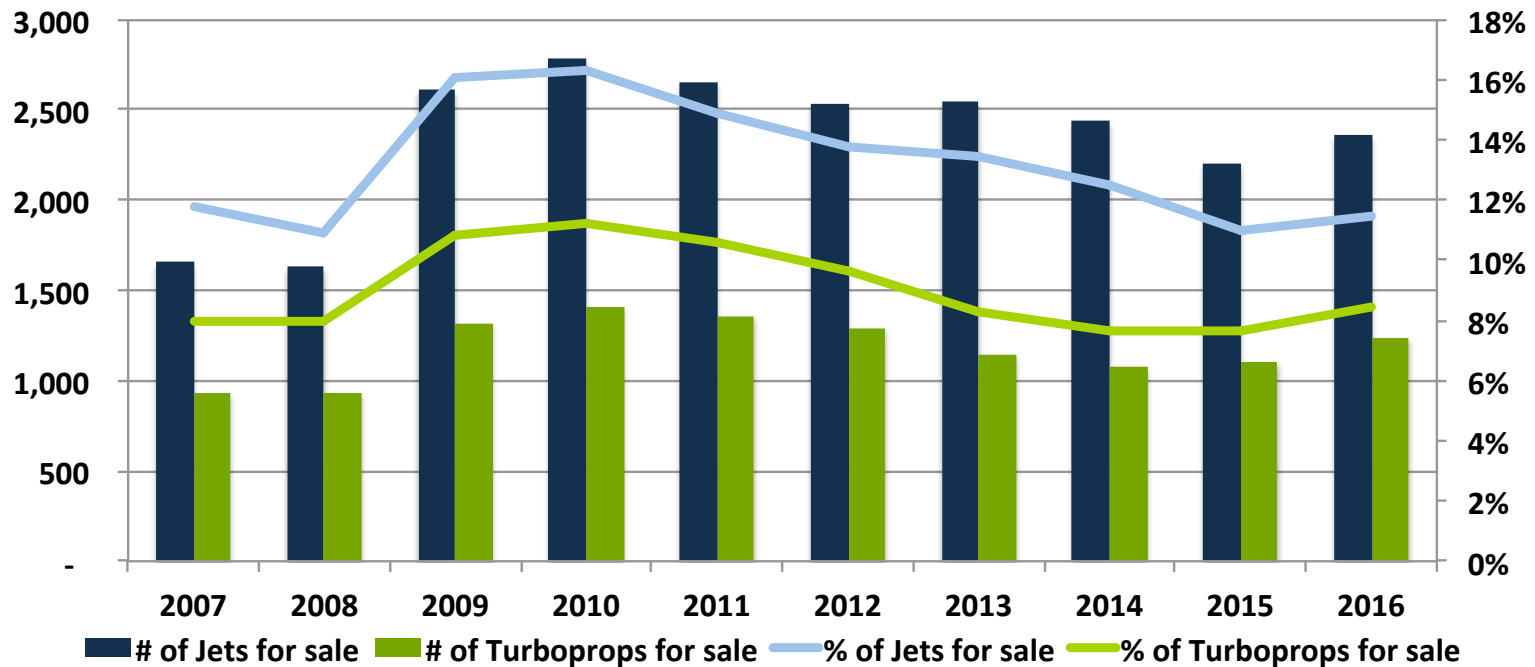
Business Turboprop Deliveries (units)



Note: 2015 deliveries are Preliminary Year-to-Date Through Dec. 31, 2015 and will be higher once all delivery transactions have been recorded

Pre-Owned Business Aircraft Inventory

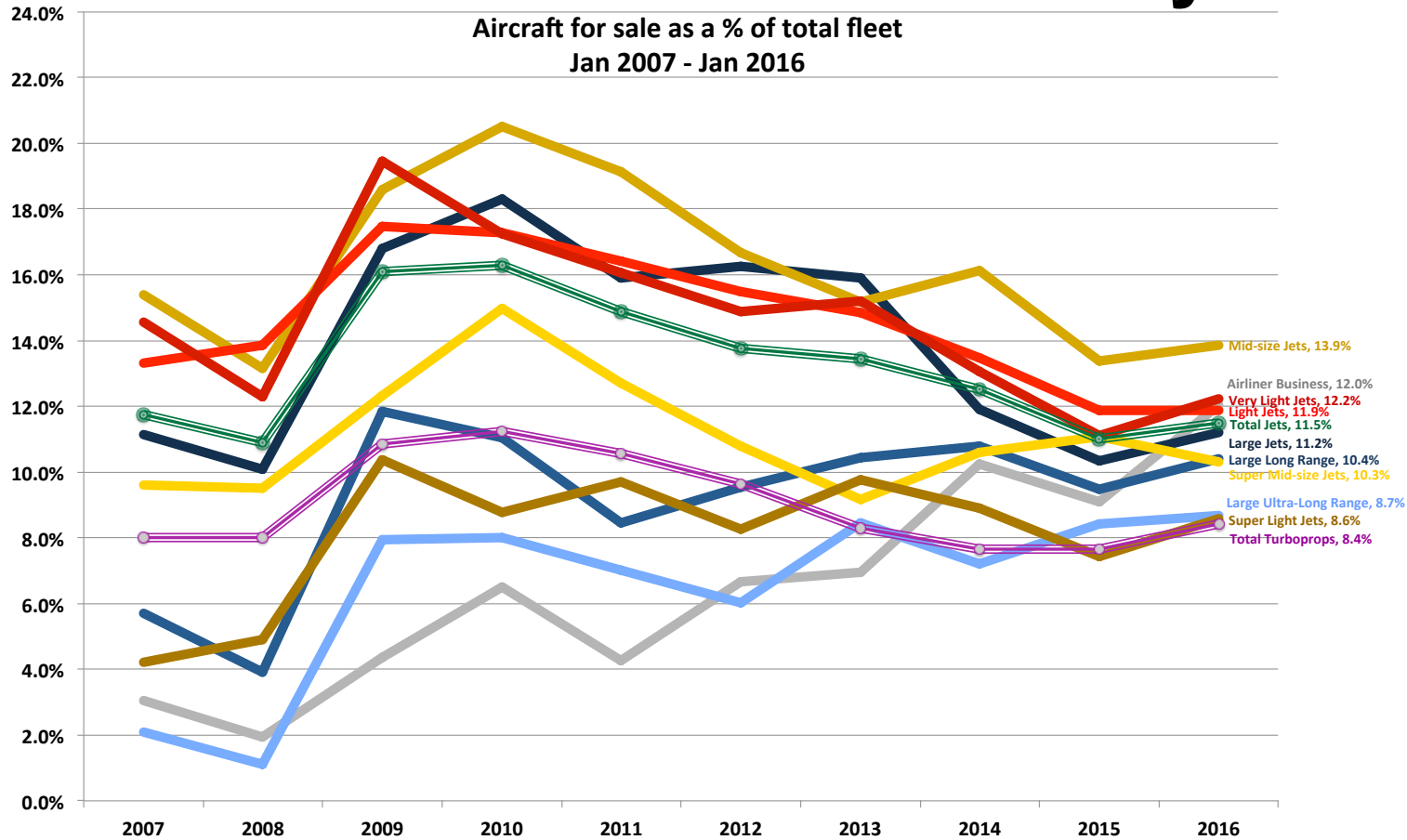
**Business Jets and Turboprops for sale
 Jan 2007 - Jan 2016**



Aircraft Available for Sale as % of World Fleet (as of Oct 1)										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business Jets	11.7%	10.9%	16.1%	16.3%	14.9%	13.8%	13.4%	12.5%	11.0%	11.5%
Turboprop	8.0%	8.0%	10.9%	11.2%	10.6%	9.6%	8.3%	7.7%	7.7%	8.4%

For-sale inventory of pre-owned business aircraft has begun to increase once again

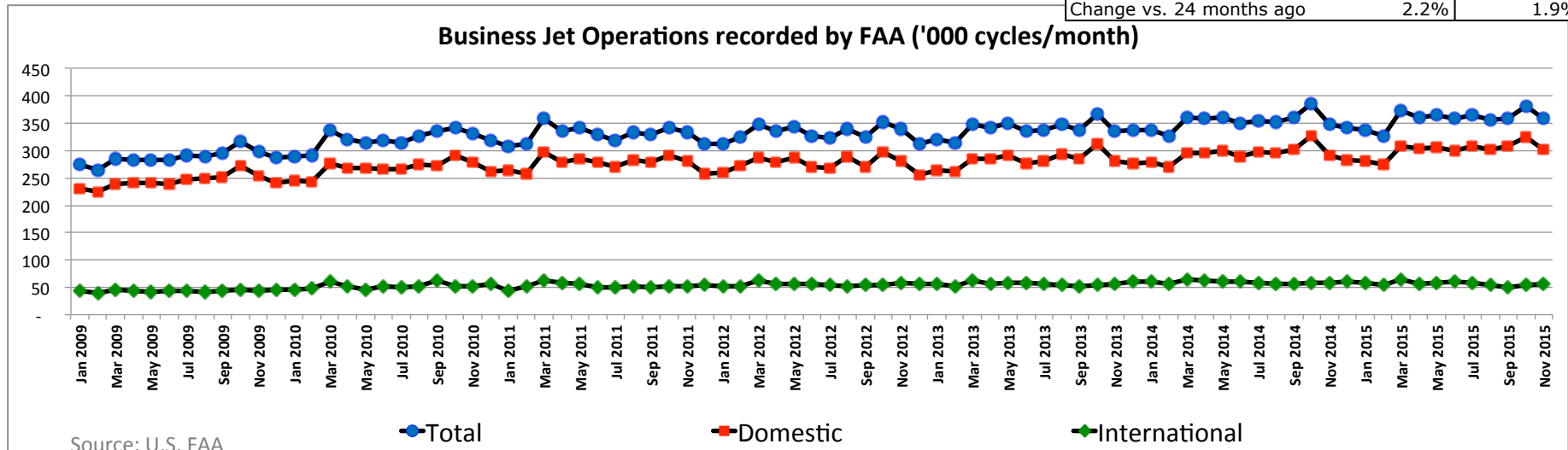
Pre-Owned Business Jet Inventory



Pre-owned jet inventory levels in each size category have begun to increase

U.S. Business Jet Utilization

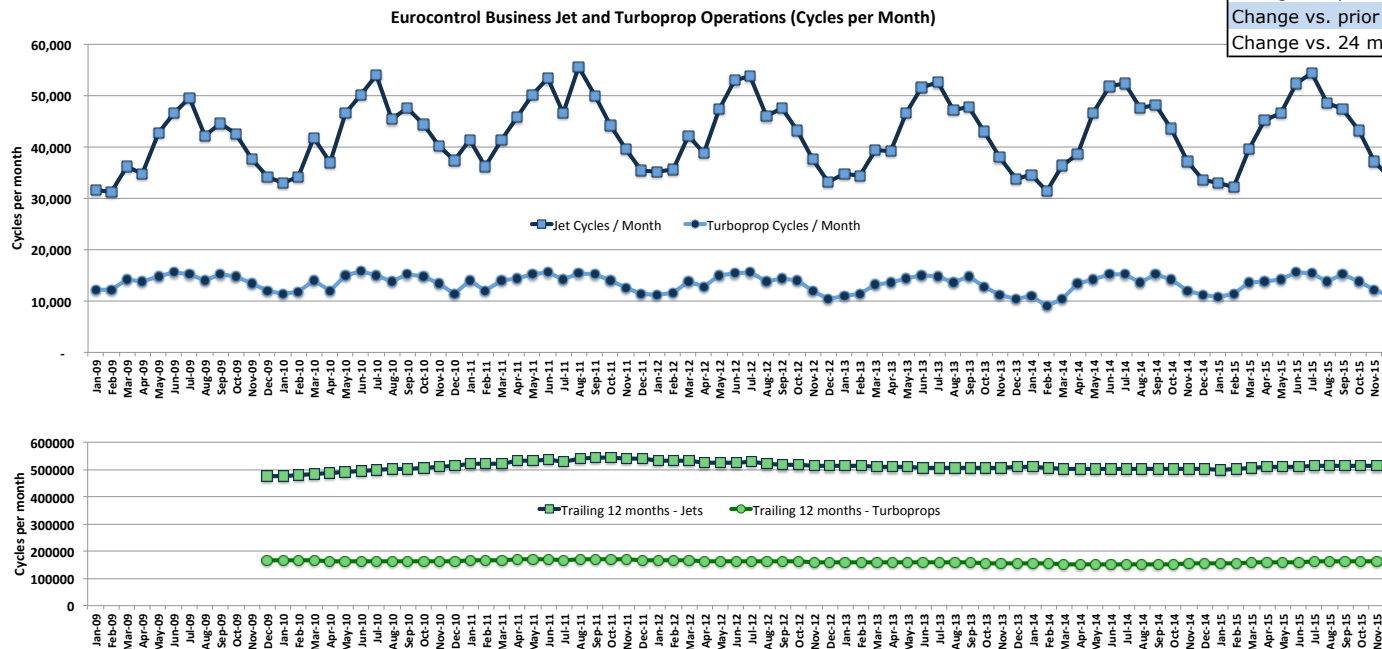
FAA BUSINESS JET OPERATIONS - NOV 2015		Trailing 12 Months
TOTAL CYCLES		
Total Cycles	357,996	4,283,780
Change vs. prior month	-5.9%	0.2%
Change vs. prior year	2.8%	1.2%
Change vs. 24 months ago	6.6%	5.8%
DOMESTIC CYCLES		
Total Domestic Cycles	301,136	3,597,398
Change vs. prior month	-7.6%	0.3%
Change vs. prior year	3.5%	2.2%
Change vs. 24 months ago	7.5%	6.6%
INTERNATIONAL CYCLES		
Total International Cycles	56,860	686,382
Change vs. prior month	3.9%	-0.1%
Change vs. prior year	-0.9%	-3.3%
Change vs. 24 months ago	2.2%	1.9%



Annualized U.S. business jet cycles through Nov 2015 are up 5.8% over 2 years ago

European Business Aircraft Utilization

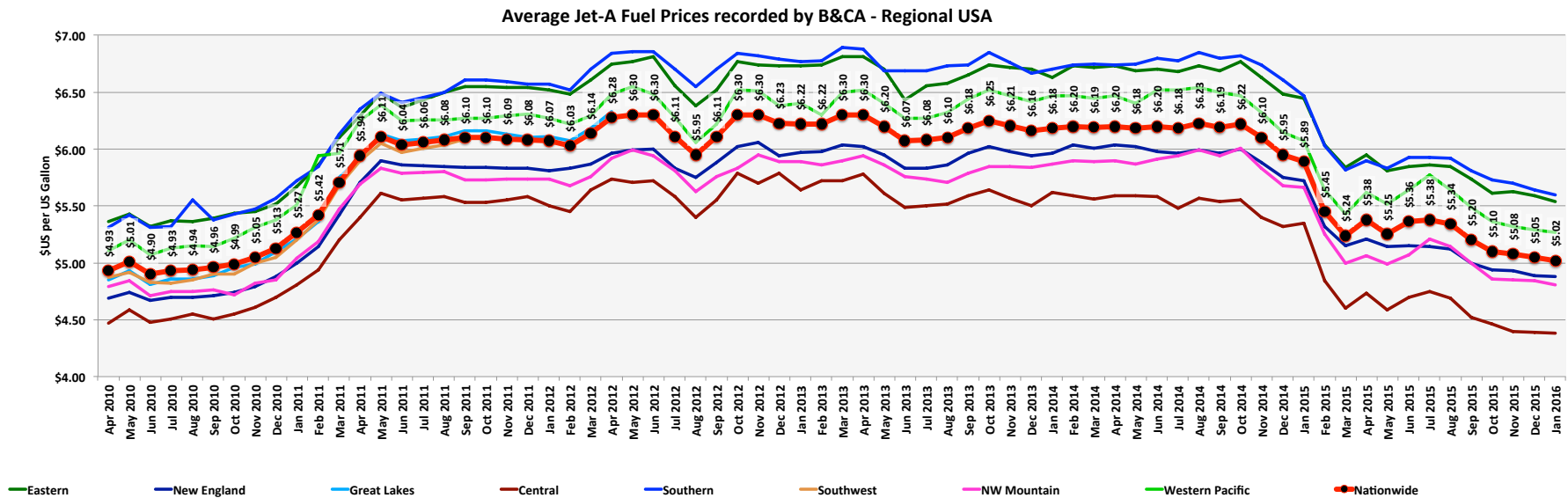
EUROCONTROL BUSINESS JET & TURBOPROP OPERATIONS - DEC 2015		Trailing 12 Months
BUSINESS JETS (EXCLUDING AIRLINERS)		
Total Cycles	33,988	513,957
Change vs. prior month	-8.8%	0.1%
Change vs. prior year	0.9%	2.3%
Change vs. 24 months ago	0.5%	1.1%
TURBOPROPS		
Total Cycles	10,984	160,938
Change vs. prior month	-9.4%	-0.1%
Change vs. prior year	-1.4%	4.1%
Change vs. 24 months ago	5.6%	3.0%



Source: Eurocontrol

Annualized European cycles are up 2.3% for business jets and up 4.1% for business turboprops over the prior year on a trailing 12 months (TTM) basis

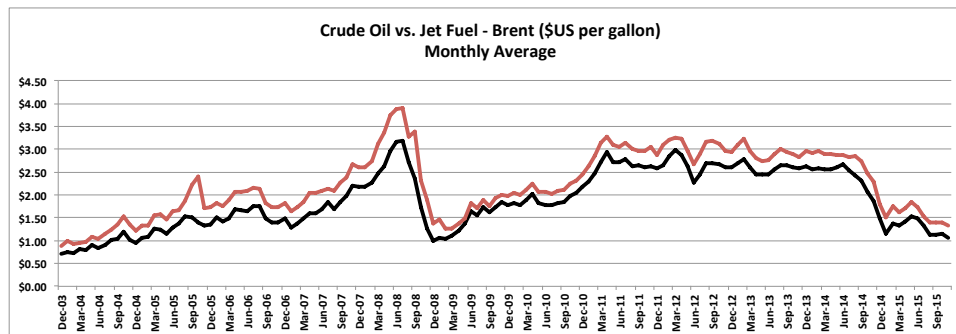
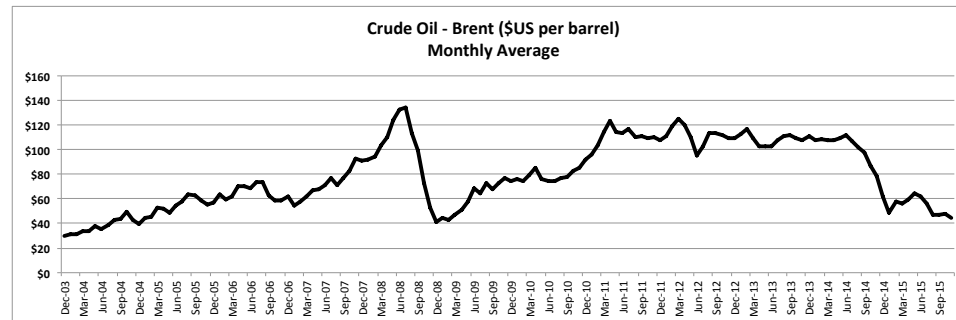
Jet-A Fuel Prices at U.S. FBOs



Source: [Business & Commercial Aviation](#)

Jet-A fuel prices in December 2015 are averaging about \$5.02 at U.S. FBOs, down from \$5.89 year-over-year

Crude Oil and Jet Fuel Prices



IATA Fuel Price Monitor Jan 1, 2016)	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%	\$ 1.130	\$ 47.40	129.70	-1.6%	-13.3%	-34.0%
Asia & Oceania	22%	\$ 1.048	\$ 44.00	125.80	-4.2%	-19.0%	-38.0%
Europe & CIS	28%	\$ 1.058	\$ 44.40	119.80	-4.8%	-16.0%	-38.7%
Middle East & Africa	7%	\$ 0.992	\$ 41.70	124.40	-5.1%	-19.0%	-39.0%
North America	39%	\$ 1.250	\$ 52.50	139.50	1.8%	-7.8%	-27.6%
Latin & Central America	4%	\$ 1.147	\$ 48.20	133.40	3.4%	-9.6%	-33.6%

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

Source: IndexMundi; IATA from PLATTS

December 31, 2015


JETNET iQ Snap!: 4th 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!


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:

For questions about this survey, please contact:

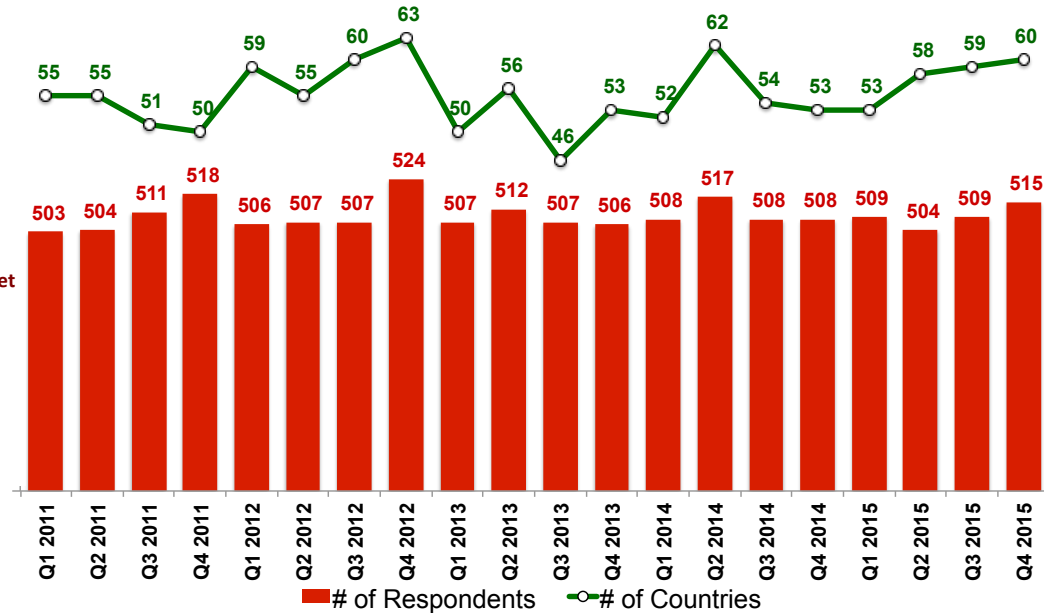
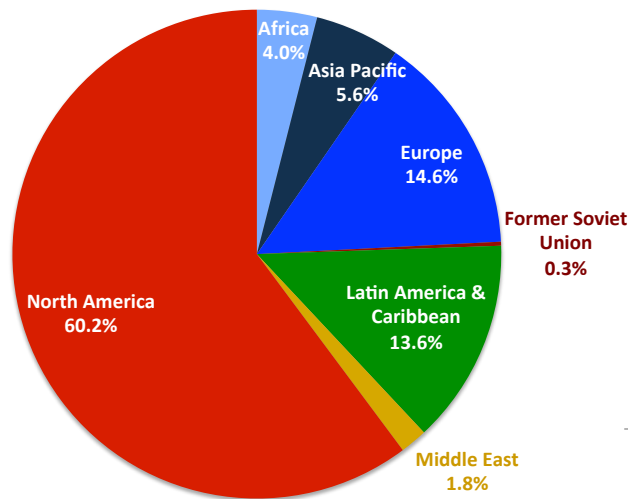


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JETNET iQ Surveys: Quarterly, multilingual, worldwide

JETNET iQ Survey Respondents

Respondent Fleet Location Q1 2011 - Q4 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	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Total
# of Respondents	503	504	511	518	506	507	507	524	507	512	508	508	508	509	504	509	515	515	509	515	10,190
# of Countries	55	55	51	50	59	55	60	63	50	56	46	53	52	62	54	53	53	58	59	60	129

JETNET iQ Surveys: Since Q1 2011, >10,000 respondents from 129 countries

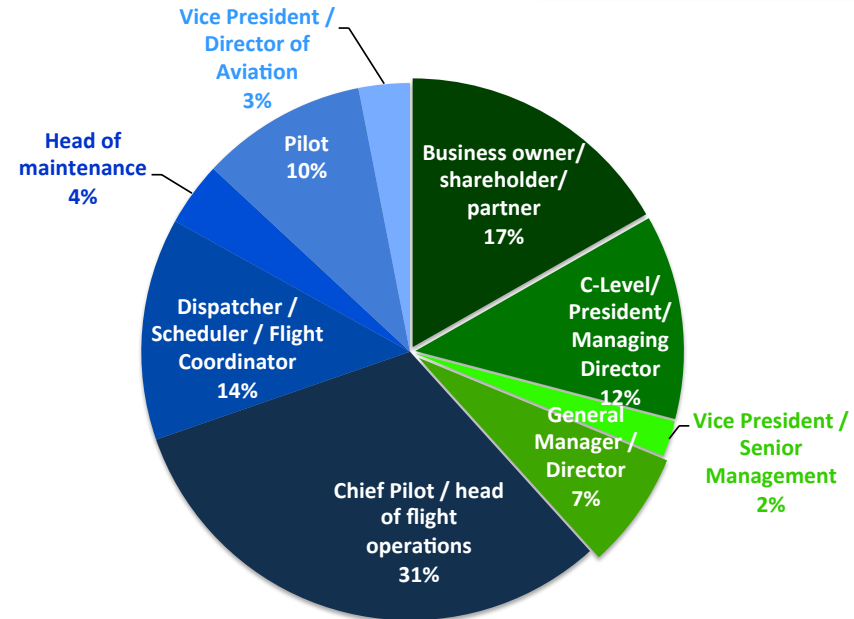
Survey Respondents' Roles

By Job Title

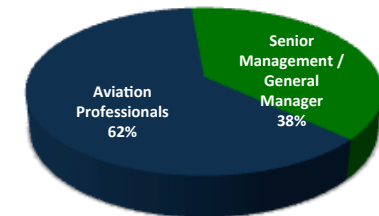
Q4 2015 Survey

Title of respondent	Completed
Business owner/shareholder/partner	109
C-Level/President/Managing Director	80
Vice President / Senior Management	14
General Manager / Director	46
Chief Pilot / head of flight operations	204
Dispatcher / Scheduler / Flight Coordinator	87
Head of maintenance	25
Pilot	65
Vice President / Director of Aviation	20
Total	650

Note: Respondent was able to chose whichever applied



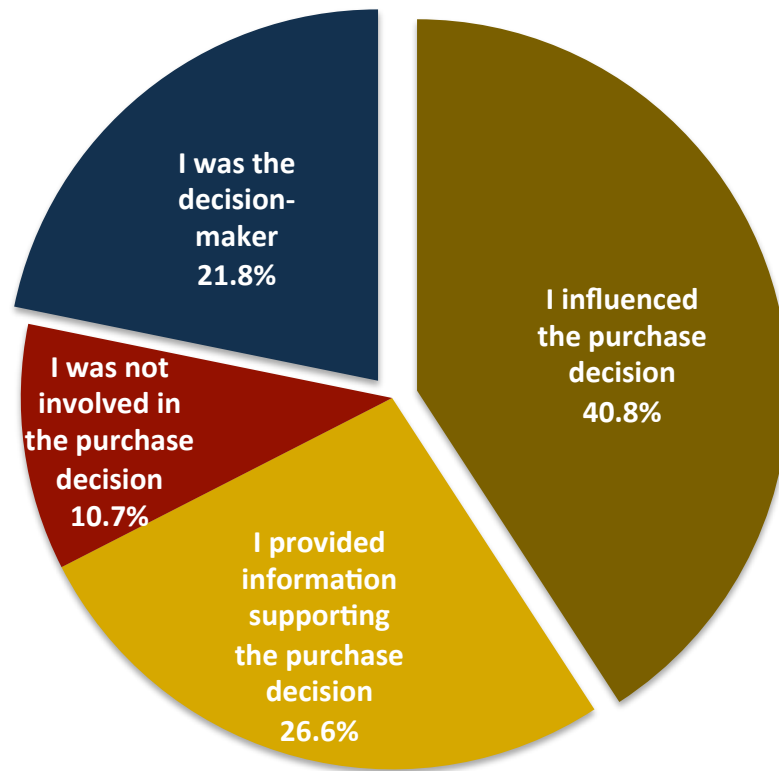
Aviation Professionals	401	62%
Senior Management / General Manager	249	38%



Survey Respondents' Roles

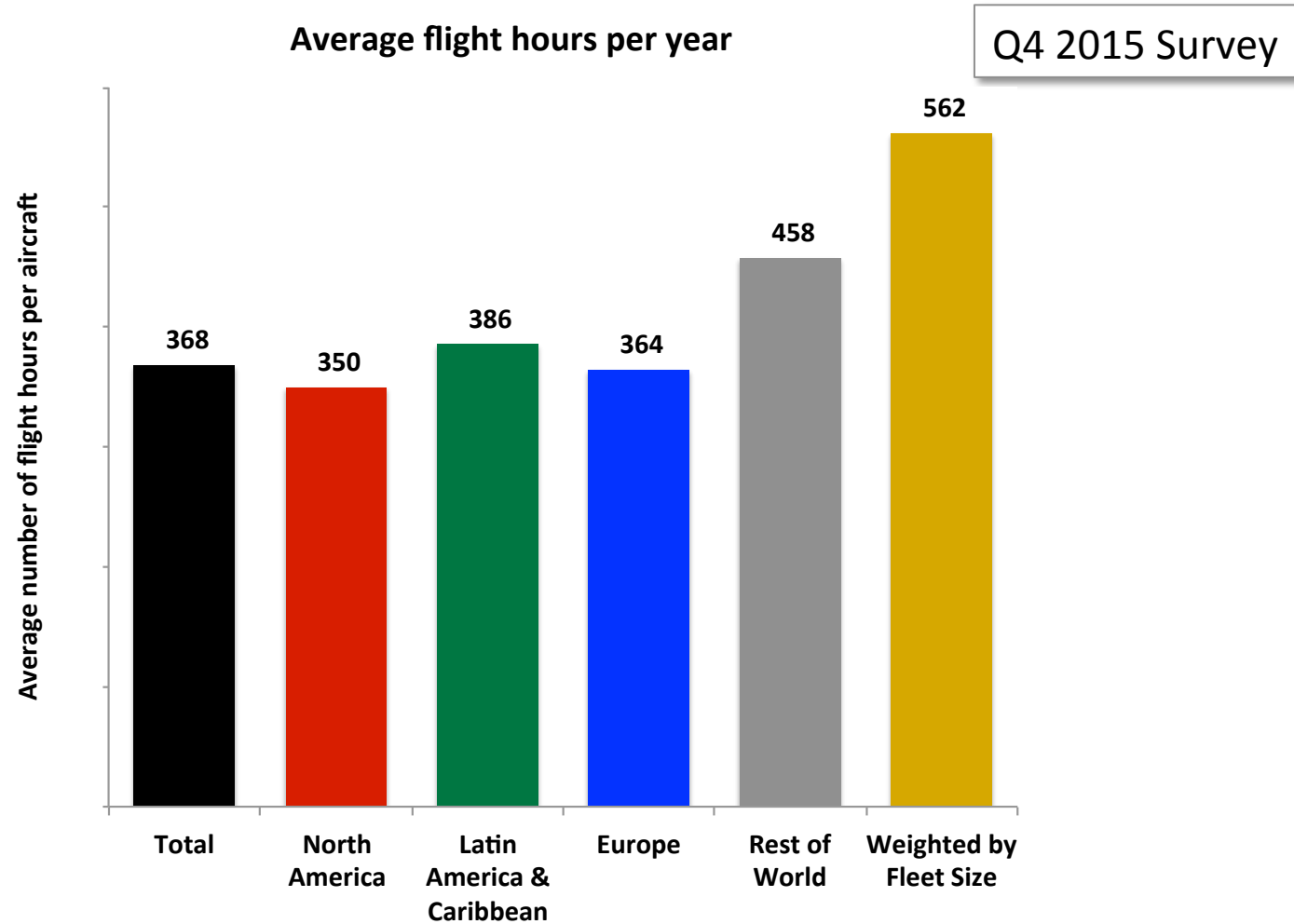
By Involvement in Last Fixed-Wing Turbine Aircraft Purchase

Q4 2015 Survey



Survey Respondents' Flight Operations

Regional Average Utilization per Aircraft in Prior 12 Months

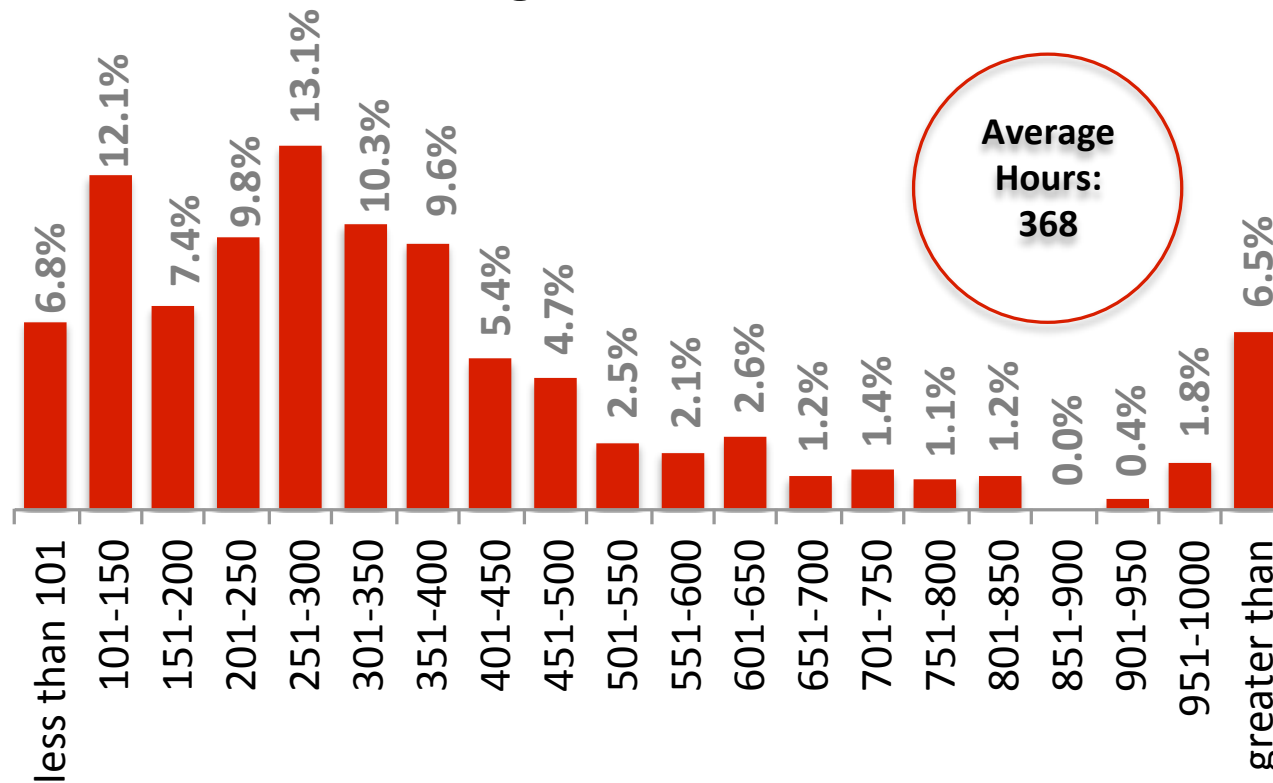


Survey Respondents' Flight Operations

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

Q4 2015 Survey

Annual Flight Hours Per Aircraft

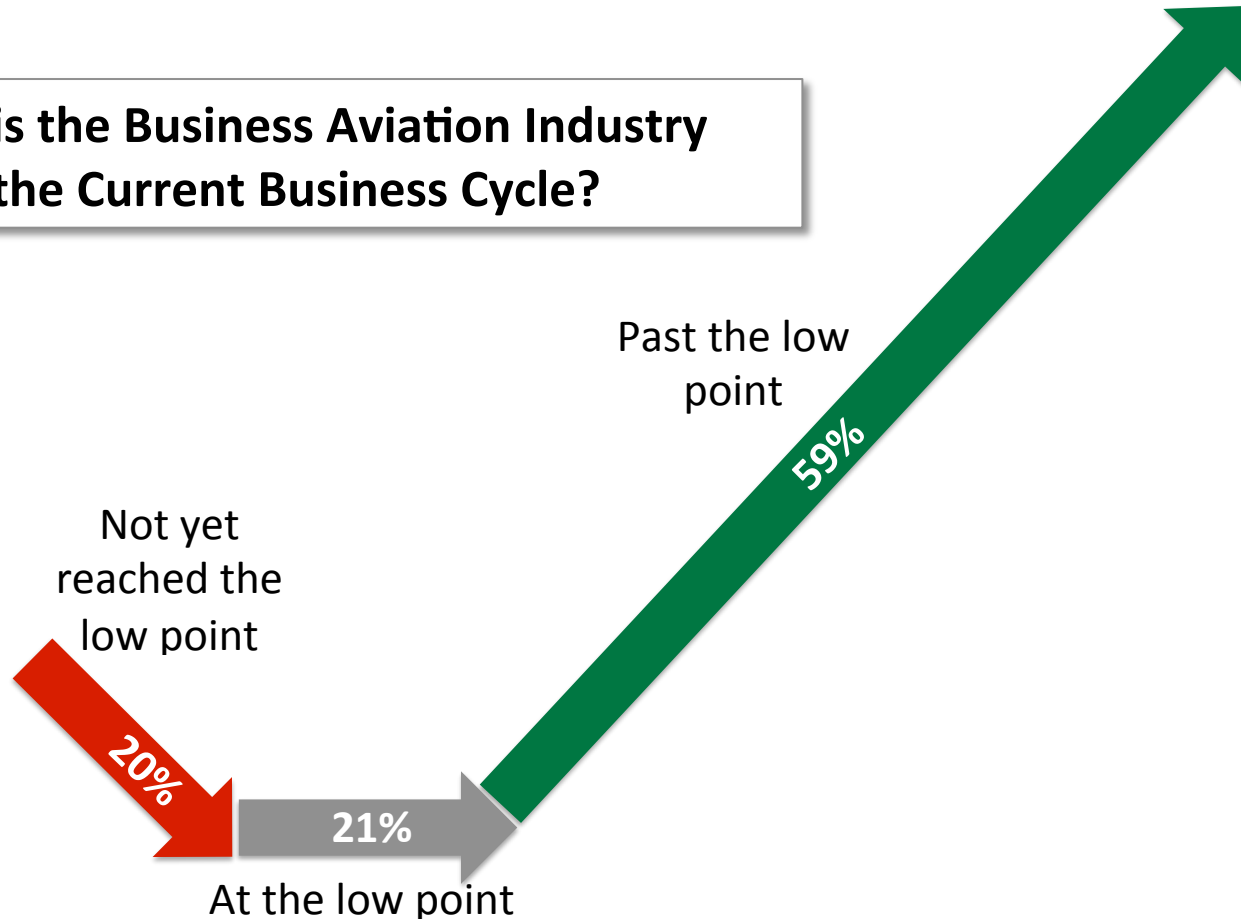


Survey Respondents' Sentiment

Current Market Sentiment

Q4 2015 Survey

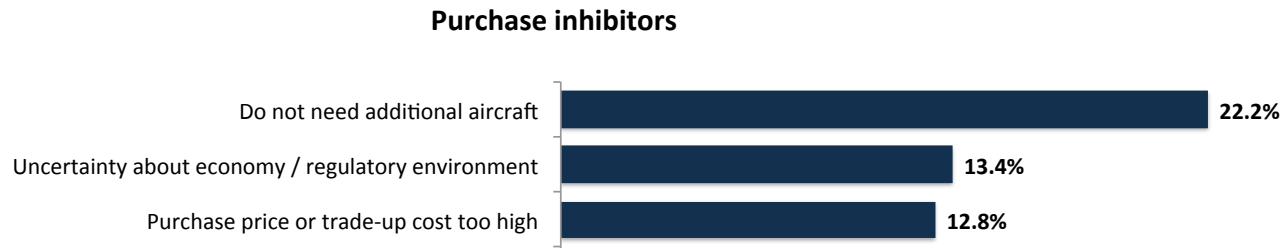
**Where is the Business Aviation Industry
In the Current Business Cycle?**



Aircraft Purchase Inhibitors

Top 3 Inhibitors – Weighted Average

Q4 2015 Survey

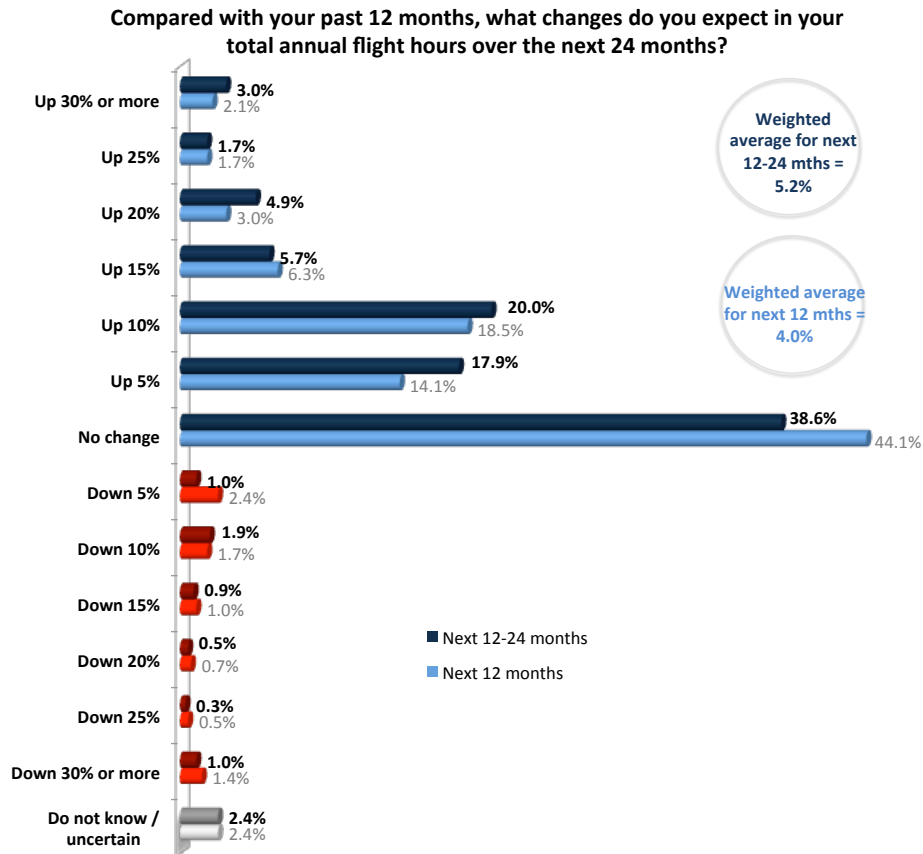


“Which of the following factors are most likely to prevent or delay your organization from purchasing a business aircraft over the next 12 months?”

Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

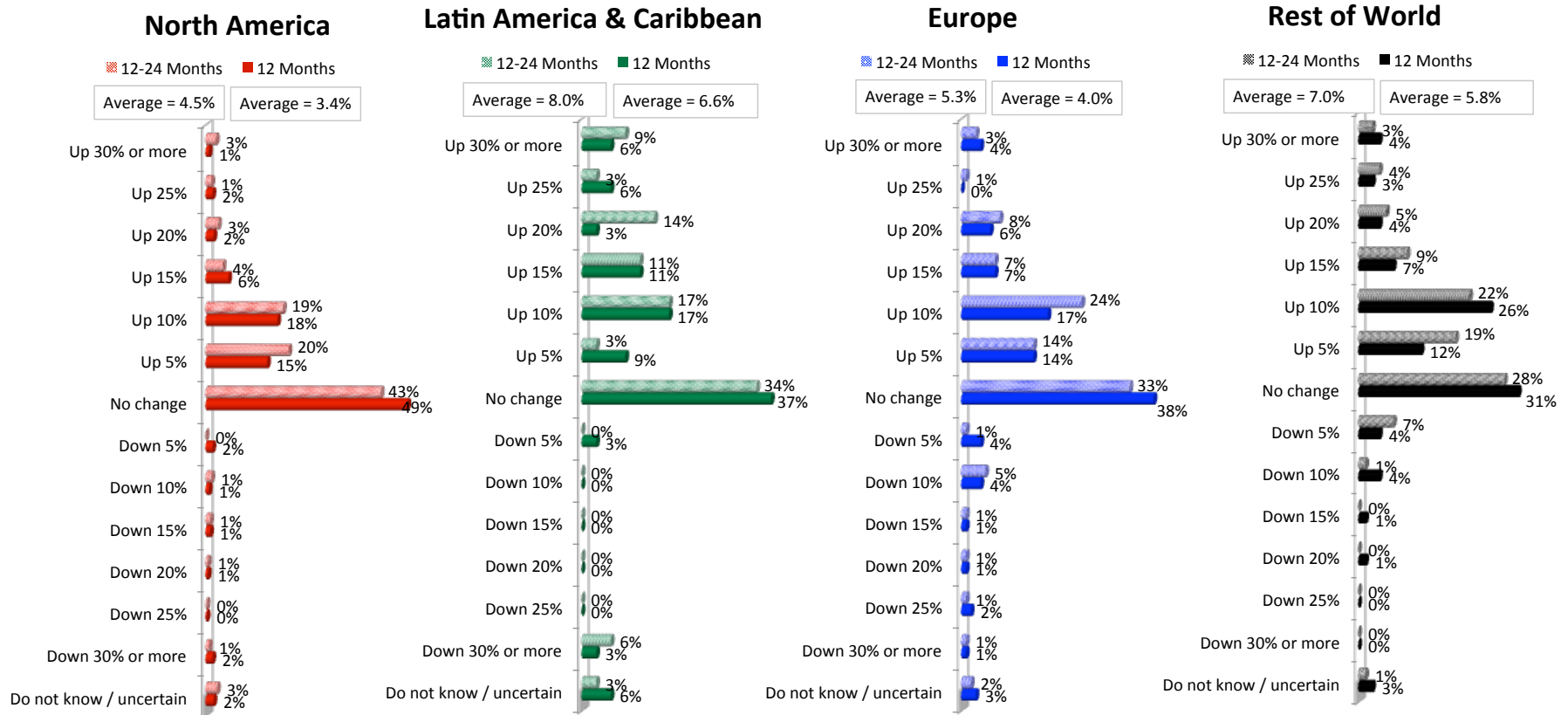
Q4 2015 Survey



Aircraft Utilization

Next 12 and 12-24 Months versus Prior 12 Months

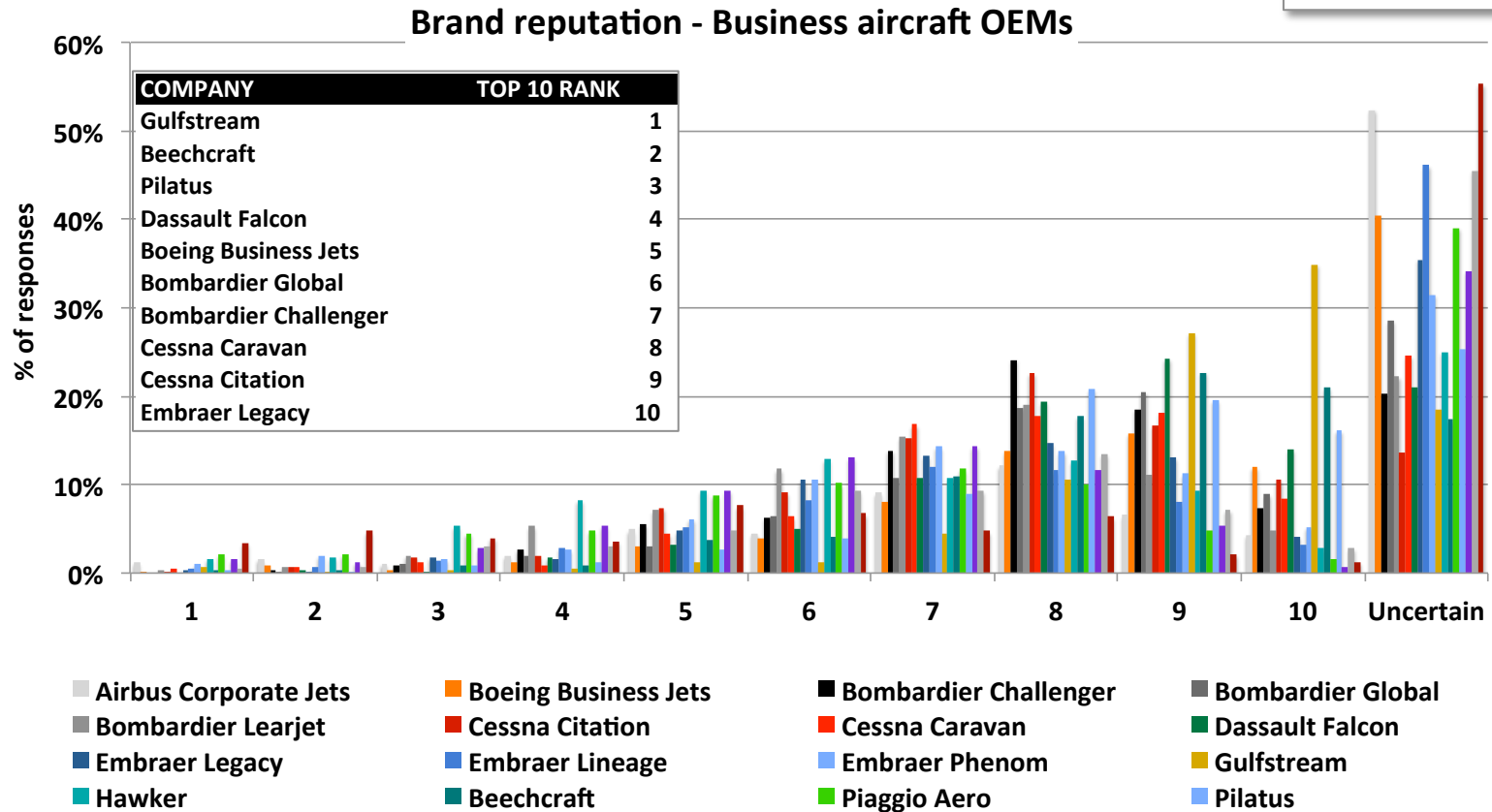
Q4 2015 Survey



Respondents expect to fly 4% more hours in the next 12 months vs. prior 12 months

Brand Reputations

Aircraft Manufacturers on a 1-10 Scale, where "10" = Highest Q4 2015 Survey

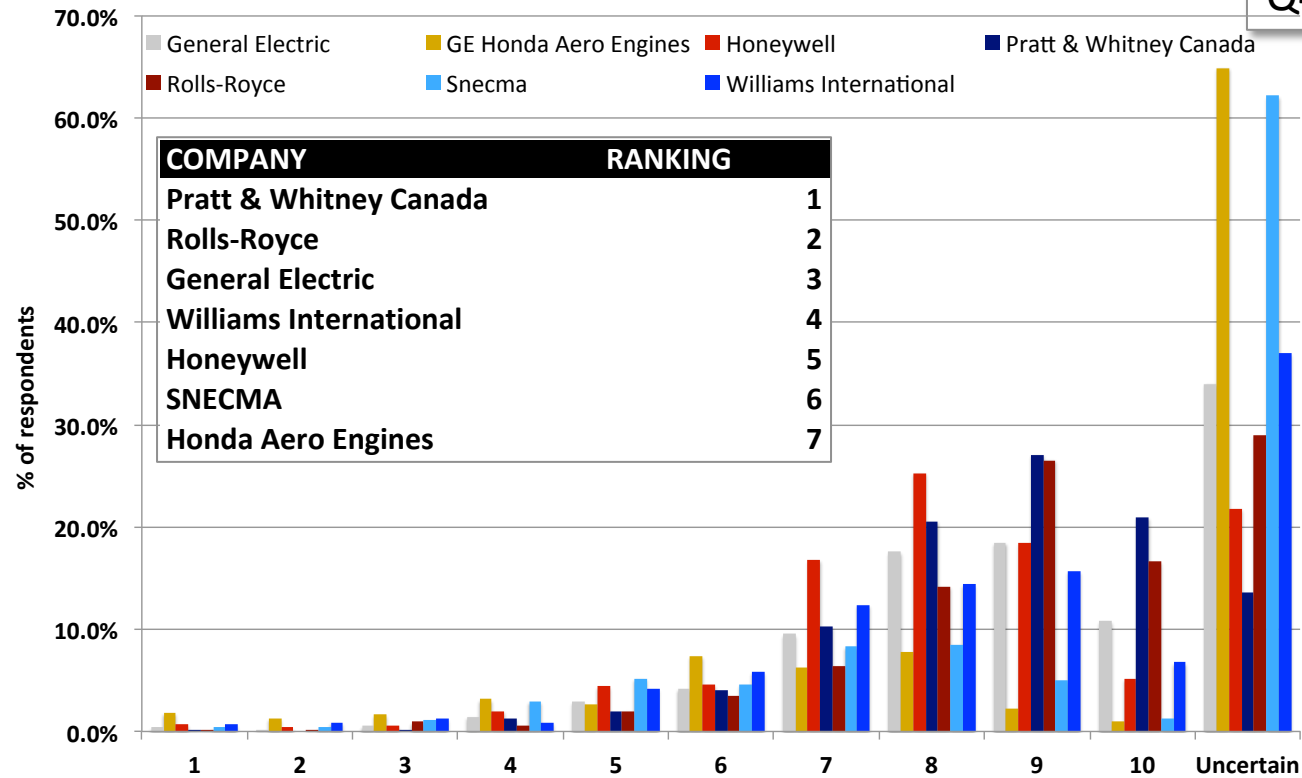


Gulfstream, Beechcraft and Pilatus are the top rated business aircraft brands

Brand Reputations

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

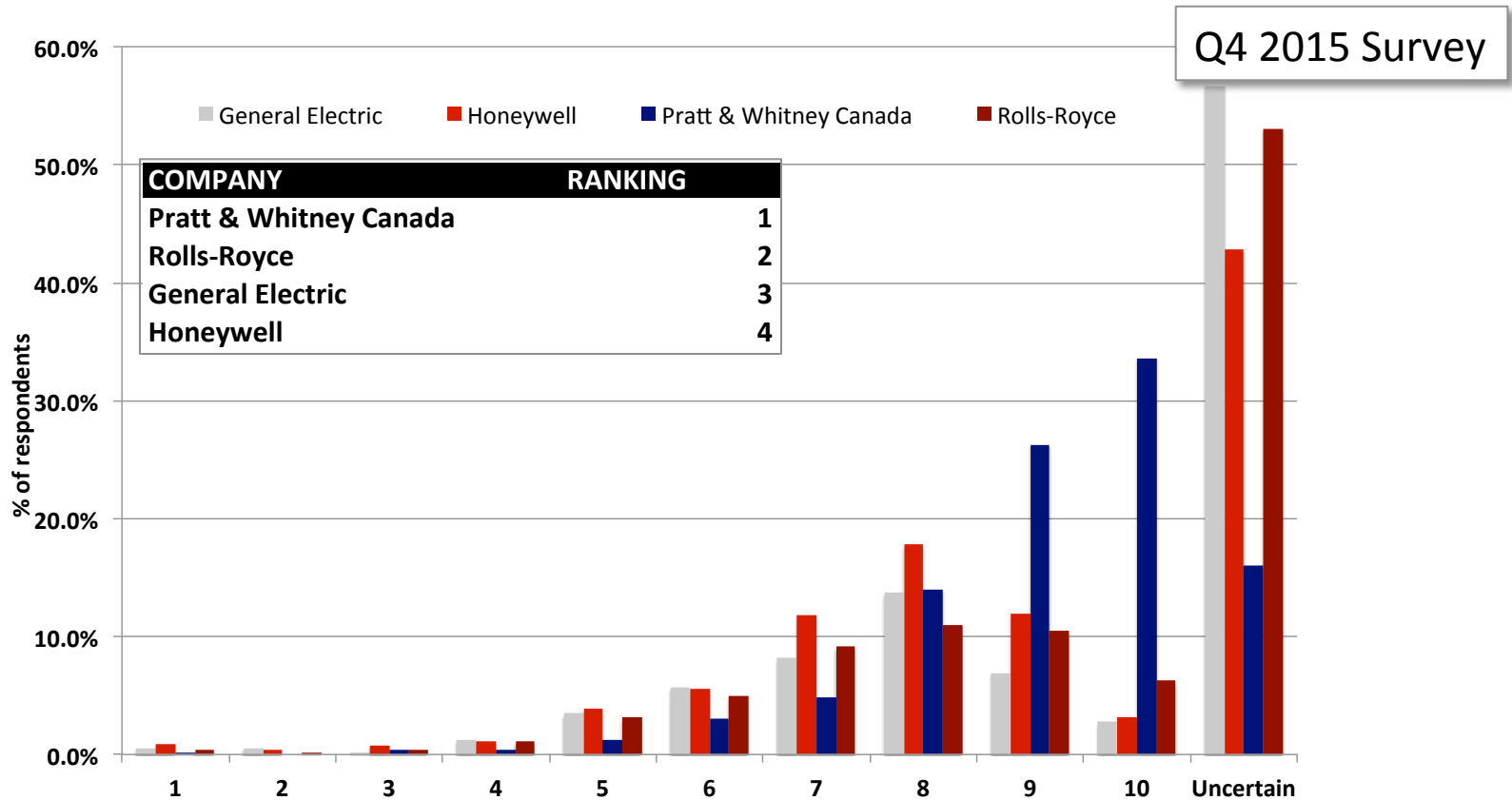
Q4 2015 Survey



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



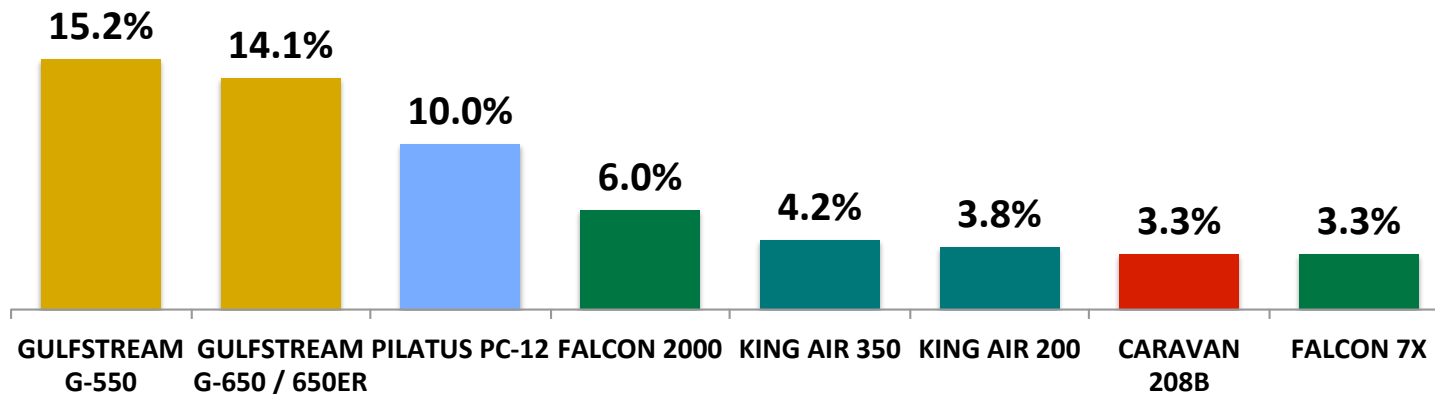
Pratt & Whitney Canada is the highest rated turboprop engine manufacturer brand, well ahead of Rolls-Royce and General Electric

Aircraft Brands

Best retains its residual value 5 years after delivery

Top 8 models - worldwide
Best Residual Value 5 Years After Delivery
Q4 2015

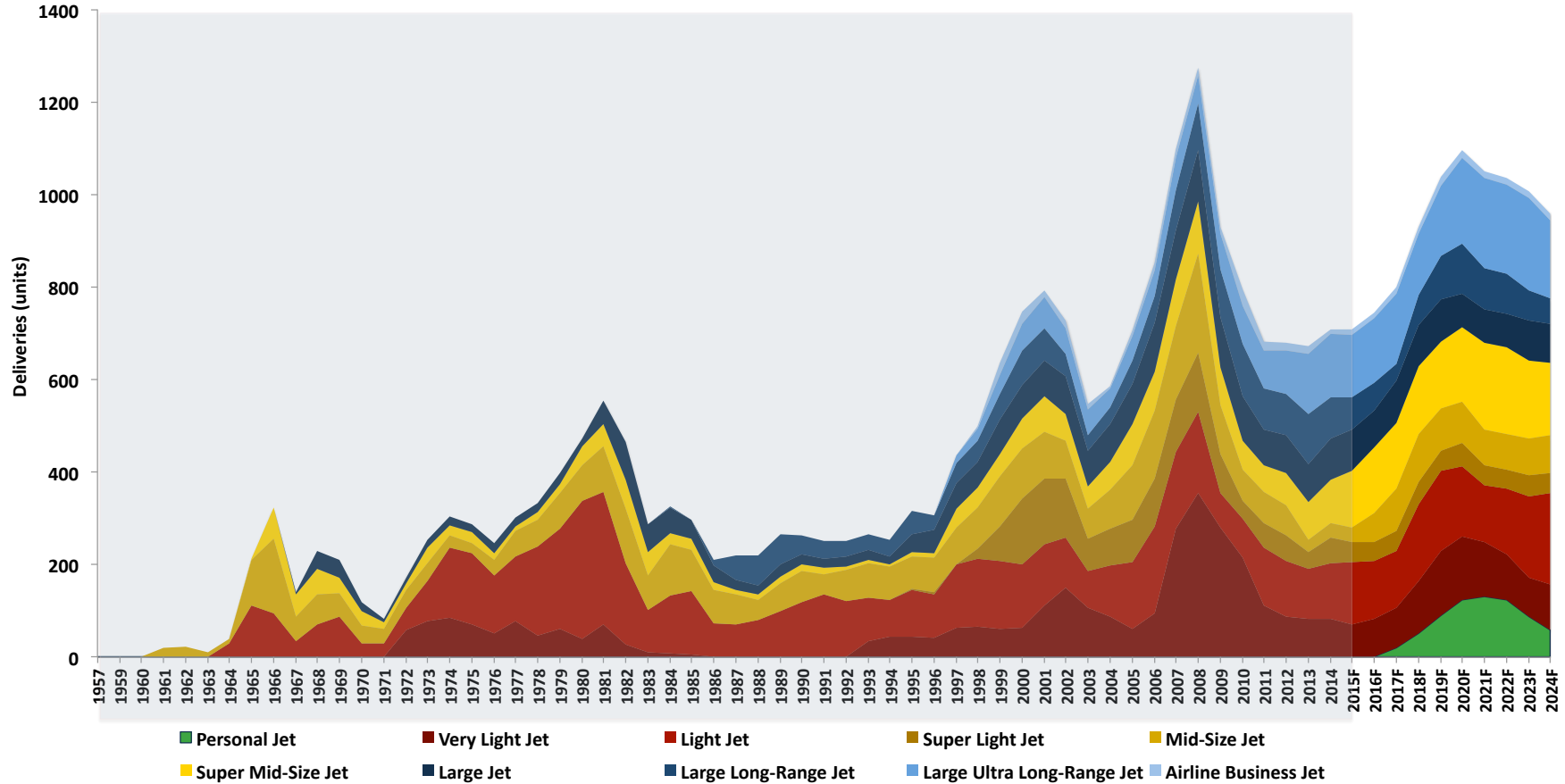
Q4 2015 Survey



According to Q4 2015 survey, the top 4 models that offer the best residual value after 5 years are Gulfstream G-550 / G-650, Pilatus PC-12 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.