

PRESS RELEASE

Date: October 29, 2012

For Immediate Release

JETNET Releases September 2012 and First Nine Months of 2012 Pre-Owned Business Jet, Business Turboprop, and Helicopter Market Information

UTICA, NY – JETNET LLC, the leading provider of corporate aviation information, has released September 2012 and year-to-date (YTD) 2012 results for the pre-owned business jet, business turboprop, and helicopter markets.

Market Summary

Highlighted in Table A are key worldwide trends across all pre-owned aircraft market sectors, comparing September 2012 to September 2011 as well as YTD. The Fleet For Sale percentages for all market sectors were down in the September comparisons, with the largest drop in business turboprops, to 8.5% from 10.0% in September 2011.

Key Metrics (September 2012 vs. September 2011 and YTD)

For Sale inventories continue to decline:

- Business jets for sale were at 13.5% (down 0.3 points from 13.8%)
- Business turboprops for sale were at 8.5% (down 1.5 points from 10.0%)
- Turbine helicopters for sale were at 6.2% (down 0.4 points from 6.6%)
- Piston helicopters for sale were at 6.0% (down 0.4 points from 6.4%)

Full Sale Transactions had mixed results, with only business jets showing growth:

- Business jets were up 5.5%
- Business turboprops were down 3.7%
- Both turbine (-8.2%) and piston (-9.0%) helicopters were down

Average Asking Prices show mixed results:

- Both business jets (+4.9%) and turbine helicopters (+12.4%) increased
- Both business turboprops (-4.7%) and piston helicopters (-0.4%) decreased

Average Days on Market are all at very high levels:

- All market sectors were on the market more than a year (on average) before a sale, except business turboprops (at 345 days)
- All market sectors have shown increases in Average Days on Market in September, except business jets which took 3 fewer days to sell
- Piston helicopters took two months (63 days) longer to sell than a year ago

While the pre-owned market continues to show improvement, all market metrics have been slow to recover, though are much improved compared to the lows recorded over the past three years. However, after 9 months the business jet market is showing a 5.5% increase in full sale transactions compared to the same period in 2011. Typically, the fourth quarter shows stronger results compared to the first three quarters of any given year, so an improvement is expected on the 5.5% increase.

The U.S. is just a few weeks away from the presidential election, which may or may not have an effect on the final year-end results. The recent news that Hawker Beechcraft intends to emerge from Chapter 11 protection, as a standalone company renamed Beechcraft Corporation, will be much talked about at next week's 65th NBAA Annual Meeting and Convention in Orlando, Florida as well.



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Table A

Worldwide Trends				
September	Business Aircraft		Helicopters	
	Jet	T/P	Turbine	Piston
For Sale	2,524	1,159	1,155	560
% of Fleet For Sale 2012	13.5%	8.5%	6.2%	6.0%
% of Fleet For Sale 2011	13.8%	10.0%	6.6%	6.4%
Change - % For Sale	(-0.3) pt	(-1.5) pt	(-0.4) pt	(-0.4) pt
January to September 2012				
Full Sale Transactions	1,629	992	924	711
Avg. Days on Market	367	345	424	373
Avg. Asking Prices - \$USD mil	\$4.703	\$1.287	\$1.428	\$229
YTD January to September 2012 vs 2011				
% Change - Sale Transactions	5.5%	-3.7%	-8.2%	-9.0%
Change - Avg. Days on Market	-3	24	25	63
% Change - Avg. Asking Prices	4.9%	-4.7%	12.4%	-0.4%

Source: JETNET; Analysis by Chase & Associates

Business jets showed a positive start in 2012, with a 7.7% increase in pre-owned sales transactions, and by selling in less time than last year with a 3% increase in average asking price. However, other market sectors are not showing similar results. Other pre-owned aircraft are showing decreases in sales transactions, are taking longer to sell on average, and are at much greater average asking prices compared to the same period in 2011.

Chart A depicts pre-owned business jet sale transactions based on a 12-month moving total, and average asking price based on a 12-month moving average from 2004 to present.

Chart A

Pre-owned Business Jets
“Retail Sale Transactions” vs. “Average Asking Price”



Source: JETNET; Analysis & Presentation by Chase & Associates



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September 2012 retail sale transactions have continued to flatten out and stay just below the 2,200 mark since mid-year 2011, based on a 12-month moving average trend line, after showing a sharp rebound from the low point in mid-year 2009. In January 2011 the 12-month moving trend lines met for the first time since June 2008. After a brief recovery in Q2 2011, Average Asking Price continued a sharp decline, a big concern to sellers, but over the past several months has started to climb again after little change for most of 2012. It's still a buyer's market, with ample inventory of most business jets at near-low average asking prices.

Good news

Real gross domestic product—the output of goods and services produced by labor and property located in the United States—increased at an annual rate of 2.0% in the third quarter of 2012 (that is, from the second quarter to the third quarter), according to the “advance” estimate released by the Bureau of Economic Analysis. For comparison, in the second quarter real GDP increased only 1.3%.

The release showed the economy grew for the 13th straight quarter. However, reflecting on the strong fourth quarter 2011 GDP growth at 4.1% (see table below), will the U.S. witness a repeat of this growth in the fourth quarter 2012 during the U.S. presidential election?

Gross domestic product (GDP)				
Year	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2012	2.0%	1.3%	2.0%	???
2011	0.1%	2.5%	1.3%	4.1%

Source: BEA

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.

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