

ON-DEMAND TRAVEL

Given the complexity of on-demand travel, it is not surprising that there is substantial confusion selecting the optimal solution for you. Each option comes with its own unique set of advantages and disadvantages. However, there are guidelines to assist you in choosing the best-suited option for each particular travel profile. Each need is unique; so is every solution. Use this guide to get acquainted with your choices and contact VanAllen for further insights.

	On-Demand Charter	Membership Programs	Fraction Cards	Fractional Ownership	Whole Ownership
Recommended Annual Hrs.	<50 hours	25 – 100	25 – 100+	50 – 200+	200+
Contract Term, Typical	None	None	12 months	5 years	None
Fixed Costs	None	Membership Fee	None	Management Fee	Salaries, Insurance, Hangar, Training
Variable Costs	Hourly Occupied Fee, Fuel Surcharge	Hourly Occupied Fee, Fuel Surcharge	Hourly Occupied Fee, Fuel Surcharge	Hourly Occupied Fee, Fuel Surcharge	Fuel, Maintenance, Trip Expenses
Availability	Subject to Fleet	Subject to Fleet	Guaranteed	Guaranteed	Subject to Maintenance
Flexibility w/in Fleet	Unlimited	Limited Upgrades/Downgrades	Limited Upgrades/Downgrades	Limited Upgrades/Downgrades	N/A
Quality & Standards	Varies	Can Vary	Can Vary	Can Vary	To Your Standards

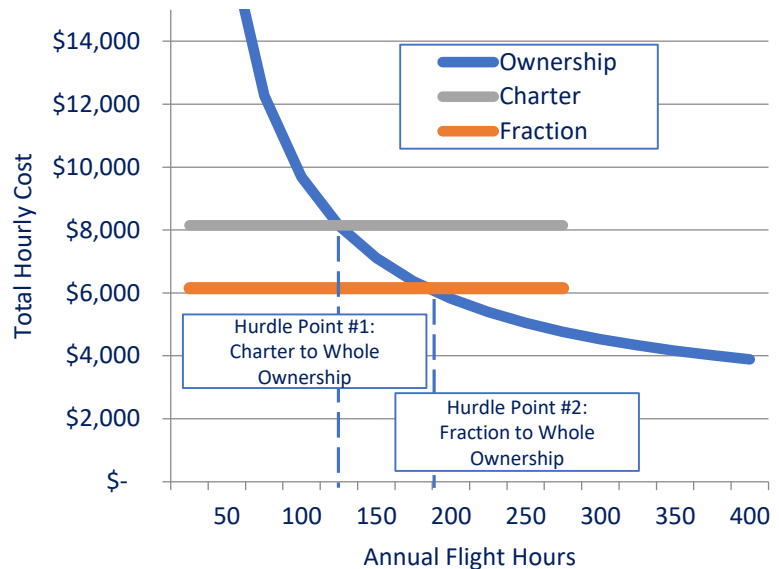
SAMPLE PROVIDERS

On-Demand Charter	Membership Programs	Fraction Cards	Fractional Ownership
 EXECUTIVE JET MANAGEMENT	 	 	 

ECONOMIC HURDLE POINTS

With whole ownership, the total fixed cost per hour decreases as flight hours increase. Whereas, charter and fractional ownership have a fixed cost across all levels of use.

As demonstrated in the graph, the first economic hurdle point is at ~125 flight hours to move from charter to whole ownership; however, fractional ownership is more viable. ~200 flight hours is the second hurdle point to move from fraction to whole ownership. Variables such as tax treatments, travel profile, and charter revenue can vary these hurdle points by +/- 25 hours.



Assumptions: Mid-size aircraft, \$4M capital cost, \$4.00/gallon fuel cost, 2 pilots, 10% annual depreciation. Charter includes 15% ferry factor and fuel surcharge

PROS CONS

Whole Aircraft Ownership

- High level of control
- High service levels
- Dedicated staffing
- Greater privacy
- Enter/exit at will

- Highest commitment
- Requires oversight
- Cost variability (maintenance)

Fractional Ownership

- Guaranteed availability
- Upgrade/downgrade ability
- Multiple-aircraft use
- Smoother cashflows
- No ferry/empty leg costs

- Contractual commitment
- Scheduling limitations
- Potentially outsourced to charter
- "Overflying" premiums

Membership & Charter

- Ad hoc
- No capital commitment
- Potential multiple aircraft use

- Scheduling limitations
- Potentially outsourced
- Subject to availability

Contact VanAllen to learn more.