

Dubai Airshow 2013 Business Aviation Market Update

**Rob Wilson, President, Business & General Aviation
MEBAA General Assembly**

November, 2013

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2013 Business Aviation Outlook

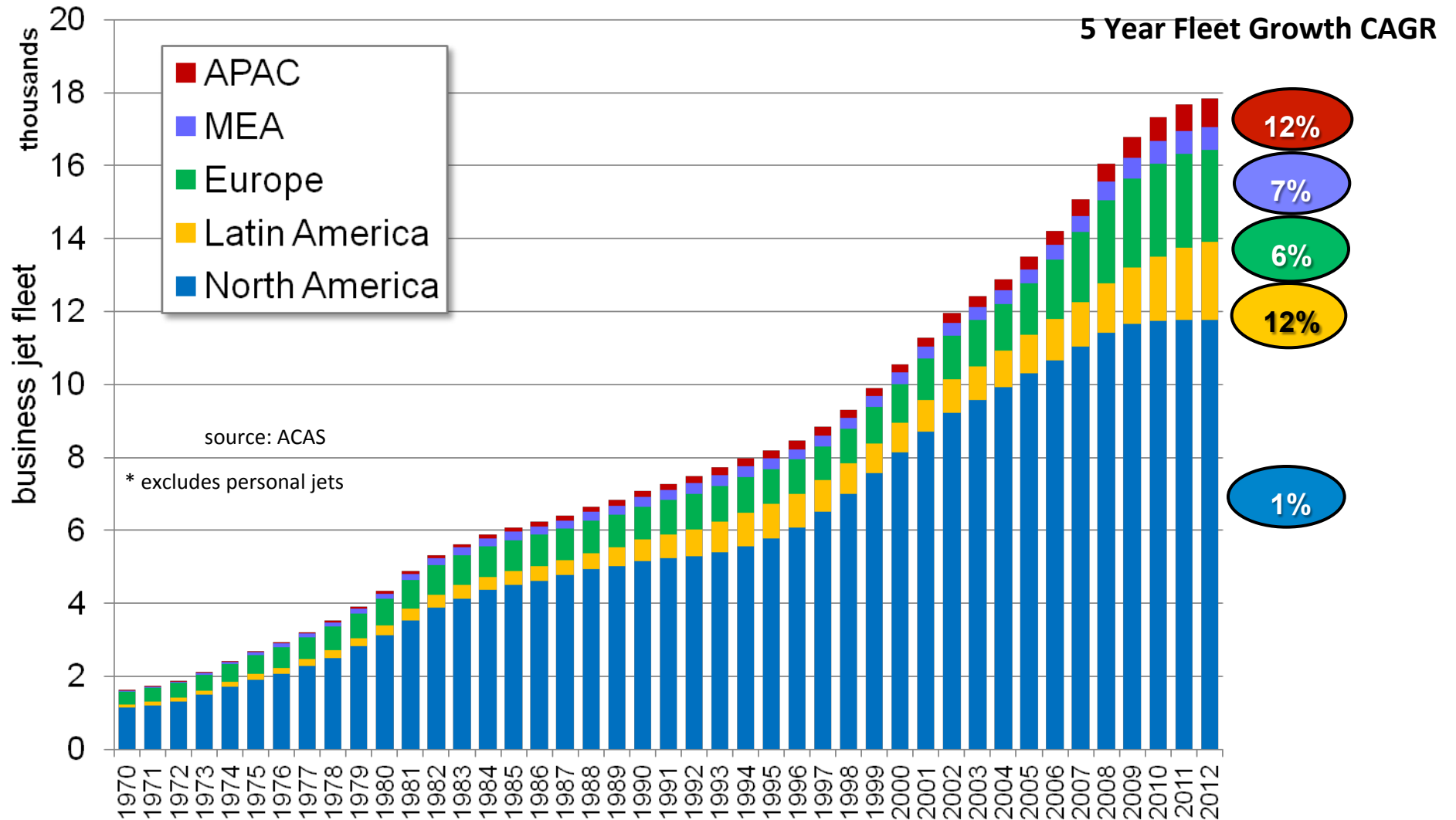
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- 27th year of survey, 22nd public report release
- 1,500 corporate flight departments from around the world, operating nearly 3,000 business aircraft
 - Aircraft manufacturers and other sources
- Five-year purchase plans at +28% vs. 30% in 2012
 - In line with pre-recession levels
- North America demand gains share
- Modest delivery growth in 2014-2015
 - Current development programs boost outlook in 2014 & beyond
- Long-term outlook: moderate recovery
 - Up to 9,250 aircraft worth nearly \$260B projected from 2013-2023



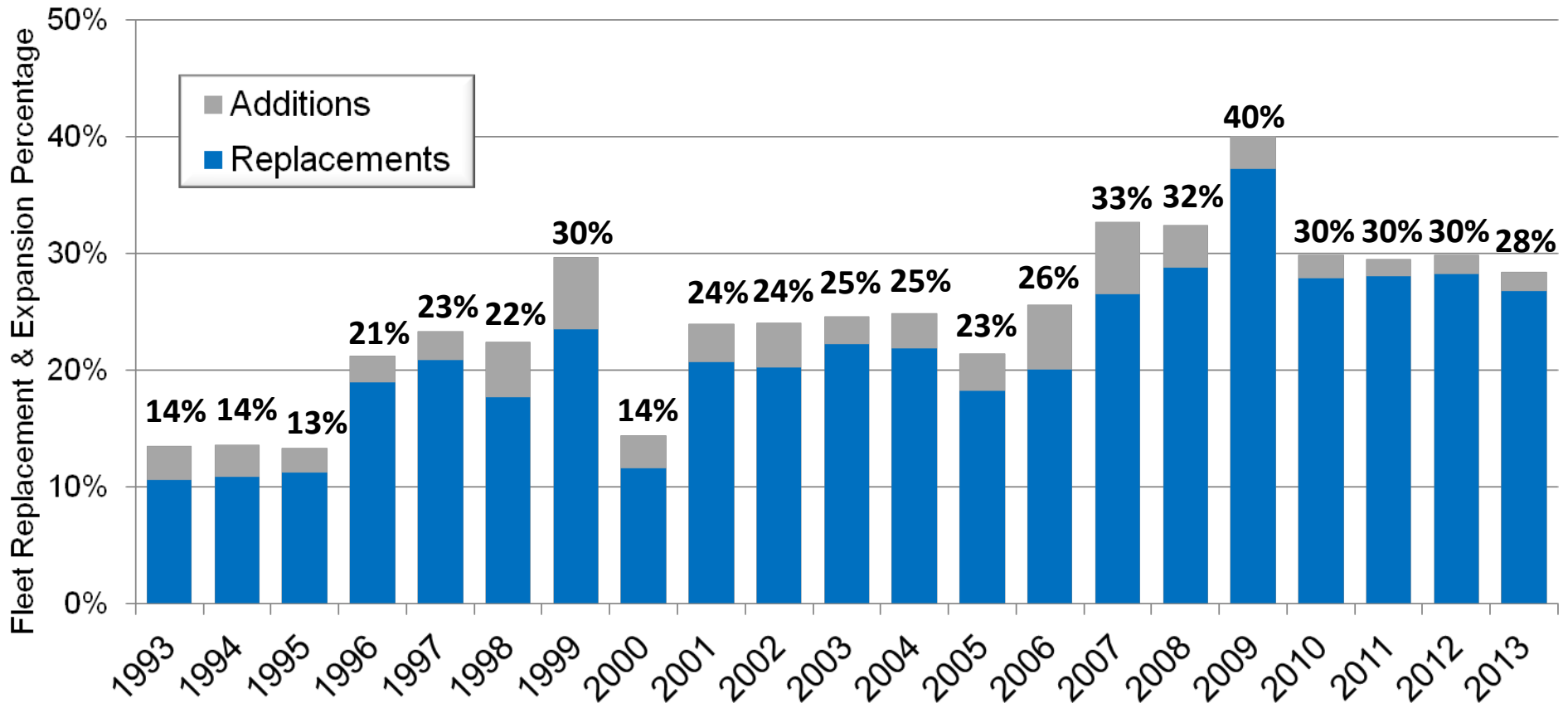
Regional Business Jet* Fleet History

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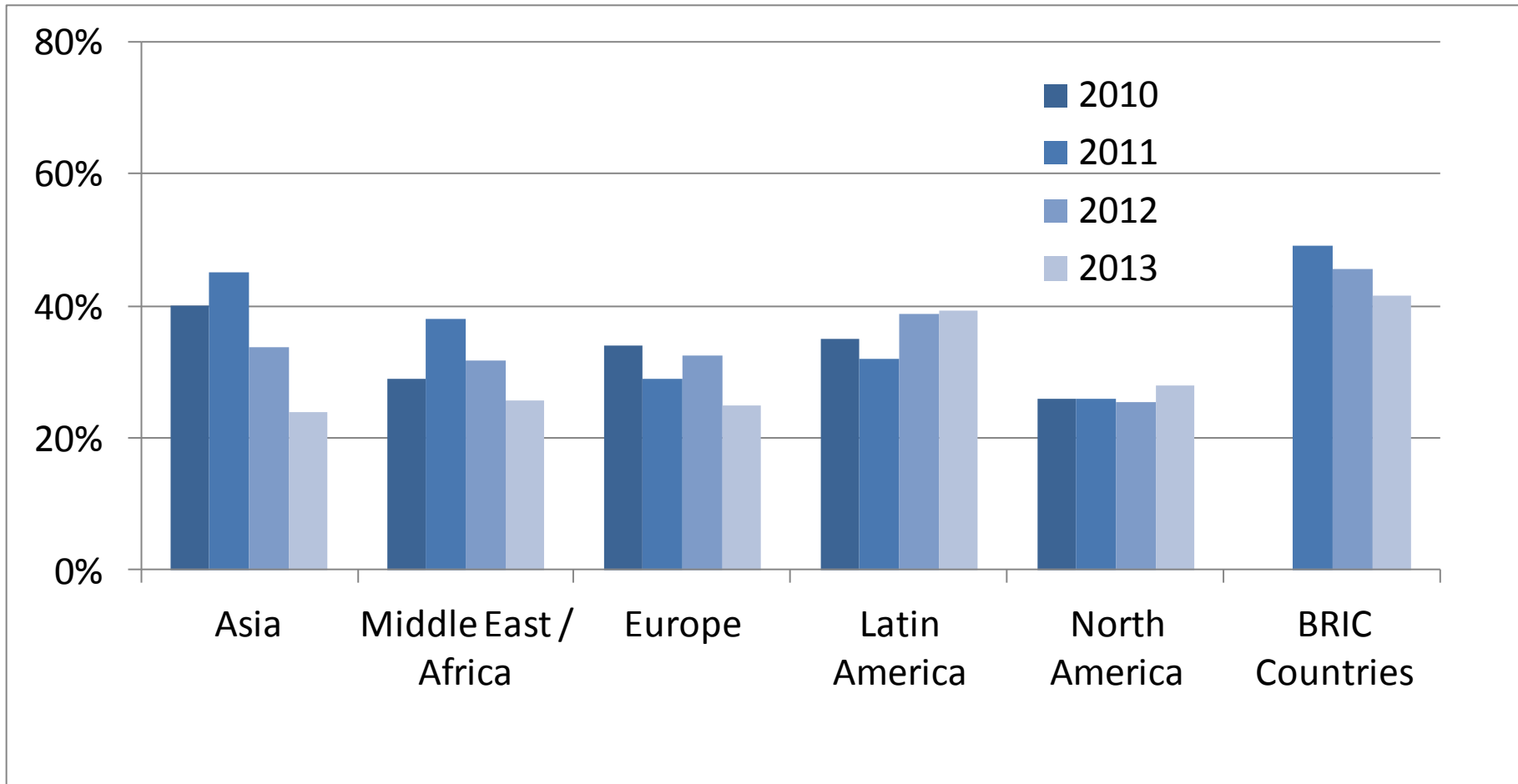
**Asian & Latin American fleet growth maintain healthy pace
All fleets log lower 5 year CAGR than last year**

Five Year Purchase Plans for New Jets



**2013 Purchase Plans Vary Less than 2 Points at 28%
Operators Remain Cautious About Slow Recovery, Uncertainties**

Purchase Expectations by Region

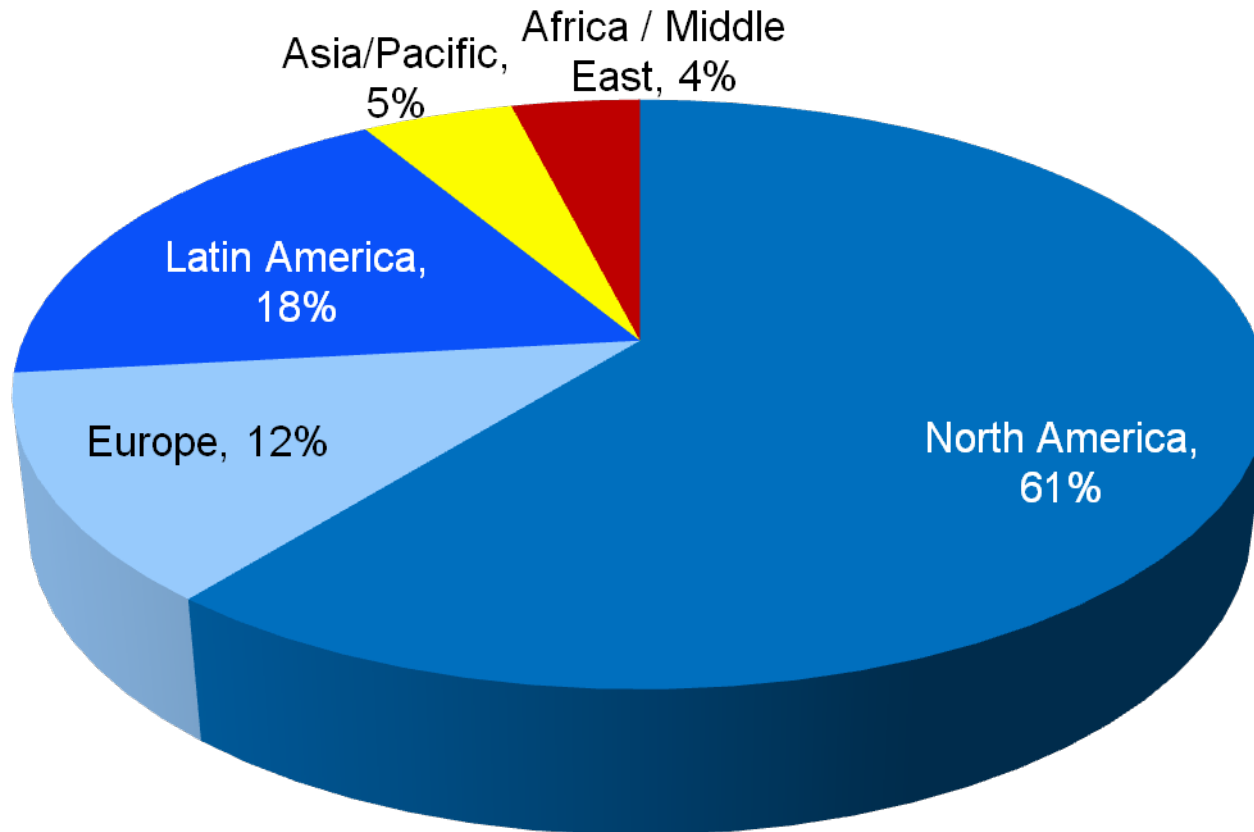


***BRIC Countries Purchase Plans Still World's Highest
The Americas Offset Softness in Europe, APAC & AME***

Regional Demand for New Jets in the Next 5 Years

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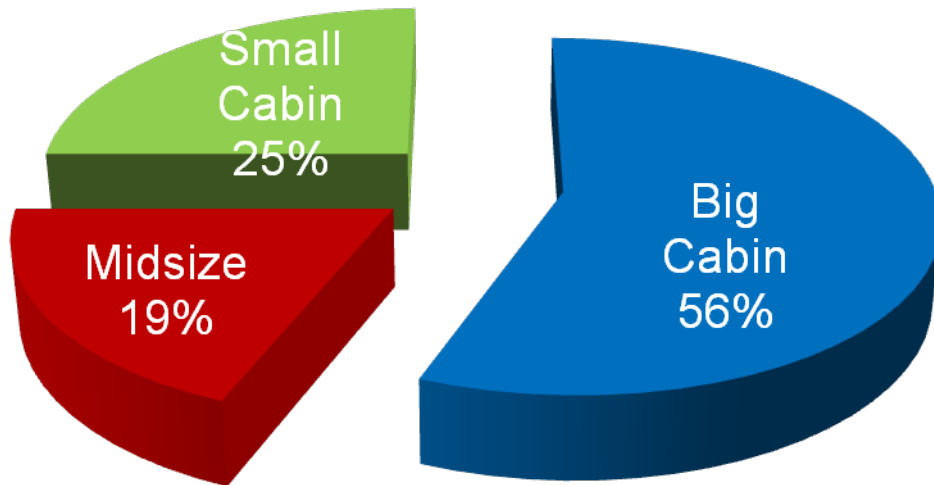
Traditional Corporate & Charter Operator Base



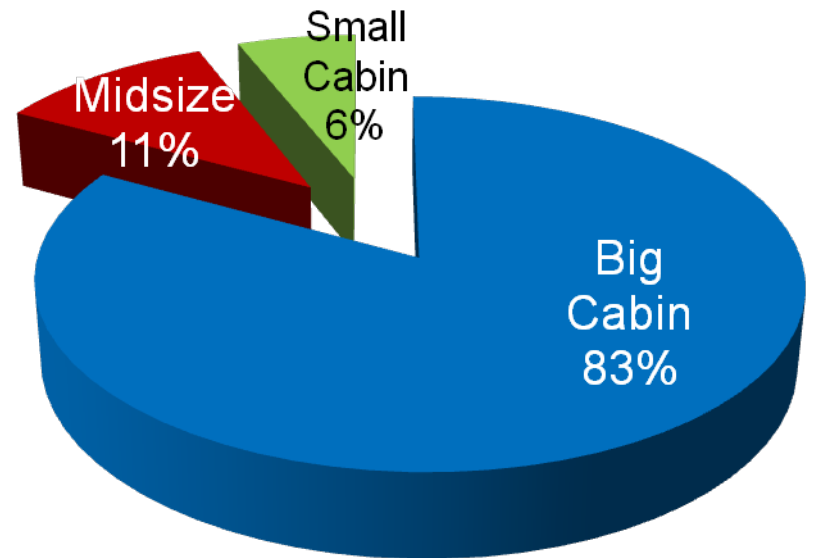
International Share of Demand 39%
BRIC accounts for 30% of International Share –
Or 11% of World Demand

New Jet Purchase Plans by Aircraft Class

Units



2013 Dollars

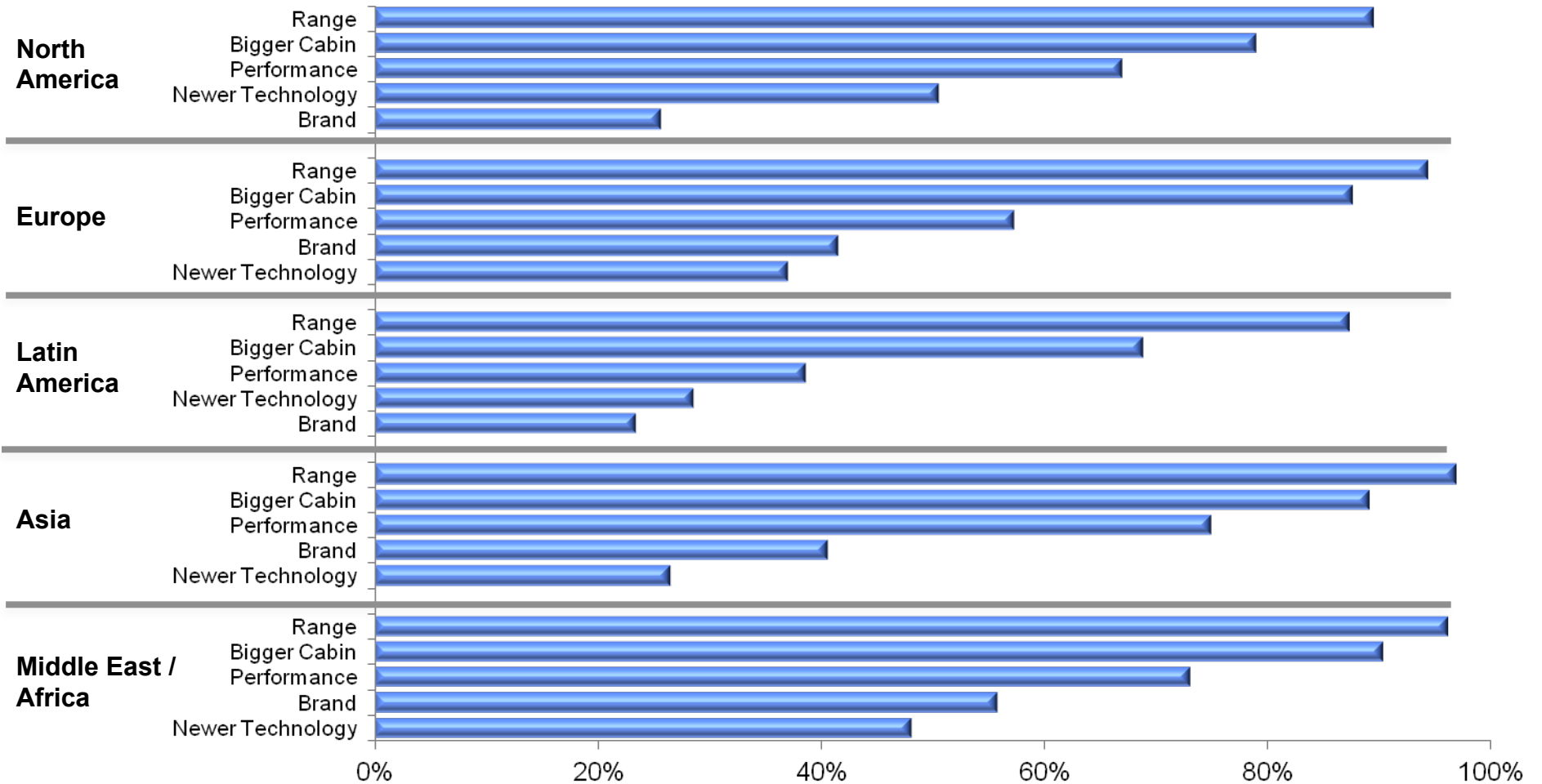


Big Cabin = Super Midsize thru Business Liner classes
Mid Cabin = Light Medium thru Medium classes
Small Cabin = Personal Jets, Very Light, Light classes

Big Cabin Jets Account for 56% of Unit and 83% of Dollar Value Purchase Intentions

Top Reasons for New Jet Model Choice – 2013 Survey

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**Range leads in all regions – Even stronger scores than 2012
Cabin & technology level also important model choice factors**

Business Aviation Around the World – Middle East /Africa

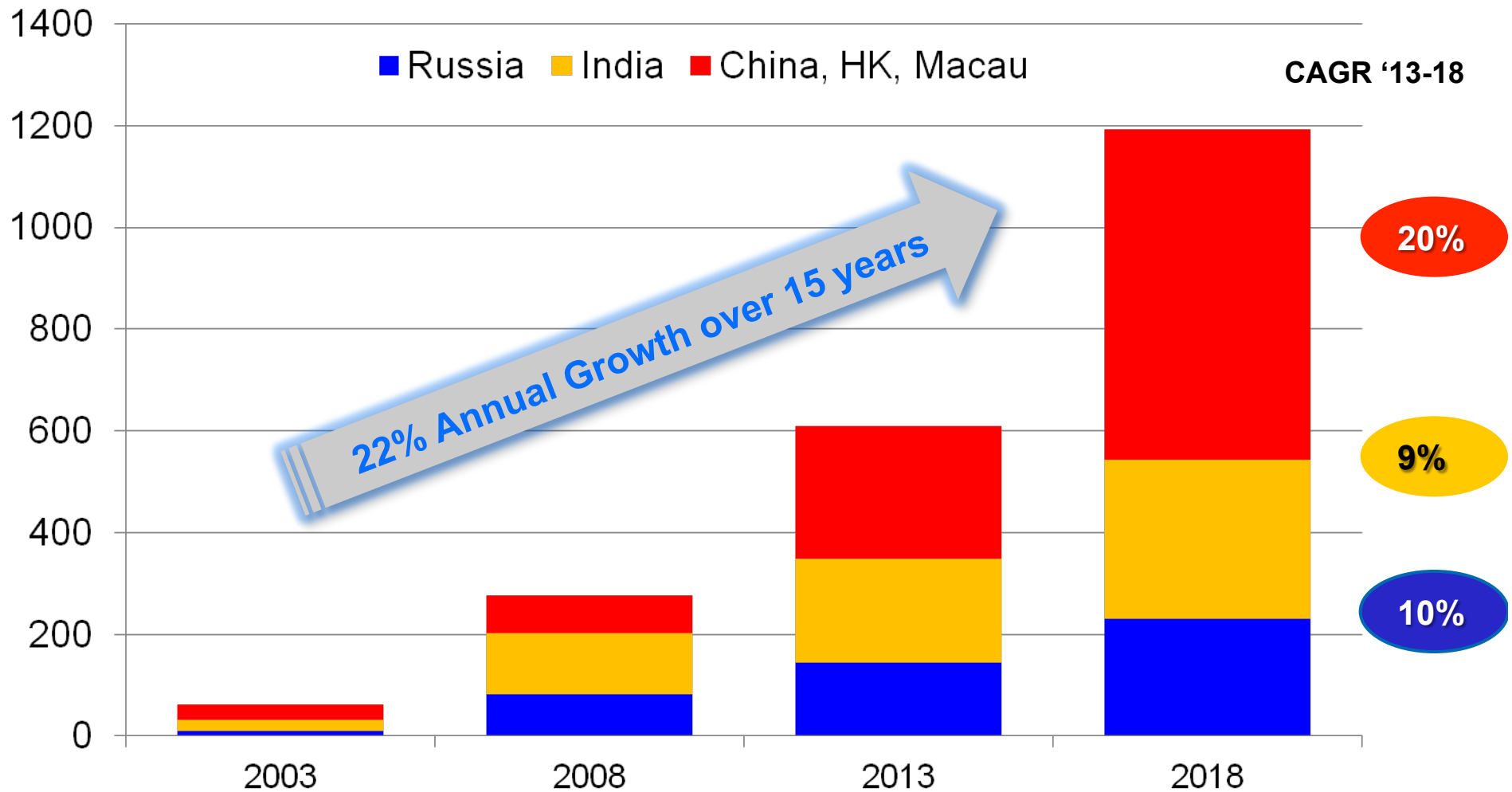
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- Today – 3% to 4% of world fleet
- Average age of Business Jets – Just over 15 years
- 7+% annual fleet growth over the last 5 years
 - Fleet growth project to slow slightly as outmigration of Aircraft from region has occurred recently
- Strong preference of large cabin/ long range jets ~70% of units, 88% of value
- Expected to contribute 4% of global demand over next 5 years
- Purchase expectations dropped 7 points to 25%



China, Russia and India BA fleet

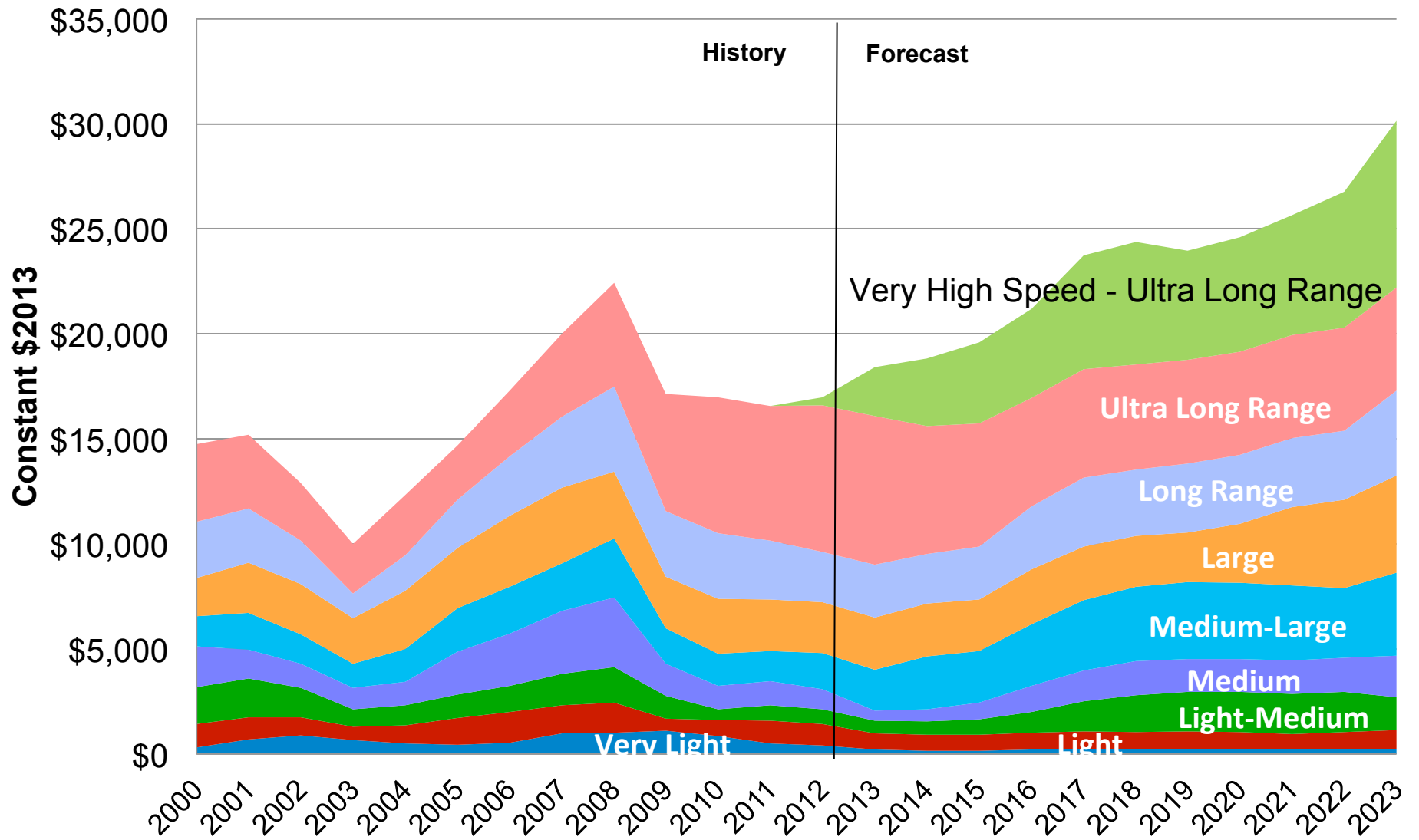
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Fleets expanding rapidly, but slower than 2012 O/L

Business Jet Forecast – Delivery Value

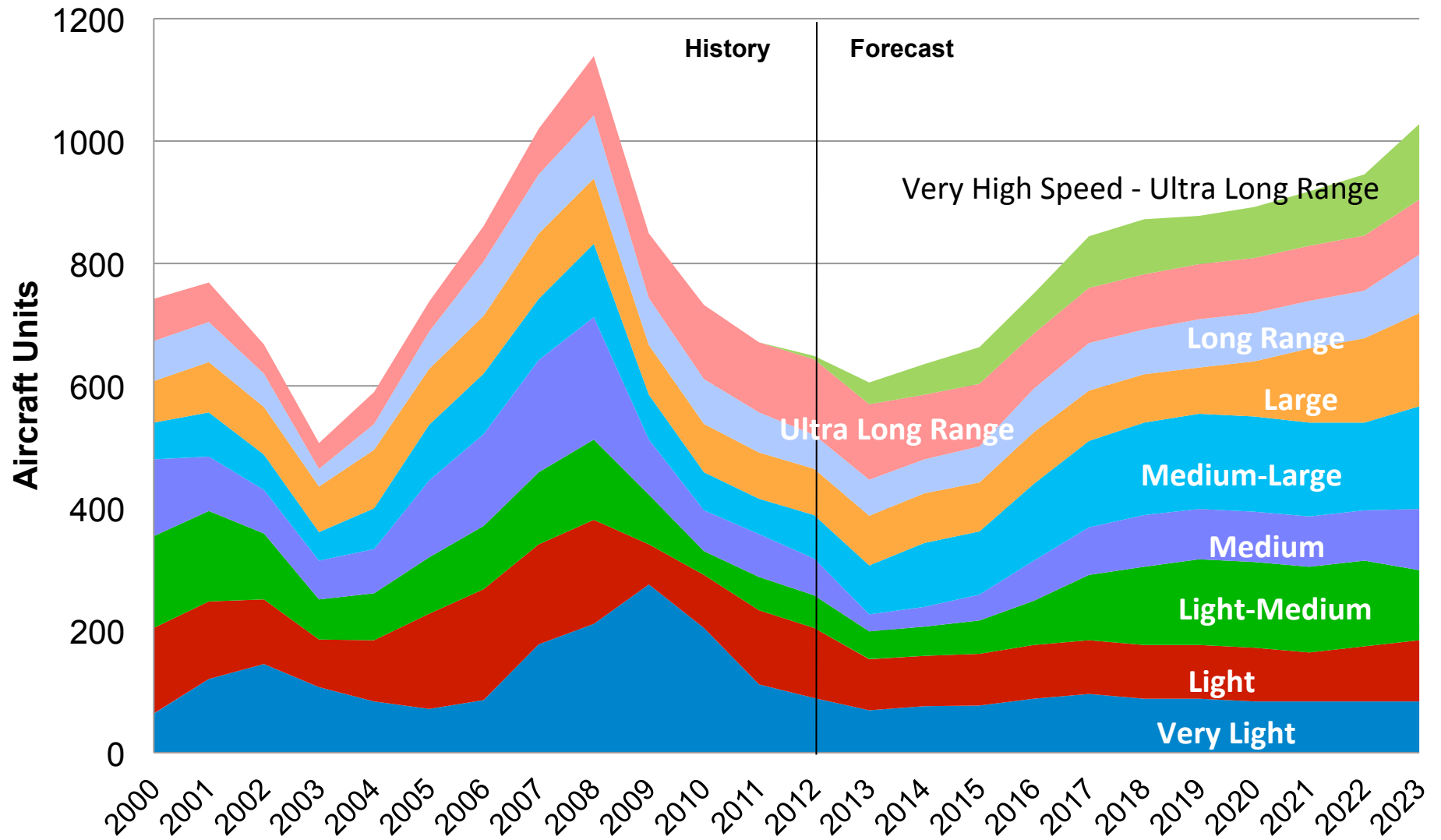
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Nearly \$260B from 2013 - 2023

2013 Business Jet Delivery Forecast in Units

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~9,250 Aircraft from 2013 - 2023

2013 Outlook - Summary

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- **2014 will post modest growth**
 - Less volatility in OEM rates - recently improved order levels, and new program schedule recovery
 - Large cabin class aircraft still faring better
- **Operator survey signals steady purchasing activity in 2013-14**
 - Economic growth expectations are improved– but uncertainties in the U.S. and elsewhere pose a risk
 - International share of demand slipped due to topical concerns
 - Emerging economies still have highest purchase plans
 - 2013 deliveries down – supply side constraints drive softness. Value of deliveries up ~8% in '13
 - Modest recovery in new aircraft deliveries in 2014 – Continued value of deliveries growth thru 2018
- **Pipeline of new models still important for longer term growth**
- **Modest signs of recovery in fleet utilization**
 - U.S. flight activity growth slightly positive, European total activity still down, but decline slowing
 - international flight growth positive in both regions and above domestic rates
 - Late model used jet inventory has crept up slightly YTD, overall used inventory has stabilized

***Operator Survey supports new jet demand growth in 2014-15
Operational levels turning positive, slow recovery in mid term***