2017 MIDYEAR BUSINESS AVIATION REVIEW

ARGUS

TRAQPak

ARGUS International, Inc.

This review will look at flight activity for the overall industry, the individual industry segments & aircraft categories, and it will review top operators & other key metrics.

It will also include TRAQPak's prestigious quarterly forecast.

WHAT IS TRAQPAK?

The most targeted and sophisticated aircraft activity analysis and market intelligence reporting database in the industry. Integrating the world's largest business aviation databases, the accuracy of TRAQPak's proprietary data, and combining aircraft movement data and aircraft owner/operator contact information - you have a wealth of strategic aircraft intelligence that cannot be matched. ARGUS TRAQPak data is aircraft arrival and departure information on all IFR flights in the US (including Alaska and Hawaii) and Canada.

TRAQPak Aircraft & Operational Categories defined:

- **Turbo Prop**: Single engine Turboprop Aircraft and Multi-Engine Turboprop Aircraft
- **Small Cabin Jet**: Very Light Jets (VLJ) and Light Jets (LJ) - Jet aircraft with a maximum takeoff weight of less than 20,000 lbs.
- **Mid-Size Cabin Jet**: Mid-size Jets (MJ) and Super Mid-Size Jets (SMJ) - Jet aircraft with a maximum takeoff weight of over 20,000 to 41,000 lbs.
- **Large Cabin Jet**: Large Jets, Ultra-Long Range and Heavy Jets - Jet aircraft with maximum takeoff weight of over 41,000 lbs.
- **Part 135 Commercial Operator**: An on-demand commercial aircraft operator and those aircraft that are listed with the FAA.
  - A Part 135 operator that offers scheduled service is not considered on-demand and therefore is omitted from TRAQPak's Part 135 data.
- **Fractional Operator**: A company that sells or leases shares of business aircraft that are listed with the FAA.
  - If greater than 50% of their aircraft have shares available then they are considered Fractional
- **Part 91, Non-Commercial Operator:** A Part 91 Non-Commercial company is any remaining business aviation operator that is not listed as a Part 135 or Fractional company.

*ARGUS TRAQPak data is aircraft arrival and departure information on all IFR flights in the US (including Alaska and Hawaii) and Canada.

2017 MIDYEAR BUSINESS AVIATION REVIEW

- We're halfway through 2017 and flight activity continues to climb higher with **every month** recording year over year gains from 2016;

- 2017 YTD flight activity is **up 3.9% from 2016** while flight hours have **risen 6.0%** for the same period.

ALSO...

- Flight activity continues to be very strong in the Part 135 segment. The Fractional industry has finally managed to put the consolidation behind it and has produced solid gains so far in 2017. The Part 91 segment has been relatively flat in 2017.

*Note: for purposes of this report, FAR Part 135 flight data represents all flight activity of aircraft on a Part 135 charter certificate regardless of individual flight mission (excluding cargo, scheduled Part 135, and fractional operators).

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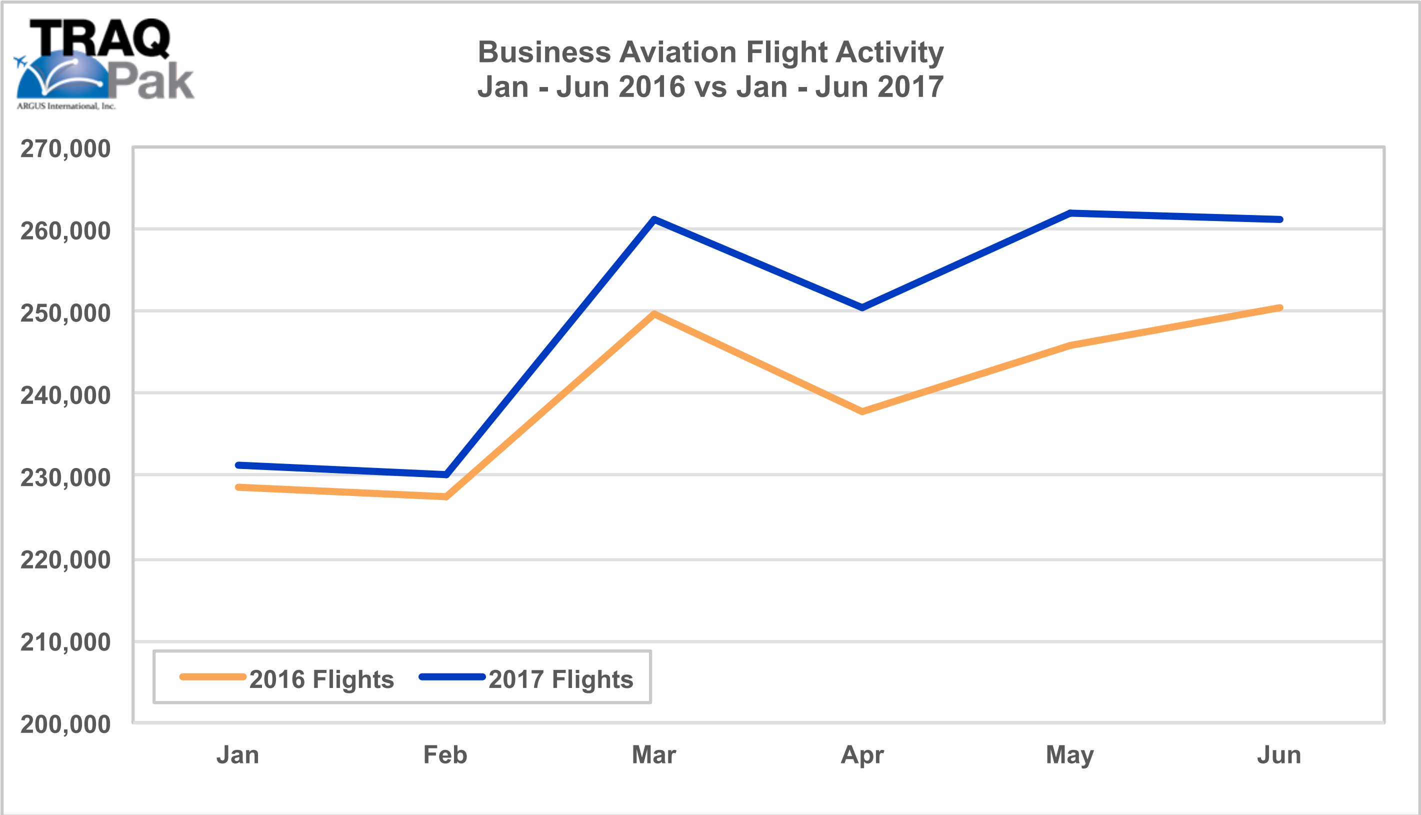
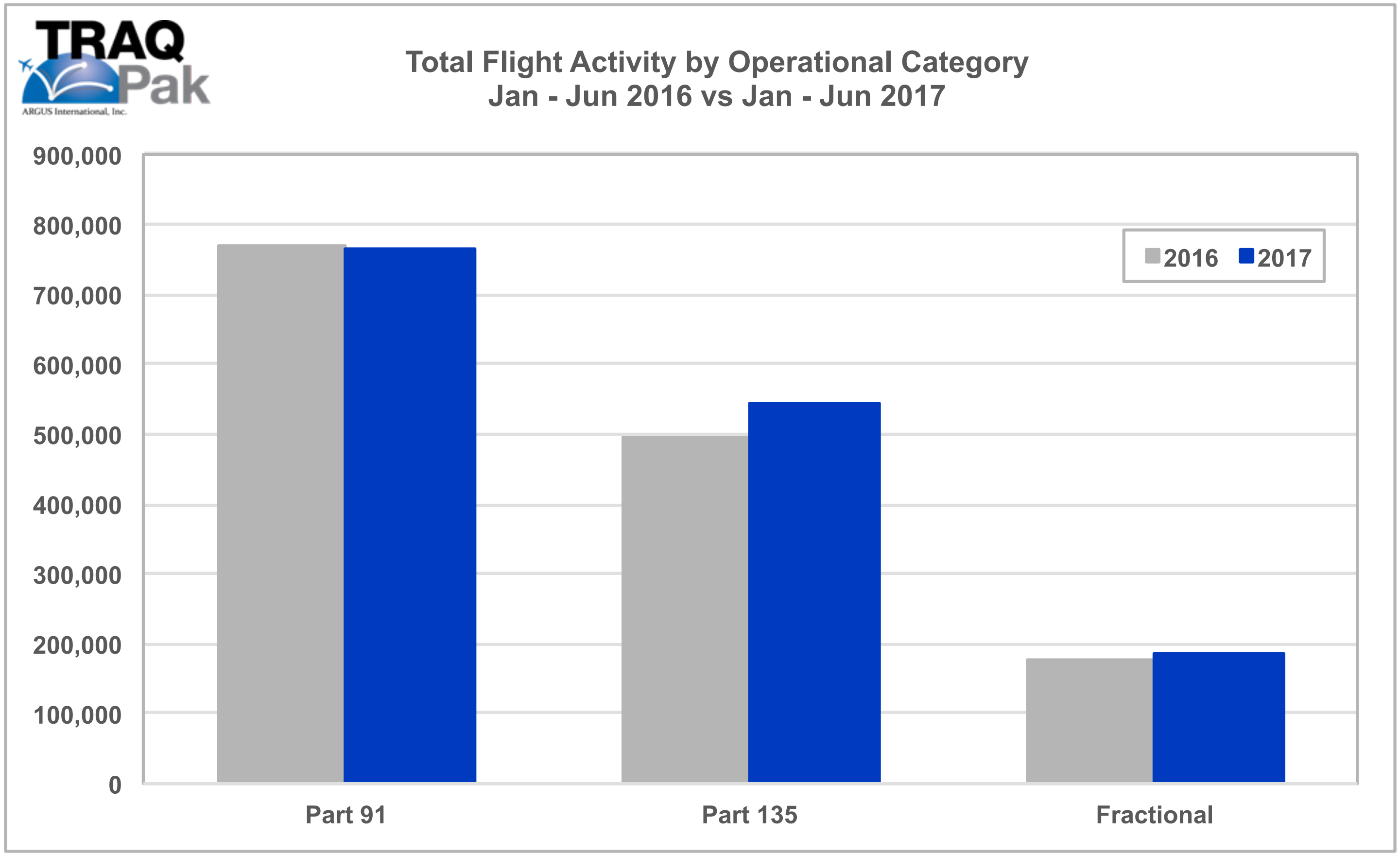
BUSINESS AVIATION FLIGHT ACTIVITY



Flight activity for the first half of 2017 was **up 3.9%** compared to the same period in 2016. Flight hours were **up 6.0%** during the same period.

FLIGHT ACTIVITY BY INDUSTRY SEGMENT



Part 135 flight activity rose an astonishing **10.1% during the first 6 months** of 2017, when compared to the same period in 2016. Fractional flight activity was **up 5.7%** during the same period, while Part 91 **declined 0.5%.**

*Note: for purposes of this report, FAR Part 135 flight data represents all flight activity of aircraft on a Part 135 charter certificate regardless of individual flight mission (excluding cargo, scheduled Part 135, and fractional operators).

OPERATIONAL CATEGORIES IN 2017

PART 91

flight activity has been a mixed bag so far in 2017 with **3 positive months and 3 negative months.** The best month for Part 91 was May, **up 2.1%** year over year. The second half of 2017 looks more promising as positive momentum in the segment looks to continue.

PART 135

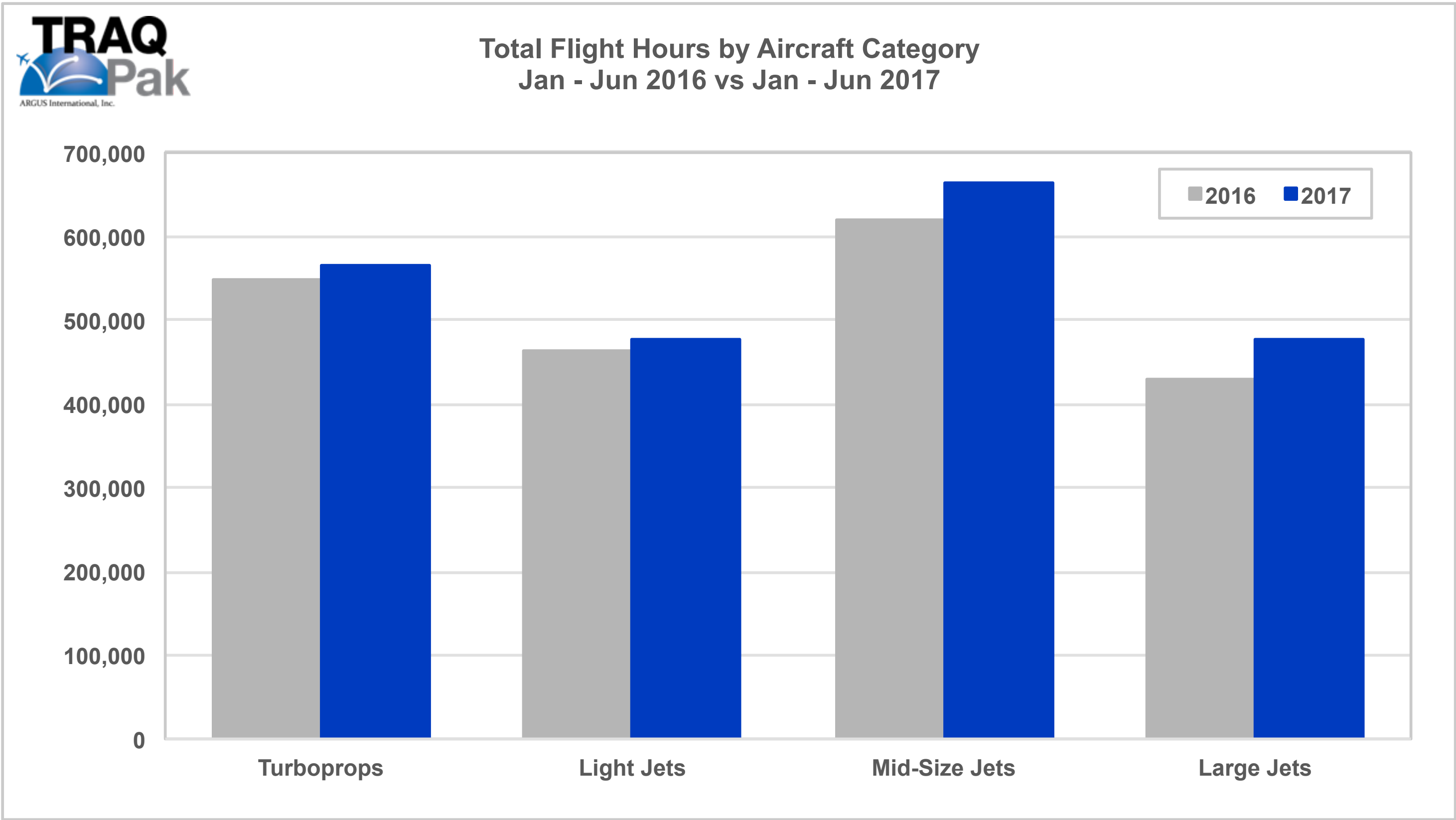
flight activity has seen yearly increases during **every month** of 2017. The best month for the category came in April, with a year over year **rise of 14.9%.** 3 of the first 6 months have seen **double digit increases** from the same month in 2016.

THE FRACTIONAL MARKET

is off to a strong start in 2017 with **yearly rises in each of the first 6 months.** The best month for the segment was April, where activity saw a **8.5% yearly rise.** Growth for each of the months has ranged from **4.0% - 8.5%** compared to 2016.

*Note: for purposes of this report, FAR Part 135 flight data represents all flight activity of aircraft on a Part 135 charter certificate regardless of individual flight mission (excluding cargo, scheduled Part 135, and fractional operators).

FLIGHT HOURS BY AIRCRAFT CATEGORY



Flight Hours by Aircraft Category			
Aircraft Category	2016	2017	% Increase
Turboprops	546,954	564,431	3.2%
Small Cabin	462,133	478,433	3.5%
Mid-Size Cabin	619,013	664,107	7.3%
Large Cabin	430,532	475,580	10.5%
Total	2,058,632	2,182,551	6.0%

TOP U.S. PART 135 OPERATORS IN 2017

Rank	Operator Name	2017 Hours	2016 Hours	2017 Fleet Size	2016 Fleet Size
1	GAMA AVIATION	62,114	45,308	99	86
2	EXECUTIVE JET MANAGEMENT	51,782	48,024	137	139
3	XOJET	45,254	43,752	41	41
4	TRAVEL MANAGEMENT COMPANY	37,015	41,215	54	64
5	DELTA PRIVATE JETS	36,510	36,825	70	69
6	JET LINX AVIATION	28,642	21,685	91	71
7	SOLAIRUS AVIATION	22,472	16,815	48	47
8	JET EDGE	18,319	14,396	47	44
9	JETSUITE AIR	16,293	14,781	20	19
10	CORPORATE FLIGHT MANAGEMENT	15,900	8,555	30	24
11	JET AVIATION	15,469	12,153	44	33
12	CLAY LACY AVIATION	14,183	10,538	57	43
13	LANDMARK AVIATION	13,183	13,096	48	55
14	ZETTA JET USA	12,221	3,504	21	15
15	JET SELECT	11,141	9,870	29	27
16	AERO AIR	10,913	9,955	23	22
17	PRIESTER AVIATION	10,136	8,152	25	31
18	TALON AIR	9,398	8,264	21	23
19	MERIDIAN AIR CHARTER	8,734	8,222	23	23
20	RED WING AEROPLANE CO	8,302	6,708	11	11
21	AVJET	8,182	7,251	26	24
22	MOUNTAIN AVIATION	8,145	6,865	20	20
23	LYON AVIATION	7,639	4,052	19	20
24	LJ ASSOCIATES	7,572	7,146	25	25
25	SC AVIATION	7,469	4,873	16	15

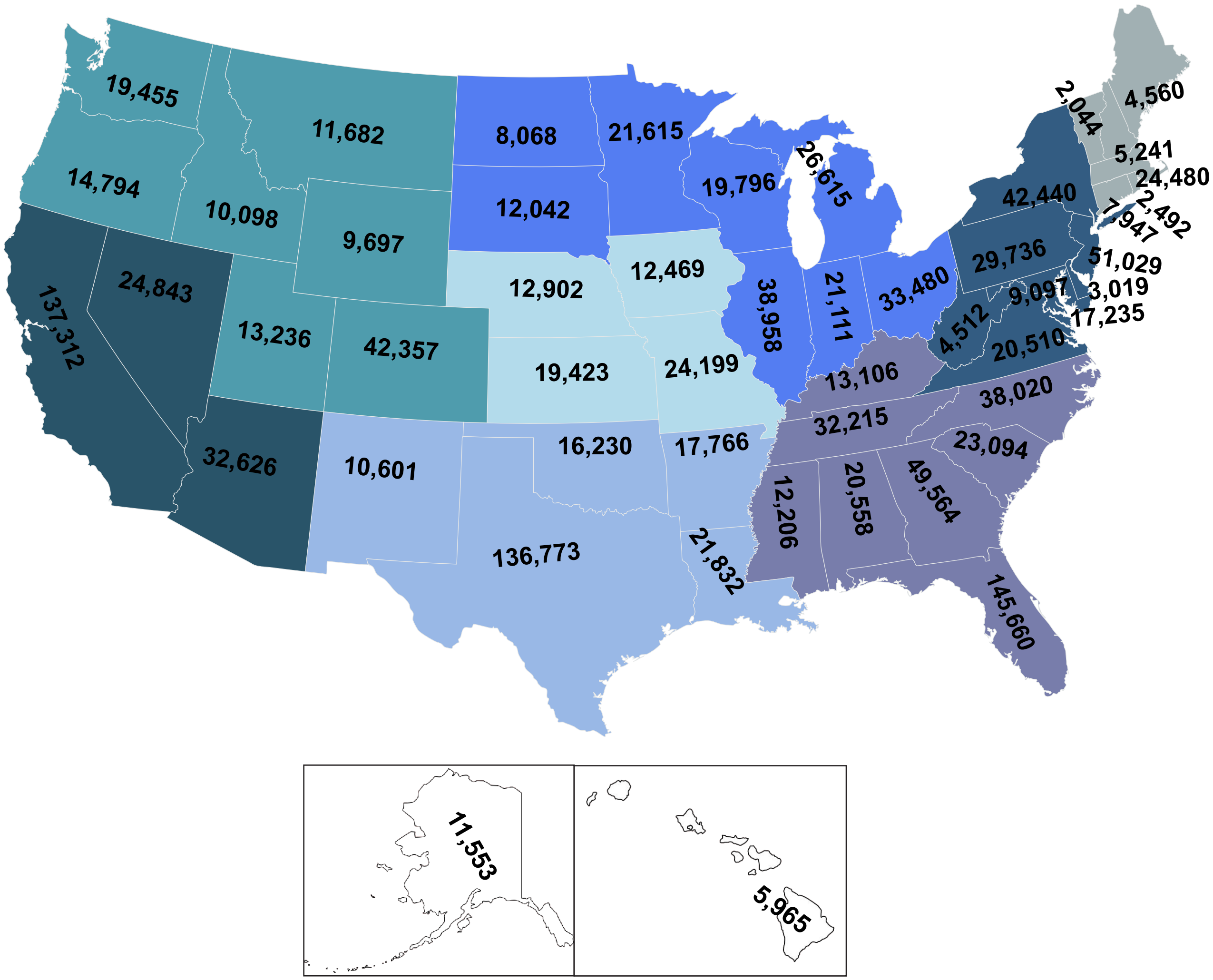
*Note- 2017 Fleet Size based on D085 dated July 3, 2017
*Note- 2016 Fleet Size based on D085 dated July 5, 2016
*Note- Excludes Medical Operators
*Note- 2017 Hours based on 7/1/2016 – 6/30/2017
*Note- 2016 Hours based on 7/1/2015 – 6/30/2016

*Note: for purposes of this report, FAR Part 135 flight data represents all flight activity of aircraft on a Part 135 charter certificate regardless of individual flight mission (excluding cargo, scheduled Part 135, and fractional operators).

DEPARTURES BY STATE JAN. - JUNE 2017

Top 5	
State	**Flights**
Florida	145,660
California	137,312
Texas	136,773
New Jersey	51,029
Georgia	49,564

Bottom 5	
State	**Flights**
Maine	4,560
West Virginia	4,512
Delaware	3,019
Rhode Island	2,492
Vermont	2,044



2017 DAILY FLIGHT ACTIVITY ANALYSIS

Top 10 Days	
Date	**Flights**
25-May-17	10,972
17-Feb-17	10,874
26-May-17	10,796
16-Feb-17	10,776
13-Apr-17	10,734
30-Jun-17	10,712
7-Apr-17	10,664
29-Jun-17	10,578
8-Jun-17	10,513
18-May-17	10,512

Thursday continues to be the busiest day of the week, followed by **Friday**. **6 of the top 10** days in 2017 were Thursdays and the other 4 were Fridays.

Average Daily Flights- By Month	
Date	**Flights**
17-Jan	7,449
17-Feb	8,221
17-Mar	8,425
17-Apr	8,345
17-May	8,456
17-Jun	8,711

5 of the 6 months in 2017 are averaging **more than 8,000** flights per day. That's up from just 2 months for the same period in 2016.

Average Flight Activity- By Day of Week	
Day	**Flights**
Mon	8,328
Tues	8,620
Wed	9,320
Thur	9,944
Fri	9,263
Sat	5,591
Sun	6,692

Wednesday, Thursday and Friday remain the top days of the week and each of them has averaged **more than 9,000 flights** per day in 2017.

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2017 FLIGHT ACTIVITY SUMMARY

- Flight activity has been nothing but positive for the first half of 2017. Every month, each aircraft category and 2 of the 3 operational categories have recorded growth from 2016.
- Part 91 flight activity is off to a different start in 2017. We saw gains in every month during the first half of 2016, but this year it has been mixed. Although the number of flights are down 0.5% it is important to point out that hours are up 1.5% year over year.
- Fractional flight activity is flying high so far in 2017. The segment has recorded 5.7% flight activity growth and 7.9% growth in hours which is helping to finally shed all the consolidation woes of the past few years.
- The Part 135 industry continues to be the star of business aviation. The segment has seen substantial growth over the past few years which makes 2017's double digit growth in hours (12.7%) and flights (10.1%) even more impressive.

*Note: for purposes of this report, FAR Part 135 flight data represents all flight activity of aircraft on a Part 135 charter certificate regardless of individual flight mission (excluding cargo, scheduled Part 135, and fractional operators).

2017 FLIGHT ACTIVITY FORECAST

- TRAQPak has been forecasting monthly flight activity for over **4 years**
- TRAQPak analysts estimate that flight activity in August, September & October 2017 will **rise 2.9%** when compared to the same period in 2016

AUGUST

is estimated to
RISE 3.3%
from August 2016

SEPTEMBER

is estimated to
RISE 2.2%
from September 2016

OCTOBER

is estimated to
RISE 3.2%
from July 2016