

PRESS RELEASE

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For Immediate Release

JETNET Releases December 2014 and Year 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 December 2014 and 2014 year-end 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 pre-owned aircraft market sectors, comparing December 2014 to December 2013, as well as 2014 year-end, and comparisons to 2013. Across all market sectors, JETNET is reporting 8,476 full retail sale transactions for 2014. Last year, this number was 8,327, an increase of 176 (or 1.8%), all from business jets. The fleet “For Sale” percentages for all market sectors—except for commercial turboprops, which showed a .6% increase—were mostly unchanged in the December comparisons. However, business jets showed the largest decrease, from 12.5% in December 2013 to 11% in December 2014.

Table A

Worldwide Trends							
December 2014	Business Aircraft		Helicopters		Commercial Airliners		Total
	Jet	T/P	Turbine	Piston	Jet	T/P	ALL
In-Operation Fleet	20,010	14,390	20,463	9,683	25,696	9,569	99,811
For Sale	2,202	1,101	1,315	593	483	470	6,164
% of Fleet For Sale 2014	11.0%	7.7%	6.4%	6.1%	1.9%	4.9%	6.2%
% of Fleet For Sale 2013	12.5%	7.7%	6.4%	6.0%	2.2%	4.3%	
Change - % For Sale	(-1.5) pt	n.c.	n.c.	0.1 pt	(-0.3) pt	.6 pt	
January to December 2014							
Full Sale Transactions	2,569	1,215	1,320	901	1,847	624	8,476
Average Days on Market	350	315	434	375	403	443	
Avg. Asking Prices -\$USD mil	\$4.565	\$1.365	\$1.365	\$0.215			
Y-T-D January to December 2014 vs 2013							
% Change - Sale Transactions	8.1%	-11.6%	-0.2%	-7.3%	-9.9%	-14.4%	
Change - Avg. Days on Market	-42	-14	-2	41	42	74	
% Change - Avg. Asking Prices	-10.4%	-1.7%	0.7%	-1.8%			

Source: JETNET; Analysis by Chase & Associates

Key Metrics (December 2014 vs. December 2013 and 2014 vs. 2013 Year-End Comparisons)

For Sale inventories continue to decline:

- Business jets for sale were at 11% (down 1.5 pts. from 12.5%)
- Business turboprops for sale were at 7.7% (no change from 2013)
- Turbine helicopters for sale were at 6.4% (no change from 2013)
- Piston helicopters for sale were at 6.1% (up 0.1 pt. from 6.0%)

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

- Business jets were up (8.1%)
- Business turboprops were down (-11.6%)
- Both turbine (-0.2%) and piston (-7.3%) helicopters were down, as were all the commercial airliners

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Average Days on Market are all at very high levels:

- All market sectors decreased in Average Days on Market YTD through December, except piston helicopters and commercial airliners, which took 41 or more days.

Average Asking Prices had mixed results:

- Business jets (-10.4%), business turboprops (-1.7%), and piston helicopters (-1.8%) decreased
- Turbine helicopters increased (+0.7%)

Pre-owned Business Jet Market “For Sale”

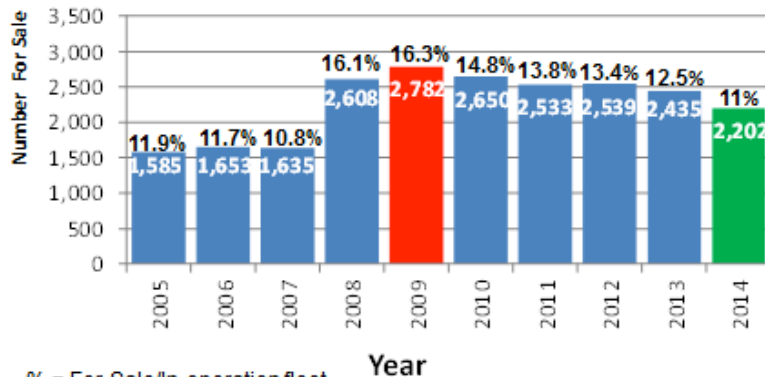
Several significant events have occurred since 2005 in the Business Jet “For Sale” inventory. First, in the past 10 years, the market has remained in a “buyer’s market” environment, based on 10% or greater fleet percentage of the in-operation business jets for sale.

Second, after several years of record sales and rising aircraft values, the bubble finally burst in 2008 amid a world economic collapse and banking crisis of historic proportion. There were large increases—973 (60%) in 2008 and 1,147 (70%) in 2009—of business jets in the For Sale inventory. This large increase peaked in 2009, as shown in **Chart A**.

Third is the gradual decline, starting in 2010, of the year-end For Sale inventory—relatively stable for the past five years. Note that this is percentage for sale, and has declined primarily as a result of the growth of the in-operation fleet number, which increased from 17,118 in 2009 to 20,010 in 2014. The year-end 2014 For Sale inventory level is 2,202, or 11% for sale. This inventory level is still above the 2,000 mark, but is at the lowest level since 2008 (as shown in **Chart A**), and nearly at the percentage level of 10.8% recorded in 2007.

Chart A

**Pre-owned Business Jets ‘FOR SALE’
 2005 to 2014 – Year End Inventory**



Source: JETNET Star Reports; Analysis and presentation by Chase & Associates

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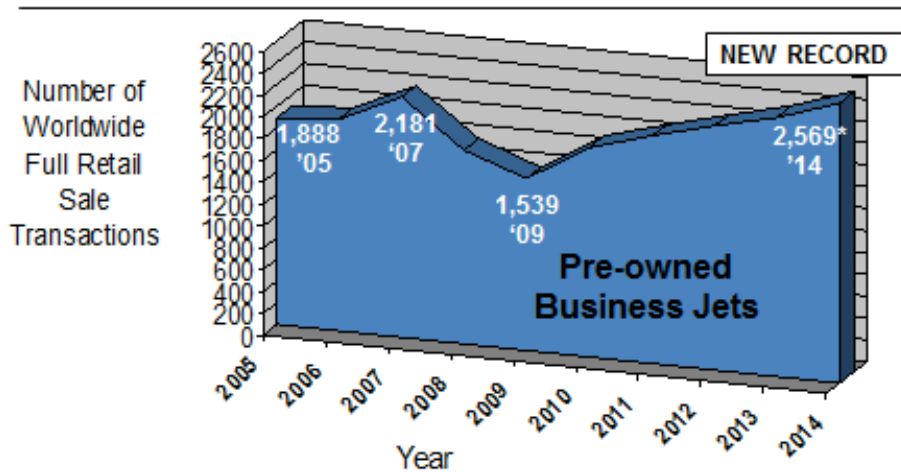


Pre-owned Business Jet Market Full Retail Sale Transactions

Good news! 2014 set a new record for Pre-owned Full Retail Sale Transactions. **Chart B** shows 2,569 transactions in 2014, beating the previous record peak of 2,181 set in 2007, and 8.1% more than last year's record of 2,377. This follows five years of increases from the low of 1,539 transactions recorded in 2009.

Chart B

**Pre-owned Business Jets
 Full Retail Sale Transactions
 2005 to 2014**



Source: JETNET – Pre-owned Whole & Lease Transactions
 Presentation and Analysis by Chase & Associates

However, other pre-owned market sectors are not showing similar results. They are showing decreasing sale transactions, and have mixed average asking prices, with some greater and some less compared to the same 2013 period.

Pre-owned Business Jet Market By Weight Class

As shown in **Table B**, all weight classes showed increases, totaling 192 (or 8.1%) more business jet transactions in a comparison of 2014 to 2013. The Heavy weight class led with 67 (or 9.5%) more transactions, followed by the Very Light weight class, which showed the greatest percentage change, 19.8% in 2014 compared to 2013. The Light weight class had the largest number of transactions in 2014: 969, or 38% of the total of 2,569.

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Table B

Weight Class *	# of Retail Sale Transactions				
	2014	2013	Diff.	%	
Heavy	770	703	67	9.5%	* Heavy 35,001 lbs & Up
Medium	691	644	47	7.3%	Medium 20,001 to 35,000 lbs
Light	969	914	55	6.0%	Light 10,001 to 20,000 lbs
VLJ	139	116	23	19.8%	VLJ 0 to 10,000 lbs
Total	2,569	2,377	192	8.1%	

Source: JETNET

U.S. Economy Gross Domestic Product, 4th quarter 2014 (third estimate)

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 2.6% in the fourth quarter of 2014 (that is, from the third quarter to the fourth quarter), according to the “advance” estimate released by the U.S. Bureau of Economic Analysis. In the third quarter, real GDP increased 5.0%.

The economic growth as measured by Domestic GDP is very good news, and the level is ending the year near the 3.0% growth that is needed for business aviation to do well.

Summary

The pre-owned market continues to be very active. Now that 2015 is here and there is renewed optimism, there is hope that this trend for the pre-owned market, along with improvements in the world economy, will continue to push more new aircraft purchases in the new year. As for now, it continues to be a buyer’s market environment, with pre-owned for-sale inventories running around 11%.

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 Michael Chase, 214-226-9882 mike@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

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