

PRESS RELEASE

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For Immediate Release

JETNET Releases March 2014 and First Quarter 2014 Pre-Owned Business Jet, Business Turboprop, Helicopter, and Commercial Airliner Market Information

UTICA, NY – JETNET LLC, the leading provider of corporate aviation information, has released March 2014 and first quarter 2014 results for the pre-owned business jet, business turboprop, helicopter, and commercial airliner markets.

Market Summary

Highlighted in Table A are key worldwide trends across all aircraft market segments, comparing March 2014 to March 2013. Fleet For Sale percentages for business jet and business turboprop market sectors were down in the March comparisons, but increased slightly in the helicopter markets.

Business jets are showing a good start in the first quarter of 2014, with a 3.1% increase in pre-owned sale transactions, and are taking less time to sell (73 days less) than last year, with a 11.6% decrease in average asking price. Business turboprops decreased 15.8% in sale transactions, with a double-digit decrease in average asking price of 29.4%.

Both turbine and piston helicopters saw declines in sale transactions YTD at 9.6% and 2.8%, respectively. Turbine helicopters recorded a double-digit increase in average asking price of 35.2% in the YTD comparisons through March 2013.

Commercial airliners are reported by JETNET in Table A - Worldwide Trends and include the numbers For Sale for both commercial jets (including airliners converted to VIP) and commercial turboprop aircraft. The number of pre-owned commercial airliner sale transactions at 381 for the first quarter of 2014 showed a double-digit decrease of 27.7% compared to the first quarter of 2013. The number of sale transactions declined by 25% in the same first quarter comparisons for commercial turboprops.

Across all aircraft sectors there were 6,320 aircraft for sale, with 1,823 sold through the first quarter of 2014.

Table A

Worldwide Trends							
March	Business Aircraft		Helicopters		Commercial Airliners		Total
	Jet	T/P	Turbine	Piston	Jet	T/P	ALL
In-Operation Fleet	19,620	14,190	20,028	9,601	24,980	9,556	97,975
For Sale	2,369	1,098	1,279	595	544	435	6,320
% of Fleet For Sale 2014	12.1%	7.7%	6.4%	6.2%	2.2%	4.6%	6.5%
% of Fleet For Sale 2013	13.1%	7.8%	6.3%	6.2%	2.5%	4.2%	
Change - % For Sale	(-1.0) pt	(-0.1) pt	.1 pt	.0 pt	(-0.3) pt	.4 pt	
January to March 2014							
Full Sale Transactions	560	287	264	211	381	120	1,823
Average Days on Market	327	398	438	305	366	545	
Avg. Asking Prices - \$USD mil	\$3.893	\$1.177	\$1.238	\$0.196			
Y-T-D January to March 2014 vs 2013							
% Change - Sale Transactions	3.1%	-15.8%	-9.6%	-2.8%	-27.7%	-25.0%	
Change - Avg. Days on Market	-73	103	-17	-18	74	128	
% Change - Avg. Asking Prices	-11.6%	-29.4%	35.2%	-10.9%			

Source: JETNET



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Table B shows the March-Over-March For Sale Market Trends for the past 10 years (from 2005 to 2014). Some observations:

- In-operation fleet has increased by 6,711 business jets, from 12,909 in March 2005 to 19,620 in March 2014.
- The For Sale number hit a record high in March 2009 at 2,857, from a low point of 1,616 in March 2007. However, the current March 2014 For Sale level is at 2,369 and has been slowly declining, but is still above the 1,762 mark in 2008 before the great recession hit.
- Percentage For Sale is at 12.1% and has been declining yearly since the 2009 high of 17.4%. Note that this percentage decline is more a result of higher numbers of in-operation business jets than a change in the For Sale Inventory levels, which remain historically high.
- Year-Over-Year Balance Points (12.1% Mar. 2014 – 13.1% Mar. 2013 = -1.0 pt.) have been negative over the past 5 years, and have averaged a -1.1 pt. decline each year.

Table B

Month	Year	In-Operation Fleet	For Sale	% For Sale	Yr/Yr Balance Pts.
March	2014	19,620	2,369	12.10%	(-1.0 pt.)
March	2013	19,036	2,494	13.10%	(-0.7 pt.)
March	2012	18,590	2,559	13.80%	(-0.6 pt.)
March	2011	18,031	2,603	14.40%	(-1.2 pts.)
March	2010	17,280	2,696	15.60%	(-1.8 pts.)
March	2009	16,480	2,857	17.40%	5.9 pts.
March	2008	15,378	1,762	11.50%	.2 pt.
March	2007	14,297	1,616	11.30%	(-1.1 pts.)
March	2006	13,526	1,676	12.40%	(-0.6 pt.)
March	2005	12,909	1,678	13.00%	n.c.

Source: JETNET Star Reports

Conclusion: The 1% decrease in the business jet inventory is still a solid improvement over the prior 2 years, at -.7% and -.6% respectively. These results demonstrate a fairly solid progression toward recovery in the business jet segment since the great recession of 2008-2009. However, it is still a buyers' market, with ample levels of business jets for sale.

U.S. GDP

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 0.1 percent in the first quarter (that is, from the fourth quarter of 2013 to the first quarter of 2014), according to the advance estimate released by the [Bureau of Economic Analysis](#).

The BEA report shows that U.S. GDP is below the 3.0 percent growth mark (when business aviation does well). The advance estimate of the U.S. GDP release showed the economy grew for the 19th straight quarter. In the fourth quarter, real GDP increased 2.6 percent, as reflected in Table C:



Table C

Gross Domestic Product (GDP)				
Year	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2014	0.1%			
2013	1.1%	2.5%	4.1%	2.6%
2012	3.7%	1.2%	2.8%	0.1%
2011	0.1%	2.5%	1.3%	4.1%
2010	2.3%	2.2%	2.6%	2.4%
2009	-6.4%	-0.7%	2.2%	5.6%

Source: Bureau of Economic Development

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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