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PLANESENSE SEES BUSINESS GROW IN 2010

Fractional-share provider PlaneSense has weathered the economic downturn in excellent shape, according to president and CEO George Antoniadis. The Portsmouth, N.H.-based company "is seeing significant upticks on all of our metrics" compared with last year, he said. The second half of this year has been strong in terms of flight activity, with July the company's busiest month ever and activity in August, September and October reaching record numbers. PlaneSense flies just one aircraft type, the single-turboprop Pilatus PC-12.

"It's not just a matter of the existing customers flying more," he said. "We have expanded our fleet and brought in new shares. And we're forecasting more such activity for 2011. I believe we have been a successful survivor of the 2008, 2009 experience. Now we're propelling forward."

PlaneSense has avoided two features of most fractional operations—buyback guarantees and jet cards. When shareowners need to sell a share, PlaneSense helps remarket the share, Antoniadis said. Before the economic downturn, he added, "remarketing of shares in PlaneSense was extremely rare. In 2009 and 2010, they still represented only single-digit percentage numbers of the fleet size." The PlaneSense fleet currently stands at 33 PC-12s. "In every case of a remarket," he added, "we have accomplished it on behalf of the owners and populated the share with new owners. This was not a buyback or guarantee; it's more helping clients out. What we want to have is clients who want to be in our program."

PlaneSense's primary operating area encompasses the eastern half of the continental U.S., including most of the Bahamas and eastern Canada. Many shareowners fly beyond the area, but extra fees are charged. "We do have significant numbers of operations outside the [area]," Antoniadis said. "And as the fleet size increases, we are constantly looking at expanding outside the primary operating area."

PlaneSense also looks at other aircraft types and at one point had placed an order for 25 Grob SPn jets, before Grob's bankruptcy and the halting of the SPn program. "The reason we wanted the Grob has not gone away," Antoniadis said. "Realities have changed between 2007 and 2010, but we're seriously evaluating and considering other aircraft types."

New PlaneSense customers often are former shareowners in other fractional programs, according to Antoniadis. He agrees that some potential buyers don't want to invest in a hard asset by buying a share, but then they end up paying a much higher cost per hour for charter or jet cards. "There's no question that people have been trained by the industry, [to buy] all these new products from jet cards to block charter of any kind. People seem to be prepared to pay much higher prices per hour for not investing in an asset. If you can provide a high value in the program that you're offering," he said, "and this value transcends just economics, then people participate."

PlaneSense is an attractive alternative, he said, because of the high level of service it provides on top of the PC-12's efficiency and low cost of operation and the way the company is able to optimize the use of its fleet. "We believe value-driven programs like PlaneSense have a future and have growth opportunities."

—Matt Thurber