Why Wait?
Technology innovation.
Efficient operations.
Fleet sustainability.
Global support.

Rob Wilson, President
Business & General Aviation
Honeywell Aerospace

Business Aviation Outlook
2010 Business Aviation Outlook

• 24th year of survey, 19th consecutive public report release
• 1,200 corporate flight departments from around the world
  – Aircraft manufacturers and other sources
• Five-year purchase plans softened over record 2009 results
  – In line with pre-recession levels
• International demand remains significant
• Delivery down cycle slowing in 2010, ending in 2011
  – Current development programs boost recovery in 2012 & beyond
• Long-term outlook unchanged - measured recovery
  – Up to 11,000 aircraft worth $225B projected from 2010-2020
Five Year Purchase Plans for New Jets

2010 Purchase Plans at 30%
Operators Cautious About Slow Pace of Economic Recovery
**Purchase Expectations by Region**

**Significant Global Demand Still Present** – Asia, Middle East/Africa, Europe More Cautious off Record 2009 Plans
Regional Demand for New Jets in the Next 5 Years

Traditional Corporate & Charter Operator Base

- North America, 58%
- Europe, 19%
- Latin America, 13%
- Asia/Pacific, 6%
- Africa / Middle East, 4%

International Share of Demand 42%
Reasons for New Jet Purchase – 2010 Survey

Range Demands and Ownership Costs are Prominent
Q3 2010 Outlook for Business Jet Deliveries

Up to 11,000 New Jets from 2010 - 2020
Q3 2010 Outlook for Business Jet Deliveries
Constant 2010 Dollars

~$225B from 2010- 2020
NBAA 2010 - Outlook Largely Unchanged

• Delivery down cycle continues in 2010, 2011 marks bottom of cycle:
  – Less volatility in OEM rates, but order rates remain soft
  – Large cabin class aircraft faring better

• Operator survey signals some recovery in purchasing in 2011:
  – Economic growth expectations are positive but cautious—especially in emerging regions
  – Projected dollar depreciation will have positive impact on International sales
  – Recovery in new aircraft deliveries will begin in late 2011 or 2012, orders a year earlier

• Pipeline of new models still important for longer term growth

• Recovery progressing in fleet utilization, slower improvement in used aircraft:
  – U.S. and European flight activity growing
  – International flight and domestic flights both increasing—international growth well above domestic rates
  – Late model used jet inventory is trending lower

Operator Survey Supports Measured Recovery of New Jet Demand
Operations Showing Clear Improvement