



Business Aviation Outlook

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Forward Looking Statements

This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management’s assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

2011 Business Aviation Outlook

- 25th Year of Survey, 20th Consecutive Public Report Release
- 1,500 Corporate Flight Departments From Around the World
 - Aircraft Manufacturers and Other Sources
- Five-year Purchase Plans Steady Relative to 2010 Results
 - In Line With Pre-recession Levels
- International Demand Remains Significant
- Delivery Down Cycle Ends in 2011, Modest Growth in 2012
 - Current Development Programs Boost Outlook in 2012 & Beyond
- Long-term Outlook: Moderate Recovery
 - Up to 10,000 Aircraft Worth \$230B Projected From 2011-2021



Business Aviation Environment – Sept. 2011

- Net New Jet Order Intake Improved While Deliveries Fell in First Half 2011:
 - New net orders up at most OEMs while cancellations have abated significantly - 500+ orders predicted for 2011
 - First half 2011 deliveries down 25% in units and 22% in constant \$2011.
 - Backlog depletion continues at some OEMs - small cabin models most affected
- First Half 2011 Fractional Net Share Sales Still Declining (-12%):
 - Only 15 new aircraft in CY10 - 75 aircraft removals
 - Fractional companies took only 4 new jets in first half 2011 (1 Phenom 100/3 Phenom 300), fleets shrank over 3%
 - Beginning to order new aircraft - NetJets ordered 100 Globals and Phenoms and additional fractional orders in the works
- Leading Indicators Support a Modest Recovery:
 - Order activity shifted from severely net negative in 2009 to modestly net positive in 2010 - first half 2011 strong
 - Global recovery in aircraft flights continued into 2011, although pace has slowed
 - Demand for large cabin, ultra long range jets strong - supply of late model used aircraft for sale shrinking
 - Demand from BRIC countries strong, planned future purchase rate highest of all regions, with stronger near-term demand
 - Honeywell Buyer X Survey 5 Year purchase plans stable, but suggest order intake should strengthen in 2012 and 2013

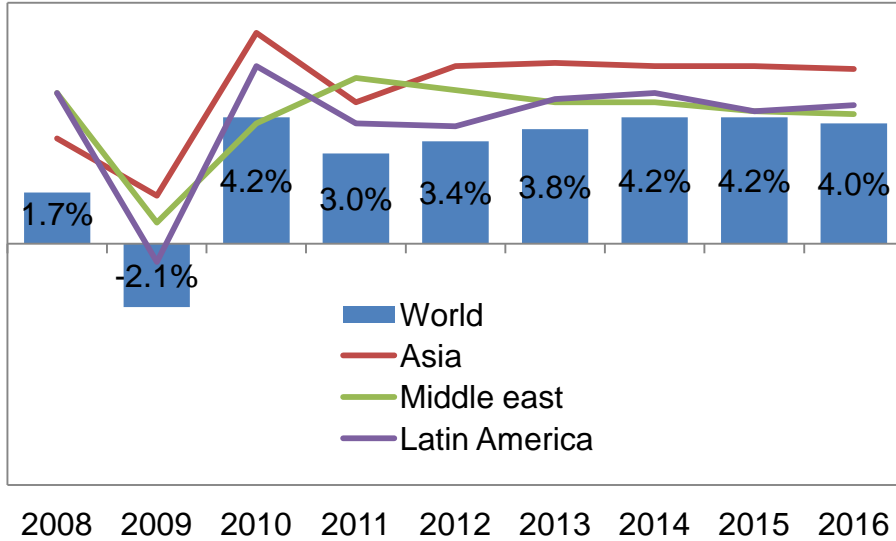
***Order Recovery Clearly Underway,
Sustainability A Concern Due To Global Economic Slowdown***

World Economic Outlook

- After a Year of Solid Recovery, Global Economic Growth is Now Decelerating. Asia's Emerging Markets Still Leading.

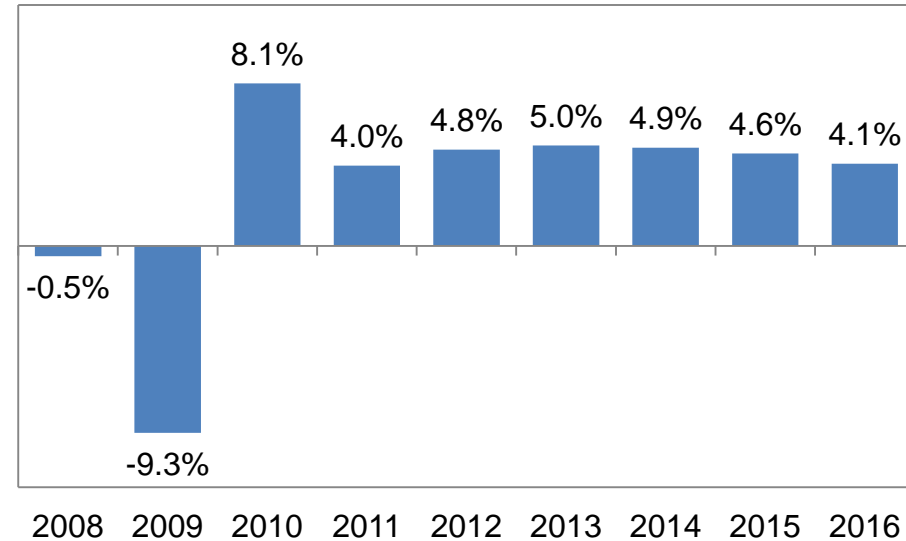
September '11 Outlook

Real GDP



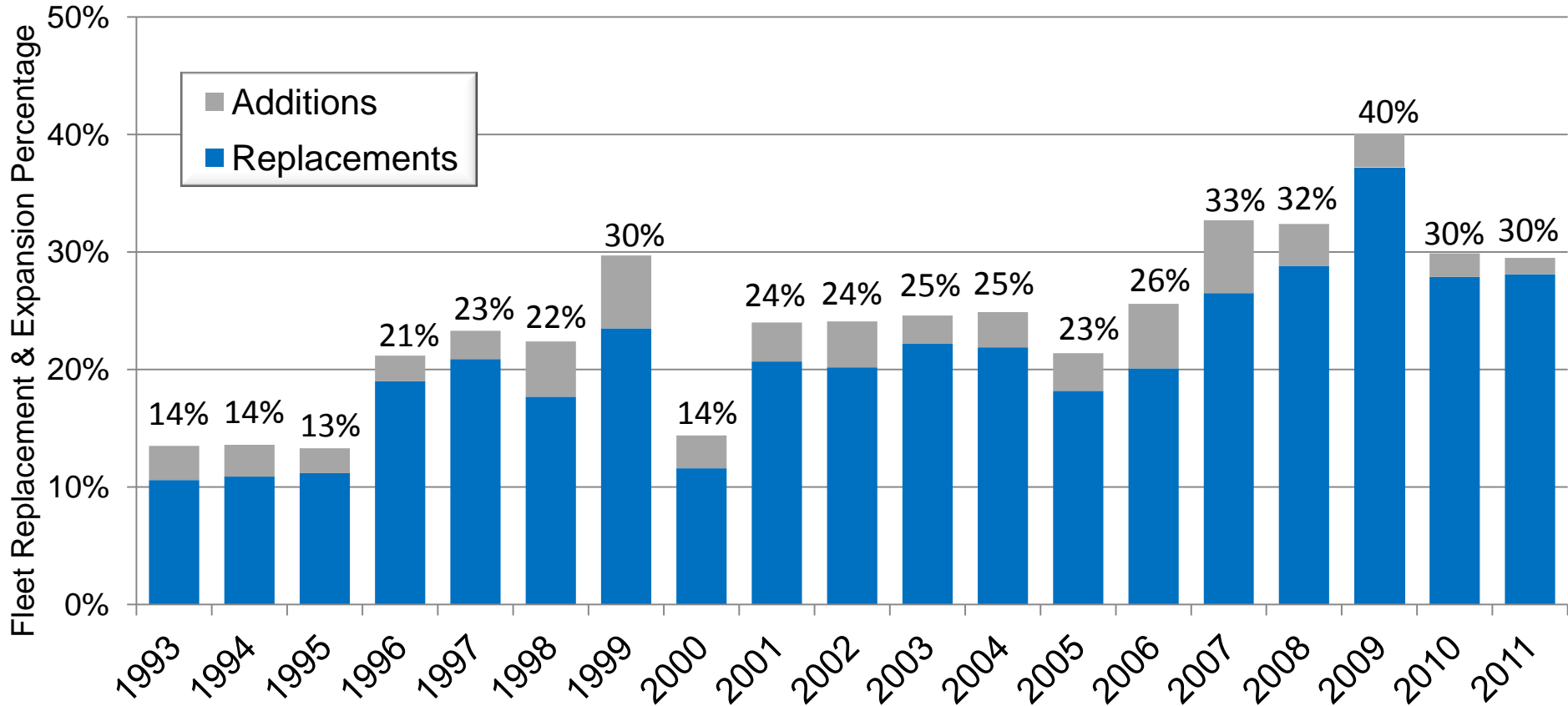
Source: Global Insight

World Industrial Production



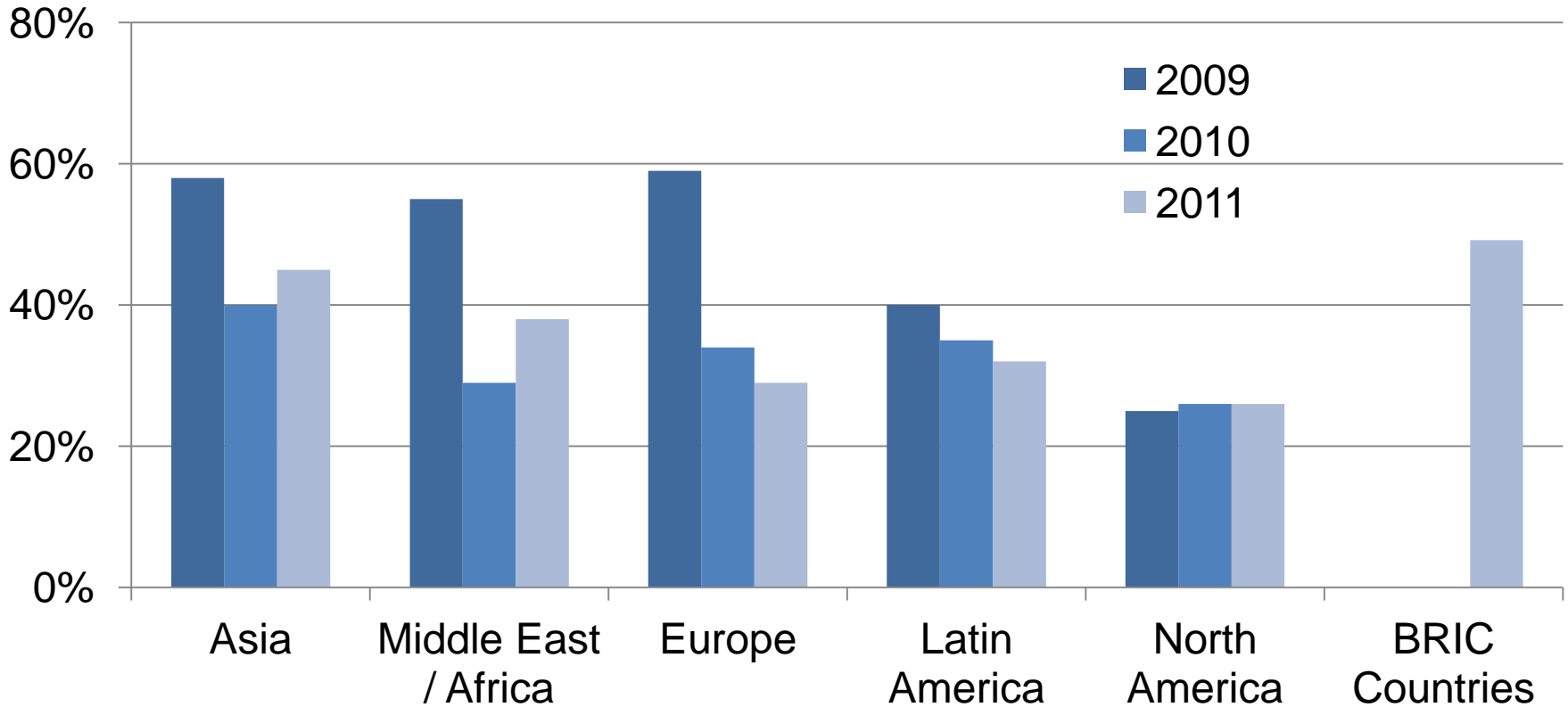
Global Economic Growth Slowing, Sovereign Debt And Employment Concerns Continue

Five Year Purchase Plans For New Jets



2011 Purchase Plans Steady At 30%
Operators Remain Cautious About Slower Economic Growth

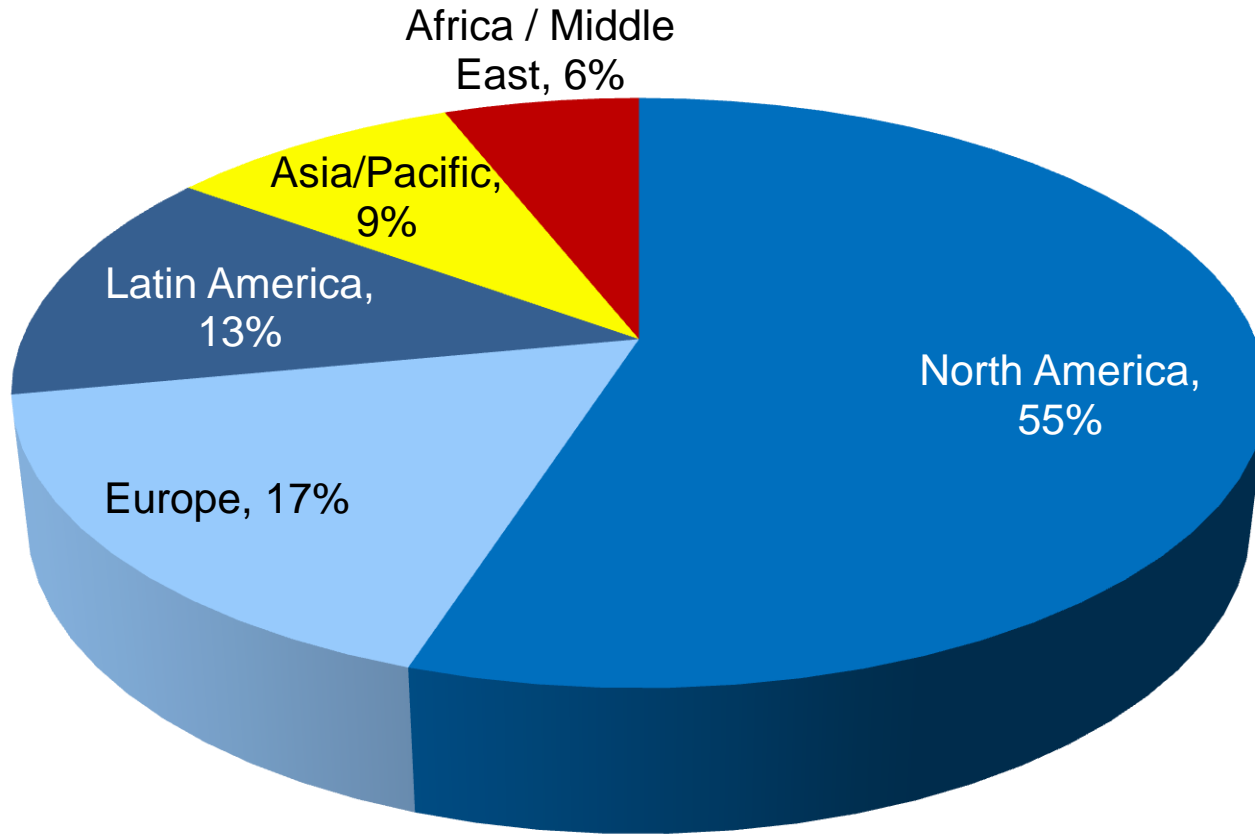
Purchase Expectations By Region



BRIC Countries Purchase Plans Are World's Highest

Regional Demand For New Jets In The Next 5 Years

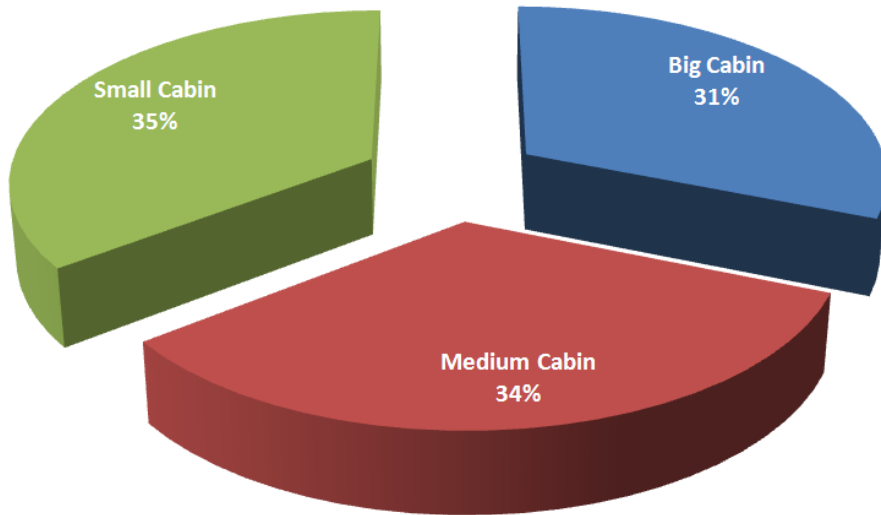
Traditional Corporate & Charter Operator Base



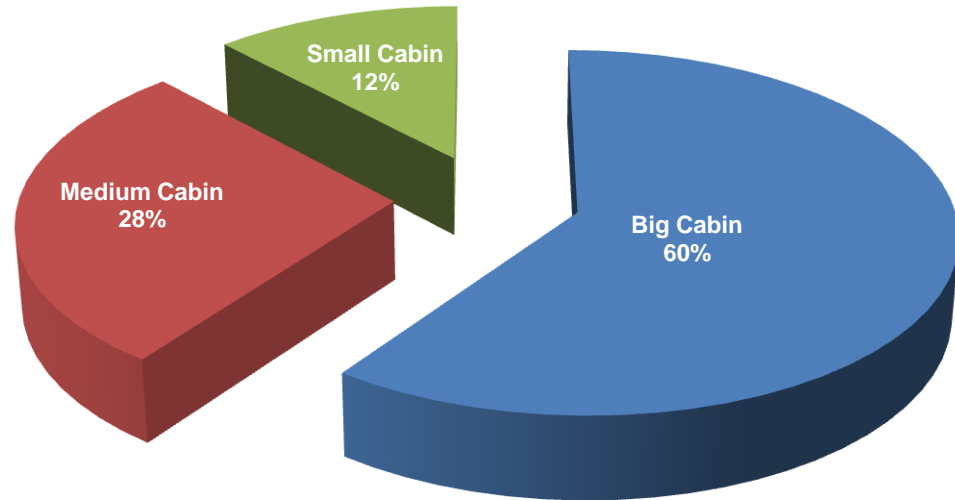
International Share Of Demand 45%

New Jet Purchase Plans By Aircraft Class

Units



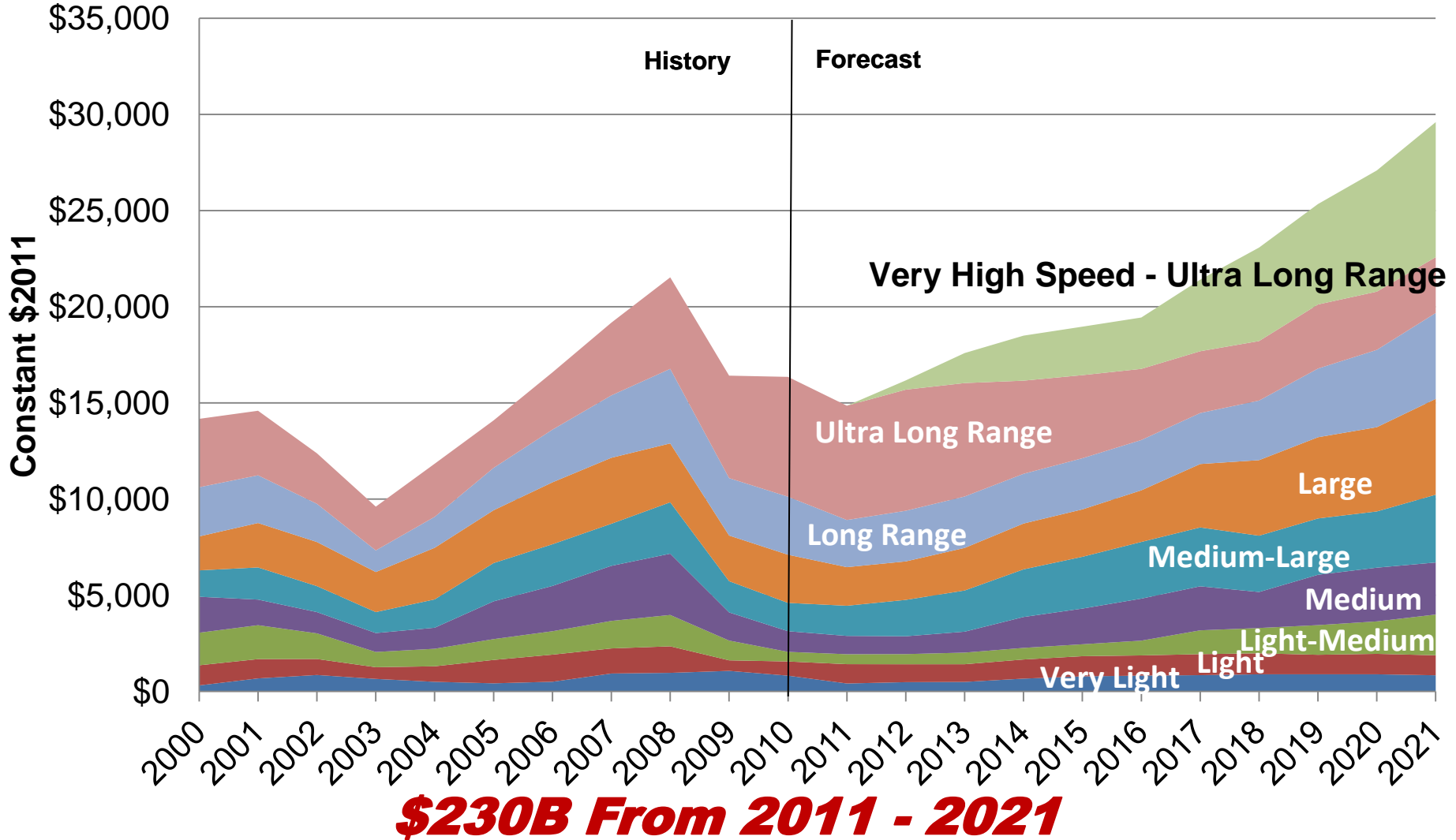
2011 Dollars



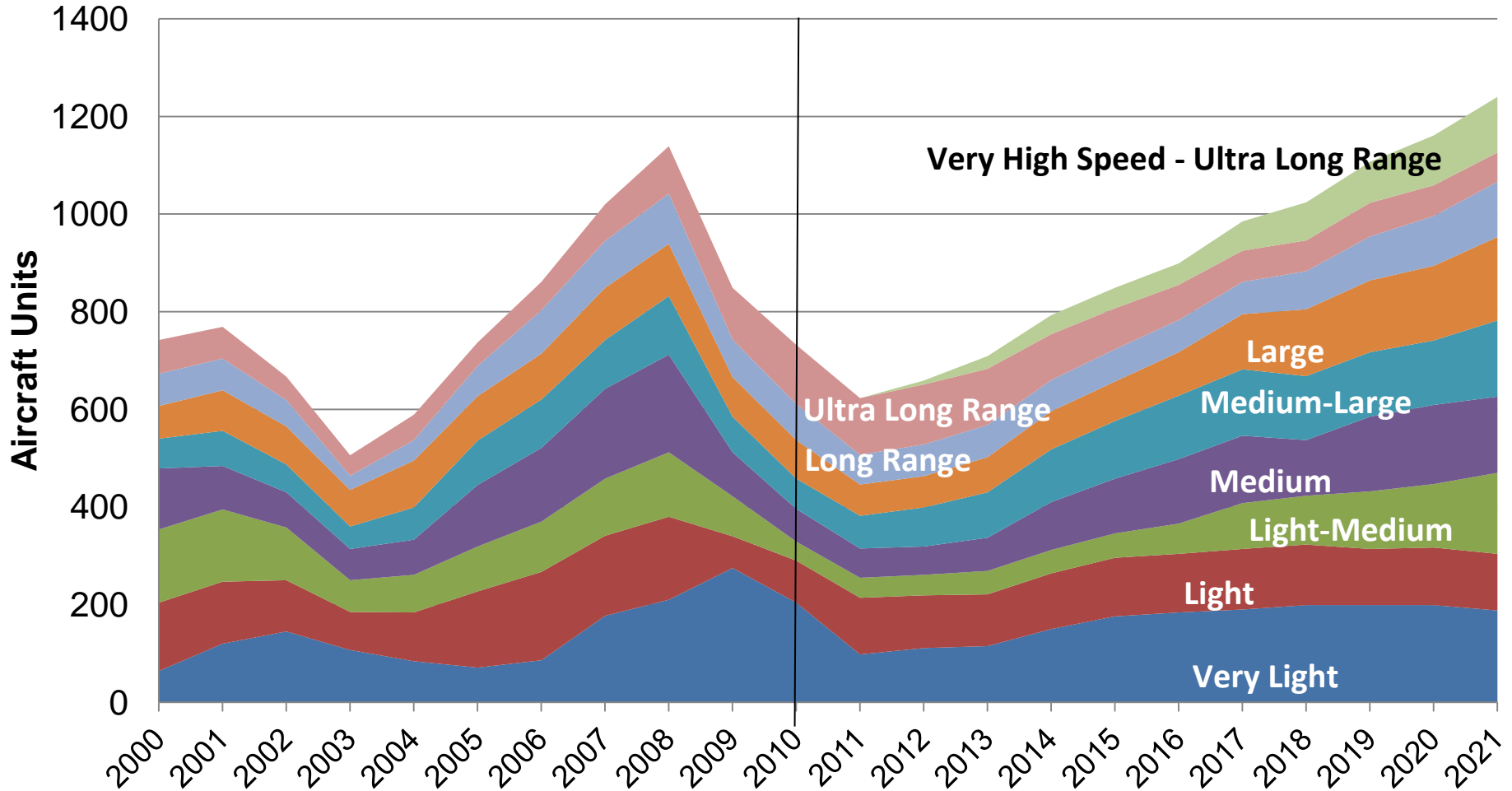
Note: Big Cabin = Large thru Bizliner Segments
 Medium Cabin = Light-Medium thru Super-Midsized Segments
 Small Cabin = Very Light and Light Jets

31% Of Units And 60% Of Value Coming From Big Cabin Jets

Business Jet Forecast – Delivery Value



Business Jet Forecast In Units



10,000 Aircraft From 2011 - 2021

NBAA 2011 - Outlook Largely Unchanged

- Delivery Down Cycle Coming to Close - 2011 Marks Bottom of Cycle:
 - Less volatility in OEM rates, but recently improved order rates face economic headwinds
 - Large cabin class aircraft still faring better
- Operator Survey Still Signals Some Improved Purchasing Activity in 2012:
 - Economic growth expectations are positive but weakened – especially in the U.S. and Western Europe
 - Projected dollar depreciation will have positive impact on International sales
 - Modest recovery in new aircraft deliveries will begin in 2012, order rates key to sustaining momentum
- Pipeline of New Models Still Important for Longer Term Growth
- Recovery Progressing Slowly in Fleet Utilization, Improvement in Used Aircraft:
 - U.S. and European flight activity growth slowing as expected
 - International flight and domestic flights both increasing – international growth well above domestic rates
 - Late model used jet inventory is trending lower

***Operator Survey Supports Modest Recovery Of New Jet Demand
Operational Gains Continue At Slow Pace***