



### *Backgrounder*

## **Proprietary market research demonstrates market viability of Aerion supersonic jet**

Market research conducted by Aerion in 2004 and 2005 confirms sufficient demand to proceed with the development of the proposed Aerion supersonic business jet.

The study, the most sophisticated supersonic market survey to date, was commissioned by Aerion and conducted by StrategyOne Consulting, a firm specializing in the aerospace sector. The study showed a market for 220 to 260 Aerion jets over a ten year period, with approximately 20 percent of sales coming from the fractional market. The survey did not consider potential government sales. Production over a 20-year program life could exceed 500 units, according to Aerion.

The StrategyOne Consulting study validated the market for the proposed Aerion jet taking into consideration its cabin size, performance specifications and target price range. StrategyOne Consulting surveyed operators of business jets delivered from 1998 through 2003, including all large and intercontinental business jets, as well as the Citation X.

Survey participants included only executive decision makers or senior flight department personnel from leading companies. These companies, in aggregate, own, operate and manage nine percent of the worldwide business jet fleet, or more than 1,100 aircraft, of which nearly 500 are late-model, “high-end” business jets. The respondents represented numerous Fortune 500 companies as well as major aircraft management and fractional ownership companies.

The possibility of a quiet supersonic aircraft design introduced subsequent to the Aerion aircraft did not diminish purchase interest in the Aerion concept. Those expressing a likelihood to purchase the Aerion aircraft did so on the basis of the Aerion concept's attractive economics and earlier availability, as well as its lower technical, market and regulatory risk.

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