



>>> Citation Operator

Market Report
Second Quarter 2015

RECENT CITATION **TRANSACTIONS** BY ELLIOTT JETS

ELLIOTT JETS 
An Elliott Aviation Company



**CITATION BRAVO
SERIAL NUMBER 550-1013**



**CITATION XLS+
SERIAL NUMBER 560-6180**



**CITATION CJ2
SERIAL NUMBER 525A-0058**



WHO WE ARE

Elliott Jets, the aircraft sales division of Elliott Aviation, has eight decades of proven success brokering, acquiring and selling aircraft all over the world. Customers know they can rely on us to provide world-class service with their needs as our priority. Our reputation has made us the trusted partner to chief pilots, executives and aircraft owners. There are few aircraft sales and acquisition businesses in the world that offer you decades of excellence, integrity and passion for customer service. Elliott Jets team consists of acquisition experts, market research specialists, marketing team, contracts and administrative support, and sales executives.

ELLIOTT AVIATION

Elliott Jets' parent company, Elliott Aviation, is a leading service business providing the industry's highest quality business aviation solutions with 400 skilled employees. An expert in both jets and turboprops from manufacturers including Textron (Beechcraft & Cessna), Embraer, Bombardier and more, customers from around the world fly to Elliott Aviation for all of their aviation needs.

At our one-stop-shop facility in Moline, IL, Elliott Aviation provides FAA and EASA certified aircraft maintenance with nearly 60 factory-trained technicians. In addition to maintenance, we offer one of the largest avionics facilities in the world to assist you with even the most complicated avionics retrofits and enhancements. For total aircraft transformation, our paint and interior teams of nearly 60 craftsmen can assist you with creating a flawless presentation of your aircraft inside and out. Our facilities and equipment create an ideal environment for superior aircraft refurbishment including a climate controlled, downdraft paint facility. To round out our one-stop-shop, we also feature aircraft parts and accessories to keep downtime and costs to a minimum. Our company also offers Wyvern-rated flight charter with a perfect safety record and aircraft management services.

In addition to our headquarters, we also have two other Midwest locations in Minneapolis, MN and Des Moines, IA, giving you easy access from any US location. With state-of-the-art facilities and equipment, proven processes, and highly-trained, experienced technicians, we deliver world-class quality and service customized to you and your aircraft needs. With all of these resources just a phone call away, customers of Elliott Jets can rest assured they have the most collective body of aviation resources dedicated to creating a successful aircraft transaction each and every time.

ACQUISITION SERVICES

Aircraft Acquisitions is a major function of Elliott Jets. We are unique as we are involved in the process every day by investing in turbine aircraft to be owned and resold by Elliott Jets. We are experts at finding the best aircraft, at the best price, and representing you every step along the way. We carefully analyze your situation to acquire the aircraft that best suits your needs based on trending knowledge, market expertise and industry resources. Whether you need an accredited appraisal, pre-purchase inspection or unrivaled technical expertise, we have a veteran team to assist. Feel confident when hiring Elliott Jets to find your next aircraft or fleet to provide the best outcome for your aviation needs. Our goal is to ensure your peace of mind throughout the entire acquisition process.

BROKERAGE SERVICES

Your aircraft is a huge investment. When it's time to put it on the market you want a quick resolution at the right price. Our team of industry veterans will help you get you a fair price and help you find a buyer — fast. We're committed to providing you with a quick response and the highest level of customer service in the industry. We will set a price for your aircraft that accurately reflects the most up-to-date market conditions. We'll sell your aircraft at the best possible price, in the least amount of time. We handle your transaction from start to finish, sparing you the hassles of selling your own aircraft. Our experienced technical staff conducts an in-depth aircraft evaluation, so you're ready for the sale. Using the latest technologies, our proven processes and exclusive marketing network, we promote your aircraft and attract qualified buyers. At sale time, we negotiate terms on your behalf and prepare all documents, so your transaction will go smoothly. Our promise is an exceptional experience.



AIRCRAFT RESEARCH

Real research is what it takes to analyze and truly understand the pre-owned aircraft marketplace. Elliott has a full time research department which has specialized in jet aircraft for decades. Armed with this research, knowledge of actual selling prices, not just ask and take prices, as well as thorough knowledge of the aircraft, enables accurate appraisal values for aircraft from both the buying and selling standpoint. This accuracy provides the very best information to maximize the sale price of your aircraft while effectively limiting the time on the market before it is sold. Our research department also has the capability to identify all known aircraft publicly for sale as well as aircraft not advertised for sale, but available. Elliott has “off market” sources for acquiring aircraft in addition to the open market with aircraft manufacturers trade-in(s), banks, leasing companies and other dealerships.

Many times these “off market” airplanes will sell before they are ever offered publicly. We are subscribers to dealer aircraft market tracking services. Our researchers communicate regularly with other dealers in the pre-owned aircraft market.

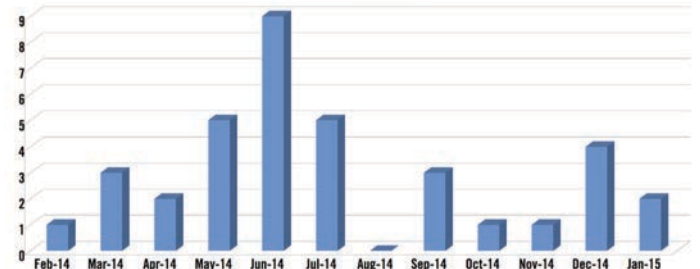
We have the means to identify, qualify and accurately evaluate all available aircraft. Additionally Elliott will advertise to find aircraft owners who have not yet decided to market their airplanes. All of this assures you that in today's market you don't need to overpay for and will be able to find the best available aircraft.

AIRCRAFT VALUATION AND NEGOTIATION

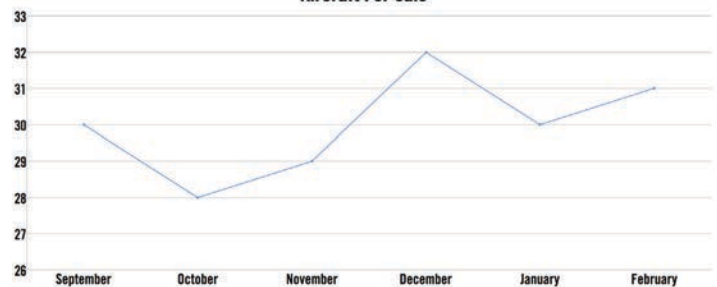
Once the target group of aircraft is identified, Elliott works the search and performs the valuation and negotiation process. Elliott will manage the entire purchase for you through closing. The real world experience, reputation and professionalism of Elliott Jets truly provides a distinct industry advantage.

Our interests are your interests as we represent you in this transaction. As we have done many times in acquiring aircraft, you will be kept fully informed of every step. This process is always completely transparent for you. You will never be left wondering what is happening or what is next.

Aircraft Transactions



Aircraft For Sale



MULTI-MEDIA MARKETING

Elliott Jets uses all forms of media communications to advertise your aircraft for sale. Elliott utilizes internet and print advertising on multiple prominent turbine aircraft marketing sites. Elliott Jet's own web-site, both in a mobile and internet applications, social media, email mass mailings to qualified lists of customers globally and electronic media are included at multiple sales offices throughout the United States. Check out additional information on aircraft for sale, our services, a side-by-side aircraft comparison tool and more at www.elliottjets.com.

In addition, Elliott creates brochures, specs sheets, and professional photographs and videos of your airplane both in print and electronic formats. All of these marketing means are designed to communicate accurately with the best impression the aircraft we are selling for you to the potential buyer.



MULTI-MARKET SELLING

Elliott Jets Executive Sales Directors are located in multiple areas of the US providing for local contact and relationship selling. These seasoned and knowledgeable professionals know what is important to you and to potential customers. Their schedule is your schedule and the potential purchaser's schedule. They know a sale may be made by being available and ready to answer at a moment's notice. Elliott Jets is also a member of the National Aircraft Resale Association and is part of this premier organization of turbine brokers and dealers.



A TURN-KEY PROCESS

Elliott Jet's process for you is completely "turn-key". Our business is selling airplanes and your business is running and managing your business. When you hire Elliott Jets, the entire brokerage process is professional, complete and transparent. The only tasks for you are to sign documents and approve deals. Selling a turbine aircraft is a very complex transaction with many customer touches, potential pitfalls, as well as many financial and legal negotiation points along the way. The Elliott Executive Sales Directors and Elliott team take that complexity and make it simple. Aircraft brokerage services at Elliott Jets manage all of those processes and negotiation points for you.





THE CESSNA CITATION MARKET

Overall the used Citation market is showing a lot of stability. Most of the aircraft models have steady values. A few markets such as the CJ2, CJ3, and Sovereign are poised to possibly show a value increase due to increased sales activity and reduced inventory levels. The worst performer in the used Citation market is the Citation X. Almost 12% of the Citation X aircraft are listed for sale. The average days on market are climbing and the resale values are dropping.

What will happen for the rest of 2015 in the used Citation market? The indications are that activity and pricing will remain the same. No big changes. It is still hard to believe it has been almost seven years since the big used turbine market value adjustment of 2008/2009. Inventory levels have come down significantly since and values have stabilized. We do not see any major changes coming in used Citation market values for the foreseeable future.

As a Citation expert at Elliott Jets, I would be happy to assist you with any questions you may have or help you with your next aircraft purchase. Contact me for more information.

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CITATION CJ1

Current State of the Cessna Citation CJ1 Market

The number of CJ1 aircraft available for sale has dropped over the last 12 months. Today the majority of the CJ1 aircraft advertised for sale are located internationally with a total of 15 on the market. It is not easy to find a good US based CJ1. Retail transactions have dropped in 2014 compared to 2013 mostly because of this reduced inventory. There still have been 20 retail transactions with CJ1 aircraft in the last 12 months. The market is active and prices are stable. We do not see any indication of a potential increase on aircraft values in the CJ1 market. The demand rating for a good Citation CJ1 would be a B.

Market Snapshot for the Citation CJ1

On Market: 28
 Fleet Size: 196
 % on market: 14%
 Average asking price: \$1.8MM
 Avg. Days on Market (sold in 2014): 116
 Average TT of aircraft currently for sale: 2700
 Transactions in 2014: 20
 Transactions in Q4: 7



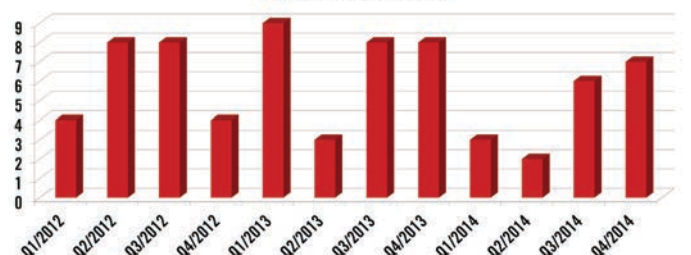
Citation CJ1 Performance

Range (NM):	1,161
Seating:	5/7
Cabin Volume (CuFt):	201
Max Speed (Kts):	381
Cruise Speed (Kts):	381
Rate of climb (f/s):	3,230
Balanced field length/Landing (feet):	4,220/2,644
Baggage:	8/51
Ceiling (feet):	41,000
Direct Operating Cost (per hour)	\$1,539
Direct Operating Cost (per NM)	\$4.63

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CJ1 Transactions

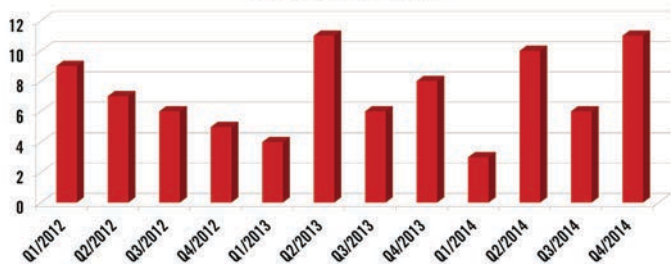


Market Snapshot for the Citation CJ2

On Market: 21
 Fleet Size: 238
 % on market: 10%
 Average asking price: \$2.8MM
 Avg. Days on Market (sold in 2014): 170
 Average TT of aircraft currently for sale: 2900
 Transactions in 2014: 30
 Transactions in Q4: 11



CJ2 Transactions

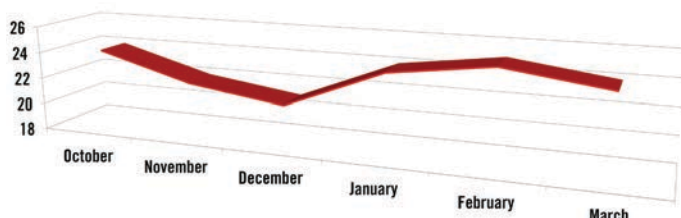


Current State of the Cessna Citation CJ2 Market

The CJ2 market has been an active one over the last 12 months, with 30 retail transactions occurring during this time frame. The average days on market has dropped significantly. Currently there are 21 CJ2 aircraft listed for sale and there is a good selection of US based CJ2 aircraft to choose from. That is not always the case. There are still deals in Europe for CJ2 aircraft but the prebuy process is a challenge. Plus the expense to get the aircraft inspected and moved to the US will add roughly \$75,000 to \$100,000 to the acquisition cost. We have seen indications of the values for a good Citation CJ2 increasing in the last six months. It is too early to tell if this trend will continue in 2015. The demand rating for a good Citation CJ2 would be A-.



CJ2 For Sale



Citation CJ2 Performance

Range (NM):	1,530
Seating:	6/8
Cabin Volume (CuFt):	248
Max Speed (Kts):	413
Cruise Speed (Kts):	413
Rate of climb (f/s):	4,740
Balanced field length/Landing (feet):	3,820/2,777
Baggage:	4/70
Ceiling (feet):	45,000
Direct Operating Cost (per hour)	\$1,629
Direct Operating Cost (per NM)	\$4.51

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CITATION CJ2+

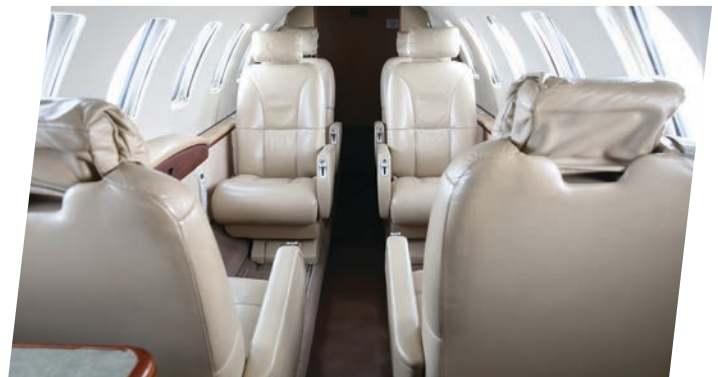
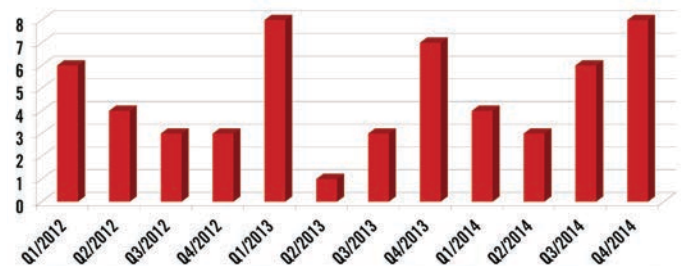
Market Snapshot for the Citation CJ2+

On Market: 15
 Fleet Size: 225
 % on market: 7%
 Average asking price: \$4.8MM
 Avg. Days on Market (sold in 2014): 402
 Average TT of aircraft currently for sale: 1400
 Transactions in 2014: 23
 Transactions in Q4: 8

Current State of the Cessna Citation CJ2+ Market

The CJ2+ market can be split into two different segments. The early production aircraft from 2006 to 2009 have been active over the last 12 months with 19 retail transactions. A good CJ2+ that is priced around the \$4 million area moves fairly quickly. The values for the early CJ2+ aircraft have remained stable. Newer CJ2+ aircraft from 2010 and up are a different story. Four of those aircraft sold retail in the last 12 months. The 2010 and newer aircraft values are still depreciating. There are a total of 15 used CJ2+ aircraft for sale today. In the 2006 to 2009 model years there are only 4 aircraft available. Once the prices get in the mid \$4 million or higher, buyers tend to look at the CJ3. The demand rating for an early CJ2+ is a B with a later model CJ2+ getting a demand rating of C-.

CJ2+ Transactions

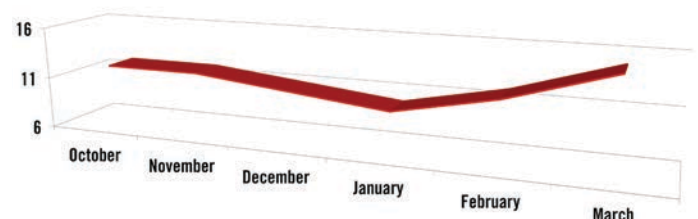


Citation CJ2+ Performance

Range (NM):	1,626
Seating:	6/8
Cabin Volume (CuFt):	248
Max Speed (Kts):	413
Cruise Speed (Kts):	413
Rate of climb (f/s):	4,120
Balanced field length/Landing (feet):	3,810/2,778
Baggage:	-/65
Ceiling (feet):	45,000
Direct Operating Cost (per hour)	\$1,729
Direct Operating Cost (per NM)	\$4.55

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CJ2+ For Sale

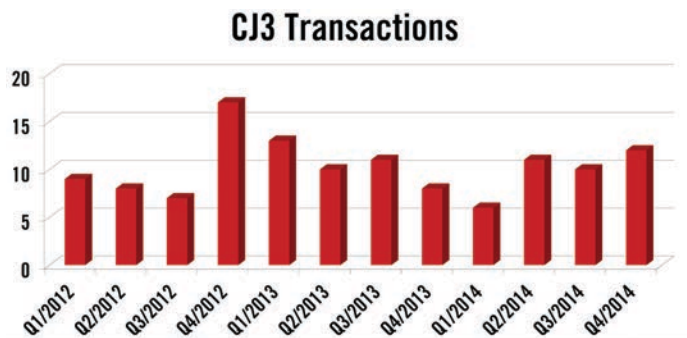


Market Snapshot for the Citation CJ3

On Market: 17
 Fleet Size: 411
 % on market: 4%
 Average asking price: \$4.9MM
 Avg. Days on Market (sold in 2014): 153
 Average TT of aircraft currently for sale: 1800
 Transactions in 2014: 39
 Transactions in Q4: 12

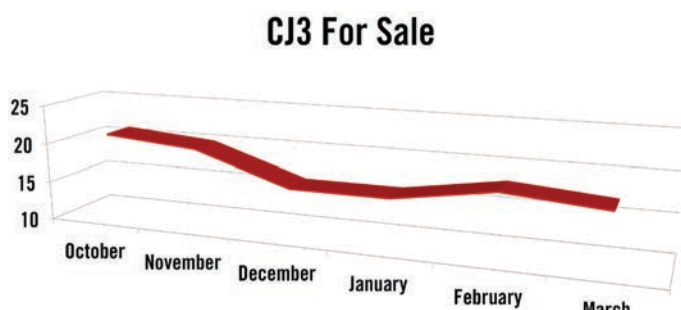


CITATION CJ3



Current State of the Cessna Citation CJ3 Market

Like the CJ2 market, the CJ3 has also been very active over the last 12 months with 39 retail transactions. Currently there are 17 used Citation CJ3 aircraft for sale. That is just over 5% of the total production. Half of those aircraft are based internationally. One interesting item in the CJ3 market is the lack of 2010 and newer aircraft available for sale. For quite a while, there have been very few late model CJ3 aircraft available for resale. For someone who wants a low time nearly new aircraft, your choices are very few. A couple of customers we have worked with decided to go with a new CJ3+ because of the lack of late model used CJ3 inventory. That is a positive sign for Cessna to be able to sell more new Citations. If you have a US based CJ3 that aircraft will sell fairly quickly. The demand rating for a good Citation CJ3 is an A-.



Citation CJ3 Performance

Range (NM):	1,891
Seating:	6/8
Cabin Volume (CuFt):	286
Max Speed (Kts):	417
Cruise Speed (Kts):	417
Rate of climb (f/s):	4,478
Balanced field length/Landing (feet):	3,440/2,522
Baggage:	-/65
Ceiling (feet):	45,000
Direct Operating Cost (per hour)	\$1,840
Direct Operating Cost (per NM)	\$4.80

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CITATION CJ4

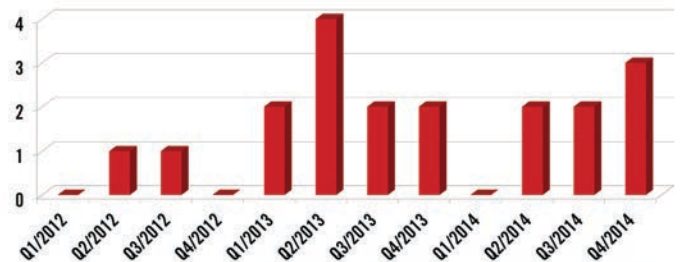
Market Snapshot for the Citation CJ4

On Market: 3
 Fleet Size: 176
 % on market: 2%
 Average asking price: \$7.8MM
 Avg. Days on Market (sold in 2014): 170
 Average TT of aircraft currently for sale: 500
 Transactions in 2014: 9
 Transactions in Q4: 3

Current State of the Cessna Citation CJ4 Market

Cessna has produced over 180 Citation CJ4 aircraft since the introduction in 2010. Operators of this aircraft have been very happy with the improved speed and range over a CJ3. We have not seen a lot of activity in the used CJ4 market. Over the last 12 months, there have been nine retail sales transactions with CJ4 aircraft. As of this report date, there are three used CJ4 aircraft for sale. If a buyer decides he wants a CJ4, he will have very few choices in the used market. This will be another Citation model where the lack of used inventory will help sell new aircraft. The demand rating for a good used Citation CJ4 is an A.

CJ4 Transactions



Citation CJ4 Performance

Range (NM):	1,991
Seating:	7/9
Cabin Volume (CuFt):	293
Max Speed (Kts):	454
Cruise Speed (Kts):	454
Rate of climb (f/s):	3,858
Balanced field length/Landing (feet):	3,500/2,387
Baggage:	6/71
Ceiling (feet):	45,000
Direct Operating Cost (per hour)	\$2,142
Direct Operating Cost (per NM)	\$5.24

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CJ4 For Sale

