



# The VLJ Market in Europe and the Cessna Citation Mustang

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## The Very Light Jet (“VLJ”)

- What is a VLJ??
- A generally recognized definition is  
*“ A Jet aircraft weighing less than 10,000 lbs (5 metric tonnes)”*
- Is it “disruptive technology”??

## Headlines associated with the VLJ

- “ Heavy Traffic from VLJ’s” –Wall Street Journal, March 2006
- “Air-Taxi Services threaten to jam airports” –Pittsburgh Post Gazette, March 2006
- “Swarm of new jets” – Press Display.com, October 2006
- “Here come the mini jets!” –Wall Street Journal, September 2006

## Mustang History

- Introduced September 2002
- First delivery November 2006
- 2007 deliveries 40
- 250 unit order backlog
- 100 being delivered to EU from now until 2010



Speed	340kts
IFR Range	1140nm
Direct Climb	FL410
FF Payload	800 lbs
BFL	3110 ft

## What is our Mustang Purchaser Profile??

- A business & current aircraft owner
- Belong to AOPA
- Plan to fly the airplane themselves, although in EU typically a 2 crew operation (even privately)
- Traditional JAR-Ops1 Air Charter operator
- European order split is roughly 50/50

## Mustang Owner Purchaser Experience

- Flying more than 10 years
- Have over 1,000 hours
- Have multi-engine time
- Have turbine experience
- Most own a turbine today
- Plan to fly 100-300 hours per year

## Mustang Training

- Type rating at Flight Safety
- Special accommodation
  - Developed a Proficiency Index
  - Customized training plan



## Market Segments

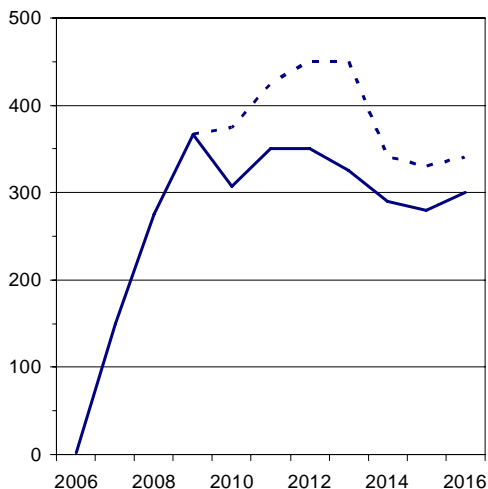
- Traditional owner-flown business use
- Air Taxi/Air Charter
  - Not new
  - In 1950's 20% of GA hours flown were charter/air taxi
  - In 2005 14-17% of GA hours flown were charter/air taxi

## Air Taxi

- Customers with a high value of time
- Usually have low fixed costs
- Now a number of new business model's, e.g. Day Jet, POGO based on the "Next Generation Air Transportation System" ("NGATS") program sponsored by NASA;
- Business models yet to be proven
- VLJ volumes will be a function of these Business models

## VLJ Forecast

- Grows as new products enter market
- Successful adoption of the new Air Taxi model can significantly expand market
- Based on CAC, Eclipse Adams & EMB

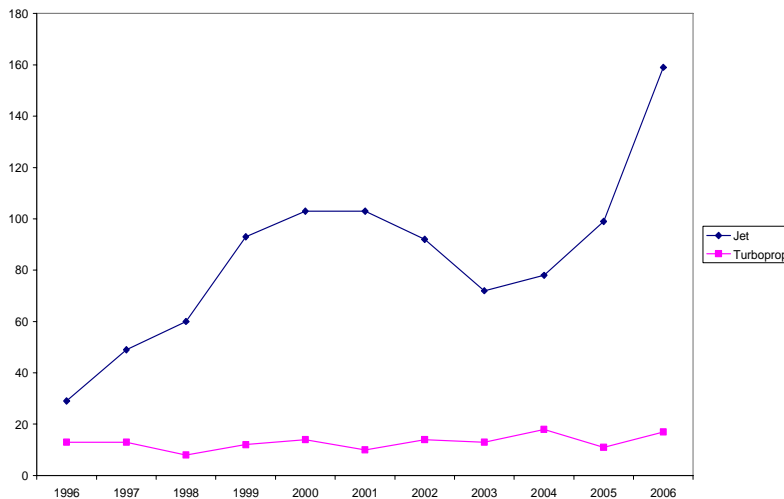


## The EU Jet Market

- EU offers a US\$13 trillion economy – same as US
- Significantly smaller number of Business jets (2,500 to 18,000 turbine aircraft)
- Growth is in all Jet categories, VLJ is but a small part
- Many reasons for this change
- Expect a substitution effect between Piston twin/TP single twin to jet

## Historical Aircraft Deliveries –the EU

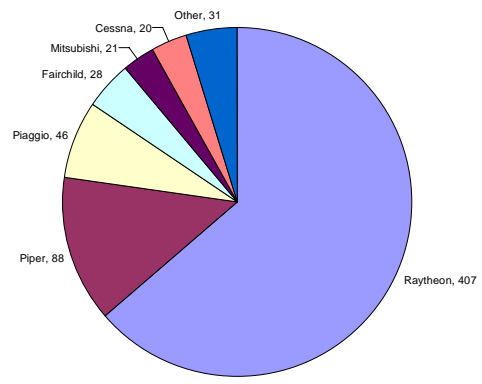
New Jet Vs. New TP Deliveries to Europe 1996 - 2006



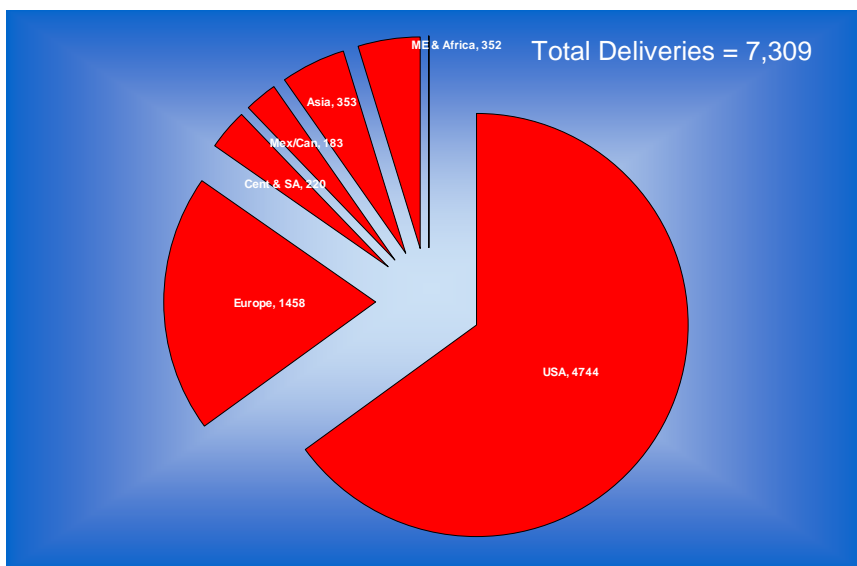


# EU Light/Large Turboprop fleet -all VLJ & light jet potential buyers

European Large and Light Turboprop Fleet



# Cessna Forecast – All new bizjet deliveries '07-'11



## Summary

- The EU market for Business Jets is expanding strongly in all segments – light, mid size and large.
- The “VLJ” Market is part of that expansion, but not the main part
- Our Mustang customers look like our traditional light jet customers, either private or charter operators.

## Thank you

