

Why Wait?

- Technology innovation.
- Efficient operations.
- Fleet sustainability.
- Global support.



Rob Wilson, *President
Business & General Aviation
Honeywell Aerospace*

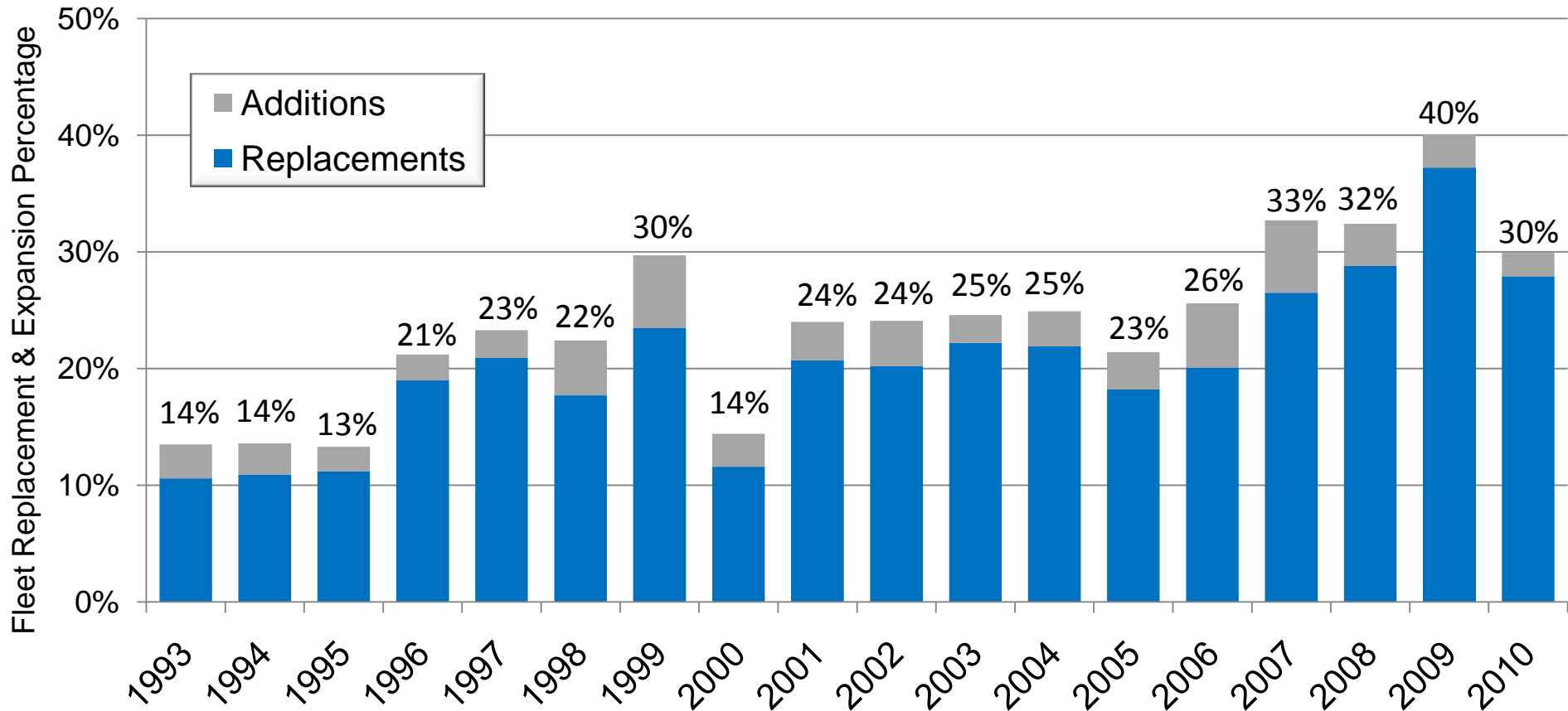
Business Aviation Outlook

Honeywell

2010 Business Aviation Outlook

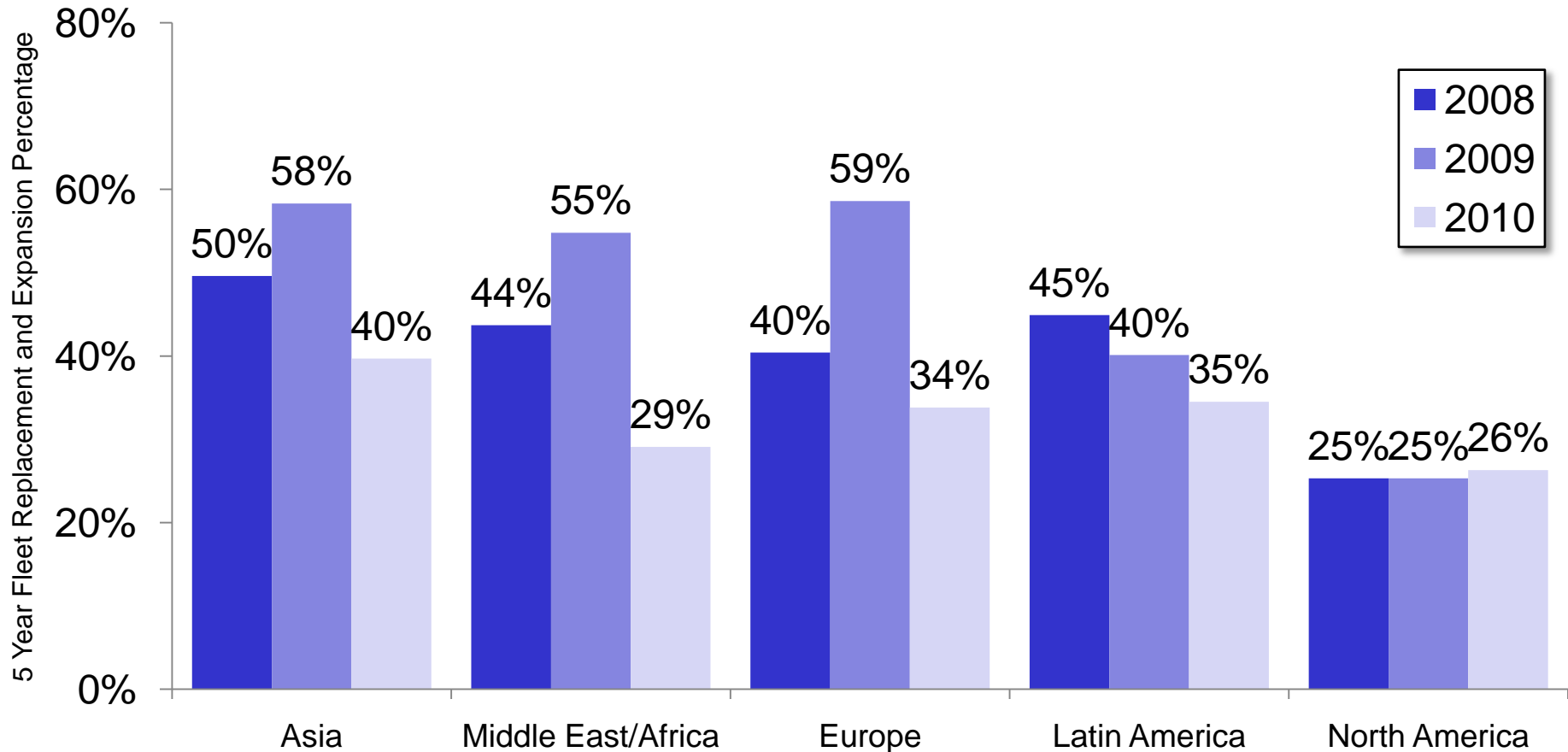
- 24th year of survey, 19th consecutive public report release
- 1,200 corporate flight departments from around the world
 - Aircraft manufacturers and other sources
- Five-year purchase plans softened over record 2009 results
 - In line with pre-recession levels
- International demand remains significant
- 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

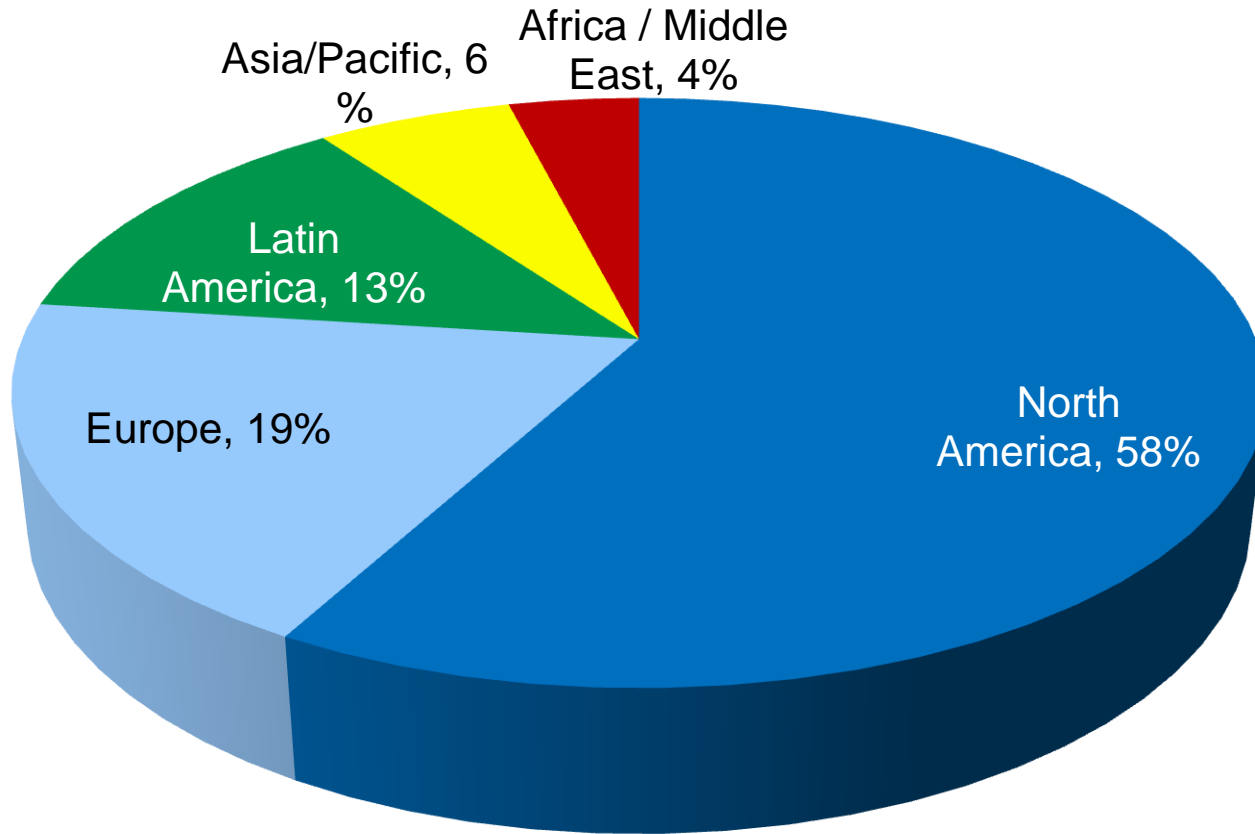
Purchase Expectations by Region



Significant Global Demand Still Present – Asia, Middle East/Africa, Europe More Cautious off Record 2009 Plans

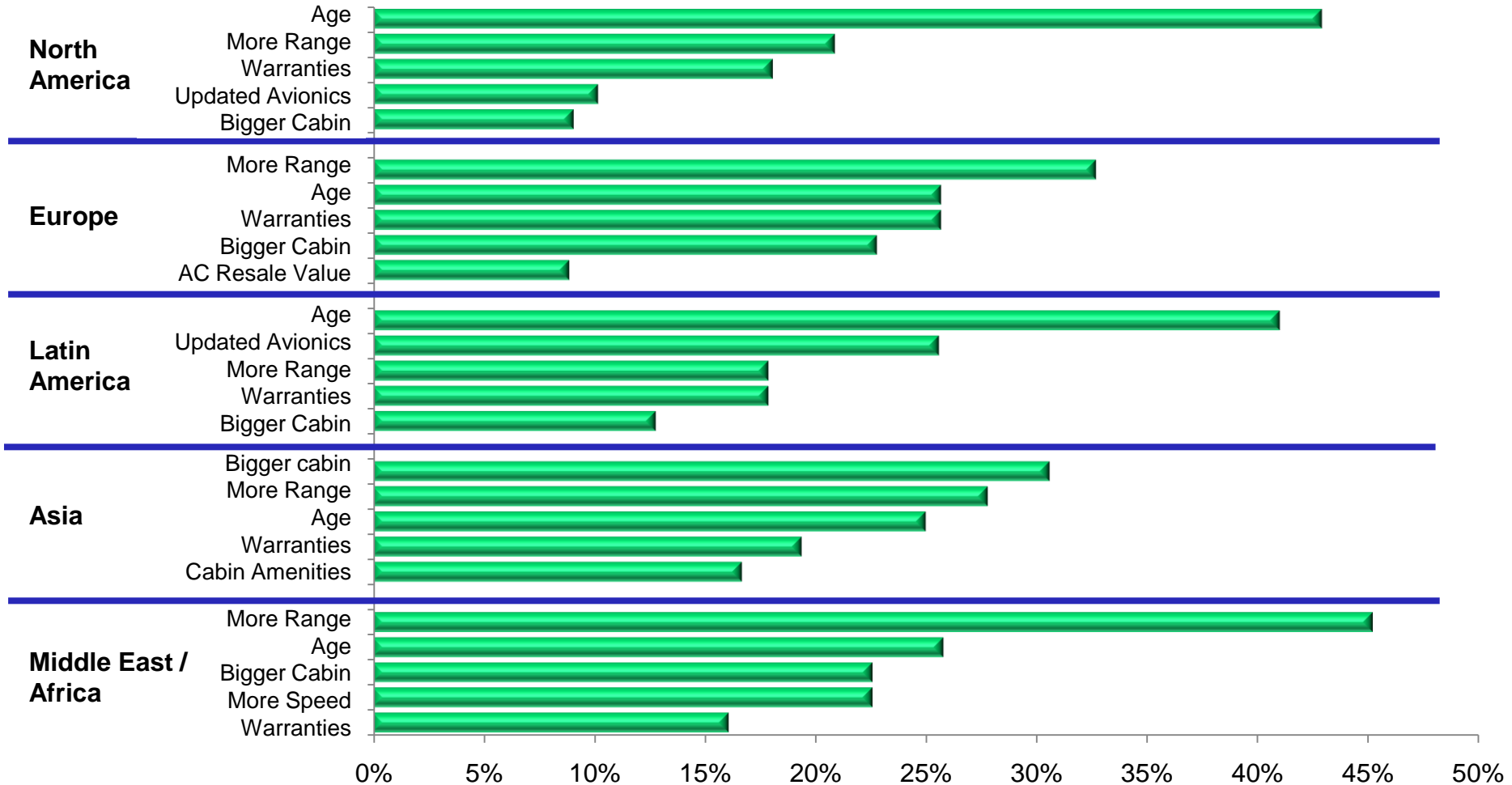
Regional Demand for New Jets in the Next 5 Years

Traditional Corporate & Charter Operator Base



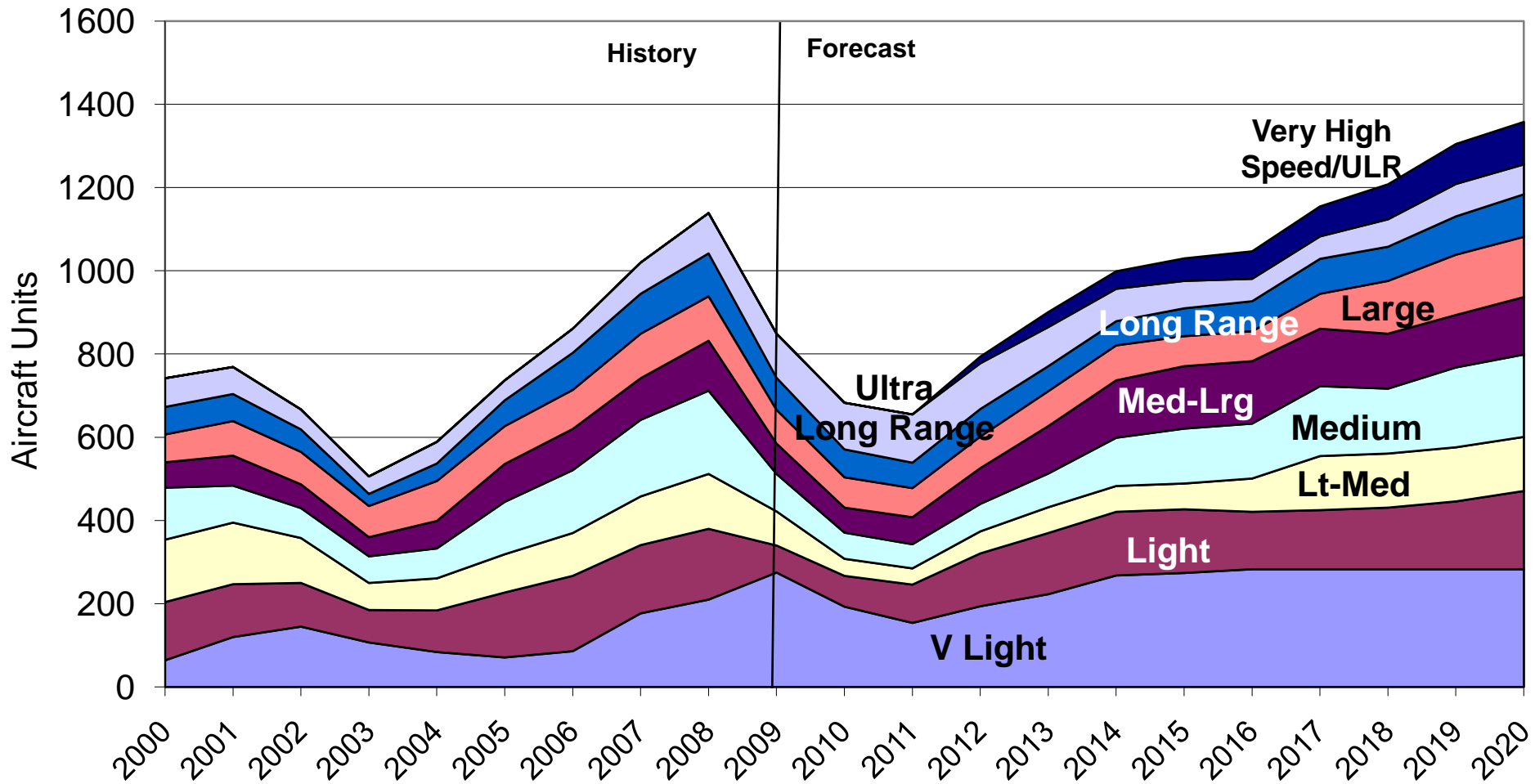
International Share of Demand 42%

Reasons for New Jet Purchase – 2010 Survey



Range Demands and Ownership Costs are Prominent

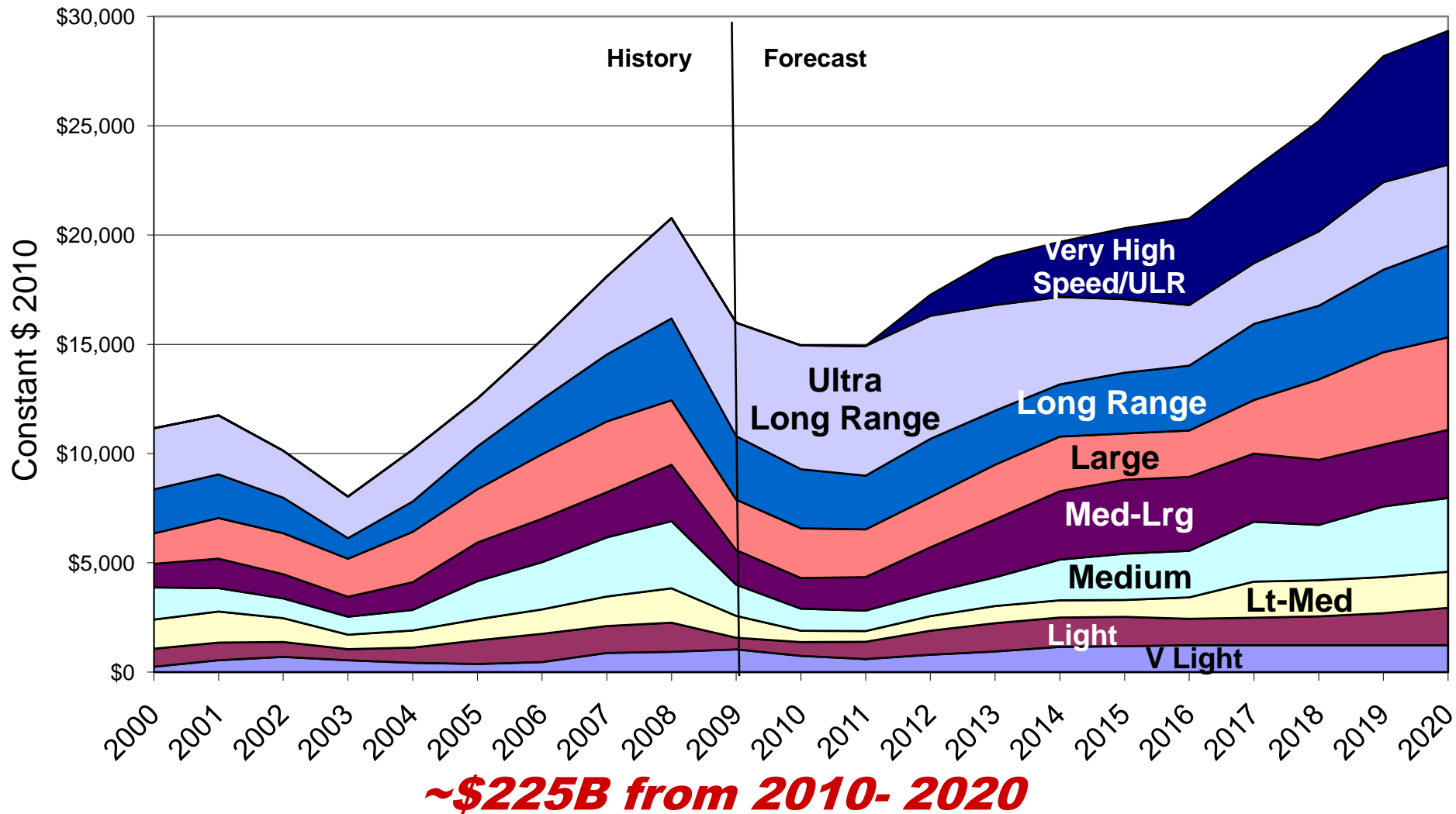
Q3 2010 Outlook for Business Jet Deliveries



Up to 11,000 New Jets from 2010 - 2020

Q3 2010 Outlook for Business Jet Deliveries

Constant 2010 Dollars



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***