AVIATION OUTLOOK

Global purchase plans are lower; larger jets still command largest share of demand.

REGIONAL OUTLOOK

- North America: 61%
- Latin America: 15%
- Europe: 14%
- Middle East: 4%
- Asia Pacific: 6%

AIRCRAFT DELIVERIES

- 8,300 aircraft projected through 2027
- Worth $249 billion valuation
- 620-640 projected 2017 deliveries

PURCHASE PLANS BY AIRCRAFT CLASS

- **Big Cabin**
  - 85% total valuation
  - (Super midsized through business liner)
  - 57%
- **Midsize**
  - 8% total valuation
  - (Light-medium, medium)
  - 18%
- **Small Cabin**
  - 7% total valuation
  - 25%

We expect roughly similar delivery levels in 2018 compared to 2017 as the industry transitions to new models, which will drive solid mid and long term growth.

Ben Driggs, President, Americas at Honeywell Aerospace
SURVEY HIGHLIGHTS

<table>
<thead>
<tr>
<th>57%</th>
<th>19%</th>
<th>&lt;2–3%&gt;</th>
<th>19%</th>
<th>61%</th>
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<tbody>
<tr>
<td>of new purchase plans will be large cabin jets</td>
<td>of surveyed fleets replaced or added to new jets within the next 5 years</td>
<td>decrease from 2016 in value of forecasted deliveries</td>
<td>of planned purchases to be completed during 2017-2018.</td>
<td>of worldwide sales originate in North America</td>
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REGIONAL SPOTLIGHT

EUROPE:
Decline in European purchase plans impacted by Brexit and slow growth in EU.

- 12% of new purchases planned by end of 2018
- 19% of fleets planned for replacement with new jet in next 5 years

ASIA:
Significant decline in purchase plans this year back to 2014-2015 levels.

- 6% of new purchases planned by end of 2018
- 13% of fleets planned for replacement with new jet in next 5 years

INDUSTRY

Operator needs
Continuing focus on large cabin jets with:
- Modern high tech avionics
- Faster cruise Mach .85
- Extended range in every class

Operator concerns
- Lower fuel burn
- Comfort, productivity
- Aircraft support, reliability, maintainability

Pre-owned jet prices down
- Average asking price for all jets is down by 16% year over year

Fractional ownership
- Expected to represent 8-10% of total unit deliveries over the next 5 years

Find out more about Honeywell Business Aviation at aerospace.honeywell.com