



Business Aviation Outlook
NBAA 2006

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2006 Business Aviation Outlook

- **20th Year of Survey, 15th consecutive public report release**
- **1,400 Corporate flight departments from around the world**
 - Aircraft Manufacturers and other sources
- **Purchase expectations up, strong international demand**
- **Record deliveries projected for 2006 and 2007**
- **Long-term outlook strong**
 - 12,000 aircraft worth \$195B projected from 2006-2016



Q206 Business Aviation Environment

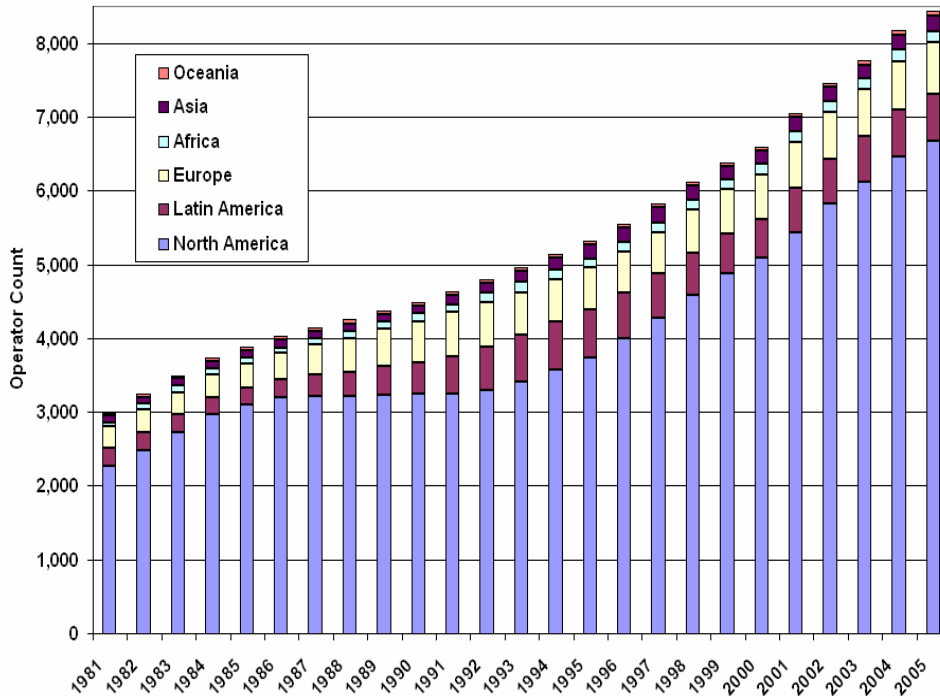
- **First half 2006 business jet deliveries - 403 aircraft worth \$7.2B**
 - 26% increase in units
 - 26% increase in constant 2006 dollars
- **First half 2006 new jet orders up 6.1% over 2005 levels:**
 - Most OEMs reporting 50% - 75% of orders coming from non U.S. customers
 - Book-to-Bill ratio running at 1.2 YTD 1H06 on higher volume
 - Backlogs up, estimated to be between 2,200 - 2,500 aircraft
- **Fractional Operators took delivery of 53 New jets in the first half 2006**
 - NetJets Revenue was up 26% and flight op's up 23%
 - Net fractional shares declined 11.1% over 2005 levels, jet cards supporting growth
- **Most Charter Operators Report Booming Business**

2006 Survey Purchase Plans up 15%



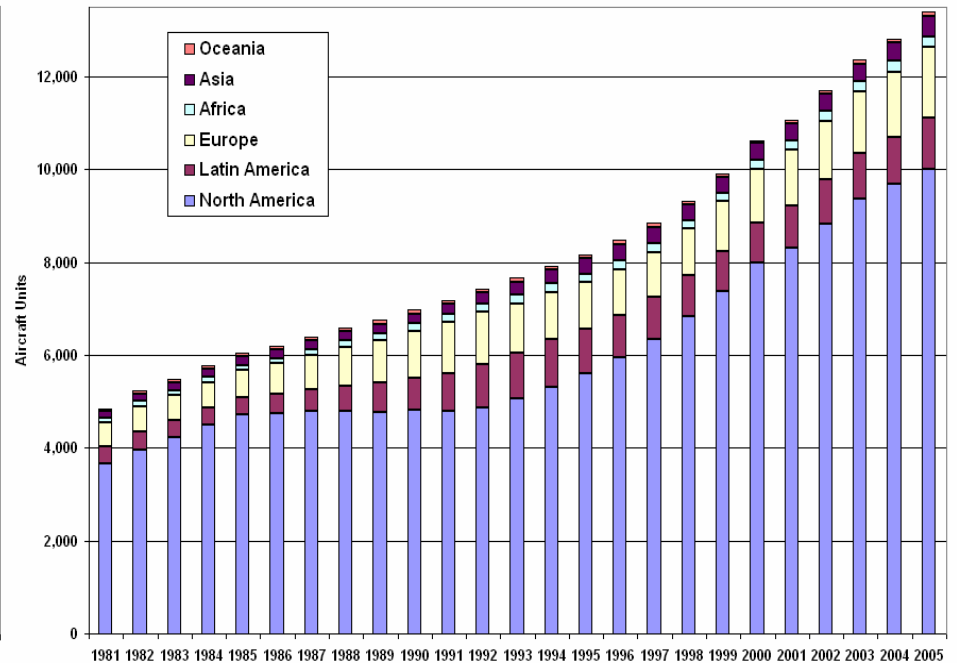
World Fleet and Operator Base

World Jet Operator Base



8,440 Jet Operators
5 Yr. CAGR +4.7%

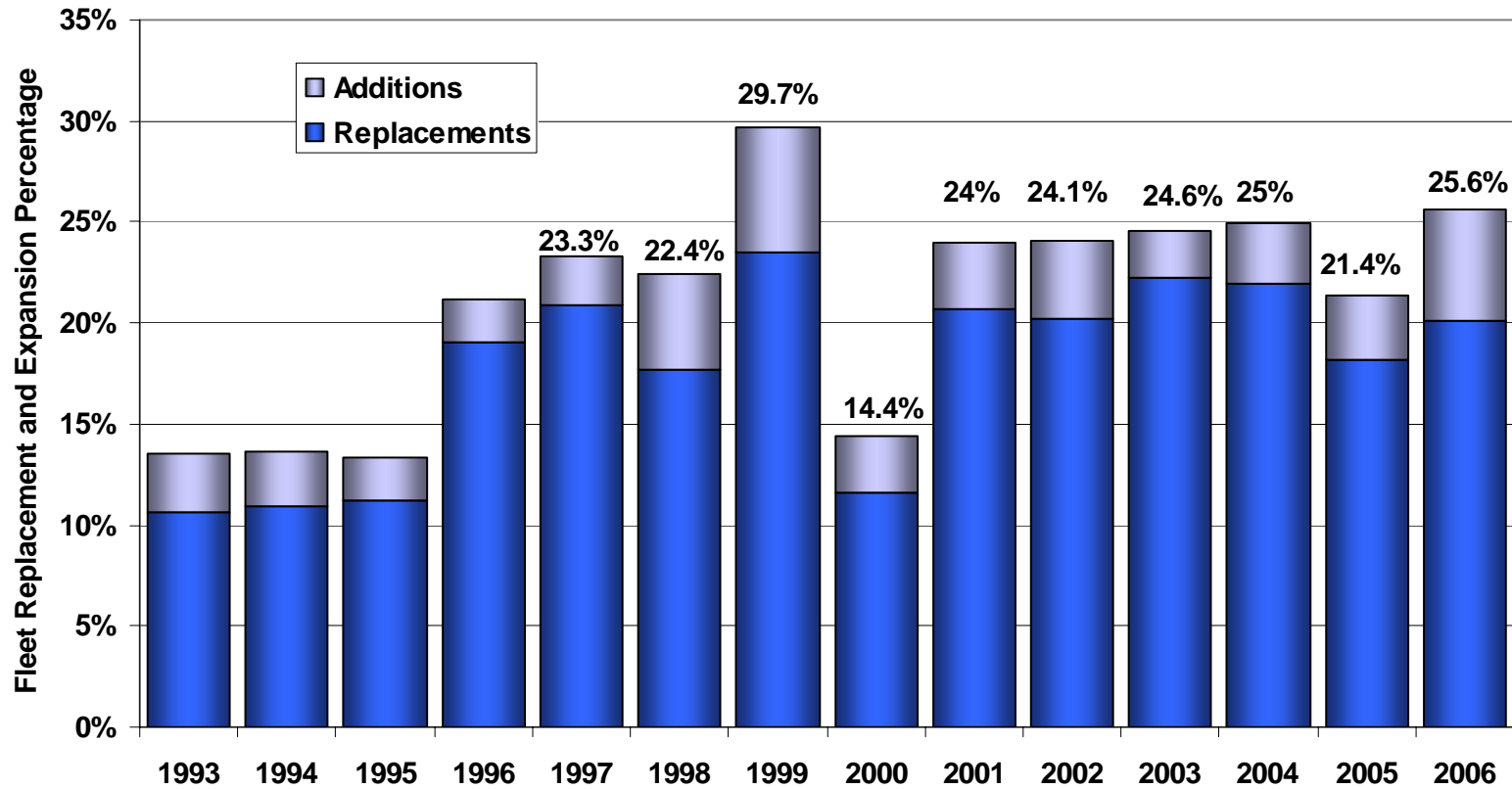
World Business Jet Fleet



13,408 Business Jets
5 Yr. CAGR +5.3%



Five Year Purchase Plans for New Jets

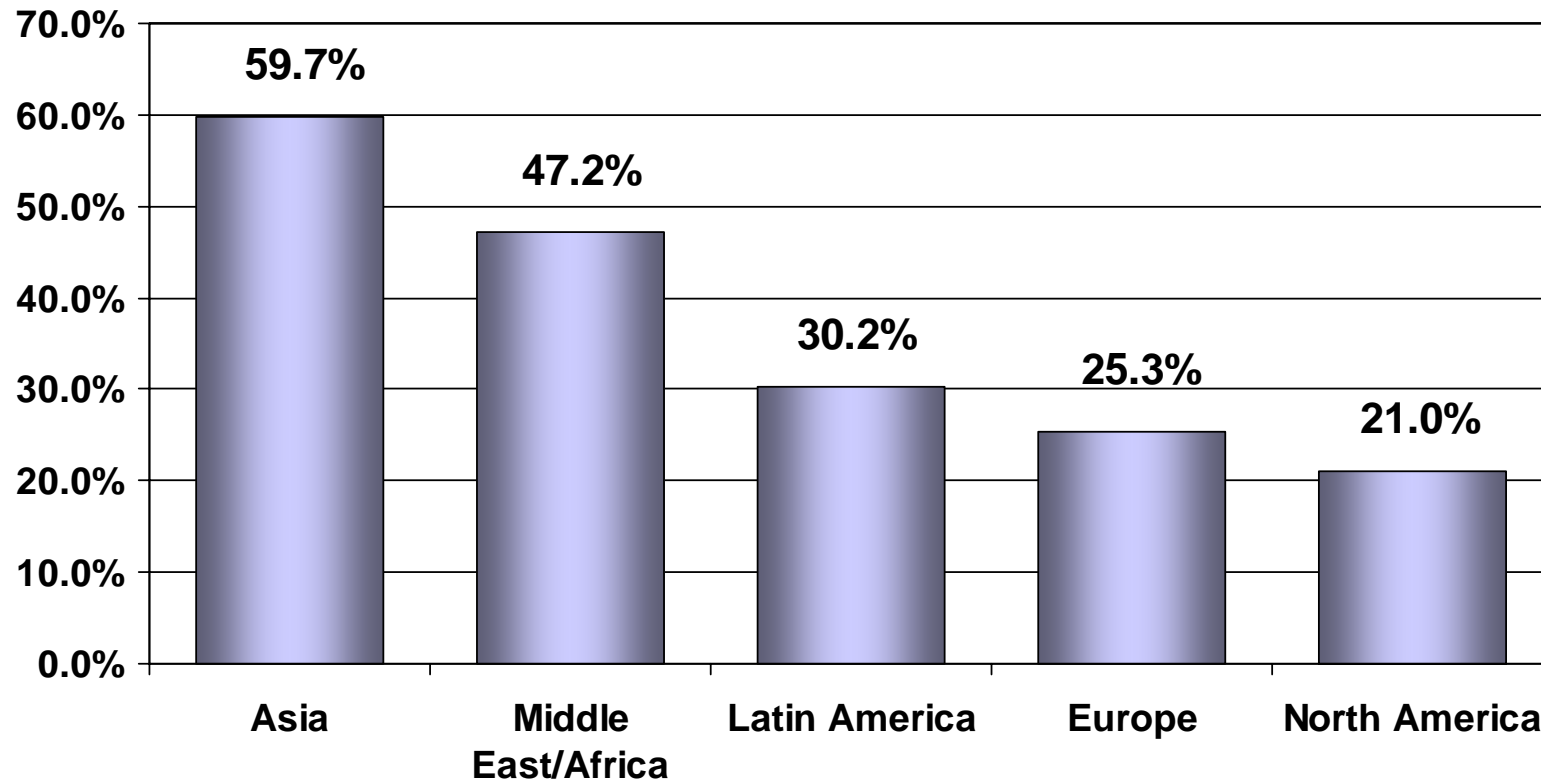


Purchase Plans Increased on Strong Demand in Asia, Africa and Middle-East and Improved U.S.



2006 Purchase Expectations by Region

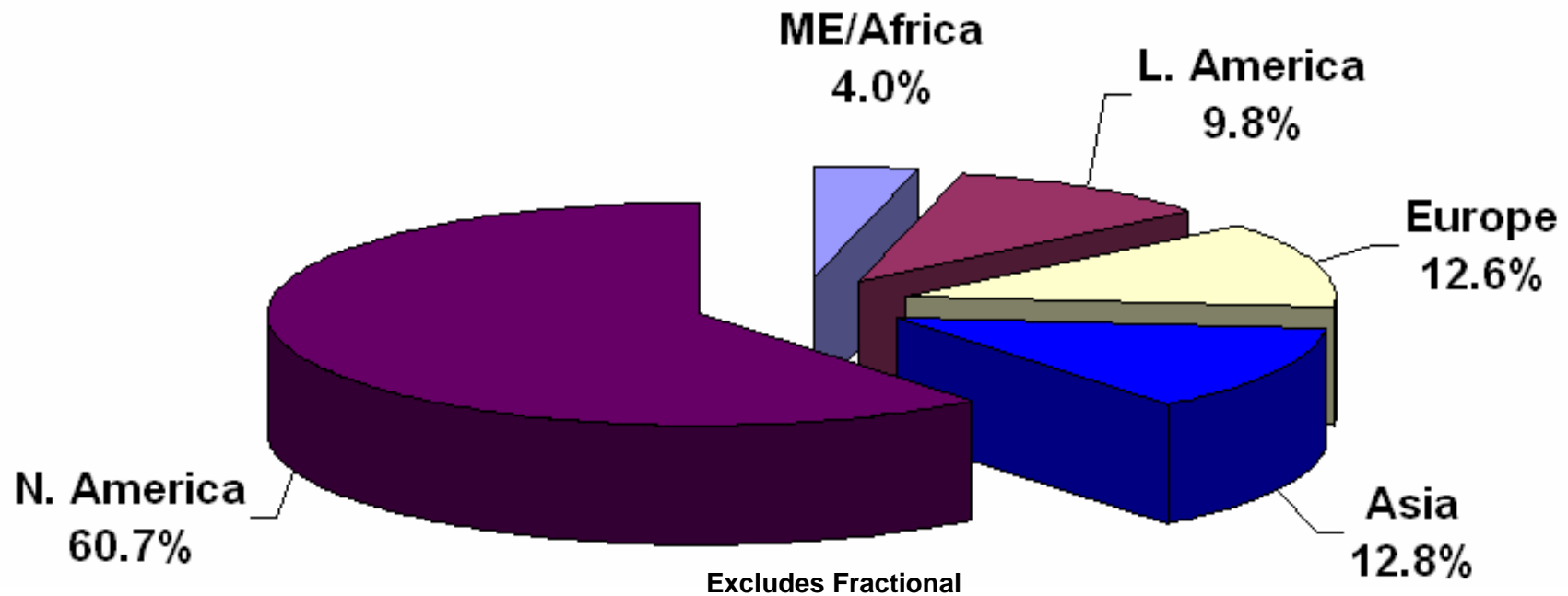
5 Year Replacement and Expansion Percentages



Growing Demand in Asia, Middle-East and Africa



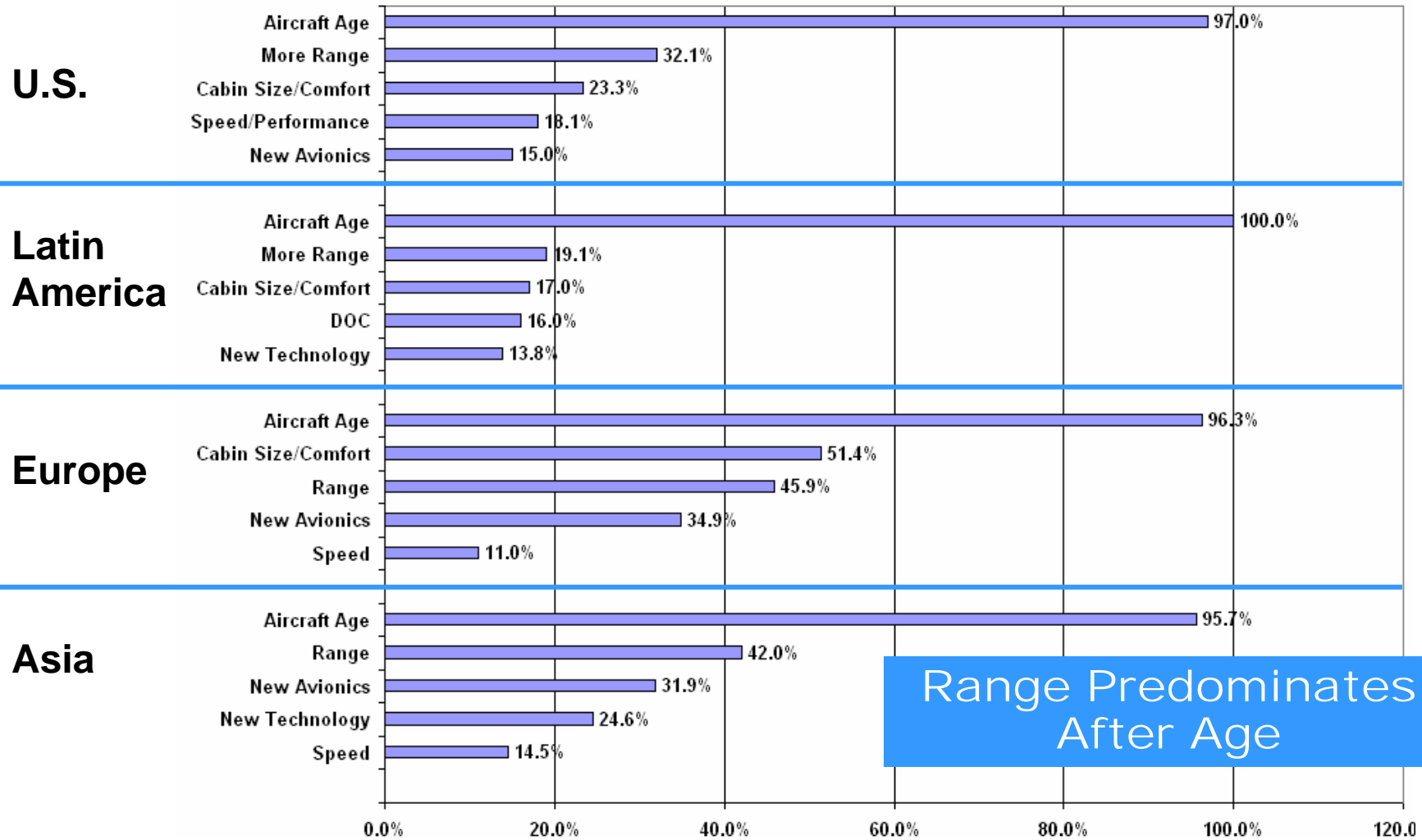
Survey Five Year Jet Buying Plans by World Region – Traditional Market Only



Regional New Jet Demand Over the Next 5 Years, Survey Indicates Asia may be the Largest Non U.S. Market Over the Next 5 Years



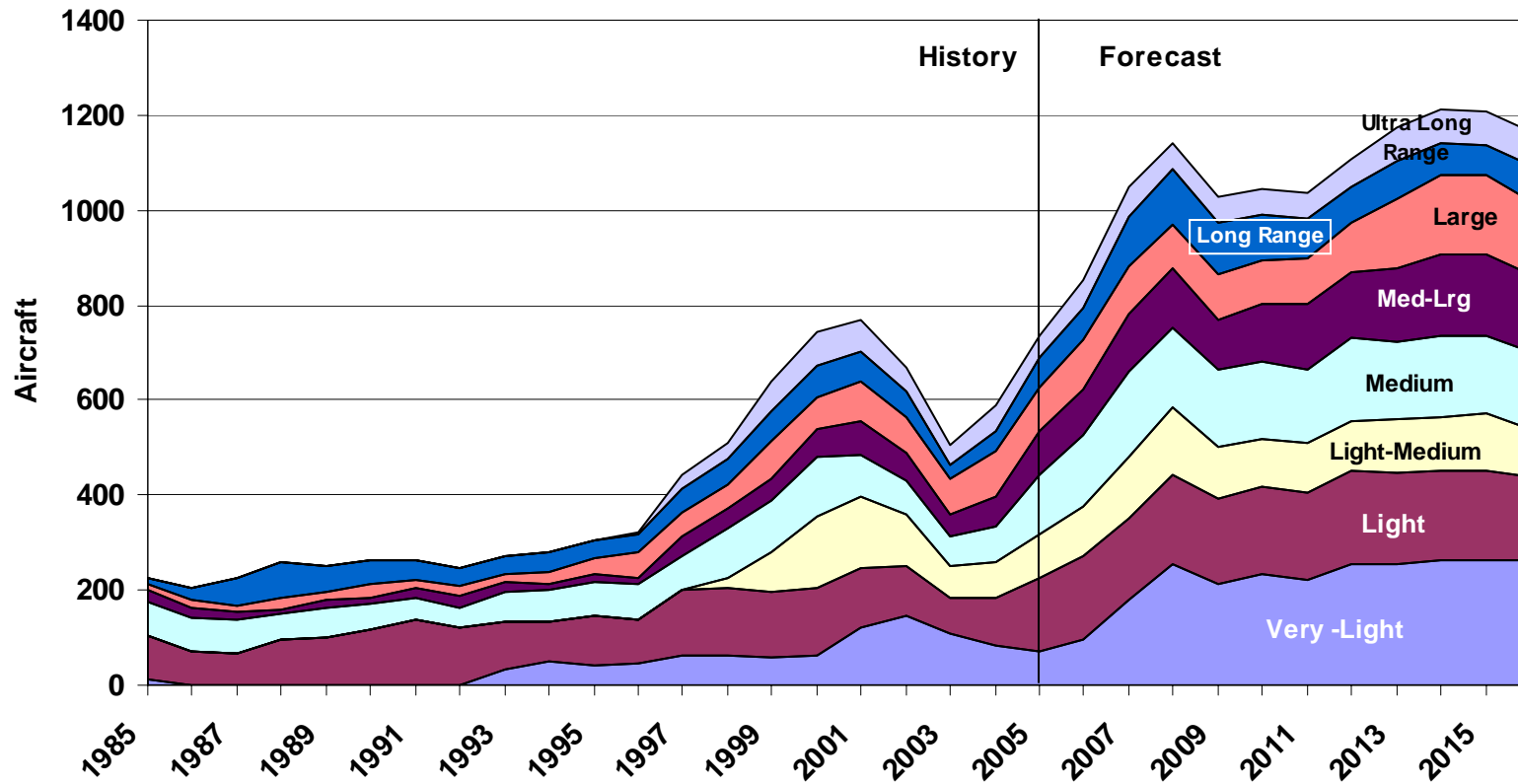
Reasons for New Jet Purchase – 2006 Survey



Range Predominates After Age



2006 Outlook for Business Jet Deliveries

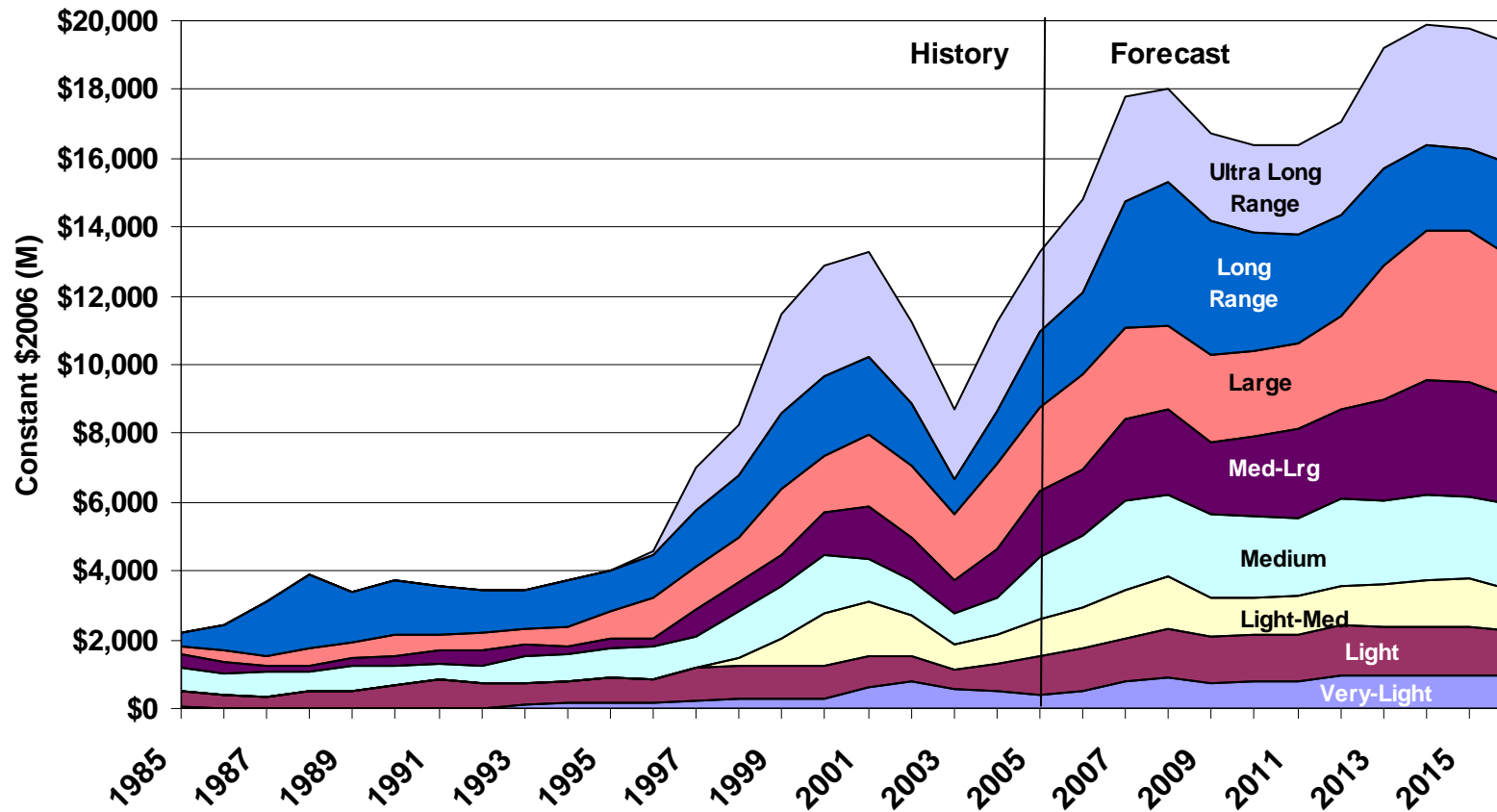


12,000 New Jets from 2006 - 2016



2006 Outlook for Business Jet Deliveries

Constant 2006 Dollars



\$195B from 2006 - 2016



Conclusions

- **2006 is another record year in the making**
 - Backlogs should push 2007 deliveries even higher
- **Improved buying plans strengthen near term outlook**
- **International demand growing**
 - More than compensates for potential U.S. economic slowing
- **Pipeline of new high value models supports long term growth**
- **Fractional, jet card and branded charter taking significant numbers of new aircraft**
- **Some operator concerns linger**
 - TFR's & security regulations, insurance costs and fuel prices

Strong Outlook – Meeting or Exceeding Expectations