

# Very Light Jets/VLJs

Association of California Airports

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South Lake Tahoe

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# VLJs

So many jets...so little time



# VLJs

## What is the essence of VLJs?

### Price Point

Yes...new market share

### Construction

Yes...Key to price point

### Size

No...Detriment to comfort

### Ability to land on shorter runways

Yes...but

Jet activity remains confined to demographics  
and...will small airports carry jet fuel?

### Range

Maybe...Load factors and size of the smallest bladder  
will dictate range



# VLJs

Who all is in the Game...

Cessna

Honda

Embraer

Eclipse

Adam

Diamond

Cirrus

...and countless under-funded efforts



# VLJs

What is Wall Street's effect?



No Bucks, no Buck Rogers, a.k.a.  
No Money, no fly...

Drove up FBO Market Cap in anticipation  
Will dictate bottom line to the highly leveraged  
Will demand ROE during maturation shake-out

# VLJs

Are all those forecasts right?

FAA, Honeywell, GAMA, etc...Agenda anyone?

2006 GA Deliveries, VLJs would have been 25%  
with even the most optimistic forecast

There will be a market maturation shake-out

Most forecasts (in my view) are overly optimistic...

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So, who will survive?



# VLJs

So, who will survive?



Only the strong...duh, but seriously

The well-capitalized

Those at the front of the certification race

Those with the track record

Those that do not trip up

Those that merge innovation with business acumen

# VLJs

What is the impact on FBOs?



Economies of scale...



It is like having a few more King Airs on the ramp  
Will demand services, but only buy 200 gallons  
Some will embrace VLJs...  
Others will “cherry-pick”

# VLJs

What about GA airports?

Where's the business at?

Demographics will continue to dominate distribution  
Jet fuel & service availability will be key  
Meeting hangar demand

Community/Public relations...  
a polite word of caution!

# VLJs

In conclusion...

Maturation shake-out will dampen forecasts a bit  
Overall VLJ impact is sizeable but not dominant  
Investment/Venture capital will influence biz models @  
... Airports, FBOs & VLJ manufacturers

Life is good...

Because we are going to have something new...

New market share  
New business opportunities

*Thank you!*

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