

BUSINESS AVIATION

MAINTAINING SHAREHOLDER VALUE THROUGH TURBULENT TIMES



Part IV Fall 2012

The S&P 500 During the Great Recession 2007 – 2012



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ABOUT NEXA ADVISORS

NEXA Advisors (www.nexacapital.com) provides highly specialized transaction focused advisory services to companies and management teams in the aerospace and transportation sectors in the U.S. and around the world. Committed to delivering enterprise value through innovation, NEXA Advisors work in partnership to help them become high-performance businesses.

This Report is Part IV in a series of NEXA Advisors studies on business aviation in the United States:

[Part I \(2009\): Business Aviation: An Enterprise Value Perspective - The S&P 500 From 2003-2009](#)

[Part II \(2010\): Business Aviation: An Enterprise Value Perspective - S&P Small Cap 600 Companies From 2005-2010](#)

[Part III \(2011\): Government Use of Aircraft: A Taxpayer Value Perspective](#)

[Part IV \(2012\): Business Aviation: Maintaining Shareholder Value Through Turbulent Times - Performance Within the S&P 500 During and After The Great Recession 2007 - 2012](#)

The studies can be found on the No Plane No Gain website: www.noplanenogain.org, the NBAA website: www.nbaa.org, and NEXA Advisors' website: www.nexacapital.com.

“The recent economic downturn did not reduce Deere’s flying.”

- Larrie Dahl
Director of Global Aviation
Services
Deere and Company

Introduction

NEXA Advisors recently analyzed the contribution of business aviation to shareholder value for the Standard and Poor’s S&P 500 (large cap) and S&P 600 (small cap) companies. The analysis period was between 2003 and 2010. We reported that S&P companies utilizing business aviation produced substantially better shareholder value than those who did not. This most recent study examines the performance of the S&P 500 companies both during and after the “Great Recession”, a five-year period between 2007 and 2011. The questions we sought to answer are:

- Did the Great Recession and subsequent slow recovery period have a bigger or lesser shareholder value impact on S&P 500 companies who are business aviation operators, compared with their non-operating peers; and
- Were these operators more resilient, thus able to recover more quickly and convincingly than their peers, as measured by the key drivers of shareholder value.

This report provides empirical financial and non-financial evidence, as well as compelling anecdotal information, intended to answer these key questions from a shareholder value perspective.



Bombardier Challenger 300

“We all know that using business aircraft enables us to do our best. Let's not settle for anything less than our best.”

- Arnold Palmer

Executive Summary

Amidst the Great Recession, companies across most industry sectors suffered deteriorating revenues, substantially lower or disappearing profits, and eroding balance sheets. This led to considerable losses in shareholder value. For the S&P 500, shares bottomed out at about 40 percent of pre-recession value during this difficult period. Hardest hit were the financial, telecommunications, energy, and consumer discretionary industries, with health care, information technology, materials, utilities, and consumer staples sectors impacted to a lesser degree.

To answer the key questions posed in the introductory section, we organized the S&P 500 into users and non-users of business aircraft, and collected relevant financial and other data to isolate the effects that this unique form of asset contributes to corporate performance. NEXA defined a “user” as any company currently authorizing the regular use of business aircraft via whole aircraft ownership, fractional aircraft ownership, charter, or any other form of ownership or operation as an aid to the conduct of its business and for the benefits of the enterprise. This information was compiled through the use of data provided by JETNET LLC and other industry resources and NEXA Advisors’ independent research.

Our discussion begins with the recognition that business aviation creates value in ways often unique to American enterprise. Over a broad range of uses, **business aircraft can materially improve a company’s ability to create shareholder value and subsequently shareholder returns.** Evidence of the value provided by business aircraft use can be seen in the remarkably consistent correlations between the aggregate performance of companies and industry sectors using business aircraft when measured against those which do not, and among influential lists of the best performing companies. Earlier NEXA reports established these correlations.

“Users of business aviation utilize many forms of business travel, including airlines. Companies use business aviation when it’s the right tool for the right mission.”



Embraer Phenom 100

As testament to business aviation’s effectiveness during tough times, we found that more companies than ever in the S&P 500 recognize and use business aviation today (Figure 1: S&P 500 Business Aviation Users). From our work, facts emerged that:

- In 2011, of the S&P 500 companies, business aviation users represented 84% by number and accounted for 96% of total revenue.
- 74% of the companies added to the S&P 500 companies between 2007-2011 currently use business aviation.
- A significant number of S&P 500 companies dropped from the S&P 500 from 2007-2011 are non-users of business aviation.

These counter-intuitive findings surprised the study authors and had us focus more closely on the key factors behind them.

Figure 1: S&P 500 Business Aviation Users

Industry	% User	User	Non-User	Total	% of Study
Consumer Discretionary	90%	75	8	83	17%
Consumer Staples	93%	38	3	41	8%
Energy	88%	36	5	41	8%
Financials	82%	67	15	82	16%
Health Care	88%	46	6	52	10%
Industrials	84%	52	10	62	12%
Information Technology	68%	47	22	69	14%
Materials	86%	25	4	29	6%
Telecommunications Services	86%	6	1	7	1%
Utilities	79%	27	7	34	7%
Grand Total	84%	419	81	500	100%

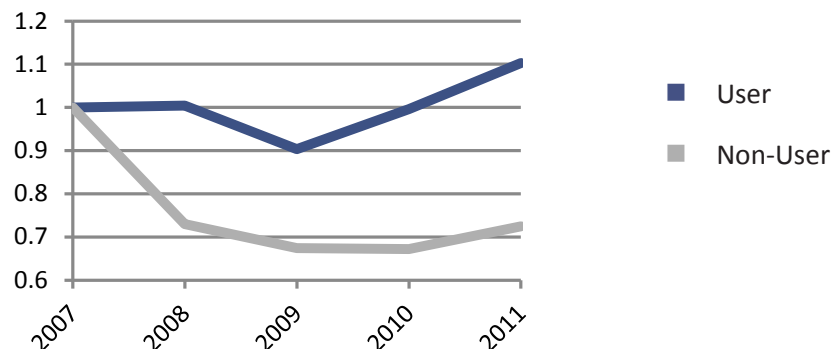
Table based on 2011 S&P 500 companies.

As in our prior studies, **we found that companies that use business aviation are among the best-managed in the United States.** But what about their resiliency and ability to bounce back from tough economic times? “Resiliency” is defined here as the ability of a company to quickly return to revenue growth and profitability following a severe economic downturn.

This study proves that companies that use business aviation outperform their competitors in key financial and non-financial metrics. Those same companies are leading the nation’s economic growth both in profits and creating jobs.

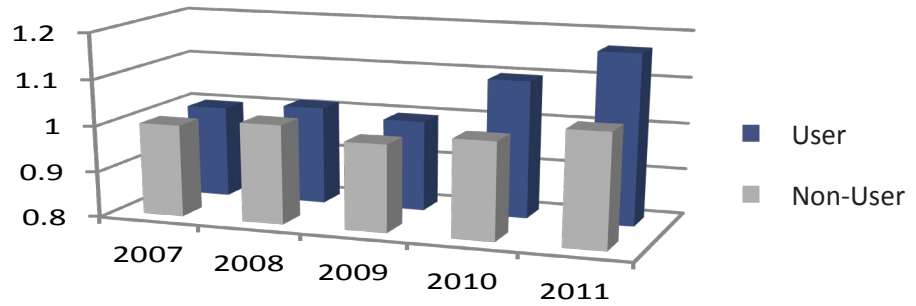
Our results confirm that **companies using business aviation in the S&P 500 mitigated revenue losses and recovered more quickly than non-users** (Figure 2: User vs. Non-User Annual Revenue). Indeed, business aviation users have more than recovered the revenue setbacks from the Great Recession of 2008, while the non-user cohort has yet to recover to 2007 revenue levels.

Figure 2: User vs. Non-User Annual Revenue. Indexed to 2007.



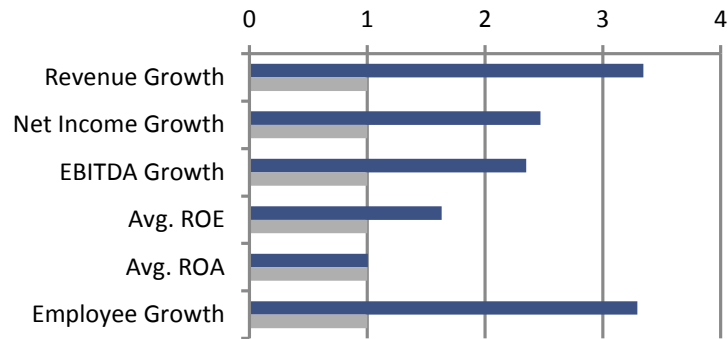
Further, **companies using business aviation were quicker to hire back employees and have significantly grown their overall workforce since 2007 relative to Non-Users** (Figure 3: Total Number of Employees for Users and Non-Users).

Figure 3: Total Number of Employees for Users and Non-Users. Indexed to 2007.



It is important to recognize that corporate size has an impact; for example, more total dollars are required to maintain growth rates as large companies invest to increase revenues. To account for size, we weighted the financial results using 2011 market capitalization and indexed the non-user results to a value of “1” to provide a clear basis for comparison. Non-calculated performance metrics, such as numbers of employees shown in the previous figure, are indexed to 2007 as having a value of “1” for comparing user and non-user performance over the five-year period. When so weighted, Figure 4 suggests that **business aviation users outpaced non-users by several measures key to shareholder value creation.**

Figure 4: Business Aviation Users vs. Non-Users Weighted by 2011 Market Capitalization.



“We've got to understand that business airplanes are about people meeting and thinking together and creating ideas and building their cultures.”

- Arne Sorenson
Chief Financial Officer
Marriott

Between 2007 and 2011, on a weighted basis, we found:

- Revenue, the “top-line”, is often a bell-weather for economic change. Companies using business aviation were able to tap into more new business opportunities and protect market share, demonstrating revenue growth at more than three times the pace of non-users (3.3:1).
- As a measure of earnings potential, Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) of a company gives an indication of the operational profitability of the business. In other words, how much profit does it make with its present assets and its operations on the products it produces and sells, before taking into account non-operational factors of taxes, depreciation, and amortization. Once again, S&P 500 companies using business aviation dramatically outperformed non-users, growing net income over twice as fast (2.3:1).

Between 2007 and 2011, on an unweighted basis, we also found:

- Business aviation users were able to provide a superior return on equity, easily outperforming nonusers (1.6:1). Business aviation users and non-users generated effectively the same rate of Return on Assets (1.004:1).
- As was discussed earlier, business aviation users also brought workers back faster and are employing more workers today than in 2007.

A top priority for companies is long-term value creation using every tool in the toolbox, financial and non-financial. **Using non-financial measures, the best performing companies appearing on several “Best of” lists in 2012 reveal a remarkable correlation with business aircraft use:**

- Among the “50 Most Innovative Companies,” a compilation produced by *BusinessWeek*, 30 S&P 500 companies made the list. Of these, 100 percent were business aircraft users.
- Among the “100 Best Places to Work,” a compilation produced by *Fortune*, 32 S&P 500 companies made the list. Of these, 91 percent were business aircraft users.
- Among the “25 Best Customer Service Corporations,” a compilation produced by *BusinessWeek*, 8 S&P 500 companies made the list. Of these, 100 percent were business aircraft users.
- Among the “100 Best Brands,” a compilation produced by *BusinessWeek*, 48 S&P 500 companies made the list. Of these, 96 percent were business aircraft users.
- Among the “50 Most Admired” companies, a compilation produced by *Fortune*, 43 S&P 500 companies made the list. Of these, 95 percent were business aircraft users.
- Finally, among the “100 Best Corporate Citizens,” a compilation produced by *The CRO*, 98 S&P companies made the list. Of these, 94 percent were business aircraft users.

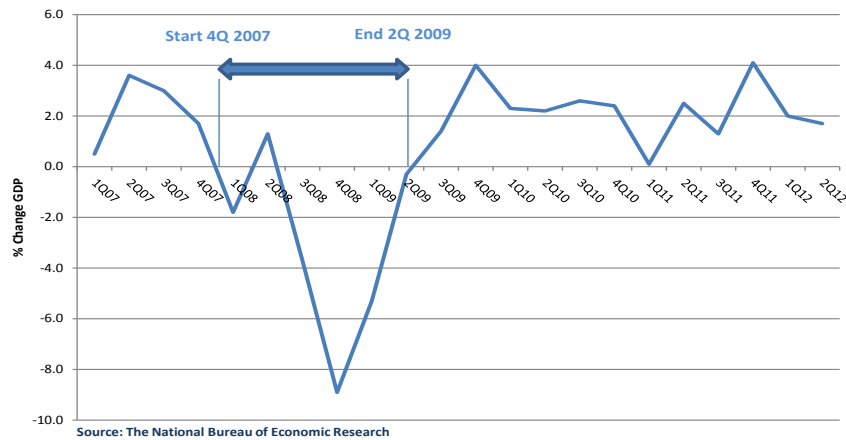
“If two companies are competing for business, the one using a business aircraft can fly directly to one of those smaller airports and get to lunch with the client before the other guys taking the commercial airlines show up.”

- William Garvey,
Column printed in the
New York Times

The Great Recession of 2008

The worst recession since the 1930s (Figure 5: The Great Recession of 2008) has been attributed primarily to the subprime mortgage crisis, which in turn led to the collapse of the housing bubble.¹ Falling housing-related assets and reduced U.S. economic output contributed to a broader global financial crisis, coupled with rising oil and food prices. The financial sector was hardest hit, resulting in the collapse or bailout of a handful of the largest U.S. financial institutions, including Bear Stearns, Fannie Mac, Freddie Mac, Lehman Brothers, and AIG. In addition to the financial sector, the automobile industry was brought to the brink of collapse when consumer spending stalled. The government responded with an unprecedented \$700 billion bank bailout and \$787 billion fiscal stimulus package.

Figure 5: The Great Recession of 2008



The National Bureau of Economic Research established that the recession began in December 2007 and ended June 2009. Table 1 (pages 10-11) provides a detailed analysis of the Great Recession by industry sector and the relative performance of users and non-users of business aviation.

Our Approach

To determine if companies that use business aviation weathered the Great Recession better than companies that do not, we analyzed the S&P 500 companies on the list for each year from 2007 through 2011. Our previous studies found that results from this group of companies were very similar to the smaller firms of the S&P 600 and the S&P 400.

1 National Bureau of Economic Research

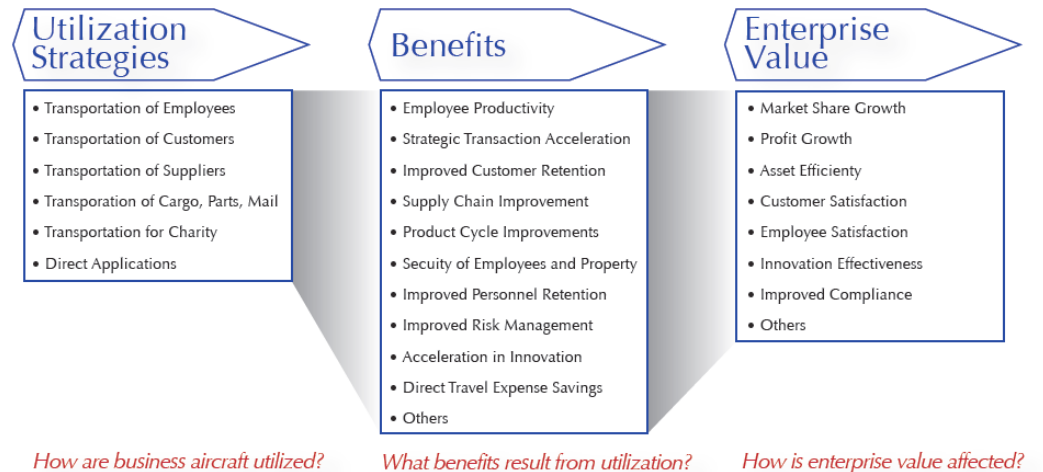
The UBV Framework

Conventional business thinking posits that a company produces revenues and profits using its assets as the engine powering it to greater prosperity. The usual assets include the tangible items on the company’s balance sheet, such as factories or computers, and financial assets such as cash and investments. In today’s economy there are other assets to nurture so that the company’s value continues to grow. These “intangible” assets are not on the balance sheet, but nonetheless are critical to long-term value creation. These assets include intellectual property, good credit, responsive suppliers, strong customer relationships, talented executives, and motivated employees at all levels. Other important intangibles include the company’s culture of quality and service, as well as its brand value.

Business aircraft represent tools to strengthen or leverage the role of all assets. Fundamental to the analysis of business aviation is a value framework, which includes the range of aircraft utilization strategies, the benefits derived from these utilization strategies, and the financial and non-financial value that these benefits produce. In essence, Utilization strategies yield Benefits, which in turn contribute to the key drivers of enterprise Value for a company (UBV).

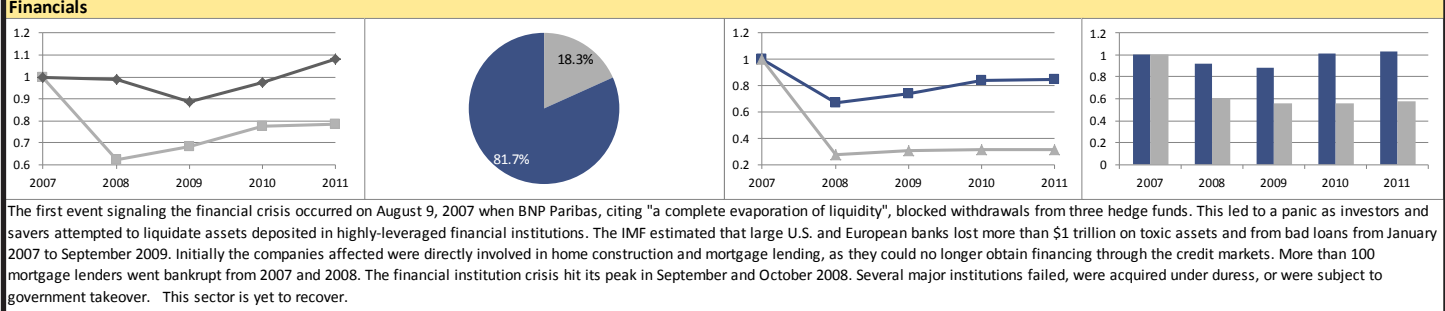
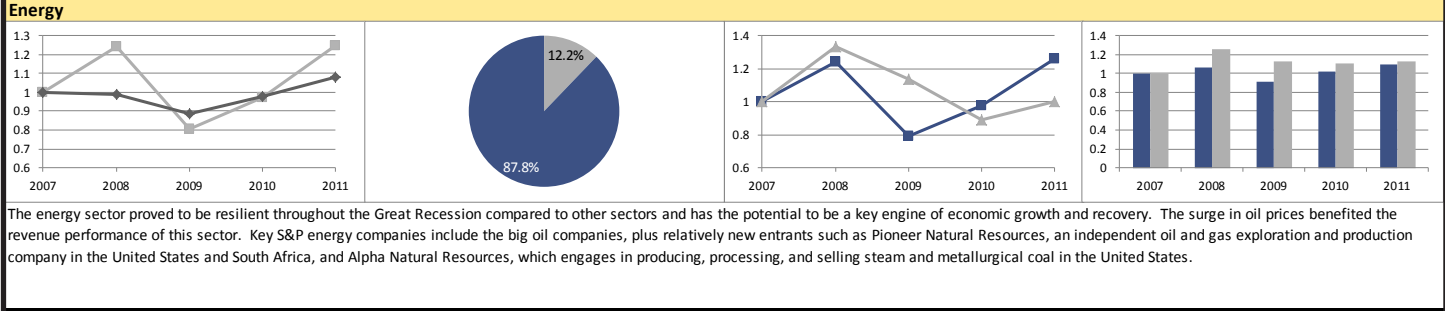
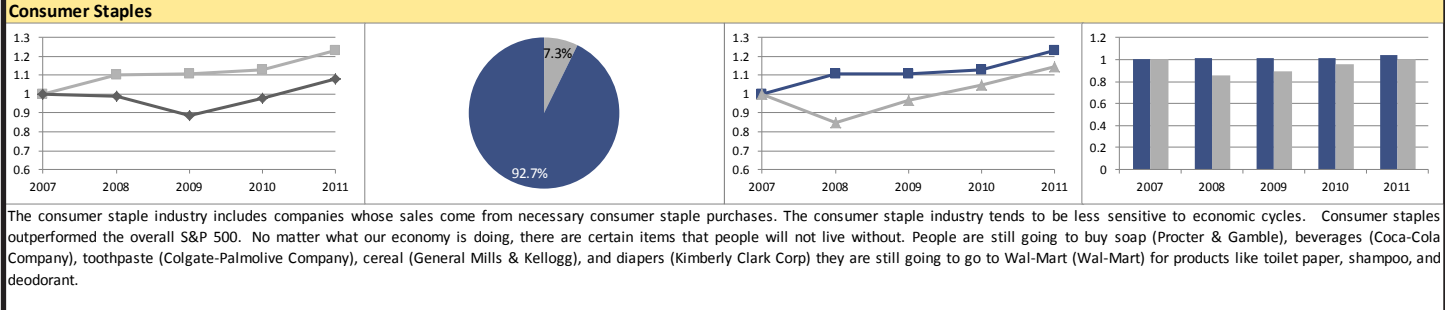
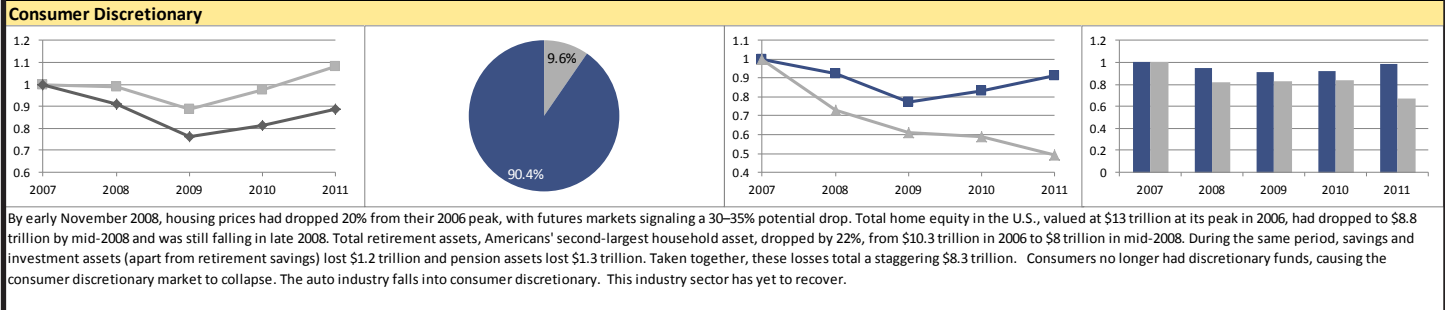
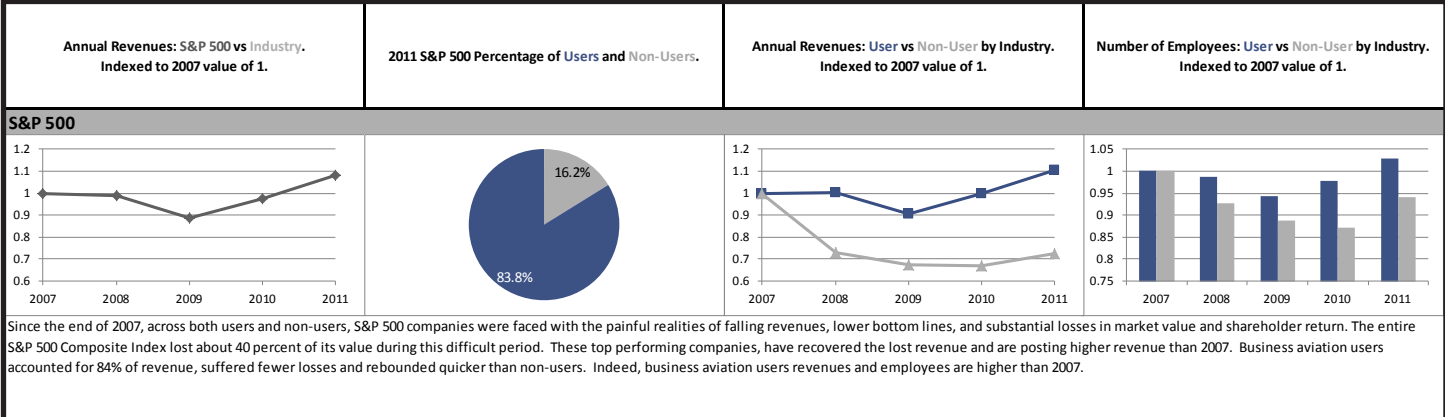
Figure 6 provides a graphic of the UBV framework used for this study. The UBV framework has been discussed in greater detail in the previous NEXA studies, especially *Part I Business Aviation: An Enterprise Value Perspective*. A full discussion of the UBV framework can be found on the NEXA Capital web site: www.nexacapital.com.

Figure 6: UBV Framework

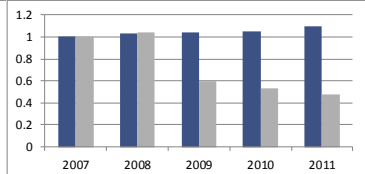
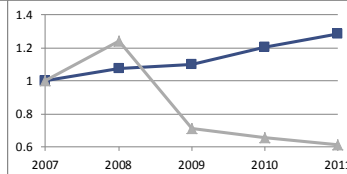
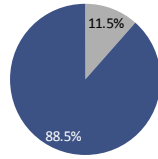
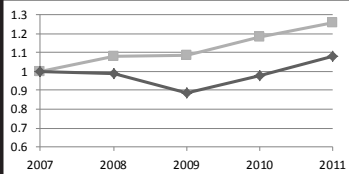




Time series charts show performance values for the entirety of the S&P 500 with user classification based on the status at the time of this study.

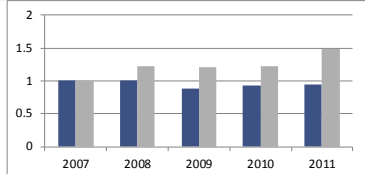
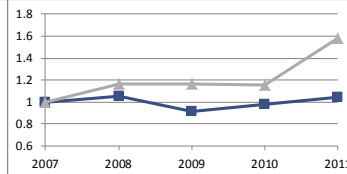
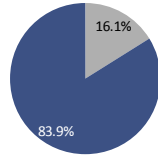
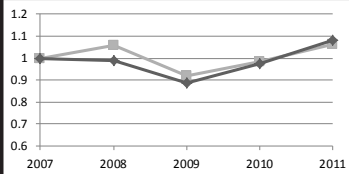


Health Care



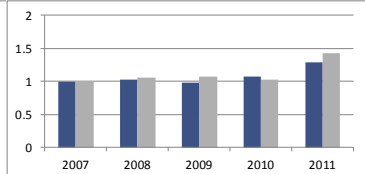
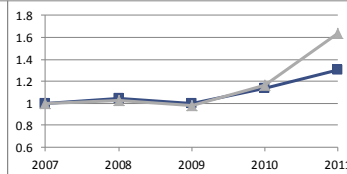
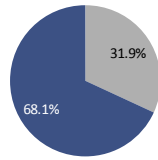
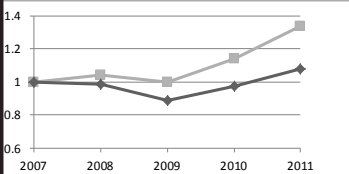
The stellar performer through the Great Recession has been the health care sector. Biopharmaceutical companies, especially Pfizer, Merck, Novartis, and Sanofi, engaged in the discovery, development, manufacture, and sale of medicines for people and animals worldwide, lead the sector.

Industrials



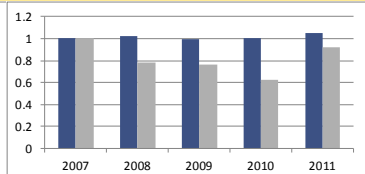
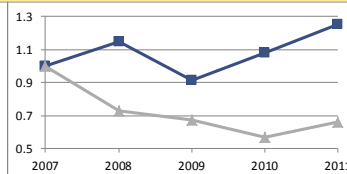
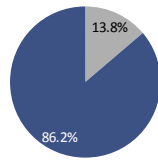
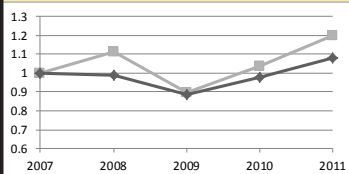
The industrial sector proved to be resilient throughout the Great Recession due to the strong base in defense and aerospace companies including Raytheon, ITT, and Lockheed Martin. Additionally, industrial product manufacturers, including John Deere, contributed to the positive revenue performance. Waste management companies also performed well, including Allied Waste Management and Waste Management, Inc.

Information Technology



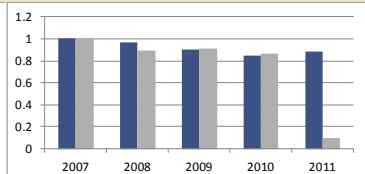
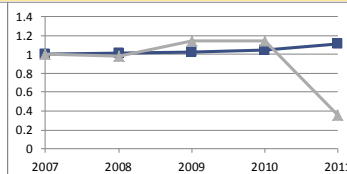
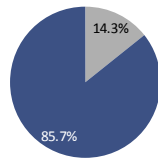
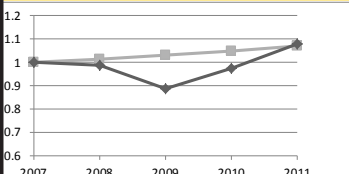
Information technology, like health care, outperformed the general economy. Information technology is the hotbed of innovation. The sector includes Apple's innovative products and leading edge consumer services such as eBay, McAfee, and Netflix. Business services contributing to this sector include Oracle, Paychex, and SAIC.

Materials



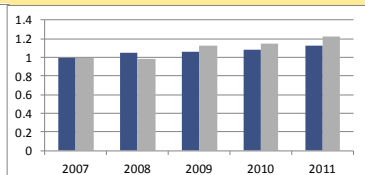
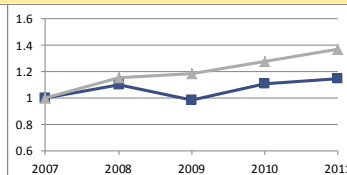
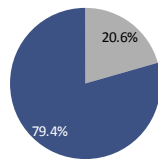
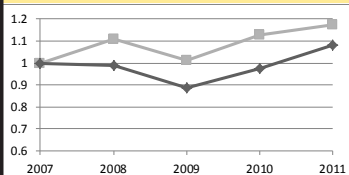
The materials sector also performed well through the Great Recession of 2008. The materials sector includes chemical companies, such as DuPont and Dow; metal production companies such as Alcoa, United States Steel and Vulcan Materials.

Telecommunication Services



The telecommunication sector outperformed the general economy through the Great Recession of 2008. Innovation in smart phones, especially the iPhone, drove the impressive revenue growth. The top 3 telecommunications companies in the S&P500 are AT&T, Verizon, and Sprint/Nextel.

Utilities



Utilities sector outperformed the general economy through the Great Recession. The utilities sector includes public utility holding companies, provides energy delivery services to residential, commercial, and industrial customers. These companies engage in the purchase, delivery, and sale of electricity, plus natural gas distribution systems serving commercial and industrial customers, as well as retail customers for heating, hot water, and cooking needs.

“My territory was the world, and I couldn’t get my job done as effectively if I didn’t have access to John Deere Aviation.”

- Dave Everitt

former President, Agriculture and Turf Division
Deere and Company

Methodology

How does the use of business aircraft affect the practice and outcome of business? That Utilization yields Benefits that yield enterprise Value formed an ingenious basic methodology for our analysis. This “UBV” methodology links the use of business aircraft to the fundamental drivers of a company’s long-term value creation. We built on the prior studies’ analysis and examined how the S&P 500 performed in revenue growth, profit growth and asset efficiency for the period just prior to the Great Recession of 2008, through the Recession of 2008, and into the recovery. We tied business aircraft use to these drivers wherever links were possible. We then researched into S&P 500 companies to confirm our findings through publicly available reports. Lastly, we sought confirmation through an independent cross reference. Using the “Best of” lists, we observed the high degree of participation of business aircraft users among these impressive members. We can confirm that the methodology is robust. Solid conclusions are possible, and can be found herein.

Assumptions

In keeping with the methodology established for Parts I and II of this series, the S&P 500 companies were classified as either “users” or “non-users” of business aircraft. NEXA defined a “user” as any company or its officers authorizing the regular use of aircraft via whole aircraft ownership, fractional aircraft ownership, charter, or any other form of operation as an aid to the conduct of its business and for the benefits of the enterprise.

Our primary source for aircraft data was JETNET, LLC, an industry-accepted and constantly updated repository of aircraft information. The JETNET database includes owner and operator information for more than 60,000 aircraft (fixed and rotary wing) with detailed information on whole aircraft owners, fractional owners, operators, leases, and airframe specifications. NEXA further vetted the JETNET database through a review of additional industry data sources to further verify users of business aircraft. NEXA has made reasonable efforts to identify (1) companies with owners operating aircraft, (2) companies with traditional flight departments, (3) companies owning fractional shares as primary or supplemental lift, and (4) company officers owning aircraft or fractional shares that are operated for business purposes. Note that some companies use “jet cards” or charter aircraft for transportation and are difficult to identify from any public sources. Therefore, NEXA’s estimates of S&P 500 companies using business aircraft can be considered to be conservative.

We considered companies listed on the S&P 500 for the years 2007 through 2011 and included an analysis of companies that were dropped from the S&P 500 or added. We compiled financial performance for the period beginning fiscal year 2007 and ending fiscal year 2011 only for the 405 companies that were continuously on the S&P 500 for the period 2007 through 2011.

“Berkshire has been better off by me having a plane available, to go and do deals or whatever it may be. Net, it’s a plus – we’ve done things I would not have done if we hadn’t had a plane.”

- Warren Buffett
Chief Executive Officer
Berkshire Hathaway

Raw versus Weighted

Among the S&P 500, business aviation users tend to be significantly larger companies than non-users, whether measured by market capitalization or revenues. Our analysis is similar to our previous studies in that it views the results both with and without the effect of firm size.

In order to analyze the effect of firm size, raw or unweighted data analysis is compared to a weighted analysis for each performance metric for both users and non-users. The results from each analysis, raw and weighted, can then be compared by indexing the values in order to show relative changes in performance.

2011 year-end market capitalization was used to capture firm size in the weighted analysis. The size of a company creates certain challenges and opportunities, which ultimately impact the shareholder value drivers analyzed in this study. By comparing the results of each company having equal weights to those with market cap weights, the effects of company size on the various performance metrics is captured.

Certain ratio metrics, such as return on equity (ROE) and return on assets (ROA), achieve similar effects to weighting data by firm size. The intrinsic scaling within these particular metrics provides the ability for direct comparison of results without the need to weight the data. However, fundamental differences between industries and business operations, regarding composition of balance sheet items such as assets and equity, necessitates analyzing results at a more granular level. The results for these metrics are therefore shown by industry.



Bombardier Learjet 70

“A business airplane isn’t a ‘nice to have,’ it’s a ‘have to have.’”

- Zoe Richardson
Public Affairs Director
Union Pacific Railroad

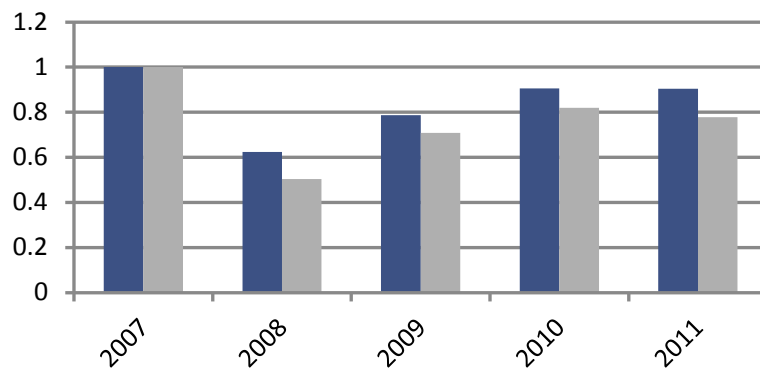
S&P 500 Recession Results: 2007-2012 Business Aviation Users versus Non-user

Shareholder Value

A single share of common stock represents a partial ownership stake in a publicly traded company. Stock price is a good proxy for the market’s opinion of the company’s near-term worth. Stock price adjusts daily as investors and analysts who follow and study the company look for clues to future performance. Investors earn profits by realizing stock appreciation and earning dividends, if offered, on their shares. This total return metric, stock price plus earned dividends, encompasses the shareholder value for an owner.

The market capitalization of a company is determined directly from the shareholder value described above and the number of common shares outstanding. Market capitalization is therefore an important metric when determining the relative shareholder value of companies.

Figure 7: Market Capitalization. Indexed to 2007.



From 2007 to 2011, the S&P 500 lost value for both users and non-users (Figure 7: Market Capitalization). Business aviation users were more resilient to the economic downturn and have since recovered more of their market capitalization compared to non-users.

Drivers of Shareholder Value

In defining the impact of business aviation on shareholder value, we identified the “drivers” of shareholder value in general, and then applied the methodology to our target companies. We performed a statistical analysis that demonstrated a linkage between a company’s financial performance and the value ascribed to it by investors.

The financial shareholder value drivers examined in this study that are reflected by a firm’s market capitalization are revenue, earnings and profitability, asset utilization, asset efficiency, and return on equity.

Revenue Growth

An analysis of “top line” revenue growth indicates a company’s ability to grow, and more importantly, grow faster than a competitor. Revenue growth generally comes from organic growth and from strategic acquisitions and business alliances.

The ability to get in front of new customers can mean winning market share from a competitor, while the ability to respond, often in person, to customer needs correlates strongly with customer retention. The result of a highly mobile executive or sales team is revenue growth. Revenue growth is a good measure of a company’s potential to sustain earnings, and when combined with factors such as asset efficiency, indicates a corporate philosophy of strong re-investment into the company’s core and most profitable businesses.

Figure 8: Revenue Growth

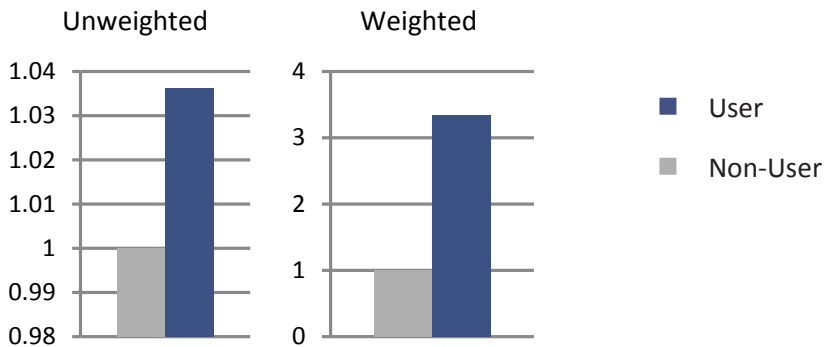


Figure 8: Revenue Growth presents the revenue growth for 405 companies in the S&P 500, which were listed on the S&P 500 for all years (2007-2011). The first chart shows the indexed average compound annual growth rate for revenue between business aviation users and non-users favors users. The second chart presents revenue growth weighted by market capitalization.

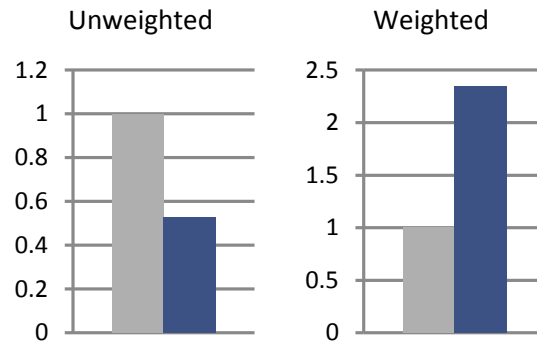
From 2007 to 2011 users of business aircraft grew their top line by a factor of 3.34 more than non-users on a weighted basis. One can conclude that users are stratified into a higher profitability class versus non-users.

Earnings and Profit Growth

Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) is an earnings measure used to understand the financial strength of a company. Growth of EBITDA measures its momentum. Because EBITDA does not include expenses such as interest charges and depreciation, it is often used to understand and measure a company's core operating performance. Growth in this category also shows whether a company is able to contain costs and improve productivity.

Figure 9: EBITDA Growth shows that business aviation users outperformed non-users on a weighted basis, but un-weighted the non-users realized greater EBITDA growth.

Figure 9: EBITDA Growth



The weighted results show that the size of a firm is a significant factor when examining EBITDA through a recession and the early stages of a recovery phase. The larger companies in the S&P 500, most of which are business aviation users, achieved a higher core operating performance as reflected in the weighted EBITDA growth.



Embraer Legacy 500

“The (aviation) department’s 10-year fleet plan has been aligned with Deere’s goal of becoming a \$50 billion corporation.”

- Larrie Dahl
 Director of Global Aviation Services
 Deere and Company

Return on Equity

Outside investors contribute equity capital in exchange for an ownership stake in a company and provide another important resource to grow the business. Firms are judged on their ability to produce returns on this investment equity, and that ability is a key metric to attract new capital. Return on equity tells common shareholders how effectively their money is being deployed. Comparing return on equity (ROE) over time reveals trends in the efficiency of applying equity to generate net income. Further comparisons with industry composites reveal how well a company is holding its own against competitors.

Calculating ROE is straightforward:

$$\text{Return on Equity} = \text{Net Income} / \text{Common Stock Equity}$$

Figure 10: Return on Equity

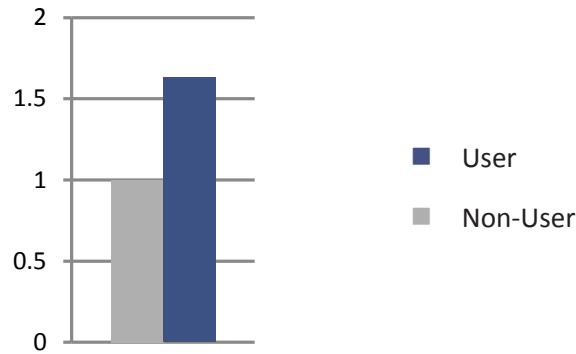
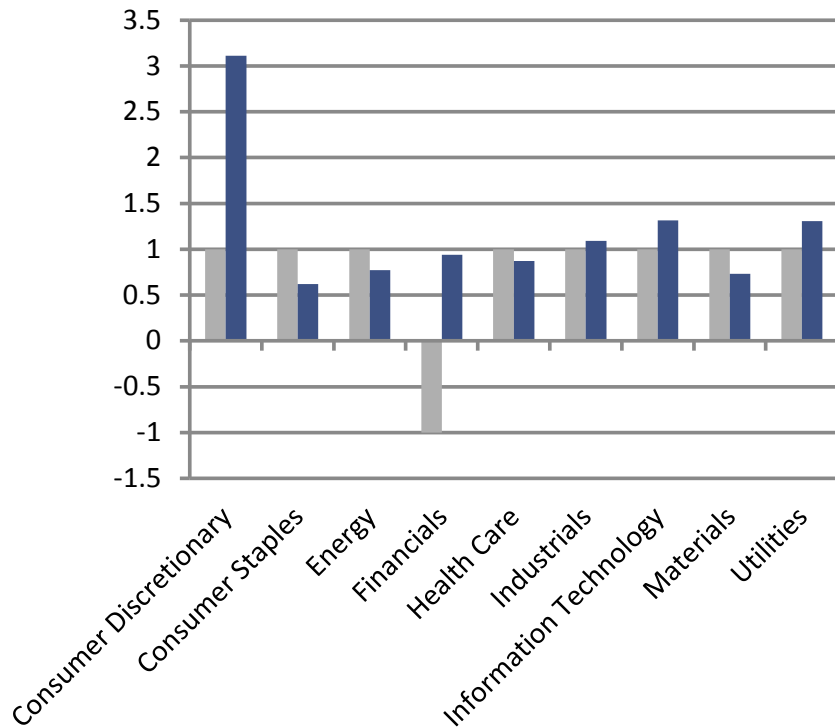


Figure 10: Return on Equity shows that for the 405 companies evaluated in this study, business aviation users are more efficient at using equity capital to generate net income.

Figure 11: ROE by Industry



“We’re using the airplane as a working, flying office to review technical materials and put together a plan.”

- Zoe Richardson
Public Affairs Director
Union Pacific Railroad

Asset Utilization

The final group of financial metrics involved a company’s productive and efficient use of its balance sheet assets to increase both sales and profitability. Asset efficiency (the ratio of sales to average total assets) measures how well a company’s assets are performing. Stated another way, asset efficiency indicates how well a company uses its assets to generate a given level of revenue and profitability. Companies with low profit margins tend to have high asset turnover; that is, reinvestment in new or replacement assets to create the same income level.

In this report, we analyzed improvements in the asset efficiency metric to measure how successful companies were in increasing productivity of assets. The more sales generated from a given investment in assets, the more efficient those assets became. Since the assets are likely to change over the year, our analysis used the average of assets at the beginning and end of each year.

Asset Efficiency or Turnover

The sales-to-asset ratio is known as asset turnover. Asset turnover indicates how efficiently a company’s assets are utilized by measuring the revenue generated per dollar of assets. While this measure can vary by industry, as a general concept companies with high profit margins tend to have low asset turnover, i.e., create the same or higher income level without a large investment in additional assets.

Calculation: Asset Turnover = Revenue / Average Total Assets

Figure 12: Asset Turnover

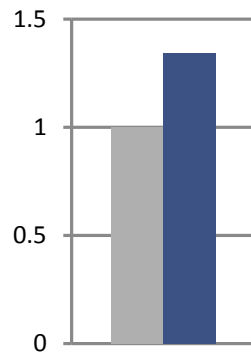


Figure 12: Asset Turnover shows users outperform non-users in terms of asset efficiency.

Return on Assets (ROA)

An asset base can also be measured in its ability to produce “bottom line” earnings. The financial performance of a company can be measured by the ratio of income to total assets.

Calculation: Return on Assets = Net Income / Average Total Assets

The S&P 500 companies are the world’s top performing companies due to the ability to leverage all assets to create revenues, leading to profitability. Business aircraft are one of the assets these companies use to enhance financial performance.

Figure 13: Return on Assets

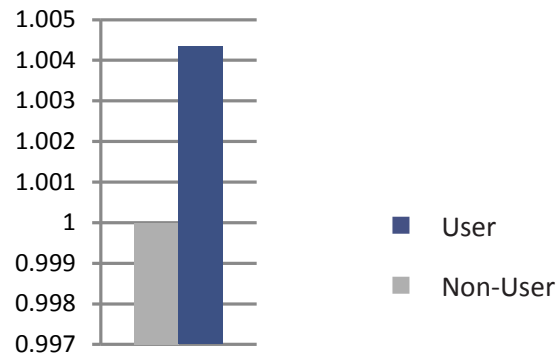
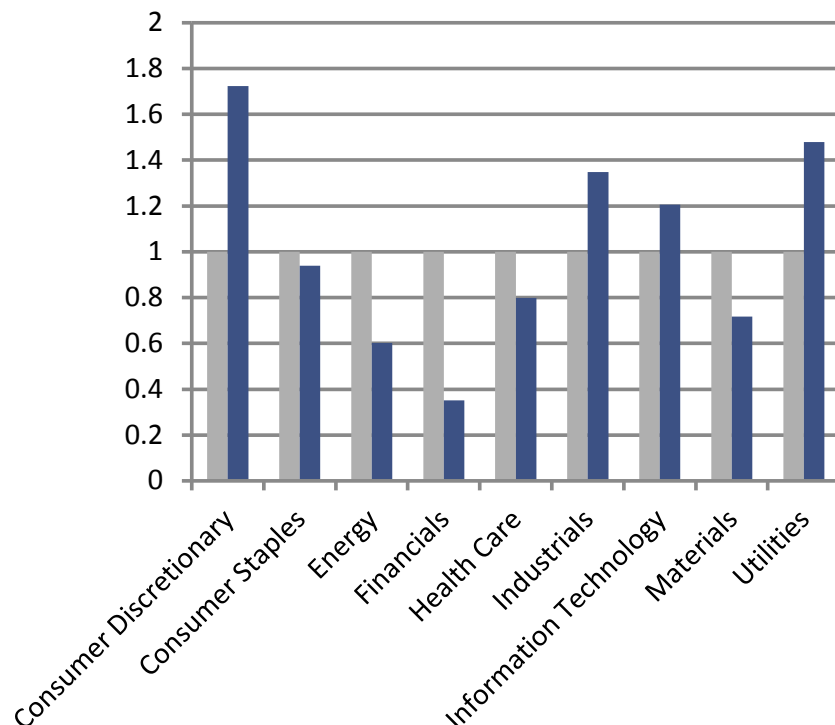


Figure 13: Return on Assets shows that of these top performing companies, business aviation users are able to generate more return on assets than non-users.

Figure 14: ROA by Industry



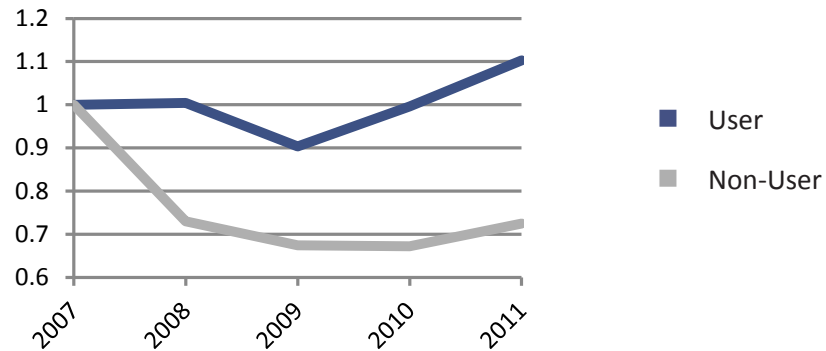
“I originally called my plane indefensible. Today I call it indispensable.”

- Warren Buffett
Chief Executive Officer
Berkshire Hathaway

Enterprise Resiliency

Enterprise resiliency is the positive ability of a company to return to normal operations following a catastrophic event. While the concept of resiliency is most often applied to natural disasters, terrorism, systems failures, power outages, a fire, or similar event, we argue that the concept of enterprise resiliency can also be applied to the ability of an organization to recover from a severe economic event, such as the Great Recession of 2008. Enterprise resiliency can be measured by the speed at which a company returns to revenue growth and profitability.

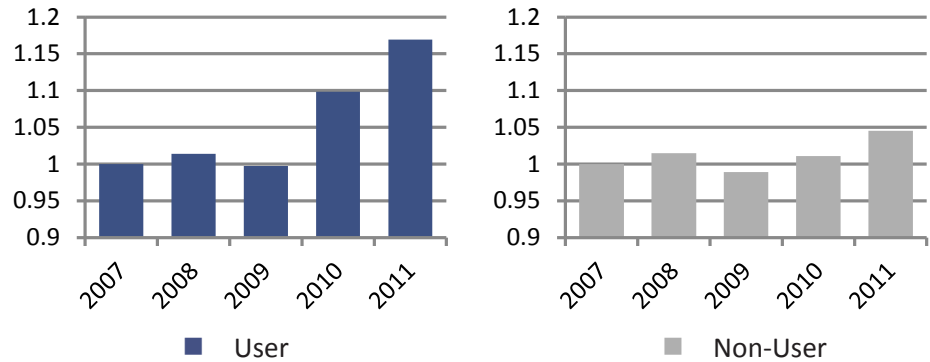
Figure 15: Business Aviation Users are More Resilient



Our results show that companies that use business aviation in the S&P 500 recovered lost revenue more quickly than non-users (Figure 15: Business Aviation Users are More Resilient). Furthermore, business aviation users have more than recovered lost revenue from the Great Recession of 2008, while non-users have yet to recover to 2007 revenue levels.

A second and very telling measure is the return to pre-recession levels of employment. A resilient company will firm up its workforce and return to hiring new employees. Figure 16: User vs. Non-User total employees indexed to 2007 shows that companies using business aviation were more resilient in recovering their workforce than non-users. Business aviation users have exceeded the level of employment in 2007, while non-users returned to employment levels of 2007 at a much slower rate.

Figure 16: User vs. Non-User Total Employees. Indexed to 2007.



Beechcraft King Air

Non-Financial Results

The four key non-financial drivers (customer satisfaction, employee satisfaction, innovation, and risk management and compliance) are usually difficult to quantify as companies are not required to report these numbers. In lieu of a quantitative analysis of these factors through SEC disclosures, we relied on our research and other sources to gauge non-financial performance.

Since enterprise value is market driven and only partly based on financial drivers of shareholder value, the market sets the current share price on near-term future value expectations by investors, stock analysts, and other experts given the complete set of evidence, both financial and non-financial. Some of these perspectives are directly shaped by management statements, company plans and promotional materials, and competitor information as well.

As a surrogate, we chose to use several “Best of the Best” lists (Table 2). In doing so, we found in 2012 that:

- For the “50 Most Innovative Companies,” a compilation produced by *BusinessWeek*, 30 S&P 500 companies made the list. 100 percent were business aircraft users.
- For the “100 Best Places to Work,” a compilation produced by *Fortune*, 32 S&P 500 companies made the list. Of these, 91 percent were business aircraft users.
- For the “25 Best Customer Service Corporations,” a compilation produced by *BusinessWeek*, 8 S&P 500 companies made the list. 100 percent were business aircraft users.
- For the “100 Best Brands,” a compilation produced by *BusinessWeek*, 48 S&P 500 companies made the list. Of these, 96 percent were business aircraft users.
- For the “50 Most Admired” companies, a compilation produced by *Fortune*, 43 S&P 500 companies made the list. Of these, 95 percent were business aircraft users.
- Finally, for the “100 Best Corporate Citizens,” a compilation produced by *The CRO*, 98 S&P companies made the list. Of these, 94 percent were business aircraft users.

"We think it's time the other side of the story be told, and that support be given to those businesses with the good judgment and courage to use business aviation to not only help their businesses survive the current financial crisis, but more quickly forge a path toward an economic upturn."

- Jack Pelton
former President & CEO, Cessna
Wall Street Journal

Table 2: Best of the Best

	50 Most Innovative Companies <i>Business Week 2012</i>	100 Best Places to Work <i>Fortune 2012</i>	25 Best Customer Service <i>Business Week 2012</i>	100 Best Brands <i>Business Week 2012</i>	50 World's Most Admired <i>Fortune 2012</i>	100 Best Corporate Citizens <i>The CRO 2012</i>
	100%	91%	100%	96%	95%	94%
#	Enterprise	Enterprise	Enterprise	Enterprise	Enterprise	Enterprise
1	Apple	Google	USAA	Coca-Cola	Apple	Bristol Myers-Squibb Co
2	Google	Boston Consulting Group	L.L. Bean	Microsoft	Google	International Business Machines Corp
3	Toyota Motor	SAS Institute	Fairmont Hotels & Resorts	IBM	Amazon.com	Microsoft Corporation
4	General Electric	Wegmans Food Markets	Lexus	GE	Coca-Cola	Intel Corp
5	Microsoft	Edward Jones	Trader Joe's	Nokia	IBM	Johnson Controls Inc
6	Tata Group	NetApp	Starbucks	Toyota	FedEx	Accenture plc
7	Nintendo	Camden Property Trust	JetBlue Airways	Intel	Berkshire Hathaway	Spectra Energy Corp
8	Procter & Gamble	Recreational Equipment (REI)	Edw and Jones	McDonalds	Starbucks	Campbell Soup Co
9	Sony	CHG Healthcare Services	Land's End	Disney	Procter & Gamble	Nike, Inc
10	Nokia	Quicken Loans	Ace Hardware	Mercedes Benz	Southwest Airlines	Freeport-McMoran Copper & Gold Inc
11	Amazon.com	Zappos.com	Lincoln	Citi	McDonald's	Sara Lee Corp
12	IBM	Mercedes-Benz USA	The Ritz-Carlton	HP	Johnson & Johnson	Mattel, Inc
13	Research in Motion	DPH Construction	Amica	BMW	Walt Disney	Gap, Inc
14	BMW	DreamWorks Animation SKG	Enterprise Rent-A-Car	Marlboro(Altria)	BMW	Cocoa-Cola Co
15	Hewlett-Packard	NuStar Energy	Publix Super Markets	American Express	General Electric	Altria Group Inc
16	Honda Motor	Kimpton Hotels & Restaurants	Nordstrom	Gillette	American Express	McGraw-Hill Cos., Inc
17	Walt Disney	JM Family Enterprises	Southwest Airlines	Louis Vuitton	Microsoft	Eaton Corp
18	General Motors	Chesapeake Energy	Wachovia	Cisco	3M	Kimberly-Clark Corp
19	Reliance Industries	Intuit	Smith Barney	Honda	Caterpillar	Hormel Foods Corp
20	Boeing	USAA	Cadillac	Google	Costco Wholesale	Abbott Laboratories
21	Goldman Sachs Group	Robert W. Baird	Apple	Samsung	Nordstrom	International Page Co
22	3M	The Container Store	Chick-fil-A	Merrill Lynch	J.P Morgan Chase	Pepsico Inc
23	Wal-Mart Stores	Qualcomm	Amazon.com	HSBC	Singapore Airlines	Hasbro, Inc
24	Target	Alston & Bird	JW Marriott Hotels & Resorts	Nescafe	Wal-Mart Stores	Starbucks Corp
25	Facebook	Ultimate Software	True Value	Sony	Target	Texas Instruments Inc
26	Samsung Electronics	Burns & McDonnell		Pepsi	Nike	Procter & Gamble Co
27	AT&T	Salesforce.com		Oracle	Exxon Mobil	Hewlett-Packard Co
28	Vigin Group	Devon Energy		UPS	Whole Foods Market	Mosaic Company
29	Audi	PCL Construction		Nike	UPS	3M Co
30	McDonald's	Bingham McCutchen		Budweiser	Boeing	E.I. DuPont De Numours & Co
31	Daimler	Scotttrade		Dell	Nestlé	Northeast Utilities
32	Starbucks	Whole Foods Market		JPMorgan	PepsiCo	Xerox Corp
33	eBay	Goldman Sachs		Apple	Toyota Motor	AT&T, Inc
34	Verizon Communications	Nugget Market		SAP	Samsung Electronics	Dow Chemical Co
35	Cisco Systems	Millennium: The Takeda Oncology Co.		Goldman Sachs	Volkswagen	Duke Energy Corp
36	ING Groep	Southern Ohio Medical Center		Canon	Intel	Johnson & Johnson
37	Singapore Airlines	Plante Moran		Morgan Stanley	DuPont	Dell Inc
38	Siemens	W.L. Gore & Associates		Ikea	Deere	PG&E Corp
39	Costco Wholesale	St. Jude Children's Hospital		UBS	Goldman Sachs Group	Consolidated Edison, Inc
40	HSBC	SVB Financial Group		Kellogg's	Marriott International	Chevron Corp
41	Bank of America	Adobe		Ford	eBay	Walt Disney Co
42	Exxon Mobile	Baptist Health South Florida		Philips	Cisco Systems	Newmont Mining Corp
43	News Corp.	Novo Nordisk		Siemens	Accenture	Cisco Systems, Inc
44	BP	Balfour Beatty Construction		Nintendo	Daimler	General Mills, Inc
45	Nike	National Instruments		Harley Davidson	Wells Fargo	Occidental Petroleum Corp
46	Dell	Intel		Gucci	AT&T	Merk & Co., Inc
47	Vodafone Group	American Fidelity Assurance		AIG	Ralph Lauren	EMC Corp
48	Intel	PricewaterhouseCoopers		eBay	St. Jude Medical	United Parcel Services, Inc
49	Southwest Airlines	Children's Healthcare of Atlanta		AXA	Oracle	Staples, Inc
50	American Express	World Wide Technology		Accenture	General Mills*	Medtronic, Inc
51		Allianz Life Insurance		L'Oreal	Honda Motor*	Constellation Energy Group, Inc
52		Autodesk		MTV	Unilever*	Carnival Corp
53		Methodist Hospital		Heinz		Air Products & Chemicals Inc
54		Barker Donelson		Volkswagen		Phillips-Van Heusen Corp
55		Men's Wearhouse		Yahoo!		Hess Corporation
56		Scripps Health		Xerox		JPMorgan Chase & Co
57		Marriott International		Colgate		Verizon Communications
58		Perkins Coie		Chanel		Baxter International Inc
59		Ernst & Young		Wrigley		Colgate-Palmolive Co
60		American Express		KFC		Weyerhaeuser Co
61		Nordstrom		Gap		TJX Companies, Inc
62		Build-A-Bear Workshop		Amazon.com		Darden Restaurants, Inc
63		General Mills		Nestle		Alcoa Inc
64		TDIndustries		Zara		Target Corp
65		Atlantic Health		Avon		Time Warner Inc
66		QuikTrip		Caterpillar		Pinnacle West Capital Corp
67		Deloitte		Danone		Boeing Co
68		Genentech		Audi		Lexmark International, Inc
69		Umpqua Bank		Adidas		Whirlpool Corp
70		Teach For America		Kleenex		Sempra Energy
71		Mayo Clinic		Rolex		Ford Motor Co
72		EOG Resources		Hyundai		ITT Corporation
73		Starbucks		Hermes		General Electric Co
74		Rackspace Hosting		Pizza Hut		Marathon Oil Corporation
75		FactSet Research Systems		Porsche		Sonoco Products Co
76		Microsoft		Reuters		Oracle Corp
77		Aflac		Motorola		Motorola Solutions
78		Publix Super Markets		Panasonic		Baker Hughes Inc
79		Mattel		Tiffany & Co.		Wyndham Worldwide Corporation
80		Stryker		Allianz		Wells Fargo & Co
81		SRC		ING		Cummings Inc
82		Hasbro		Kodak		Wisconsin Energy Crop
83		Bright Horizons Family Soutions		Cartier		State Street Corp
84		Booz Allen Hamilton		BP		Dominion Resources Inc
85		Four Seasons Hotels & Resorts		Moet & Chandon		Symantec Corp
86		Hitachi Data Systems		Kraft		Brown-Forman Corp
87		The Everett Clinic		Hennessy		Rockwell Automation Inc
88		OhioHealth		Starbucks		Kellogg Co
89		Morningstar		Duracell		Cabot Corp
90		Cisco		Johnson & Johnson		Tyson Foods, Inc
91		Carmax		Smirnoff		ConcoPhillips
92		Accenture		Lexus		Applied Materials Inc
93		GoDaddy.com		Shell		ConAgra Foods, Inc
94		KPMG		Prada		ManpowerGroup
95		Navy Federal Credit Union		Burberry		CVS Caremark Corp
96		Meridian Health		Nivea		Unitedhealth Group Inc
97		Schweitzer Engineering Labs		LG		Clorox Co
98		Capital One		Nissan		Best Buy Co. Inc
99		Darden Restaurants		Polo Ralph Lauren		CSX Corp
100		Intercontinental Hotels Group		Hertz		Marriott International, Inc



Bombardier Challenger 300

Our Findings

Our analysis of the key financial metrics found that business aviation users weathered the Great Recession of 2008 far better than non-users. Among the S&P 500, business aviation users outperformed non-users in every performance category we examined.

Contextual quotations provided in this study provide anecdotal evidence that companies that use business aviation directly tie the use of business aviation to the success of their enterprises. Our research found that companies correlate business aircraft contribution to business performance. The John Deere Company directly correlated the business aircraft fleet to the company's growth strategies. "The (aviation) department's 10-year fleet plan has been aligned with Deere's goal of becoming a \$50 billion corporation" according to Larrie Dahl, Director of Global Aviation Services, Deere and Company.

Our "Best of the Best" analysis once again finds that companies that use business aviation stand out from their peers as measured independently by leading business authorities, including *BusinessWeek*, *Fortune*, and *The CRO*. Companies using business aviation overwhelmingly take top honors in innovation, employee satisfaction, customer service, and corporate responsibility. Importantly, business aviation users rank at the top in the listing of the 100 best brands.

This study provides persuasive evidence based on our S&P 500 analysis and research strongly correlating business aircraft benefits with organizational resiliency.

Conclusions

Our central finding is that the benefits of business aviation are measurable and significant, especially during times of economic turmoil and recession.

These results simplify an extremely complex economic environment and are not intended to suggest that the use of business aircraft guarantees positive financial results or that their use is appropriate in all circumstances. However, we conclude that business aviation is unequivocally a potent business tool for U.S. companies and these assets provide for organizational resiliency, in addition to domestic and international competitive advantage. In many cases, the use of business aircraft distinguishes successful companies from their peers.

This report carries a powerful message to corporate boards, government policy makers and industry leaders: **Business aviation is a tool that provides a unique ability for American companies to respond to severe economic downturns.** In its unique role, business aviation is without substitute.

We found strong interdependencies between an organization's aircraft utilization strategies, associated benefits, and key drivers of organizational resiliency. Further, when used wisely and aggressively, business aircraft can help a company's business performance through tough economic conditions.

"For a lot of companies, including Union Pacific, business airplanes are necessary to make sure our business is done right."

- Zoe Richardson
Public Affairs Director
Union Pacific Railroad

Companies within the Standard & Poor's 500 Analyzed

#	Ticker	Industry	Company	#	Ticker	Industry	Company
1	MMM	Industrials	3M CO	101	COP	Energy	CONOCOPHILLIPS
2	ABT	Health Care	ABBOTT LABORATORIES	102	CNX	Energy	CONSOL ENERGY INC
3	ANF	Consumer Discretionary	ABERCROMBIE & FITCH -CL A	103	ED	Utilities	CONSOLIDATED EDISON INC
4	ADBE	Information Technology	ADOBE SYSTEMS INC	104	STZ	Consumer Staples	CONSTELLATION BRANDS -CL A
5	AMD	Information Technology	ADVANCED MICRO DEVICES	105	CEG	Energy	CONSTELLATION ENERGY GRP INC
6	AES	Utilities	AES CORP	106	GLW	Industrials	CORNING INC
7	AET	Health Care	AETNA INC	107	COST	Consumer Staples	COSTCO WHOLESALE CORP
8	AFL	Financials	AFLAC INC	108	CVH	Health Care	COVENTRY HEALTH CARE INC
9	A	Health Care	AGILENT TECHNOLOGIES INC	109	CSX	Industrials	CSX CORP
10	APD	Materials	AIR PRODUCTS & CHEMICALS INC	110	CMI	Industrials	CUMMINS INC
11	AKAM	Information Technology	AKAMAI TECHNOLOGIES INC	111	CVS	Consumer Staples	CVS CAREMARK CORP
12	AA	Materials	ALCOA INC	112	DHI	Consumer Discretionary	D R HORTON INC
13	ATI	Materials	ALLEGHENY TECHNOLOGIES INC	113	DHR	Industrials	DANAHER CORP
14	AGN	Health Care	ALLERGAN INC	114	DRI	Consumer Discretionary	DARDEN RESTAURANTS INC
15	ALL	Financials	ALLSTATE CORP	115	DF	Consumer Staples	DEAN FOODS CO
16	ALTR	Information Technology	ALTERA CORP	116	DE	Industrials	DEERE & CO
17	MO	Consumer Staples	ALTRIA GROUP INC	117	DELL	Information Technology	DELL INC
18	AMZN	Consumer Discretionary	AMAZON.COM INC	118	DVN	Energy	DEVON ENERGY CORP
19	AEE	Utilities	AMEREN CORP	119	DTV	Consumer Discretionary	DIRECTV
20	AEP	Utilities	AMERICAN ELECTRIC POWER CO	120	DFS	Financials	DISCOVER FINANCIAL SVCS INC
21	AXP	Financials	AMERICAN EXPRESS CO	121	DIS	Consumer Discretionary	DISNEY (WALT) CO
22	AIG	Financials	AMERICAN INTERNATIONAL GROUP	122	D	Utilities	DOMINION RESOURCES INC
23	AMT	Financials	AMERICAN TOWER CORP	123	RRD	Industrials	DONNELLEY (R R) & SONS CO
24	AMP	Financials	AMERIPRISE FINANCIAL INC	124	DOV	Industrials	DOVER CORP
25	ABC	Health Care	AMERISOURCEBERGEN CORP	125	DOW	Materials	DOW CHEMICAL
26	AMGN	Health Care	AMGEN INC	126	DTE	Utilities	DTE ENERGY CO
27	APC	Energy	ANADARKO PETROLEUM CORP	127	DD	Materials	DU PONT (E I) DE NEMOURS
28	ADI	Information Technology	ANALOG DEVICES	128	DUK	Utilities	DUKE ENERGY CORP
29	AON	Financials	AON PLC	129	ETFC	Financials	E TRADE FINANCIAL CORP
30	APA	Energy	APACHE CORP	130	EMN	Materials	EASTMAN CHEMICAL CO
31	AIV	Financials	APARTMENT INVST & MGMT CO	131	ETN	Industrials	EATON CORP
32	APOL	Consumer Discretionary	APOLLO GROUP INC -CL A	132	EBAY	Information Technology	EBAY INC
33	AAPL	Information Technology	APPLE INC	133	ECL	Materials	ECOLAB INC
34	AMAT	Information Technology	APPLIED MATERIALS INC	134	EIX	Utilities	EDISON INTERNATIONAL
35	ADM	Consumer Staples	ARCHER-DANIELS-MIDLAND CO	135	EP	Energy	EL PASO CORP
36	AIZ	Financials	ASSURANT INC	136	EA	Information Technology	ELECTRONIC ARTS INC
37	T	Telecommunications Services	AT&T INC	137	EMC	Information Technology	EMC CORP/MA
38	ADSK	Information Technology	AUTODESK INC	138	EMR	Industrials	EMERSON ELECTRIC CO
39	ADP	Information Technology	AUTOMATIC DATA PROCESSING	139	ETR	Utilities	ENTERGY CORP
40	AN	Consumer Discretionary	AUTONATION INC	140	EOG	Energy	EOG RESOURCES INC
41	AZO	Consumer Discretionary	AUTOTZONE INC	141	EFX	Financials	EQUIFAX INC
42	AVB	Financials	AVALONBAY COMMUNITIES INC	142	EQR	Financials	EQUITY RESIDENTIAL
43	AVY	Industrials	AVERY DENNISON CORP	143	EXC	Utilities	EXELON CORP
44	AVP	Consumer Staples	AVON PRODUCTS	144	EXPE	Consumer Discretionary	EXPEDIA INC
45	BHI	Energy	BAKER HUGHES INC	145	EXPD	Industrials	EXPEDITORS INTL WASH INC
46	BLL	Materials	BALL CORP	146	ESRX	Health Care	EXPRESS SCRIPTS HOLDING CO
47	BAC	Financials	BANK OF AMERICA CORP	147	XOM	Energy	EXXON MOBIL CORP
48	BK	Financials	BANK OF NEW YORK MELLON CORP	148	FDO	Consumer Discretionary	FAMILY DOLLAR STORES
49	BCR	Health Care	BARD (C.R.) INC	149	FII	Financials	FEDERATED INVESTORS INC
50	BAX	Health Care	BAXTER INTERNATIONAL INC	150	FDX	Industrials	FEDEX CORP
51	BBT	Financials	BB&T CORP	151	FIS	Information Technology	FIDELITY NATIONAL INFO SVCS
52	BEAM	Consumer Discretionary	BEAM INC	152	FITB	Financials	FIFTH THIRD BANCORP
53	BDX	Health Care	BECTON DICKINSON & CO	153	FHN	Financials	FIRST HORIZON NATIONAL CORP
54	BBBY	Consumer Discretionary	BED BATH & BEYOND INC	154	FE	Utilities	FIRSTENERGY CORP
55	BMS	Materials	BEMIS CO INC	155	FISV	Information Technology	FISERV INC
56	BBY	Consumer Discretionary	BEST BUY CO INC	156	FLR	Industrials	FLUOR CORP
57	BIG	Consumer Discretionary	BIG LOTS INC	157	F	Consumer Discretionary	FORD MOTOR CO
58	BIIB	Health Care	BIOGEN IDEC INC	158	FRX	Health Care	FOREST LABORATORIES -CL A
59	HRB	Consumer Discretionary	BLOCK H & P INC	159	BEN	Financials	FRANKLIN RESOURCES INC
60	BMC	Information Technology	BMC SOFTWARE INC	160	FCX	Materials	FREEMORE-MCMORAN COP&GOLD
61	BA	Industrials	BOEING CO	161	FTR	Telecommunications Services	FRONTIER COMMUNICATIONS CORP
62	BXP	Financials	BOSTON PROPERTIES INC	162	GME	Consumer Discretionary	GAMESTOP CORP
63	BSX	Health Care	BOSTON SCIENTIFIC CORP	163	GCI	Consumer Discretionary	GANNETT CO
64	BMY	Health Care	BRISTOL-MYERS SQUIBB CO	164	GPS	Consumer Discretionary	GAP INC
65	BRCM	Information Technology	BROADCOM CORP -CL A	165	GD	Industrials	GENERAL DYNAMICS CORP
66	BF.B	Consumer Staples	BROWN-FORMAN -CL B	166	GE	Industrials	GENERAL ELECTRIC CO
67	CHRW	Industrials	C H ROBINSON WORLDWIDE INC	167	GIS	Consumer Staples	GENERAL MILLS INC
68	CA	Information Technology	CA INC	168	GPC	Consumer Discretionary	GENUINE PARTS CO
69	CPB	Consumer Staples	CAMPBELL SOUP CO	169	GNW	Financials	GENWORTH FINANCIAL INC
70	COF	Financials	CAPITAL ONE FINANCIAL CORP	170	GILD	Health Care	GILEAD SCIENCES INC
71	CAH	Health Care	CARDINAL HEALTH INC	171	GS	Financials	GOLDMAN SACHS GROUP INC
72	CCL	Consumer Discretionary	CARNIVAL CORP/PLC (USA)	172	GR	Industrials	GOODRICH CORP
73	CAT	Industrials	CATERPILLAR INC	173	GT	Consumer Discretionary	GOODYEAR TIRE & RUBBER CO
74	CBG	Financials	CBRE GROUP INC	174	GOOG	Information Technology	GOOGLE INC
75	CBS	Consumer Discretionary	CBS CORP	175	GWV	Industrials	GRAINGER (W W) INC
76	CELG	Health Care	CELGENE CORP	176	HAL	Energy	HALLIBURTON CO
77	CNP	Utilities	CENTERPOINT ENERGY INC	177	HOG	Consumer Discretionary	HARLEY-DAVIDSON INC
78	CTL	Telecommunications Services	CENTURYLINK INC	178	HAR	Consumer Discretionary	HARMAN INTERNATIONAL INDS
79	CHK	Energy	CHESAPEAKE ENERGY CORP	179	HIG	Financials	HARTFORD FINANCIAL SERVICES
80	CVX	Energy	CHEVRON CORP	180	HAS	Consumer Discretionary	HASBRO INC
81	CB	Financials	CHUBB CORP	181	HNZ	Consumer Staples	HEINZ (H J) CO
82	CI	Health Care	CIGNA CORP	182	HSY	Consumer Staples	HERSHEY CO
83	CINF	Financials	CINCINNATI FINANCIAL CORP	183	HES	Energy	HESS CORP
84	CTAS	Industrials	CINTAS CORP	184	HPQ	Information Technology	HEWLETT-PACKARD CO
85	CSCO	Information Technology	CISCO SYSTEMS INC	185	HSH	Consumer Staples	HILLSHIRE BRANDS CO
86	C	Financials	CITIGROUP INC	186	HD	Consumer Discretionary	HOME DEPOT INC
87	CTXS	Information Technology	CITRIX SYSTEMS INC	187	HON	Industrials	HONEYWELL INTERNATIONAL INC
88	CLX	Consumer Staples	CLOROX CO/DE	188	HSP	Health Care	HOSPIRA INC
89	CME	Financials	CME GROUP INC	189	HST	Financials	HOST HOTELS & RESORTS INC
90	CMS	Utilities	CMS ENERGY CORP	190	HCBK	Financials	HUDSON CITY BANCORP INC
91	COH	Consumer Discretionary	COACH INC	191	HUM	Health Care	HUMANA INC
92	KO	Consumer Staples	COCA-COLA CO	192	HBAN	Financials	HUNTINGTON BANCSHARES
93	CCE	Consumer Staples	COCA-COLA ENTERPRISES INC	193	ITW	Industrials	ILLINOIS TOOL WORKS
94	CTSH	Information Technology	COGNIZANT TECH SOLUTIONS	194	TEG	Utilities	INTEGRYS ENERGY GROUP INC
95	CL	Consumer Staples	COLGATE-PALMOLIVE CO	195	INTC	Information Technology	INTEL CORP
96	CMCSA	Consumer Discretionary	COMCAST CORP	196	ICE	Financials	INTERCONTINENTALEXCHANGE INC
97	CMA	Financials	COMERICA INC	197	IPG	Consumer Discretionary	INTERPUBLIC GROUP OF COS
98	CSC	Information Technology	COMPUTER SCIENCES CORP	198	IBM	Information Technology	INTL BUSINESS MACHINES CORP
99	CPWR	Information Technology	COMPUWARE CORP	199	IFF	Materials	INTL FLAVORS & FRAGRANCES
100	CAG	Consumer Staples	CONAGRA FOODS INC	200	IGT	Consumer Discretionary	INTL GAME TECHNOLOGY
				201	IP	Materials	INTL PAPER CO

For this study, NEXA Advisors, LLC compiled fleet, financial performance and share price information for the period 2007-2011 for 405 companies, which were listed on the S&P 500 for the entire period.

202	INTU	Information Technology	INTUIT INC	304	PG	Consumer Staples	PROCTER & GAMBLE CO
203	IBL	Information Technology	JABIL CIRCUIT INC	305	PGN	Utilities	PROGRESS ENERGY INC
204	JEC	Industrials	JACOBS ENGINEERING GROUP INC	306	PGR	Financials	PROGRESSIVE CORP-OHIO
205	JDSU	Information Technology	JDS UNIPHASE CORP	307	PLD	Financials	PROLOGIS INC
206	JNJ	Health Care	JOHNSON & JOHNSON	308	PRU	Financials	PRUDENTIAL FINANCIAL INC
207	JCI	Consumer Discretionary	JOHNSON CONTROLS INC	309	PEG	Utilities	PUBLIC SERVICE ENTRP GRP INC
208	JPM	Financials	JPMORGAN CHASE & CO	310	PSA	Financials	PUBLIC STORAGE
209	JNPR	Information Technology	JUNIPER NETWORKS INC	311	PHM	Consumer Discretionary	PULTEGROUP INC
210	K	Consumer Staples	KELLOGG CO	312	QCOM	Information Technology	QUALCOMM INC
211	KEY	Financials	KEYCORP	313	DGX	Health Care	QUEST DIAGNOSTICS INC
212	KMB	Consumer Staples	KIMBERLY-CLARK CORP	314	RL	Consumer Discretionary	RALPH LAUREN CORP
213	KIM	Financials	KIMCO REALTY CORP	315	RRC	Energy	RANGE RESOURCES CORP
214	KLAC	Information Technology	KLA-TENCOR CORP	316	RTN	Industrials	RAYTHEON CO
215	KSS	Consumer Discretionary	KOHL'S CORP	317	RF	Financials	REGIONS FINANCIAL CORP
216	KFT	Consumer Staples	KRAFT FOODS INC	318	RAI	Consumer Staples	REYNOLDS AMERICAN INC
217	KR	Consumer Staples	KROGER CO	319	RHI	Industrials	ROBERT HALF INTL INC
218	LLL	Industrials	L-3 COMMUNICATIONS HLDGS INC	320	ROK	Industrials	ROCKWELL AUTOMATION
219	LH	Health Care	LABORATORY CP OF AMER HLDGS	321	COL	Industrials	ROCKWELL COLLINS INC
220	EL	Consumer Staples	LAUDER (ESTEE) COS INC-CL A	322	RDC	Energy	ROWAN COS PLC
221	LM	Financials	LEGG MASON INC	323	R	Industrials	RYDER SYSTEM INC
222	LEG	Consumer Discretionary	LEGGETT & PLATT INC	324	SWY	Consumer Staples	SAFeway INC
223	LEN	Consumer Discretionary	LENNAR CORP	325	SNDK	Information Technology	SANDISK CORP
224	LUX	Financials	LEUCADIA NATIONAL CORP	326	SLB	Energy	SCHLUMBERGER LTD
225	LXK	Information Technology	LEXMARK INTL INC -CL A	327	SCHW	Financials	SCHWAB (CHARLES) CORP
226	LLY	Health Care	LILLY (ELI) & CO	328	SEE	Materials	SEALED AIR CORP
227	LTD	Consumer Discretionary	LIMITED BRANDS INC	329	SHLD	Consumer Discretionary	SEARS HOLDINGS CORP
228	LNC	Financials	LINCOLN NATIONAL CORP	330	SRE	Utilities	SEMPRA ENERGY
229	LTC	Information Technology	LINEAR TECHNOLOGY CORP	331	SHW	Consumer Discretionary	SHERWIN-WILLIAMS CO
230	LMT	Industrials	LOCKHEED MARTIN CORP	332	SIAL	Materials	SIGMA-ALDRICH CORP
231	L	Financials	LOEWS CORP	333	SPG	Financials	SIMON PROPERTY GROUP INC
232	LOW	Consumer Discretionary	LOWE'S COMPANIES INC	334	SLM	Financials	SLM CORP
233	LSI	Information Technology	LSI CORP	335	SNA	Consumer Discretionary	SNAP-ON INC
234	MTB	Financials	M & T BANK CORP	336	SO	Utilities	SOUTHERN CO
235	M	Consumer Discretionary	MACY'S INC	337	LUV	Industrials	SOUTHWEST AIRLINES
236	MRO	Energy	MARATHON OIL CORP	338	SE	Energy	SPECTRA ENERGY CORP
237	MAR	Consumer Discretionary	MARRIOTT INTL INC	339	S	Telecommunications Services	SPRINT NEXTEL CORP
238	MMC	Financials	MARSH & MCLENNAN COS	340	STJ	Health Care	ST JUDE MEDICAL INC
239	MAS	Industrials	MASCO CORP	341	SWK	Consumer Discretionary	STANLEY BLACK & DECKER INC
240	MAT	Consumer Discretionary	MATTEL INC	342	SPLS	Consumer Discretionary	STAPLES INC
241	MKC	Consumer Staples	MCCORMICK & CO INC	343	SBUX	Consumer Discretionary	STARBUCKS CORP
242	MCD	Consumer Discretionary	MCDONALD'S CORP	344	HOT	Consumer Discretionary	STARWOOD HOTELS&RESORTS WRLD
243	MHP	Consumer Discretionary	MCGRAW-HILL COMPANIES	345	STT	Financials	STATE STREET CORP
244	MCK	Health Care	MCKESSON CORP	346	SYK	Health Care	STRYKER CORP
245	MWV	Materials	MEADWESTVACO CORP	347	SUN	Energy	SUNOCO INC
246	MHS	Health Care	MEDCO HEALTH SOLUTIONS INC	348	STI	Financials	SUNTRUST BANKS INC
247	MDT	Health Care	MEDTRONIC INC	349	SVU	Consumer Staples	SUPERVALU INC
248	MRK	Health Care	MERCK & CO	350	SYMC	Information Technology	SYMANTEC CORP
249	MET	Financials	METLIFE INC	351	SY	Consumer Staples	SYSCO CORP
250	MCHP	Information Technology	MICROCHIP TECHNOLOGY INC	352	TGT	Consumer Discretionary	TARGET CORP
251	MU	Information Technology	MICRON TECHNOLOGY INC	353	TE	Utilities	TECO ENERGY INC
252	MSFT	Information Technology	MICROSOFT CORP	354	THC	Health Care	TENET HEALTHCARE CORP
253	MOLX	Information Technology	MOLEX INC	355	TDC	Information Technology	TERADATA CORP
254	TAP	Consumer Staples	MOLSON COORS BREWING CO	356	TER	Information Technology	TERADYNE INC
255	MON	Materials	MONSANTO CO	357	TSO	Energy	TESORO CORP
256	MCO	Financials	MOODY'S CORP	358	TXN	Information Technology	TEXAS INSTRUMENTS INC
257	MS	Financials	MORGAN STANLEY	359	TXT	Industrials	TEXTRON INC
258	MSI	Information Technology	MOTOROLA SOLUTIONS INC	360	TMO	Health Care	THERMO FISHER SCIENTIFIC INC
259	MUR	Energy	MURPHY OIL CORP	361	TIF	Consumer Discretionary	TIFFANY & CO
260	MYL	Health Care	MYLAN INC	362	TWX	Consumer Discretionary	TIME WARNER INC
261	NBR	Energy	NABORS INDUSTRIES LTD	363	TIE	Materials	TITANIUM METALS CORP
262	NOV	Energy	NATIONAL OILWELL VARCO INC	364	TJX	Consumer Discretionary	TJX COMPANIES INC
263	NTAP	Information Technology	NETAPP INC	365	TMK	Financials	TORCHMARK CORP
264	NWL	Consumer Discretionary	NEWELL RUBBERMAID INC	366	TRV	Financials	TRAVELERS COS INC
265	NEM	Materials	NEWMONT MINING CORP	367	TSN	Consumer Staples	TYSON FOODS INC -CL A
266	NWSA	Consumer Discretionary	NEWS CORP	368	USB	Financials	U S BANCORP
267	NEE	Utilities	NEXTERA ENERGY INC	369	UNP	Industrials	UNION PACIFIC CORP
268	NKE	Consumer Discretionary	NIKE INC -CL B	370	UPS	Industrials	UNITED PARCEL SERVICE INC
269	NI	Utilities	NISSOURCE INC	371	X	Materials	UNITED STATES STEEL CORP
270	NBL	Energy	NOBLE ENERGY INC	372	UTX	Industrials	UNITED TECHNOLOGIES CORP
271	JWN	Consumer Discretionary	NORDSTROM INC	373	UNH	Health Care	UNITEDHEALTH GROUP INC
272	NSC	Industrials	NORFOLK SOUTHERN CORP	374	UNM	Financials	UNUM GROUP
273	NTRS	Financials	NORTHERN TRUST CORP	375	VLO	Energy	VALERO ENERGY CORP
274	NOC	Industrials	NORTHROP GRUMMAN CORP	376	VAR	Health Care	VARIAN MEDICAL SYSTEMS INC
275	NVL	Information Technology	NOVELLUS SYSTEMS INC	377	VRSN	Information Technology	VERISIGN INC
276	NUE	Materials	NUCOR CORP	378	VZ	Telecommunications Services	VERIZON COMMUNICATIONS INC
277	NVDA	Information Technology	NVIDIA CORP	379	VFC	Consumer Discretionary	VF CORP
278	NYX	Financials	NYSE EURONEXT	380	VIAB	Consumer Discretionary	VIACOM INC
279	OXY	Energy	OCCIDENTAL PETROLEUM CORP	381	VNO	Financials	VORNADO REALTY TRUST
280	OMC	Consumer Discretionary	OMNICOM GROUP	382	VMC	Materials	VULCAN MATERIALS CO
281	ORCL	Information Technology	ORACLE CORP	383	WAG	Consumer Staples	WALGREEN CO
282	PCAR	Industrials	PACCAR INC	384	WMT	Consumer Staples	WAL-MART STORES INC
283	PLL	Industrials	PALL CORP	385	WPO	Consumer Discretionary	WASHINGTON POST -CL B
284	PH	Industrials	PARKER-HANNIFIN CORP	386	WM	Industrials	WASTE MANAGEMENT INC
285	PDCO	Health Care	PATTERSON COMPANIES INC	387	WAT	Health Care	WATERS CORP
286	PAYX	Information Technology	PAYCHEX INC	388	WPI	Health Care	WATSON PHARMACEUTICALS INC
287	BTU	Energy	PEABODY ENERGY CORP	389	WLP	Health Care	WELLPOINT INC
288	JCP	Consumer Discretionary	PENNEY (J C) CO	390	WFC	Financials	WELLS FARGO & CO
289	POM	Utilities	PEPCO HOLDINGS INC	391	WU	Consumer Discretionary	WESTERN UNION CO
290	PEP	Consumer Staples	PEPSICO INC	392	WY	Financials	WEYERHAEUSER CO
291	PKI	Health Care	PERKINELMER INC	393	WHR	Consumer Discretionary	WHIRLPOOL CORP
292	PFE	Health Care	PFIZER INC	394	WFM	Consumer Staples	WHOLE FOODS MARKET INC
293	PCG	Utilities	PG&E CORP	395	WMB	Energy	WILLIAMS COS INC
294	PNW	Utilities	PINNACLE WEST CAPITAL CORP	396	WIN	Telecommunications Services	WINDSTREAM CORP
295	PBI	Industrials	PITNEY BOWES INC	397	WYN	Consumer Discretionary	WYNDHAM WORLDWIDE CORP
296	PCL	Financials	PLUM CREEK TIMBER CO INC	398	XEL	Utilities	XCEL ENERGY INC
297	PNC	Financials	PNC FINANCIAL SVCS GROUP INC	399	XRX	Information Technology	XEROX CORP
298	PPG	Materials	PPG INDUSTRIES INC	400	XLNX	Information Technology	XILINX INC
299	PPL	Utilities	PPL CORP	401	XL	Financials	XL GROUP PLC
300	PX	Materials	PRAXAIR INC	402	YHOO	Information Technology	YAHOO INC
301	PCP	Industrials	PRECISION CASTPARTS CORP	403	YUM	Consumer Discretionary	YUM BRANDS INC
302	TROW	Financials	PRICE (T. ROWE) GROUP	404	ZMH	Health Care	ZIMMER HOLDINGS INC
303	PF	Financials	PRINCIPAL FINANCIAL GRP INC	405	ZION	Financials	ZIONS BANCORPORATION

Further Information

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The information in this study is correct to the best of our knowledge and belief at the time of publication. We recommend that professional advice be sought before any action is taken based on the findings presented herein.

For more information about business aviation in today's economy, or the enterprise value tools at our disposal, please contact:

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