

STOCK PRICES SOAR WHILE PRE-OWNED AIRCRAFT PRICES REMAIN IN GROUND EFFECT

Business aircraft pricing in the pre-owned market appears to be soaring in ground effect. The good news is that sales are occurring while on the cloudy side, values, at best, try to maintain a flat trending posture. Pre-owned aircraft pricing isn't keeping time with commerce. From the sea, the West Coast ports of entry look like long-term parking lots for sea freighters: Lots of stuff awaiting their turn for deporting goods from the backlog created by labor disputes. Then, try driving on any Interstate. The amount of commerce on the move, as observed with countless eighteen wheelers, is at an all-time high. And, don't be caught waiting for a delayed flight during FedEx's rush hour in Memphis. You might be there awhile. While all of these indicators would indicate a more robust economy for pre-owned aircraft values, such is not the case.

In a reflective analysis, it is possible to conclude that all of the observed "chatter" in commerce is nothing more than what it takes to keep the U.S. economy afloat and not so much gaining momentum. Granted, if such observed activity were solely the results of global export, values in the pre-owned market would likewise have a different story to tell. But, it is what it is, even with historic low prices for crude oil. Jay Mesinger of Mesinger Jet Sales coined a phrase a couple of years ago concerning the recovery of pre-owned aircraft values.

"Flat is the new recovery," he said. Oh, if that were only true. At best one can hope for minimal depreciation in values.

Looking to the right at the Bluebook-At-a-Glance marque, a more or less stable environment of quarterly values trending is presented. In the Jet category, about a third of the reported fleet declined in value while two-thirds remained stable. The large cabin segment, such as the Bombardier Global Express, Gulfstream G550 and the Dassault Falcon 900, were in the downward trend. There was some extended life in legacy jets, such as the Falcon 20, 20-5, Lear 31 and Hawker 400A, which were reported with no pricing changes since last quarter.

In the Turboprop category, the picture was a bit brighter. The Pilatus PC12 market is alive and competitive with limited inventories available in the pre-owned market coupled with strong market interest. Beech King Air's, likewise for the most part, remained stable. Legacy turboprops such as the Cessna Conquest and Piper

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BLUEBOOK-AT-A-GLANCE

JET

INCREASED	8
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DECREASED	396
-----------	-----

STABLE	646
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TURBOPROP

INCREASED	0
-----------	---

DECREASED	43
-----------	----

STABLE	605
--------	-----

MULTI

INCREASED	16
-----------	----

DECREASED	78
-----------	----

STABLE	594
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SINGLE

INCREASED	162
-----------	-----

DECREASED	578
-----------	-----

STABLE	1952
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HELICOPTER

INCREASED	1
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DECREASED	38
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STABLE	1154
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Cheyenne also remained unchanged in values when compared to the previous quarter.

For the Twin and Single piston category, life is all about time and condition. Well-equipped and maintained aircraft will sell well while the less fortunate fleet will remain on the market for extended times.

In the Helicopter world, it was again a stable environment. There was interest in well-equipped legacy ships as well. The Bell 212 and 412 experienced positive pricing adjustments in the Bluebook. Time and condition are significant factors when valuing rotor craft. Good component times, upgraded equipment and maintenance are key factors that will push an offering into the sold column.

- Carl Janssens, ASA
Chief Appraiser
Penton Aviation



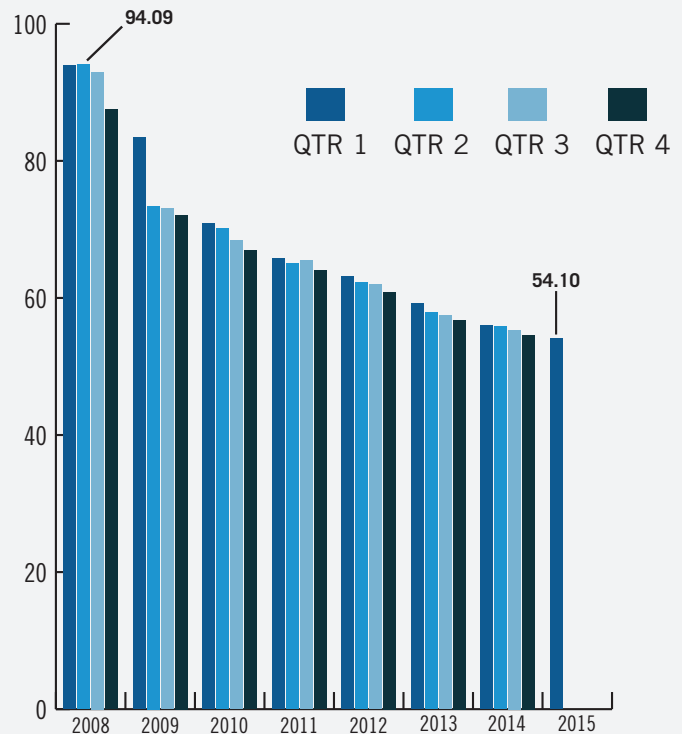
CURRENT MARKET STRENGTH

CMS represents an aircraft's current strength in the market. An A+ rating indicates the aircraft is enjoying a very firm market. Prices for an A+ aircraft are steadily rising, and holding times are very short or nonexistent. At the opposite end of the spectrum, a C- aircraft is one experiencing a very soft market. Its price is commonly discounted, and it often sets on the ramp in excess of eight months before selling. It is important to remember that Current Market Strength is not a forecast. It is valid only at Marketline's effective date of release. See chart below.

MARKETLINE CHARTS

All of the listed aircraft have a composite score that is presented in the Used Aircraft Market graph. Data points are represented in relationship to the respective new delivered historical price that is equal to 100%. The measure of change is reported in the actual percentage of value in relation to new. The delta between reporting periods can be concluded as the percentage of change.

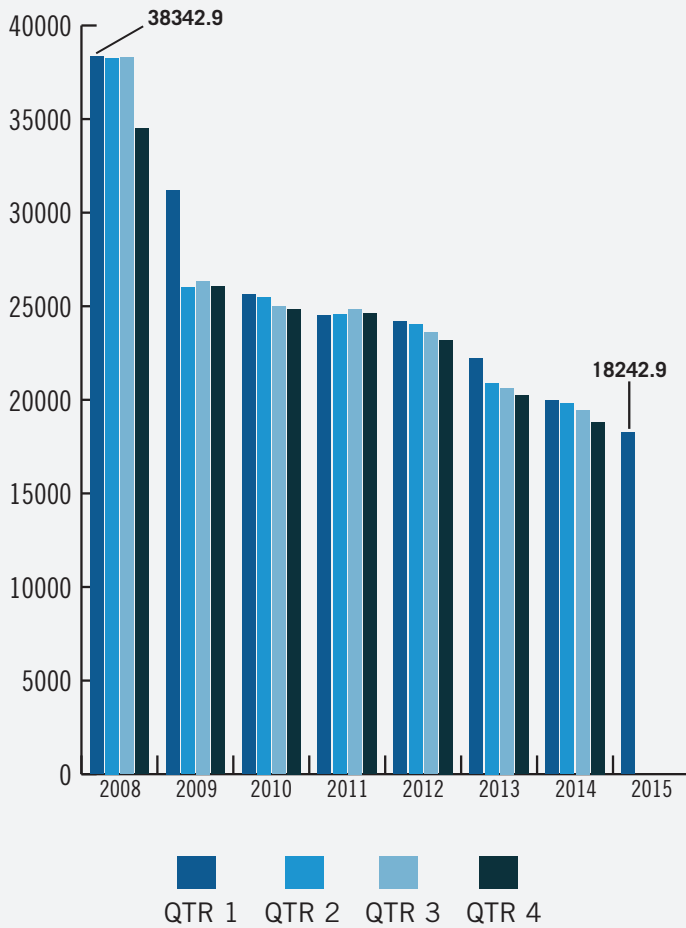
USED AIRCRAFT MARKET



CURRENT MARKET STRENGTH (CMS)

2007/2008 Model	CMS	2007/2008 Model	CMS	2007/2008 Model	CMS
Beech Premier 1A	B-	Gulfstream G200	B-	Cirrus SR22-G2	B
Bombardier Global XRS	A	Gulfstream G150	B	Cirrus SR20-G2	B-
Bombardier Challenger 604	B	Hawker 800XP	B-	Diamond DA40-180XLS Star	B
Bombardier Challenger 300	A	Hawker 400XP	C	Diamond DA20-C1 Eclipse	B-
Bombardier LearJet 60XR	B-	Beech King Air 350	A	Mooney M20TN Acclaim	B-
Bombardier LearJet 45XR	A-	Beech King Air B200	A	Mooney M20R Ovation	B
Cessna Citation X	B+	Beech King Air C90GT	A	Piper PA46-350P Mirage	B
Cessna Citation XLS	B+	Cessna 208B Grand Caravan	A	Piper PA34-220T Seneca V	B-
Cessna Citation CJ3	A	Piaggio P180	B	Piper PA28R-201 Arrow	B
Cessna Citation CJ2	A	Pilatus PC-12/47	B	Piper PA28-181 Archer III	B
Dassault Falcon 900EX Easy	A	Piper PA46-500TP Meridian	B	Evektor Sportstar (LSA)	B-
Dassault Falcon 50EX	B-	Socata TBM850	B	Flight Design CTLS (LSA)	B
Dassault Falcon 2000EX	A	Beech 58 Baron	B	Agusta A109 Grand	A-
Embraer EMB-135 Legacy	A-	Beech A36 Bonanza	B+	Bell 206 L-4	A
Embraer Phenom 100	A	Cessna T206H Stationair	B	Eurocopter AS350-B3	A
Gulfstream G550	A	Cessna 182T Skylane	B+	Robinson R44 Raven II	A
Gulfstream G450	A	Cessna 172S Skyhawk	B+	Sikorsky S-76C++	A-

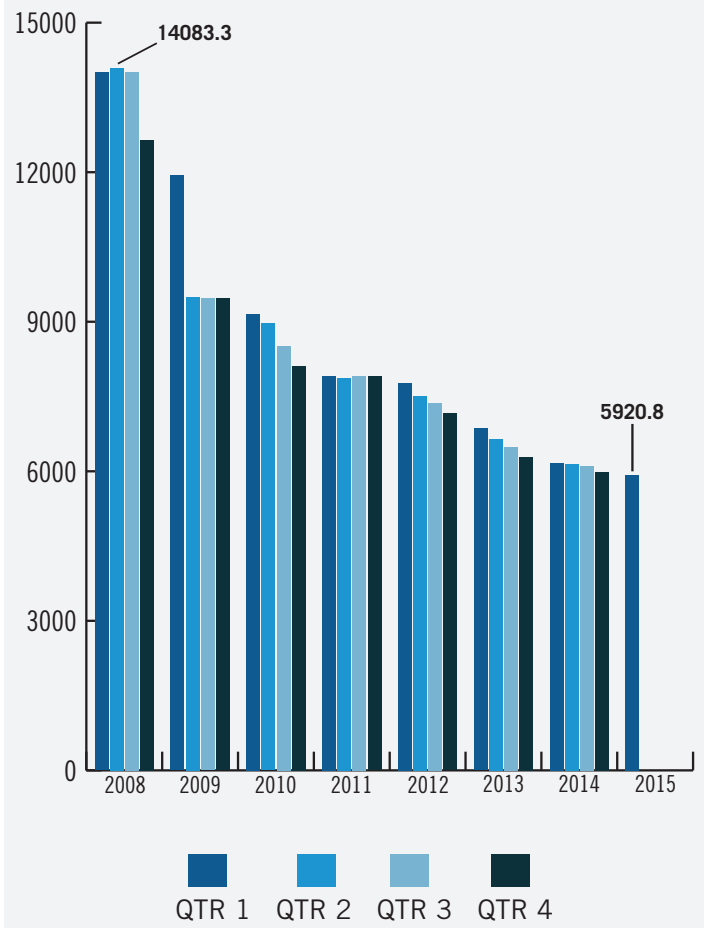
LARGE JET



The Large Jet chart depicts the average price (in thousands) of the seven jets listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2006 Bombardier Global Express	-3.8
2007 Bombardier Challenger 605	-3.7
2005 Dassault Falcon 900 EX Easy	-2.4
2005 Dassault Falcon 200EX Easy	0.0
2005 Gulfstream G550	-3.2
2005 Gulfstream G450	-5.9
2005 Embraer EMB135 Legacy	0.0

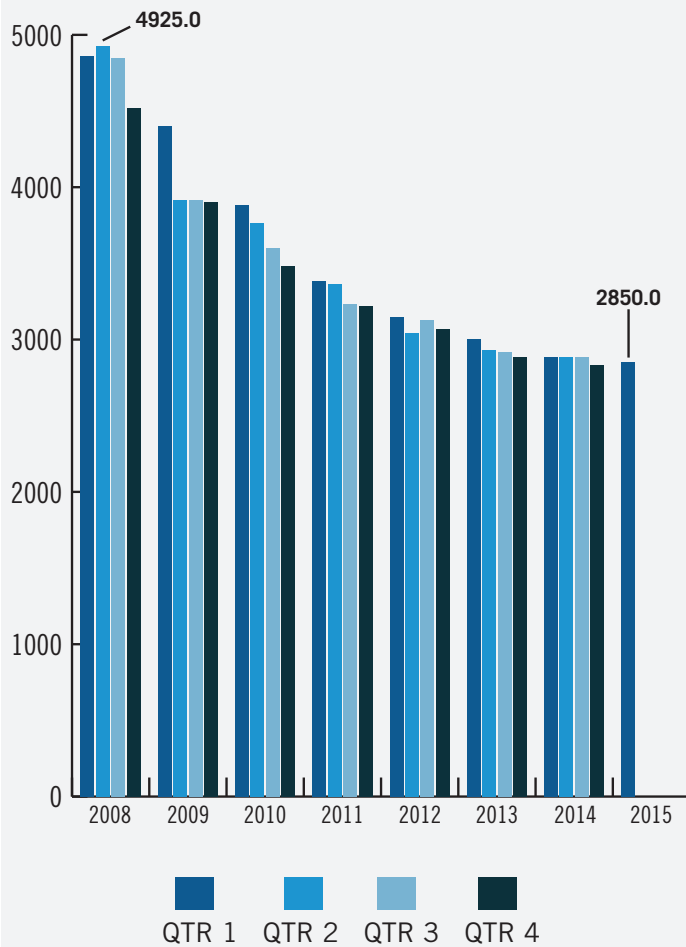
MEDIUM JET



The Medium Jet chart depicts the average price (in thousands) of the six jets listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Bombardier Challenger 300	0.0
2005 Bombardier Lear 45XR	-4.4
2005 Cessna Citation Sovereign	-2.9
2005 Cessna Citation XLS	0.0
2006 Gulfstream G150	0.0
2005 Hawker 800XP	0.0

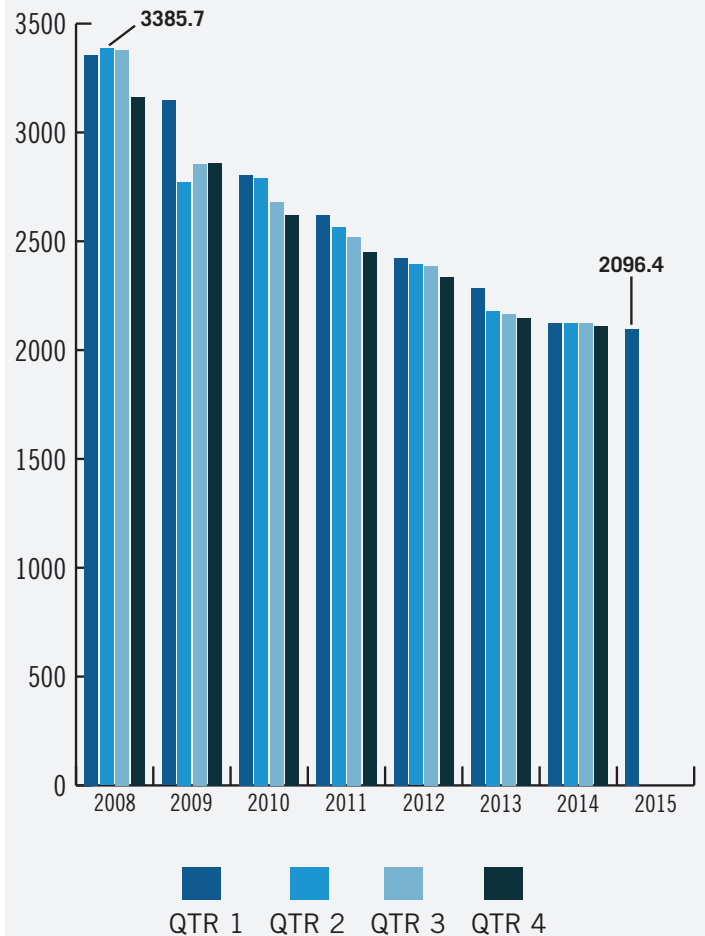
SMALL JET



The Small Jet chart depicts the average price (in thousands) of the six jets listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Beech Premier 1	7.1
2005 Cessna Citation CJ2+	0.0
2006 Cessna 510 Mustang	0.0
2008 Embraer Phenom 100	0.0
2009 Embraer Phenom 300	0.0
2005 Hawker 400XP	0.0

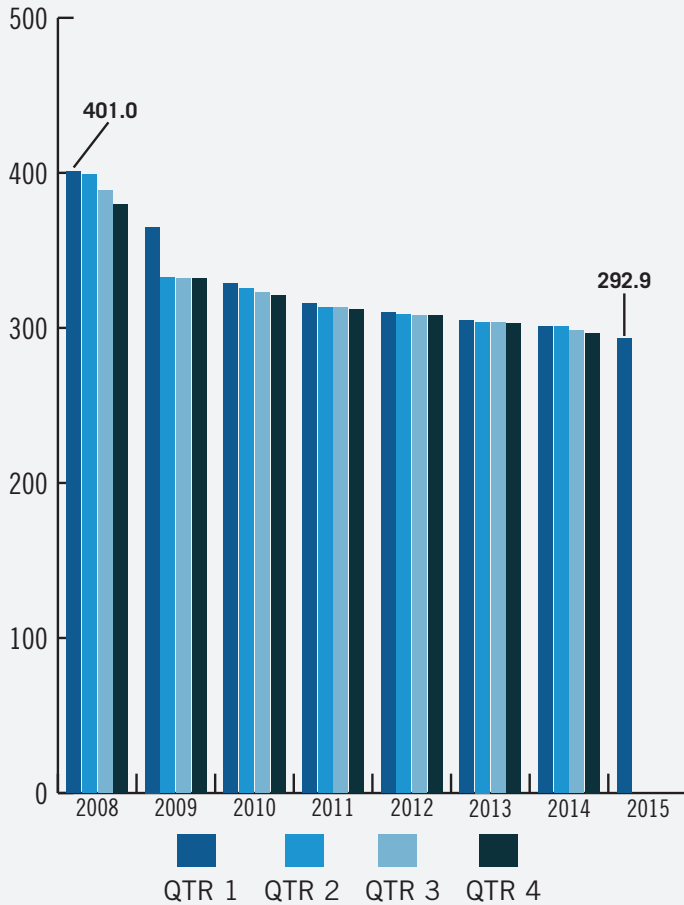
TURBOPROP



The Turboprop chart depicts the average price (in thousands) of the seven turboprops listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Beech King Air350	0.0
2005 Beech King AirB200	0.0
2005 Beech King AirC-90B	0.0
2005 Cessna 208 Grand Caravan	0.0
2005 Piaggio AvantiP180	-4.1
2005 Pilatus PC12/45	0.0
2005 Socata TBM700C2	0.0

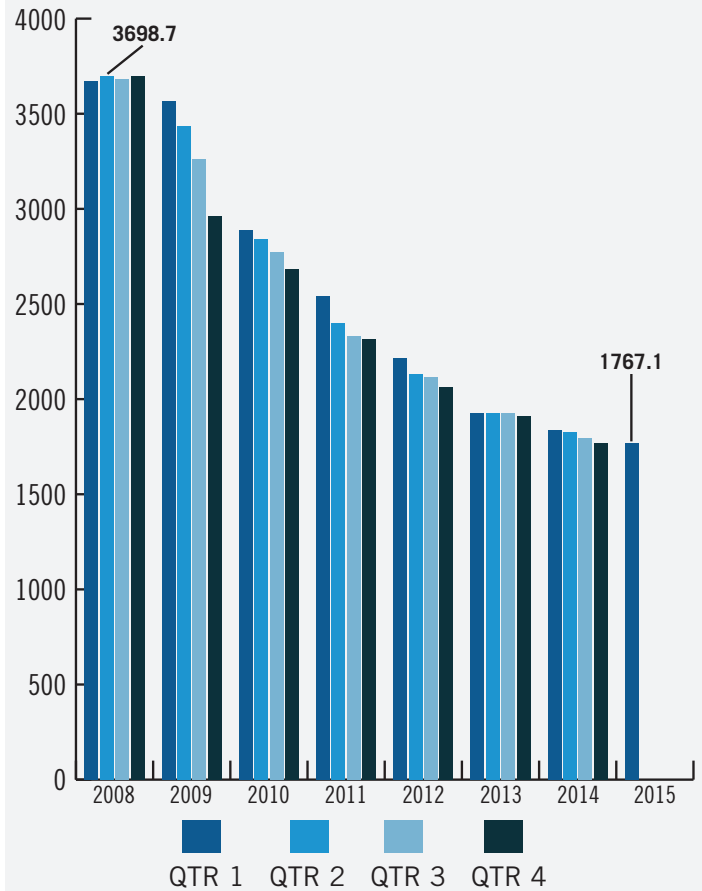
SINGLE/MULTI PISTON



The Single/Multi-Piston chart depicts the average price (in thousands) of the 12 aircraft listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Beech 58 Baron	-3.4
2005 Diamond DA42 Twin Star	0.0
2005 Piper PA34-220T Seneca V	0.0
2005 Beech A36 Bonanza	-1.4
2005 Cessna/Columbia 400	0.0
2005 Cessna 182T Skylane	2.9
2005 Cessna T206H Turbo Stationair	-1.8
2005 Cessna 172S Skyhawk SP	0.0
2005 Cirrus SR22-G2	-3.0
2005 Diamond DA40-180 Star	-3.8
2005 Piper PA46-350P Mirage	-1.7
2005 Piper PA28R-201 Arrow	0.0

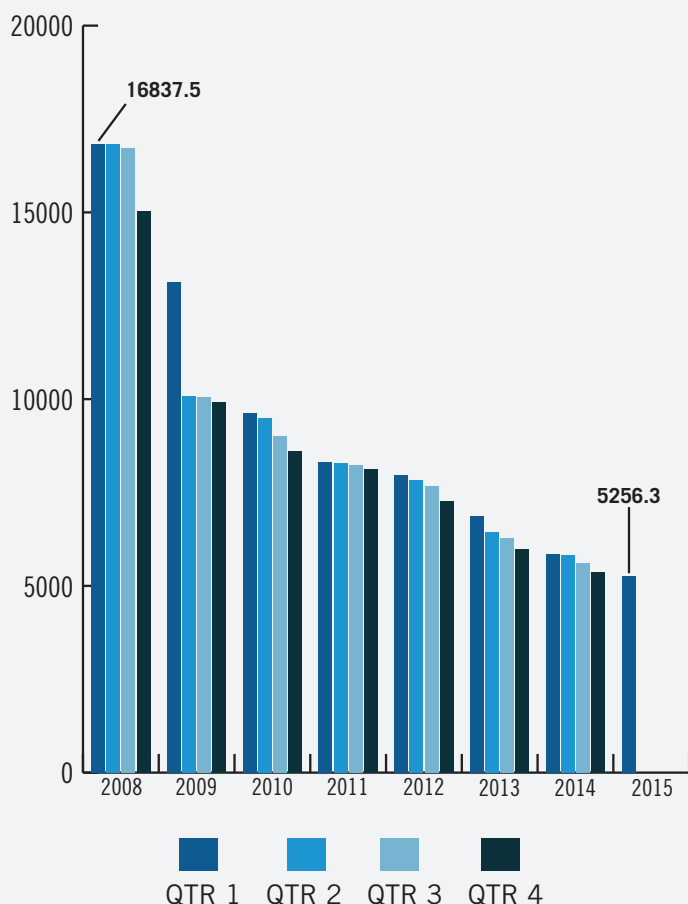
HELICOPTER



The Helicopter chart depicts the average price (in thousands) of the seven helicopters listed. Each model's year will precede the name of the aircraft.

YEAR/MODEL	%CHANGE
2005 Agusta A109E Power	0.0
2005 Bell 430	0.0
2005 Eurocopter EC130B4	0.0
2005 Eurocopter AS350B-3 Ecureuil	0.0
2004 Enstrom 280FX	0.0
2005 Robinson R44 Raven	0.0
2005 Sikorsky S-76C+	0.0

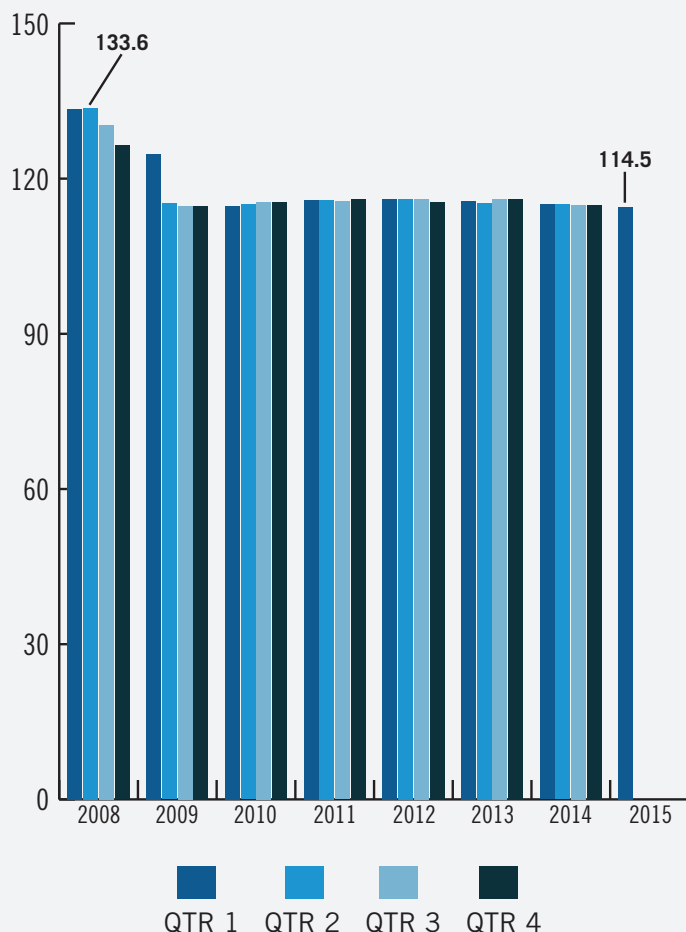
LEGACY JET



The Legacy Jet chart depicts the average price (in thousands) of the eight jets listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1996 Bombardier Challenger 604	0.0
1996 Bombardier Lear 31A	0.0
1996 Cessna Citation Ultra	0.0
1996 Dassault Falcon 900B	-3.5
1997 Dassault Falcon 50EX	-7.0
1996 Gulfstream GV	-2.2
1996 Gulfstream GIVSP	0.0
1996 Hawker800XP	0.0

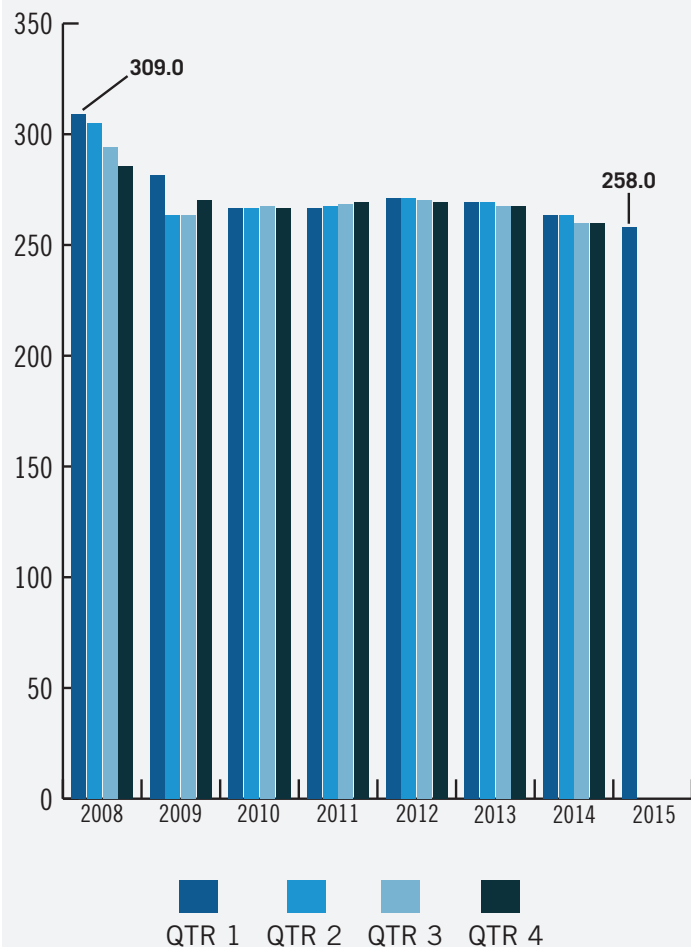
LEGACY PISTON



The Legacy Piston chart depicts the average price (in thousands) of the ten piston aircraft listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1990 Beech A36 Bonanza	0.0
1990 Beech F33 Bonanza	1.2
1986 Cessna 210 Centurion II	-2.9
1986 Cessna 172P Skyhawk B	0.0
1985 Cessna 152 Commuter II	0.0
1990 Mooney 252 TSE	0.0
1990 Piper PA-28-236 Dakota	0.0
1990 Piper PA-28R-201 Arrow	0.0
1990 Piper PA-28-181 Archer II	0.0
1990 Piper PA-28-161 Warrior II	0.0

LEGACY MULTI ENGINE PISTON

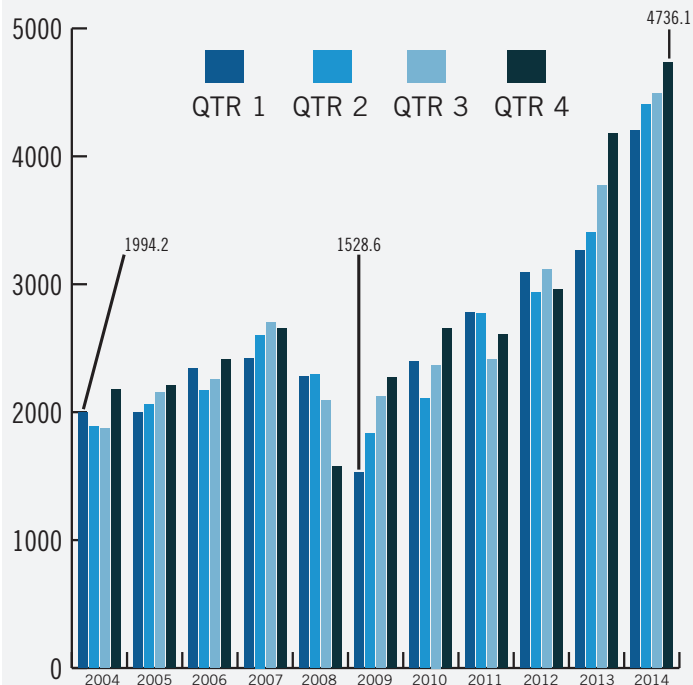


The Legacy Multi Engine Piston chart depicts the average price (in thousands) of the six aircraft listed. Each model's year will precede the name of the aircraft. Legacy Aircraft are those produced prior to the year 2000.

YEAR/MODEL	%CHANGE
1986 Beech 58P Pressurized Baron	0.0
1990 Beech 58 Baron	-3.7
1985 Cessna 421 Eagle III	0.0
1981 Cessna 310R II	0.0
1982 Piper PA-310C Navajo	0.0
1990 Piper PA-34-220T Seneca III	0.0

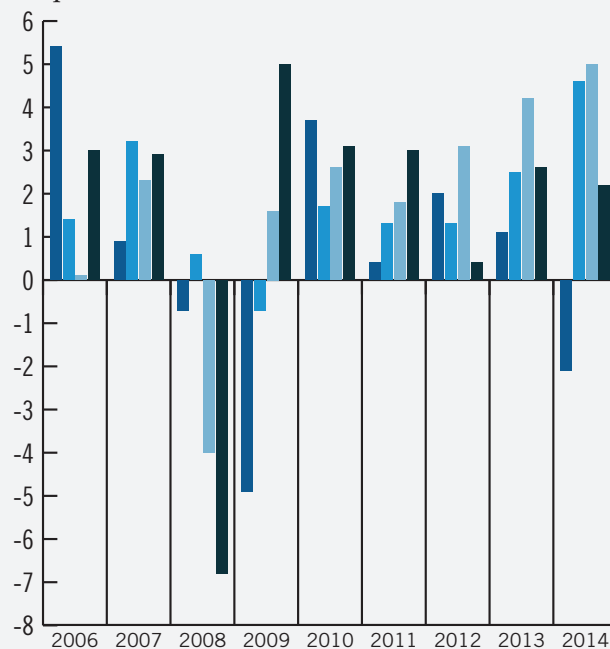
NASDAQ

Consider these graphs as crosschecks. The general aviation and business aircraft market does not operate in a vacuum but is a part of the bigger picture.



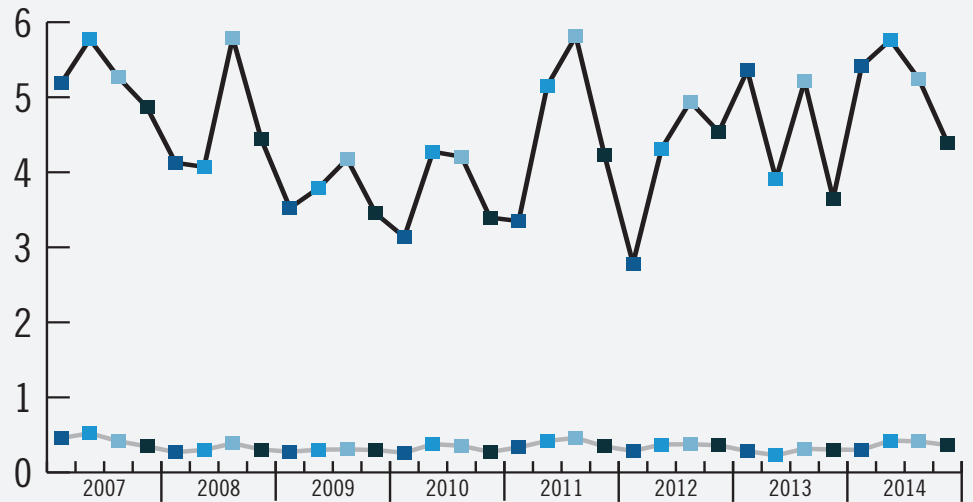
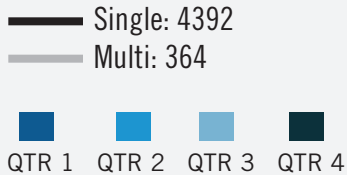
U.S. REAL GDP

Each data point represents the BEA's final figure or latest estimate of the quarter-to-quarter seasonally adjusted annual rates of change in real GDP "based on chained 2005 dollars." The study begins with the first quarter in 2006.



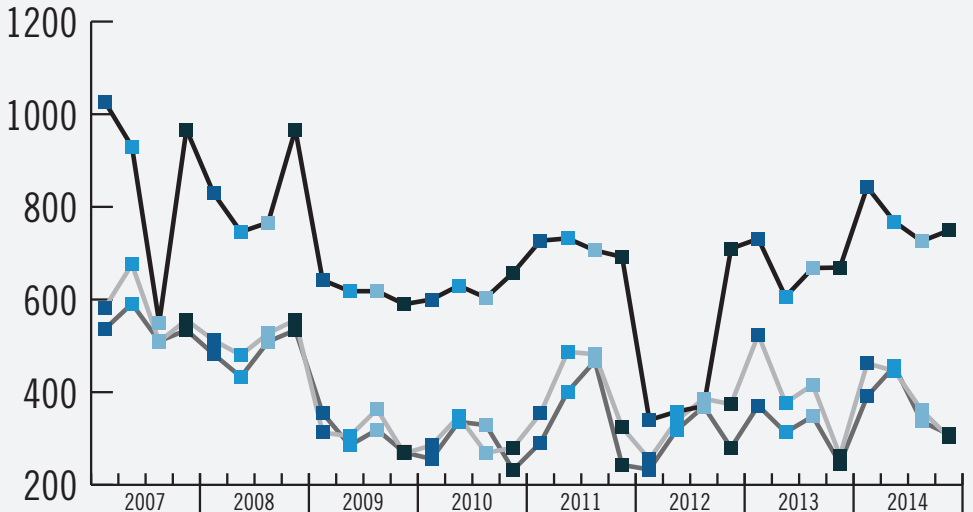
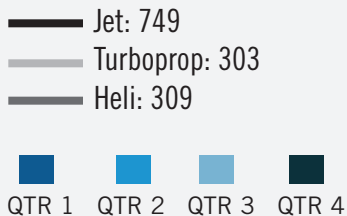
CHANGE OF STATUS: SINGLE/MULTI

The black line in the chart depicts change-of-status data for singles. The light gray line represents multi.



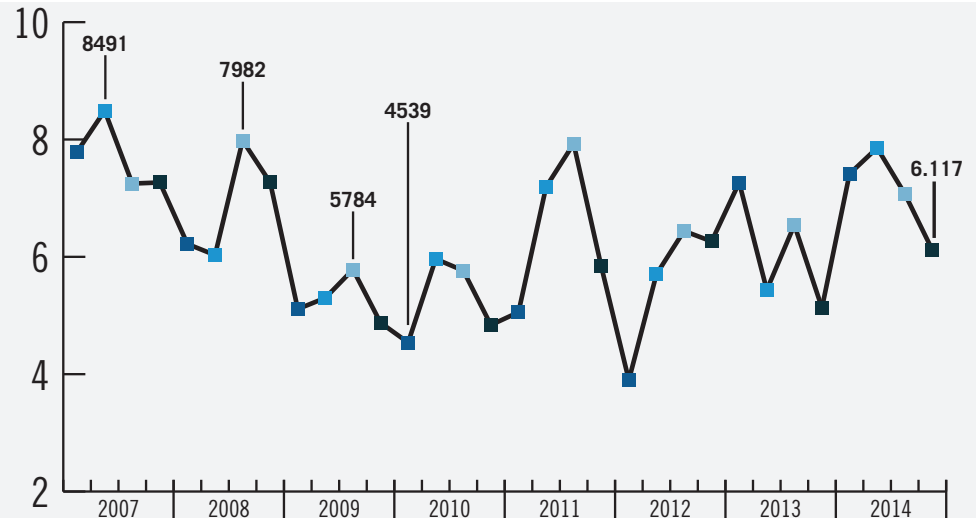
CHANGE OF STATUS: JET/TURBO/HELI

The black line in the chart represents change-of-status information for jets. The light gray line depicts turboprops, while the dark gray line represents helicopters.



CHANGE OF STATUS: TOTAL MARKET

Depicts change-of-status data for all aircraft included in the Aircraft Bluebook. The numbers are from the FAA Registry. Gliders, homebuilts, airliners and other aircraft not found in the Bluebook are not included in this study.



BUSINESS JET PERSPECTIVES ON VALUE MARKET TEMPERATURE

By Dennis Rousseau | President and Founder | AircraftPost.com

At the end of each year we tally the number of aircraft delivered into service (EIS) by manufacturer and model. We then calculate the number of pre-owned aircraft, as a percentage of the fleet that came on the market during the course of the year as well as the percentage of the pre-owned fleet that sold. The number of aircraft entering or on the market fluctuates almost daily as aircraft are withdrawn or sold. In turn, this information provides quantifiable data from which we can extract market conditions and direction. By gathering actual selling prices and ask prices (vs. 'Make Offer') we can then dissect this further to reflect market depreciation.

Today's concern is the total number of in-service aircraft of a specific make/model relative to the number of sales and their corresponding effect on residual values. A good case-in-point is the price point of the Challenger 604. Starting in 2009, the average selling price went from \$21 million in 2008 to \$12 million and available inventory spiked to 95 aircraft (26 percent of the fleet) by 2012. It would be easy to surmise that the price decline was a direct result of the total number of in-service aircraft. The production run delivered 365 aircraft during a 10-year time frame, from 1996 to 2006. Conversely, its nearest competitor, the Falcon 2000, delivered 230 aircraft from 1994 to 2006 and retained stronger residual values, as is reflected in today's selling price. Further, when we add to these production numbers the various iterations offered in the ensuing years (i.e., the CL605, 2000 EX, EASy, LX, S), the EIS totals broach the 540+ aircraft for the 2000 series and 650+ for the CL604/605.

Challenger 604					
Total on Market	66	75	95	87	70
Percentage of Fleet	18.1%	20.5%	26.0%	23.8%	19.2%
Total In-Service	365	365	365	365	365
Total Sold	18	21	27	48	32
Percentage of Fleet	4.9%	5.8%	7.4%	13.2%	8.8%
Average Sale Price	11.5	9.8	9.5	7.1	6.6
Average Year	2001	2000	2000	2000	2000

Falcon 2000					
Total on Market	44	37	37	37	48
Percentage of Fleet	19.0%	16.0%	16.0%	16.0%	20.8%
Total In-Service	231	231	231	231	231
Total Sold	11	11	14	11	21
Percentage of Fleet	4.8%	4.8%	6.1%	4.8%	9.1%
Average Sale Price	9.2	9.2	9.2	7.1	7.1
Average Year	1998	1999	2001	1999	2000

On the upper end of the spectrum, the Gulfstream G550 ended 2014 with 475+ in-service aircraft since customer deliveries began in 2003. This, in addition to the 192 GV's built from 1996 to 2002, brings the total to 665+ aircraft. The number of pre-owned 550s on the market has increased from 34 aircraft in 2013 to 55 in 2014, with the total pre-owned sales increasing from only 19 in 2013 to 22 in 2014, as the total in-service aircraft fleet continues to grow.

Gulfstream G 550					
Total on Market	27	27	31	34	55
Percentage of Fleet	8.9%	7.7%	7.8%	7.6%	11.5%
Total In-Service	302	351	399	448	477
Total Sold	12	12	13	19	22
Percentage of Fleet	4.0%	3.4%	3.3%	4.2%	4.6%
Average Sale Price	38.3	41	37.1	35.6	36.1
Average Year	2005	2006	2006	2007	2007

During the last 5 years (2010-2014), an average of 35 percent of the aircraft that came on the market, sold to end-users. This has remained fairly consistent year-to-year, fluctuating at most +/- 2%. However as the number of aircraft on the market, as a percentage of the fleet, increases, the sheer volume has the propensity to drive selling prices downward. As has been the case in the business jet industry for many years, near-term selling prices are typically tied to the most recent low-ball sale, which further exacerbates any hope of price stabilization.

Market Summary					
	2010	2011	2012	2013	2014
% of Fleet on Market	15.4%	13.6%	15.4%	15.5%	17.1%
% of Fleet Sold	4.9%	4.7%	5.7%	5.9%	5.9%
% Sold of Aircraft On Market	31.8%	34.6%	36.8%	38.2%	34.8%

We are at a pivotal point in our industry from the perspective that we've not seen such high production in the super mid-size to long-range business jets. In the small jet category, the Lear 35 and Citation II, which produced 676 and 734 aircraft respectively, are good indicators of the effects of high production and lower residuals. During the next couple years I believe we can approach the market with an element of certainty in that new aircraft production will inevitably continue and pre-owned market pricing will try to find its way among an over-crowded market.

INTO THE BLUE

Aircraft Bluebook At-a-Glance

Beechcraft Premier 1A

By Chris Reynolds, ASA | Aircraft Bluebook

Aircraft Bluebook At-a-Glance has reviewed the current market status of the Beechcraft Premier 1A business jet. Research for this study was obtained in part from Aircraft Bluebook, Aircraft Bluebook's Historical Value Reference, the FAA's registry website and various trade services.

Demand

Currently the Premier 1A fleet is approximately 153 aircraft. At press time, between 15 and 20 year models—approximately 11 percent of the Premier 1A fleet—were for sale.

Pricing

Current offerings for the Premier 1A range from low-\$1 million to high-\$5 million with airframe time varying from several hundred hours to more than 3000 hours depending on the year model. Over the last year, approximately 20-25 sales appear to have occurred. Average time on market was more than 200 days. Equipment, time, condition and engine maintenance programs can significantly affect

time on market and marketable value. For the spring 2015 Aircraft Bluebook, a 2006 Beechcraft Premier 1A has a reported Average Retail Value of \$1.6 million, which is an increase of \$100,000 from the previous quarter's Average Retail Value.

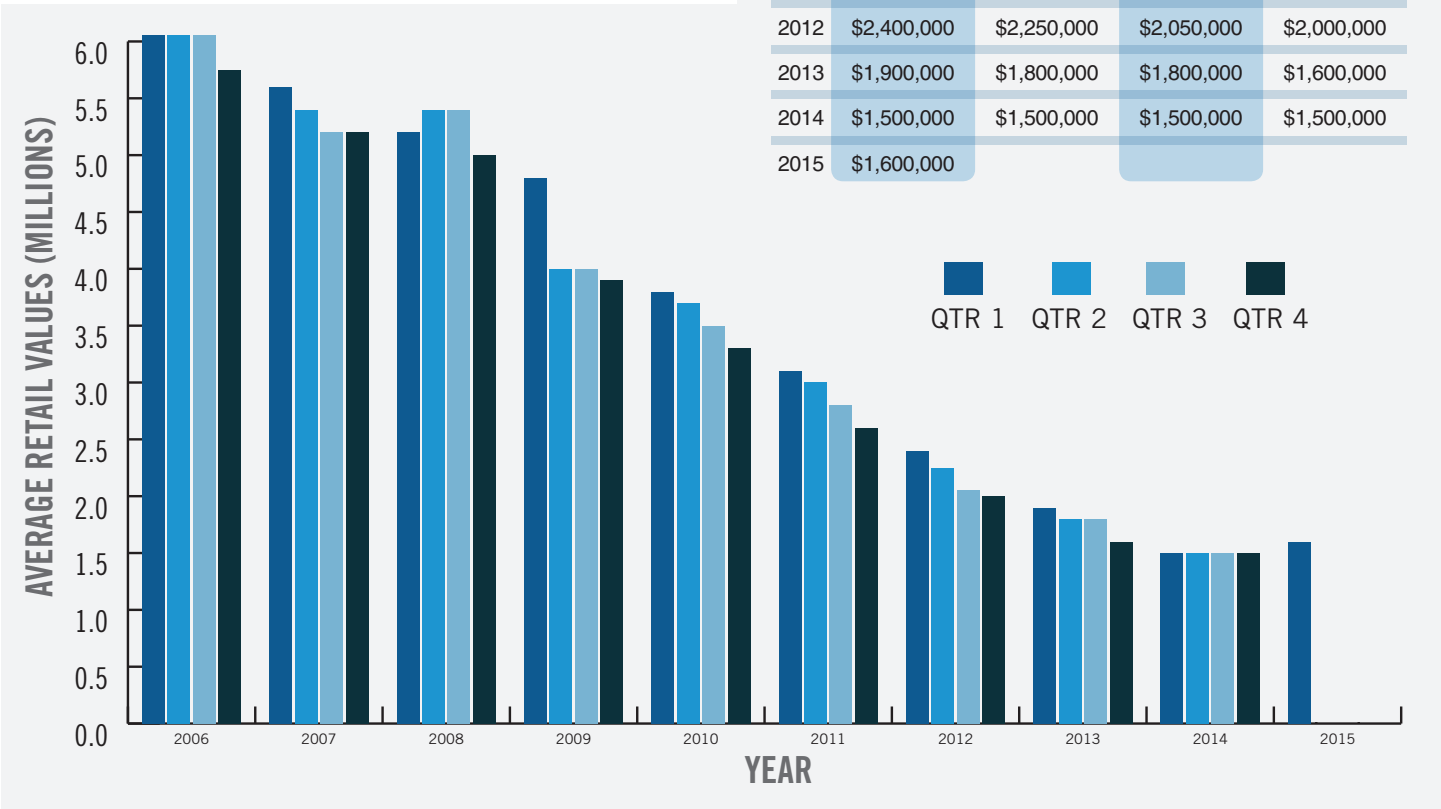
Residual Values

A 2006 Beechcraft Premier 1A, whose market values have been tracked since the first quarter of 2006, was reported new with an average equipped price of \$6,057,240. Aircraft Bluebook's Historical Value Reference has demonstrated the Beechcraft Premier 1A market value (performance by quarter) for this 2006 model in the graph and table.

Find other historical values at Aircraft Bluebook's web site, www.aircraftbluebook.com.

AVERAGE RETAIL VALUES

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2006	\$6,057,240	\$6,057,240	\$6,057,240	\$5,750,000
2007	\$5,600,000	\$5,400,000	\$5,200,000	\$5,200,000
2008	\$5,200,000	\$5,400,000	\$5,400,000	\$5,000,000
2009	\$4,800,000	\$4,000,000	\$4,000,000	\$3,900,000
2010	\$3,800,000	\$3,700,000	\$3,500,000	\$3,300,000
2011	\$3,100,000	\$3,000,000	\$2,800,000	\$2,600,000
2012	\$2,400,000	\$2,250,000	\$2,050,000	\$2,000,000
2013	\$1,900,000	\$1,800,000	\$1,800,000	\$1,600,000
2014	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
2015	\$1,600,000			



WHAT'S NEW IN ABB

- Updated Airworthiness Directives
- Updated Maintenance Programs

AIRCRAFT BLUEBOOK AROUND THE GLOBE

National Aircraft Finance Association (NAFA) Annual Conference, Scottsdale, Ariz.; March 24–27, 2015

The National Aircraft Finance Association is a non-profit corporation dedicated to promoting the general welfare of individuals and organizations providing aircraft financing and loans secured by aircraft; to improving the industry's service to the public; and to working with government agencies to foster a greater understanding of our members' needs.

Asian Business Aviation Conference & Exhibition (ABACE), Shanghai, China; April 14–16, 2015

ABACE is the region's largest show dedicated strictly to showcasing business aviation products and services to thousands of the region's top business leaders, entrepreneurs, wealth creators and other purchase decision-makers.

European Business Aviation Convention & Exhibition (EBACE), Geneva, Switzerland; May 19–21, 2015

EBACE, jointly hosted each year by the European Business Aviation Association (EBAA), the leading association for business aviation in Europe, and the National Business Aviation Association (NBAA), the leading voice for the business aviation industry in the United States, is the premier annual meeting place for the European business aviation community.

Experimental Aircraft Association's (EAA) AirVenture, Oshkosh, Wis.; July 20–26, 2015

Beginning more than 60 years ago, EAA AirVenture has evolved from a small gathering of aircraft and aviators into a grand, week-long celebration known as The World's Greatest Aviation Celebration. Oshkosh is filled with dazzling displays of aerobatics, informative programs, hands-on workshops and diverse aircraft spanning all eras of flight.

National Business Aviation Association (NBAA) Annual Meeting, Las Vegas, Nev.; November 17–19, 2015

Founded in 1947 and based in Washington D.C., the National Business Aviation Association (NBAA) is the leading organization for companies that rely on general aviation aircraft to help make their businesses more efficient, productive and successful.

ASK AIRCRAFT BLUEBOOK

If you have any questions about the Aircraft Bluebook, please feel free to give the editorial staff a call at 1-800-654-6776 or email us, info@aircraftbluebook.com.

HOW DOES THE AIRCRAFT BLUEBOOK DETERMINE WHAT MODEL YEAR AN INDIVIDUAL SERIAL NUMBER REPRESENTS?

The Aircraft Bluebook reports serial numbers by model year as provided by the aircraft manufacturer. Please keep in mind not all manufacturers determine model year in the same way, however most are determined in one of the following ways: year of manufacture, certificate of airworthiness issuance date, aircraft in-service date. The Aircraft Bluebook always defers to the manufacturer regarding serial number/model year questions because the manufacturer ultimately has the final say in this determination.

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