



BUSINESS AIRCRAFT ACQUISITION AND FINANCING GUIDE

WRITTEN AND PRODUCED BY
MARK PATIKY

“What’s the cost of not having a business aircraft?” asks David H. Park, global high technology investor, founder and managing director of Foster City, Calif.-based Tadpole Ventures. “What’s the cost of missed opportunity?” he says. Even in the high-tech communications world, Park quickly learned that his own business aircraft offered surprising advantages: “It’s a game-changing, life-changing experience,” he says.

Across the nation and around the globe, tens of thousands of businesses of all sizes have experienced a similar epiphany. They operate more than 31,000 turbine-powered business aircraft, transport millions of passengers annually, land at thousands of small airports, deliver travelers to multiple meetings in a day, and bring customers to plants and facilities worldwide.

“Our business jet is an essential business tool, and it has made all the difference,” says Terry Groff, chairman of Robesonia, Pa.-based Reading Bakery Systems.

CitationAir CEO William J. Shultz agrees: “Successful companies positioning themselves for the future are recognizing that their ability to get out and see customers, move quickly into new markets and develop personal relationships is critical.”

“Business aircraft are creating opportunities essential to financial recovery, not just for those who travel on them, but also for the hundreds of thousands employed by the firms that operate them,” points out Jeff Habib, senior vice president of U.S. sales at Dassault Falcon Jet. “They provide direct access to otherwise difficult-to-reach communities that are catalysts for business development,” he says. “Given today’s beleaguered economy environment, the need couldn’t be greater.”

INVEST IN TIME

Measurable Returns, Immeasurable Value

A 2009 NEXA Advisors, LLC, study of the S&P 500 firms confirmed that those using business aircraft outperformed non-users across every key financial and nonfinancial measure of business success. But it is not just large companies that are gaining the advantage; a 2010 NEXA companion study of S&P small and midsize firms showed that, on average, total returns were 245% higher for companies utilizing a business aircraft than for those that were not.

Are you ready to invest in your own company's success? This *Business Aircraft Acquisition and Financing Guide* is your resource for discovering a variety of ways to gain business aircraft advantages. It details popular options, uncovers surprising approaches and offers smart strategies for buyers. It speaks to key industry executives who can help you chart the best course for your needs and design methods for managing costs. Go ahead: Isn't it time you, too, took off toward new prosperity?

“With so many options, from on-demand charter and low-commitment jet cards to fractional and outright ownership, there have never been so many choices for gaining business aircraft benefits.”

David Wyndham
Vice President and Co-Owner, Conklin & de Decker

“With so many options, from on-demand charter and low-commitment jet cards to fractional and outright ownership, there have never been so many choices for gaining business aircraft benefits—and they are more accessible and affordable than ever,” says David Wyndham, vice president and co-owner of aviation consulting firm Conklin & de Decker. There's no shortage of aircraft choices either, from globe-spanning jets like the Dassault Falcon 7X and Falcon 900 to the super-midsize intercontinental Hawker 4000 and the economical, high-performing Falcon 2000, and many others. In addition, there is a new class of light jets, including the Embraer Phenom 300, the Nextant 400 XT and the Hawker 200, as well as turboprops like the Beechcraft King Air and Piaggio Avanti, which can land on runways too short for most jets.

How does one choose? Typical travel distance and the number of passengers flying are key factors in selecting the right aircraft, but issues of cabin comfort and amenities should not be ignored, says Wyndham. Take Avantair fractional owner Carl Pick, chairman, CEO and chief scientist of Video-Propulsion Interactive Television, Inc., who is 6' 3": He loves his fuel-efficient Piaggio Avanti for its spacious stand-up cabin.

Danny Lavy, CEO of Montreal-based Elite Group Inc., took a combined approach: He uses his wholly owned, fuel-efficient Dassault Falcon 2000 for flights to Europe and beyond, but for shorter trips from numerous domestic locations, he uses three Flight Options fractional shares to fly clients and sales staff between buyer locations throughout the U.S.



TRIPLE THREAT

SPEED: 518 MPH
RANGE: 2,298 SM
COST: 35% LESS



LET THE NUMBERS DO THE TALKING. The Flight Options Phenom 300® is a powerful combination of speed, range and operational efficiency. As the largest fractional provider to offer the Phenom 300, Flight Options gives you immediate access to a revolutionary aircraft at up to 35% less per hour when compared to other light and mid-sized jets. **Access and experience the Phenom 300 through Flight Options today.**

Over 1,300 customers • Over 100 aircraft • Over 1.5 million hours flown
Only fractional provider to achieve ARG/US Platinum Safety Rating five consecutive times



Fractional Membership Jet Card

877.703.2348 • flightoptions.com

Competitive Analysis

Aircraft	Cost
Flight Options® PHENOM 300	Lowest Cost \$4,369 / hr
CitationAir™ Citation XLS	\$6,672 / hr
Flexjet* Learjet 40XR	\$5,592 / hr
Netjets® Citation Encore+	\$5,443 / hr

Includes MMF, OHR, Jan. '11 fuel & FET.

NetJets is a federally registered trademark exclusively licensed to NetJets Inc. Unregistered or registered trademark(s) of Bombardier Inc. or its subsidiaries.

THE CURRENT MARKET: WHO'S BUYING

“Smart business managers recognize that now is the time to work harder, to be in more places and to spend time with your customers,” says Shawn Vick, Hawker Beechcraft Corporation executive vice president of sales and marketing. “Small and midsize companies are getting back to business. They are looking for greater capabilities, better technology, greater efficiencies, longer range, larger cabins and better fuel performance. They are also definitely focused on lowering operating costs.”

Vick emphasizes that international demand for business jets has eclipsed domestic orders in expanding markets throughout Europe, Russia, India, Brazil, Asia-Pacific and the Middle East. “These nations realize that to grow effectively, companies need the most efficient tools—and a business aircraft is a vital part of that strategy.”

Considering a Company Plane?

While many new to business aviation agree that an aircraft owned outright could be a considerable benefit, crewing, maintaining, housing and operating an aircraft can be daunting. Owners lacking the inclination or infrastructure for an in-house flight operation routinely turn to quality management firms to handle those tasks, explains Conklin & de Decker’s Wyndham. Outsourcing can also provide additional attractive benefits; for example, an underutilized

aircraft could be marketed for charter when not required. That revenue can offset some ownership costs, he explains. In addition, larger management companies accrue volume discounts on fuel, insurance and training, and these discounts are then passed on to the aircraft owner, further reducing the cost of ownership.

Buy the Hour

If ownership isn’t for you, there are plenty of other options. Charter and jet cards offer the lowest cost of entry for gaining business aircraft benefits. As they require no major capital investment or long-term commitment, you simply pay for what you use and then walk away. Charter quality can vary significantly, however, so Wyndham recommends going with the top-rated companies. You may pay more, but your safety has no price tag.

Jet cards—typically offered in 25-hour increments by the major fractional ownership providers—combine the flexibility of charter with the unsurpassed consistency, safety and reliability of fractional ownership. You pay only for the time aboard, so one-way flights are practical and, unlike charter, they don’t involve any repositioning or empty-leg return charges. Although jet cards cost more than fractional shares on a per-hour basis, many users purchase multiple cards annually because of the no-commitment convenience and ease of use.

FLIGHT LOG // ATI

ATI Engineering Services President Jamie Lecker

Business: Engineering design and services for aerospace and government

Travel Need: Remain in close contact with key clients across the U.S.

Aircraft of Choice: Beechcraft King Air C90



Although Johnstown, Pa.-headquartered ATI Engineering Services is a two-hour drive to the nearest major airport, company President Jamie Lecker quickly turned his off-the-beaten-track location into an advantage using a business aircraft. With his Beechcraft King Air C90, he is accessing clients nationwide with speed and agility—and he’s serving his clients better.

For a lean, 20-employee company where every cost savings is crucial, Lecker discovered the company plane was one of the most effective investments he could make. “The majority of our clients are in smaller cities like Huntsville, Ala.; Schenectady, N.Y.; Youngstown, Ohio; and Jacksonville, Fla.; which are not well served by the airlines,” says Lecker. “We needed to minimize the amount of time our folks were stuck waiting for the next flight out and maximize the time they’re with a client or in the office.”

Now he’s flying high, turning daylong marathons into efficient one- or two-hour trips in the King Air. “It’s magnified productivity, and it has improved the quality of our lives and drastically improved the level of service we can offer our customers,” he says. “In tough economic times, we look at an investment like this even harder. There’s no question about it: This is a very practical application of a very valuable business tool.”



This holiday give yourself the gift of time and value and Avantair will add the gift of fun

PRIVATE TRAVEL THE WAY YOU WANT IT.

FRACTIONAL | AXIS LEASE | EDGE CARD

Just in time for the holidays, purchase a new 50 hour Fractional Share or Axis Lease Program* and for a limited time, **receive a complimentary Vespa® Scooter**. Only Avantair offers the best value with the largest cabin and the most fuel efficient aircraft in its class. Put your 40% savings into holiday gifts that really matter. Plus, every Holiday purchase should guarantee your happiness and Avantair does with our 100% satisfaction guarantee program**.

Purchase now and be the most fuel efficient in the air and on the road.



Call one of our sales consultants for a customized flight analysis today.

877.289.7180 | AVANTAIR.COM | AAIR

* Requires 5 year lease. ** 100% satisfaction guarantee on new shares only, begins on contract start date. Other terms and conditions apply.

GLOBAL ACCESS AT A FRACTION OF THE COST

NetJets, the world's largest and most experienced fractional provider, truly changed the landscape for acquiring business jet advantages when it created the concept of fractional aircraft ownership more than two decades ago. With fractional ownership, you enjoy all the benefits of owning a whole aircraft at a fraction of the cost and without any of the management responsibilities. In addition to the one-time acquisition cost for the share, there is a monthly management fee to cover all the indirect operating costs and an occupied hourly fee to cover the direct operating costs. Even though you own a fraction of a specific aircraft when you purchase a NetJets share, you have the opportunity to switch to other aircraft types that may better satisfy a specific trip's requirements.

With a range of 13 different aircraft types to choose from worldwide and new aircraft with global and regional ranges arriving shortly, NetJets flies to more than 170 countries across the globe and has operations in the U.S. and Europe. The company provides myriad options for short-range regional travelers or globe-spanning, multinational missions. For example, a NetJets owner could return from Moscow in a Falcon 7X, fly the next day to Washington, D.C., in a Hawker 400XP, and head to



Los Angeles a day or two later in an ultra-fast Citation X. The following week he could fly commercially to London and travel throughout Europe in a NetJets Hawker 800XP.

In addition to fractional aircraft ownership, NetJets offers a range of private aviation solutions. The Marquis Jet Card, for example, takes business aviation value to an even higher level by providing businesses and individuals with NetJets' renowned safety, service and reliability in a single-payment, 25-hour jet card.

FLIGHT LOG // SSE INC.

SSE Inc. Founder and Chairman Susan Elliott

Business: Management consulting and technology application

Travel Need: Book tours, client meetings, personal travel

Aircraft of Choice: NetJets/Marquis Citation V Ultra



In her newly published book, *Across the Divide*, Susan Elliott, former IBM executive and founder of IT services firm SSE Inc., describes how she helped companies manage technology and improve productivity and efficiency throughout the digital revolution. Now she is bridging time and space with her NetJets Marquis Jet Card.

Although Elliott no longer endures the pressures of business at cyber speed, her Marquis Jet Card enables an equally hectic personal schedule that includes book signings across the country. She continues to consult, and often emphasizes: "Business is still about personal interaction and using time efficiently."

Nine years ago, Elliott acquired her first Marquis Jet Card, and she has been renewing it ever since. "It's the best thing we ever did. When every minute counts, you can work on the plane and maximize your time. If you take several people to solve a client's problems, it makes a huge difference," she says. "It really boosted my productivity, but safety, convenience and service quality are most important."

Elliott also likes the Marquis Jet Card's simplicity: "When you finish your hours, you can walk away, and you don't have to worry about selling a share. You don't have to worry about ownership costs or the residual risk," she adds. "Look at the value. That's exactly what drove the decision. It's been an exceptional experience."

HAWKER 4000. THE ULTIMATE BUSINESS SPACE.



STEP INTO A NEW LEVEL OF COMFORT AND PRODUCTIVITY.



We know that the experience you'll have traveling on any one of our aircraft is just as important as how fast you'll get there. In the Hawker 4000—the world's most technologically advanced super-midsize business jet—we engineer our interiors with your need for productivity in mind. Hawker Beechcraft craftsmen bring superior workmanship to a spacious cabin that accommodates eight in stand-up, stretch-out comfort. With amenities and finishes that set the benchmark for business aviation, you and your team can maximize time spent traveling. Learn more HawkerBeechcraft.com

UNITED STATES & THE AMERICAS +1.316.676.0800

EUROPE, MIDDLE EAST & AFRICA +44 (0)1244.523.803

ASIA-PACIFIC +65.6423.0321

©2011 HAWKER BEECHCRAFT CORPORATION. ALL RIGHTS RESERVED. HAWKER AND BEECHCRAFT ARE TRADEMARKS OF HAWKER BEECHCRAFT CORPORATION.





SPEED, ECONOMY, OPPORTUNITY

Avantair

Avantair, exclusive provider of fractional shares in the fast, efficient Piaggio Avanti, is bringing new opportunity to business aviation with a distinctive aircraft and exceptional programs. “As the economy wavers, buyers are even more focused on gaining best value,” says Avantair Founder and CEO Steve Santo. “A majority of our owners are small companies. They are flying more; more people are onboard; and they’re making the best use of their time by hitting multiple locations in a day.”

While Avantair fractional ownership and the Avantair Edge Card—which is available in increments of as little as 15 hours—are experiencing steady growth, the Axis Lease Program is soaring in popularity. Axis Lease blends the benefits of the minimal-commitment Avantair Edge Card with Avantair fractional pricing, and it eliminates big upfront capital outlays. “People want to hold onto as much capital as they can, and they don’t want the residual value risk associated with ownership,” explains Santo. The Axis Lease commitment can be as short as two years, and flight-hour costs—similar to Avantair fractional ownership rates—are some of the lowest in the industry.

The plane is as unique as the programs. The Avanti’s rearward-facing turboprop engines operate with amazing efficiency and leave the noise behind. The quiet, spacious cabin rivals that of a midsize jet, and with a 460-mph cruise speed, the Avanti is faster than many small jets. High performance, low operating costs and the ability to fly halfway across the country nonstop are key attributes. “Owners love the cabin size, but the fuel savings is a major factor that’s driving strong interest,” says Santo. In addition, Avantair is equipping every plane with Wi-Fi and implementing iPad functionality for crew and passengers. “It is taking the ownership experience to an entirely new level,” he adds.

INNOVATION DRIVING VALUE

Flight Options

Despite the faltering stock market, Flight Options is defying economic gravity. First quarter 2011 results soared 460% quarter-over-quarter. According to CEO Mike Silvestro, Flight Options owners—largely value-conscious small to medium-size corporations—are flying more, exploring new markets and creating new opportunities so that a broader range of employees can gain the travel advantage.

Innovative new programs and new planes are grabbing buyer attention. The company is the exclusive fractional provider of the Embraer Legacy 600, which boasts the cabin of a very large jet with an acquisition cost more in keeping with a midsize jet.

In addition, Flight Options’ fleet of fast Cessna Citation Xs is getting a makeover with new-technology winglets and newest-generation avionics; all this translates to increased performance, greater fuel efficiency and enhanced capability. “We’re installing Wi-Fi, completely updating the cabin and offering the plane at Hawker 800 rates,” says Silvestro. With the faster jet, each trip becomes less expensive.

Flight Options is also introducing the all-new small-cabin Embraer Phenom 300, which offers superior range, speed, unsurpassed amenities and 25% to 30% better fuel economy than any jet in its class. The Phenom 300 is available through a unique Flight Options Membership program that is competitively priced and combines fractional and JetPASS card benefits without ownership obligation. Members can buy three 25-hour blocks over a three-year period.

In another innovative move, Flight Options became the launch customer for the Nextant 400 XT. The new jet is a completely remanufactured (not upgraded) Hawker 400 that will include new fuel-efficient Williams engines, aerodynamic enhancements, the latest-technology all-digital cockpit and complete interior redesign. The transformed jet gains significantly improved performance with a 50% increase in range and operating cost reductions of as much as 29%.



FOLLOW ^{NEW} THE LEADER.

You'll be in good company.

Why are our competition's private aviation customers and industry experts choosing CitationAir? Because they recognize that it's not about being the biggest option, but being the "boutique" option. That it's not about being the first to offer fractional products, but the first to transform the fractional industry with innovative new products. That it's not about having the most customers, but the most focus on customers.

Join the new leader and discover why CitationAir® is *Where You Belong*®.

1-877-MY-CITATION (1.877.692.4828) or www.citationair.com/TheNewLeader



citationair[®]
by Cessna

CHANGE IS IN THE AIR

CitationAir

CitationAir, wholly owned by Cessna Aircraft Company, operates a broad selection of Cessna jets including the small-cabin CJ3, the midsize XLS+, the transcontinental Sovereign and the world's fastest jet, the Citation X. While the aircraft are attractive and capable, the innovative ways to access them are drawing buyer interest, notes CEO William J. Shultz. "As our customers' needs change together with the business climate, our products adapt to those changes in a way that allows them to operate efficiently and effectively," he says.

While the CitationAir Jet Card makes it easy to gain business aircraft benefits 25 hours at a time, Jet Shares fractional ownership is a practical solution for those flying more than 50 hours annually. However, the new Jet Access program, designed for those averse to residual risk, long-term commitment and large capital investments, is capturing strong interest, explains Shultz: "It has the look and feel of a fractional program without the need to purchase the asset." In addition, through an alliance with premier charter operator Air Partner in Europe, Jet Access customers can fly throughout Europe and the Middle East.

"You can meet with your clients more often, manage your company more effectively, get more done during the day and still get home to be with your family at night."

Alan Klapmeier
CEO and Chairman, Kestrel Aircraft

Want to own a Cessna jet outright? Through its Jet Management program, CitationAir can handle all operational responsibilities. In addition, whole aircraft owners can access the entire CitationAir fleet at any time and select the best aircraft for the specific trip. Factory maintenance, expert operations plus the opportunity to gain revenue when your plane is idle are all additional benefits.

Corporate Solutions, which provides access to any CitationAir aircraft at any time for existing in-house flight operations, is the perfect backup plan when a company needs additional planes for a short term. It is invaluable when your own jet is out of service, or for corporate events, sales tours or board meetings that demand multiple aircraft at one time. A new Road Show program designed for financial services companies, political campaigns and other groups on time-sensitive schedules and complex itineraries is the answer when there's a critical need for reliability and back-up guarantees.



PREPARE FOR TAKEOFF

Tens of thousands of companies and individuals have discovered the immeasurable value that comes with access to a business aircraft. They have dramatically changed the way they do business and live their lives. But now, more than ever, these travelers are realizing that in addition to offering greater comfort, convenience and security, business aircraft really generate a significant, measurable return on their investment.

From on-demand charter and low-commitment jet cards to fractional and outright ownership, there have never been so many choices for gaining access to business aircraft benefits. And there have never been more ways to use these strategic tools to create significant, revenue-generating opportunities. With products and capabilities like these, it's no wonder that so many are stepping aboard.

"You can meet with your clients more often, manage your company more effectively, get more done during the day and still get home to be with your family at night," says Alan Klapmeier, CEO and chairman of Maine-based Kestrel Aircraft.

Business aviation is the smart solution for those who value their time and need to grow their business. More than just a means of transportation, these business aircraft are taking countless companies and individuals to new levels of productivity and success. The advantages are very clear. So go ahead: Reach for the sky.

Now, more than ever, it's a very down-to-earth decision. ■

*Written and Produced by
Mark Patiky (markpatiky@cox.net)
Principal Photography: Paul Bowen*

Private aviation without compromise.

NetJets® 25 hours at a time.

ONLY
NETJETS®
25 YEARS OF EXCELLENCE



Available for one simple payment without a long-term commitment, the Marquis Jet Card® is simple to purchase and easy to use. It's the ideal solution for those who fly fewer than 50 hours per year yet want the flexibility that Only NetJets® can provide. Best of all, the Marquis Jet Card is from NetJets®, a Berkshire Hathaway company. Because a jet card is only as good as the company behind it.

SHARE | LEASE | CARD | ON ACCOUNT | MANAGEMENT

1.877.JET.9166 | MARQUISJET.COM

A Berkshire Hathaway company

All fractional aircraft offered by NetJets® in the United States are managed and operated by NetJets Aviation, Inc. Executive Jet® Management, Inc. provides management services for customers with aircraft that are not fractionally owned, and provides charter air transportation services using select aircraft from its managed fleet. Marquis Jet® Partners, Inc. sells the Marquis Jet Card®. Marquis Jet Card flights are operated by NetJets Aviation under its 14 CFR Part 135 Air Carrier Certificate. Each of these companies is a wholly owned subsidiary of NetJets Inc. © 2011 NetJets Inc. All rights reserved. NetJets, Executive Jet, Marquis Jet, and Marquis Jet Card are registered service marks.