

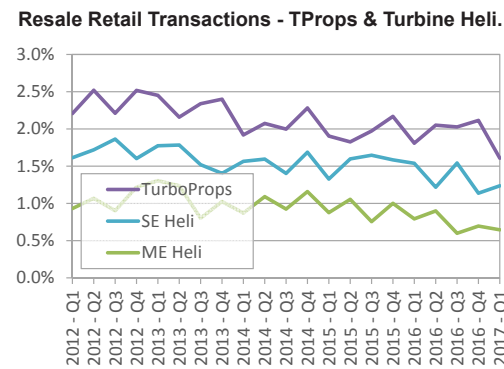
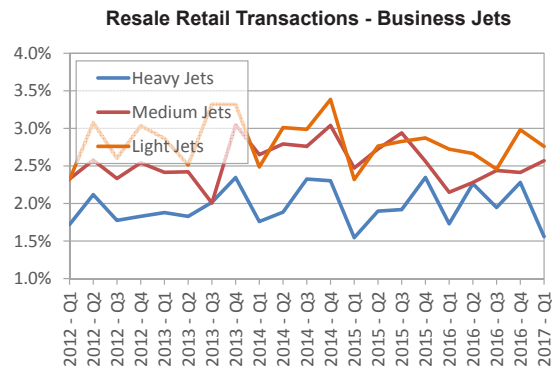
# AMSTAT Business Aviation Market Update Report

April 2017

As the leading provider of researched market information to the business aviation industry, AMSTAT publishes this Business Aviation Market Update Report on a quarterly basis. The purpose of this report is to assess the current state of the pre-owned business aircraft market by presenting an update of the most important market metrics as well as a comparison of those metrics to historical trends.

## Section 1: Resale Transaction Activity

Resale Retail Transactions	World-wide Fleet	Q1-2017		Q4-2016		Q1-2016		20-year Average	
		Qty of A/cions	% of Fleet	% of Fleet	Q/Q Change	% of Fleet	Y/Y Change	% of Fleet	Current vs. Avg.
<b>Business Jets</b>	22,295	525	2.4%	2.6%	-0.2%	2.3%	0.1%	2.5%	-0.2%
<b>Heavy Jets</b>	6,350	99	1.6%	2.3%	-0.7%	1.7%	-0.2%	2.0%	-0.4%
<b>Medium Jets</b>	7,394	190	2.6%	2.4%	0.2%	2.1%	0.4%	2.6%	0.0%
<b>Light Jets</b>	8,551	236	2.8%	3.0%	-0.2%	2.7%	0.0%	2.8%	-0.1%
<b>Business Turboprops</b>	14,241	229	1.6%	2.1%	-0.5%	1.8%	-0.2%	2.1%	-0.5%
<b>Turbine Helicopters</b>	19,291	190	1.0%	0.9%	0.0%	1.2%	-0.2%	1.3%	-0.3%
<b>Multi-Engine Helicopters</b>	8,214	53	0.6%	0.7%	-0.1%	0.8%	-0.1%	0.9%	-0.3%
<b>Single-Engine Helicopters</b>	11,077	137	1.2%	1.1%	0.1%	1.5%	-0.3%	1.5%	-0.3%



### Commentary/Notes on Resale Transaction Activity:

- Overall Business Jet Resale Retail Transaction (RRT) activity was slightly up in Q1 2017 with 2.4% turnover versus Q1 2016 and Q1 2015;
- Medium Jet and Light Jet markets stand out as the best Q1 RRT performers. Medium Jet turnover was 2.6%, the second best start to a

year for this segment, after 2.7% in Q1 2014, since 2.6% in Q1 2008. Light Jet turnover was 2.8%, the second best start to a year for this segment, after 2.9% in Q1 2013, since 3.0% in Q1 2008.

- Heavy Jet segment RRT activity was flat with 1.6% turnover in Q1 2017 versus 1.7% in Q1 2016 and 1.5% in Q1 2015;

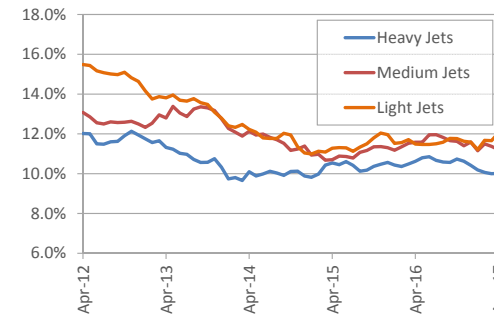
- Poorest Q1 RRT performers were the TurboProps with 1.6% turnover in Q1 2017, the worst Q1 for this segment since Q1 2009; and the Single Engine and Multi Engine Turbine Helicopters with Q1 2017 turnover of 1.2% and 0.6% respectively, the worst performing Q1 activity in these two segments since AMSTAT initiated coverage of helicopters in 2007.

## Section 2: Aircraft For Sale Inventory (Pre-Owned)

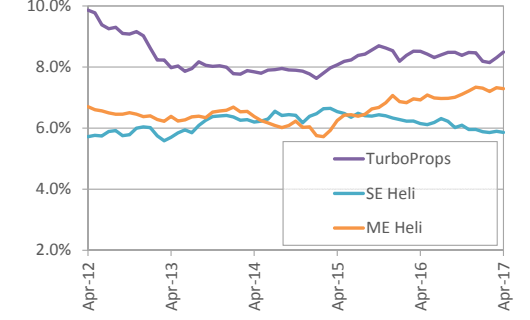
Aircraft For Sale Inventory	World-wide Fleet	1-Apr-2017		1-Jan-2017		1-Apr-2016		20-year Average	
		Qty of A/C FS	% of Fleet	% of Fleet	Q/Q Change	% of Fleet	Y/Y Change	% of Fleet	Current vs. Avg.
<b>Business Jets</b>	22,368	2,502	11.2%	10.9%	0.3%	11.3%	-0.1%	11.7%	-0.5%
<b>Heavy Jets</b>	6,402	641	10.0%	10.2%	-0.2%	10.6%	-0.6%	10.6%	-0.6%
<b>Medium Jets</b>	7,406	830	11.2%	11.2%	0.1%	11.6%	-0.4%	11.8%	-0.6%
<b>Light Jets</b>	8,560	1,031	12.0%	11.2%	0.8%	11.5%	0.6%	12.4%	-0.4%
<b>Business Turboprops</b>	14,311	1,215	8.5%	8.2%	0.3%	8.5%	0.0%	8.3%	0.2%
<b>Turbine Helicopters</b>	19,292	1,239	6.4%	6.4%	0.0%	6.5%	-0.1%	6.3%	0.1%
<b>Multi-Engine Helicopters</b>	8,217	590	7.2%	7.2%	0.0%	7.1%	0.1%	6.6%	0.6%
<b>Single-Engine Helicopters</b>	11,075	649	5.9%	5.9%	0.0%	6.1%	-0.3%	6.2%	-0.3%

[Section 2 continued]

Pre-Owned For Sale Status - Business Jets



TurboProps & Turbine Helicopters



### Commentary/Notes on For Sale Inventory:

- Heavy Jet inventories continue to contract. While this contraction was modest in Q1, Y/Y the current level of 10.0% is down from 10.6% in April 2016. The percentage of Heavy Jets for sale has fluctuated between 10% and 11% since the start of 2015, but is currently at the lower end of that range.
- Other than a rise in February 2017 to

11.5%, the Medium Jet inventory has been contracting since mid-2016. Today, 11.2% of the fleet is for sale, down from 11.6% in April 2016.

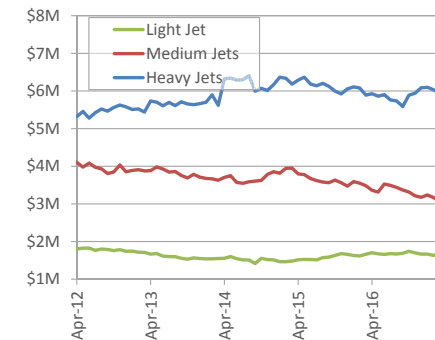
- The Light Jet inventory increased during Q1 2017 from 11.2% in January to 12.0% in April. This inventory is also up Y/Y from 11.5% in April, 2016. The Light Jet inventory been modestly increasing since an early 2015 trough of 11.0%.

- The percentage of TurboProps for sale increased in Q1 from 8.2% in January to 8.5% today. This market has been trading in the 8.0% to 8.5% range for several years.
- The inventories of Single Engine and Multi Engine Turbine Helicopters have remained largely up changes for some time with current levels of 5.9% and 7.2% respectively.

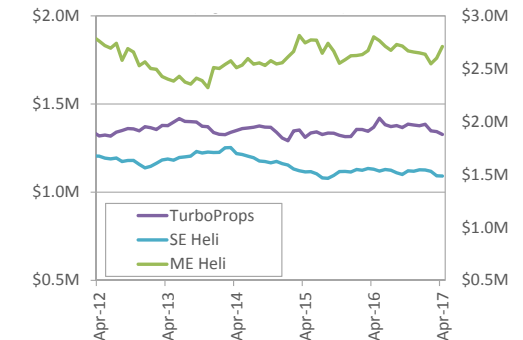
## Section 3: Asking Prices (Pre-Owned)

For Sale Asking Prices	1-Apr-2017	1-Jan-2017		1-Apr-2016	
	Avg. Asking Price	Avg. Asking Price	Q/Q % Change	Avg. Asking Price	Y/Y % Change
<b>Business Jets</b>	N/A	N/A	N/A	N/A	N/A
<b>Heavy Jets</b>	14,411,653	15,111,047	-4.6%	14,671,484	-1.8%
<b>Medium Jets</b>	3,198,850	3,236,439	-1.2%	3,362,432	-4.9%
<b>Light Jets</b>	1,680,105	1,666,514	0.8%	1,703,715	-1.4%
<b>Business Turboprops</b>	1,327,727	1,384,967	-4.1%	1,368,760	-3.0%
<b>Turbine Helicopters</b>	N/A	N/A	N/A	N/A	N/A
<b>Multi-Engine Helicopters</b>	2,710,226	2,636,987	2.8%	2,801,432	-3.3%
<b>Single-Engine Helicopters</b>	1,091,708	1,125,899	-3.0%	1,130,223	-3.4%

Average Asking Price: Business Jets (Right Axis = Heavy Jets)



Average Asking Price: TProps & Heli (Right Axis = ME Heli)



### Commentary/Notes on Asking Prices:

- Despite a rally in Q4 of 2016, Heavy Jet Average Asking Prices (AAP) fell -4.6% in Q1 2017 and were down -1.8% Y/Y.
- Despite a good start to the year for Medium Jet transactions, the AAP\$ in this segment was down -4.9% Y/Y and -1.2% YTD. Medium Jet AAP\$ have been declining

since a recent peak in March 2015.

- In the Light Jet segment, AAP\$ were largely unchanged YTD (+0.8%) and Y/Y (-1.4%). Overall Light Jet AAP\$ are down from a recent peak in October 2016 but have trended up since a recent trough in mid-2014.

- AAP\$ for TurboProps have been trending downward since the start of 2016 and are

down Y/Y -3.0% and YTD -4.1%.

- AAP\$ for Single Engine Helicopters are down YTD -3.0% and Y/Y -3.4%. This is the first time this metric has been below \$1.1M since mid-2015.

- Y/Y AAP\$ for Multi Engine Helicopters are down -3.3% Y/Y but up +2.8% YTD. This metric has been in the \$2.5M-\$3.75M range since 2014.

This month's AMSTAT Market Analysis article, including all commentary and notes, was written by Andrew Young, General Manager of AMSTAT. AMSTAT is the leading provider of market research information and services to the corporate aviation industry. Founded in 1982, and based in Tinton Falls, NJ, AMSTAT introduced the concept of providing researched information to corporate aviation professionals.