



>>> Hawker Operator

Market Report
Third Quarter 2015



**BROKERAGE
ACQUISITIONS
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ELLIOTT JETS 

An Elliott Aviation Company





THE HAWKER MARKET

The Hawker market has been very interesting to watch over the last year. Dropping inventory levels and increasing demand during 2014 and into the first quarter of 2015 created very stable pricing and activity for all models. Recognizing a favorable environment, some Hawker owners decided to bring their aircraft to market, increasing overall inventory and creating more opportunities for buyers. While inventory levels are still relatively low for all of the Hawker varieties, the next few months will reveal if demand can keep up with the increase in available units or if sellers will need to relax their pricing expectations in order to move an aircraft. What has not changed is the extraordinary value that the Hawker line represents.

Our team of Hawker experts at Elliott Jets is ready to assist you with any questions you may have or help with your next aircraft purchase. Contact us for more information.

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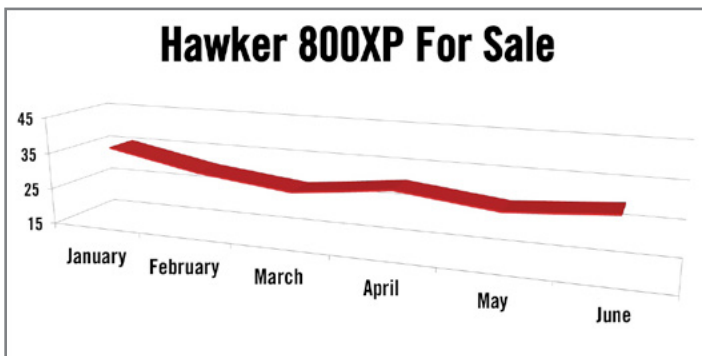
Current State of the Hawker 800XP Market

The Hawker 800XP market historically falls off a bit during the second and third quarters and we are seeing that trend repeat itself for 2015. Prices are remaining steady but the nine transactions in the second quarter were down from the 15 that sold during the first quarter. At this point last year, 32 aircraft had sold on the used market so the total of 24 aircraft sold so far in 2015 is something to take note of.

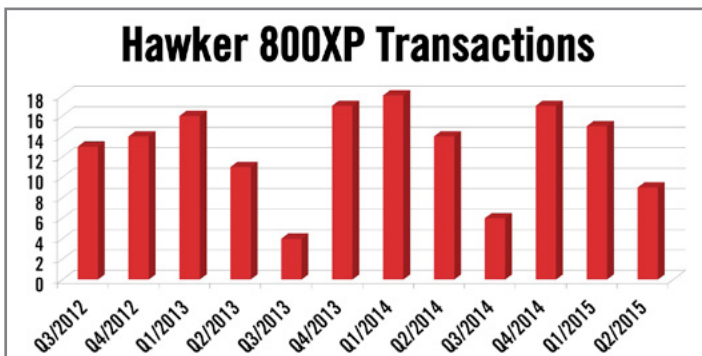
Prices, however, are remaining steady, with upcoming major inspections and landing gear overhauls accounting for most of the pricing variations. As we mentioned in the Q2 market report, most 2003 model 800XP's are coming due for their third 48 month inspection along with landing gear overhauls this year. Proline 21 equipped 800XP's are still bringing well into the \$3MM's.



Market Snapshot for the Hawker 800XP



On Market: 30
 Fleet Size: 469
 % On Market: 6.4%
 Average Asking Price: \$2.9MM
 Avg. Days on Market (sold in 2015): 436
 Average TT of aircraft currently for sale: 5500
 Transactions in 2015: 24
 Transactions in Q2: 9



Hawker 800XP Performance

Range (NM):	2,539
Seating:	8/10
Cabin Volume (CuFt):	2
Max Speed (kts):	449
Cruise Speed (kts):	430
Rate of climb (f/s):	3,415
Balanced field length/Landing (feet):	5,640/2,282
Baggage:	48/-
Ceiling (feet):	41,000
Direct Operating Cost (per hour)	\$2,935
Direct Operating Cost (per mile)	\$7.28

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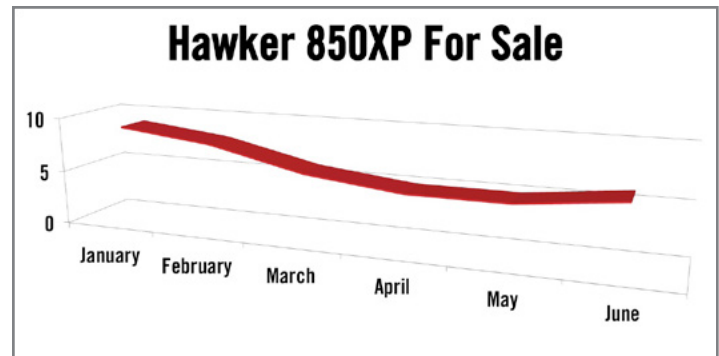
Current State of the Hawker 850XP Market

The 850XP market has been marked by good activity and low inventory through the first half of 2015. The 10 retail transactions so far this year has already bested 2014's total number of eight. Prices have remained steady with a few examples of US based aircraft bringing a premium. US sellers must have recognized this as a good opportunity to sell because a number of US based aircraft have now hit the market.

This means that 850XP buyers may be able to find a desirable aircraft on US soil and can avoid purchasing in Europe, if they so choose. Prices still start above \$4MM for a 2006 850XP, but with a slight increase in inventory since our last report, it wouldn't be surprising if we see prices begin to soften. Most 2007 models are due for their 96 month inspection this year, something that requires consideration by both buyers and sellers.

Market Snapshot for the Hawker 850XP

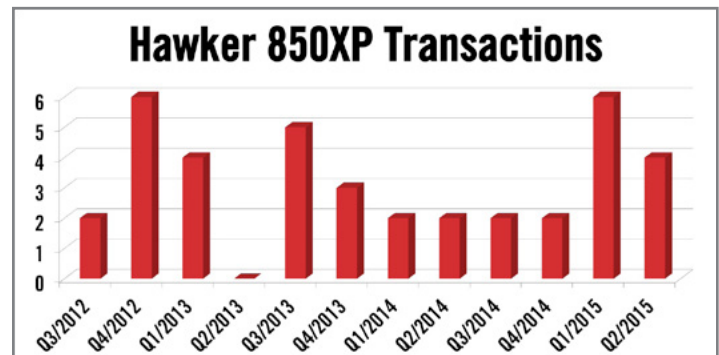
On Market: 6
 Fleet Size: 119
 % On Market: 5%
 Average Asking Price: \$4.4MM
 Avg. Days on Market (sold in 2015): 325
 Average TT of aircraft currently for sale: 2907
 Transactions in 2015: 10
 Transactions in Q2: 4



Hawker 850XP Performance

Range (NM):	2,710
Seating:	8/10
Cabin Volume (CuFt):	551
Max Speed (kts):	452
Cruise Speed (kts):	430
Rate of climb (f/s):	3,415
Balanced field length/Landing (feet):	5,641/2,286
Baggage:	50/-
Ceiling (feet):	41,000
Direct Operating Cost (per hour)	\$2,937
Direct Operating Cost (per mile)	\$7.20

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Market Snapshot for the Hawker 900XP

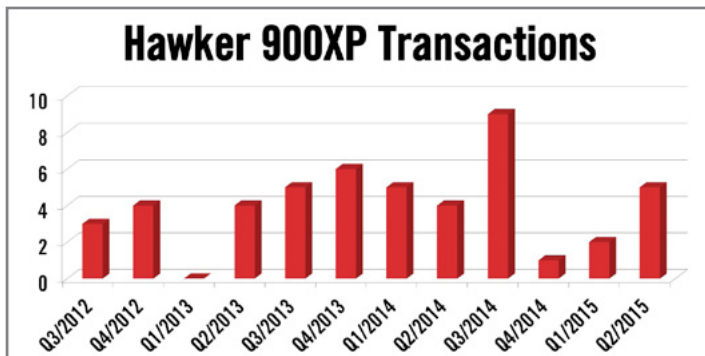
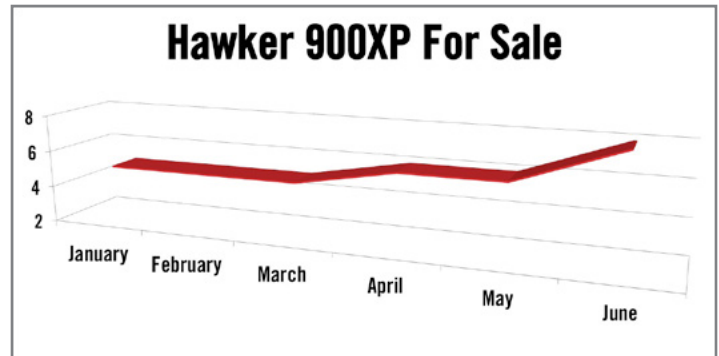
On Market: 8
 Fleet Size: 183
 % On Market: 4.4%
 Average Asking Price: \$6.4MM
 Avg. Days on Market (sold in 2015): 296
 Average TT of aircraft currently for sale: 2000
 Transactions in 2015: 7
 Transactions in Q2: 5



Current State of the Hawker 900XP Market

All eyes were on the 900XP market in early 2015 after values had actually increased a bit over 2014. There was a noticeable lack of inventory through the first quarter and plenty of buyers looking. Fast forward to the end of the second quarter and inventory levels have doubled, with a number of desirable US based aircraft available for sale.

Five used 900XP's sold in the second quarter, which is a good amount of activity considering that 2014's total transactions totaled 19, but those sales are being outpaced by aircraft being added to the market. While we haven't seen evidence of prices weakening yet, the market is currently set up for some decent buying opportunities.



Hawker 900XP Performance

Range (NM):	2,825
Seating:	8/10
Cabin Volume (CuFt):	2
Max Speed (kts):	452
Cruise Speed (kts):	430
Rate of climb (f/s):	3,415
Balanced field length/Landing (feet):	5,258/2,283
Baggage:	50/-
Ceiling (feet):	41,000
Direct Operating Cost (per hour)	\$2,656
Direct Operating Cost (per mile)	\$6.54

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Market Snapshot for the Hawker 750

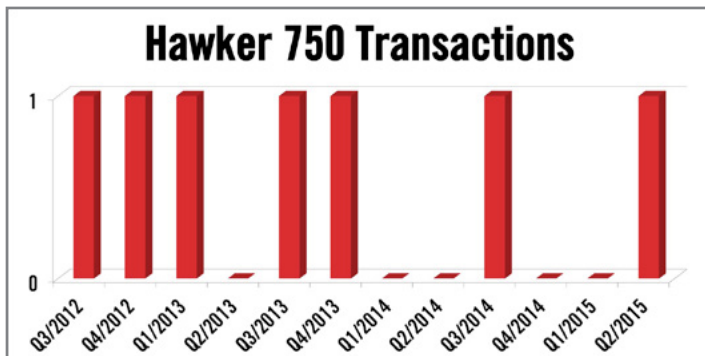
On Market: 5
 Fleet Size: 48
 % On Market: 10.4%
 Average Asking Price: \$5.7MM
 Avg. Days on Market (sold in 2015): 123
 Average TT of aircraft currently for sale: 1200
 Transactions in 2015: 1
 Transactions in Q2: 1



Current State of the Hawker 750 Market

There isn't much to talk about in the Hawker 750 market. Two used 750's have sold in 2014 and 2015 combined. Why is this? There seems to be a stigma attached to this aircraft that is hard to overcome until you start to look at the numbers. While it has less range than other Hawkers, it stacks up pretty nicely against other aircraft with smaller cabins in the same price range.

If you compare the range and cabin space to something like a Citation XLS in the same price range, it would be difficult not to consider the 750. If someone was to consider buying a used 750, it may be possible to find one for around \$4MM if not a little less.



Range (NM):	2,200
Seating:	8/10
Cabin Volume (CuFt):	551
Max Speed (kts):	452
Cruise Speed (kts):	430
Rate of climb (f/s):	3,500
Balanced field length/Landing (feet):	4,900/2,283
Baggage:	47/32
Ceiling (feet):	41,000
Direct Operating Cost (per hour)	\$2,877
Direct Operating Cost (per mile)	\$7.14

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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. The Elliott Jets team consists of sales executives, acquisition experts, market research specialists, marketing professionals, contracts and administrative support.



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 knowledge of trends, 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.



ELLIOTT AVIATION

As an Elliott Jets customer, you have access to some of the most knowledgeable technical representatives in the industry. The parent company of Elliott Jets, Elliott Aviation, is a leading service business for jets and turboprops, providing the industry's highest quality business aviation solutions with 400 skilled employees in three Midwest locations. Whether or not you choose to use Elliott Aviation for aftermarket services, you have the option to interact with our technical service representatives to help guide your decisions throughout the transaction, helping you avoid any pitfalls before they arise.

Our one-stop-shop in Moline, IL is an ISO 9001:2008 and AS9100 Rev C facility, ensuring the highest-level of quality standards and processes available. We are a FAA and EASA certified aircraft maintenance facility with highly skilled, factory trained mechanics, many with over 20 years of experience. They have seen many pre-buy inspections and can help you with common discrepancies in numerous different types of aircraft.

In addition to maintenance, we offer one of the largest avionics facilities in the world to assist you with even the most complicated retrofits, enhancements and troubleshooting. For total aircraft transformation, our paint and interior craftsmen can assist you with creating a flawless presentation of your aircraft inside and out. Whether you are buying or selling, these experts can help you evaluate what options are available for your aircraft to either more closely fit your mission or to attract more buyers to your aircraft.

Our company also offers Wyvern-rated flight charter with a perfect safety record and aircraft management services giving you access to experts to help determine if leasing back or chartering your aircraft would work for you.

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.



ELLIOTT JETS MARKET REPORT

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.

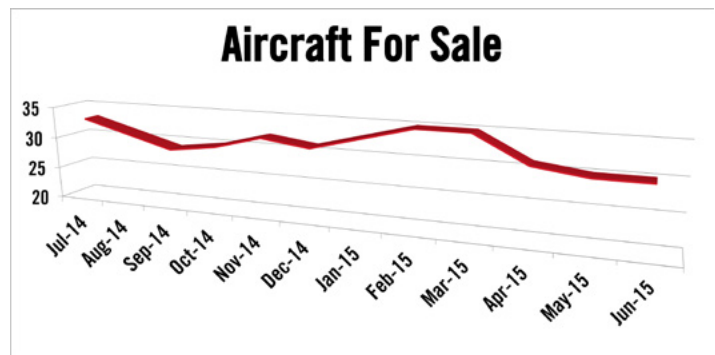
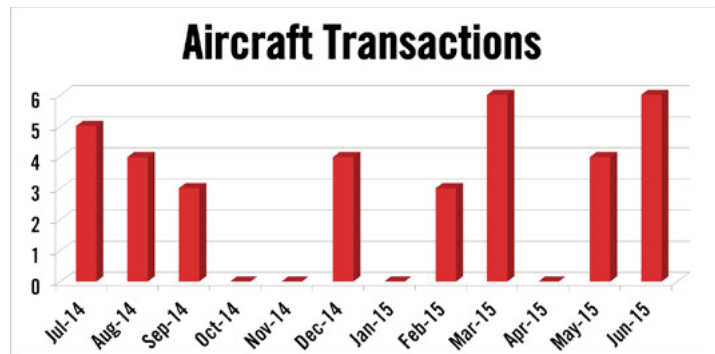
We have the means to identify, qualify and accurately evaluate all available aircraft. Additionally Elliott will advertise to find aircraft owners who have not yet decided to market their airplanes. All of this assures you that in today's market you don't need to overpay for and will be able to find 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. In fact, our full time appraiser, Jim Becker, is accredited by the American Society of Appraisers as an Accredited Senior Appraiser to ensure the most fair price and evaluation of an aircraft.

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.



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 at the three Elliott sales offices/ FBO lobbies are also included.

In addition, Elliott creates both in print and electronic; brochures, specs sheets, and professional photographs and videos of your airplane. 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 Sales Managers are in four offices in four 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 moments notice. Elliott Jets is also a member of the National Aircraft Resale Association and is part of the 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 Sales Manager 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.



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