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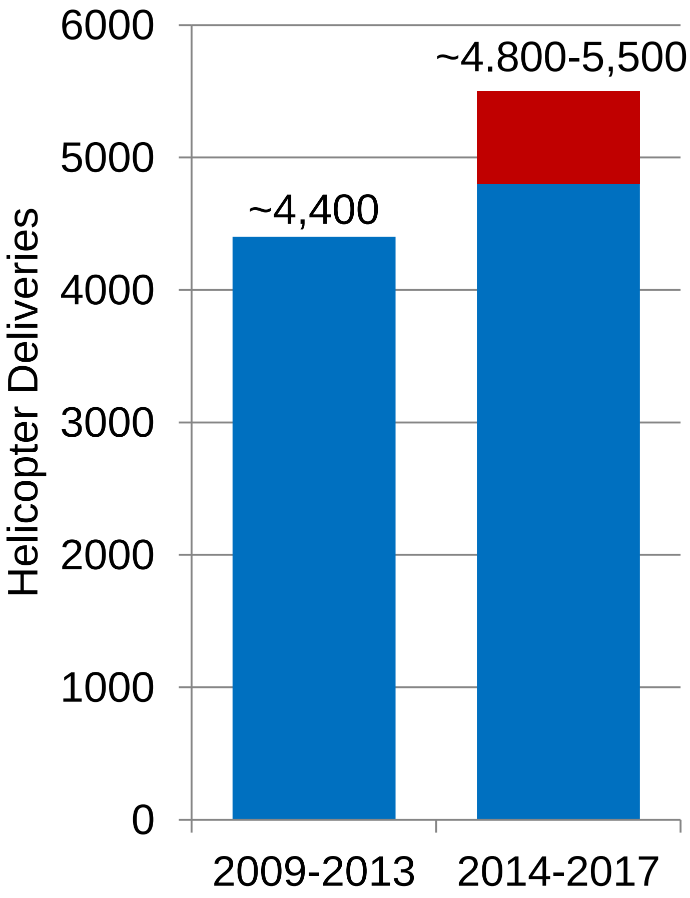
Moscow May 2014

Helicopter Market Update

Honeywell

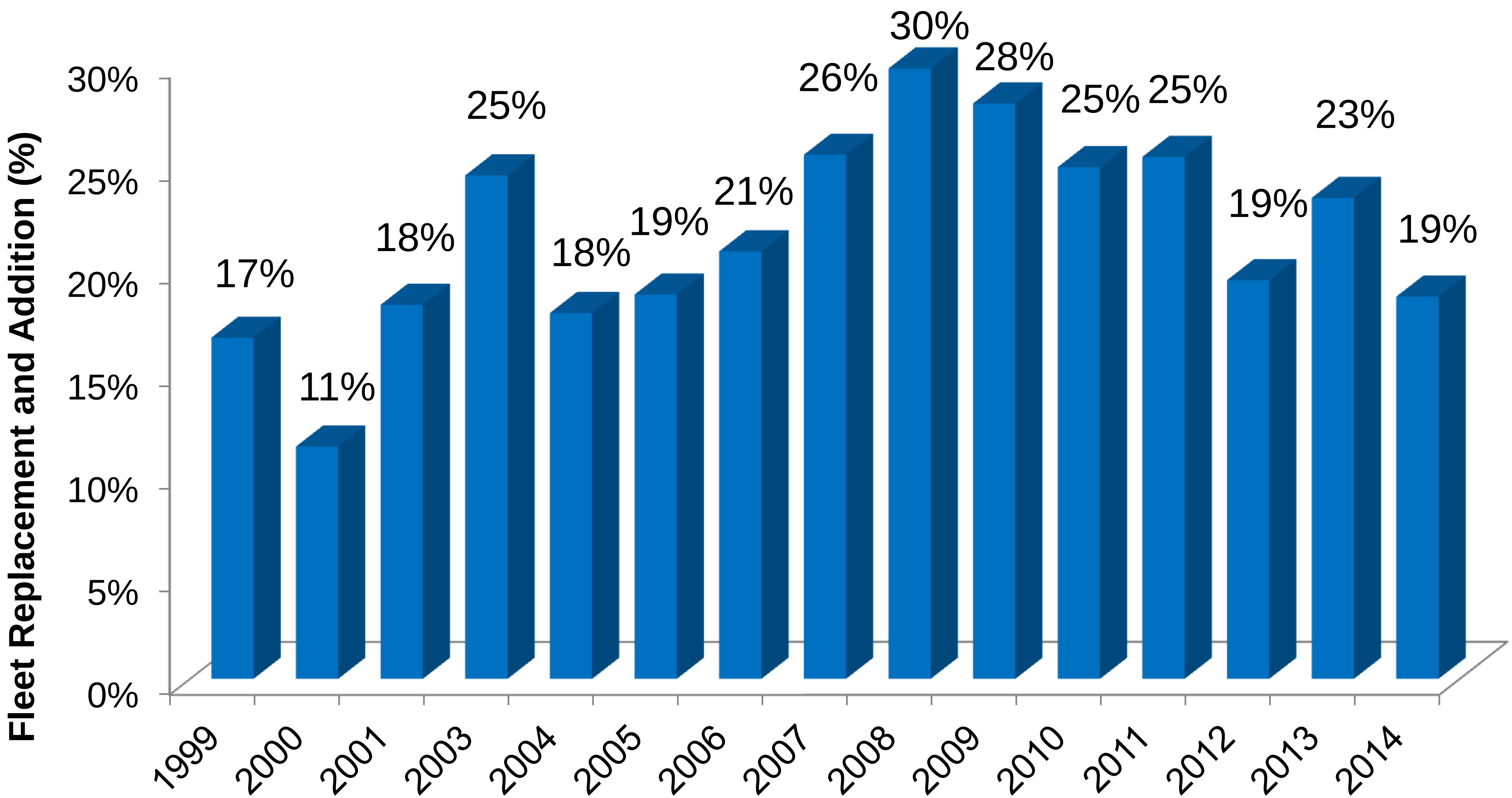
2014 civil helicopter outlook

- Fleet replacement and expansion expectations down 4~5%
  - 5 year purchase plans declined in all world regions
  - Steepest decline in Europe and Asia
  - Latin America maintains highest replacement and expansion rates
  - Large Fleet operator demand offsets dip in survey results
- Near term outlook (2014 - 2016):
  - Purchase mentions equivalent to the 2013 survey
  - 54% of all 5 year purchases planned in next 3 years
  - Over 1,000 new civil turbine-powered helicopter per year
- Leading reasons for new aircraft purchase:
  - Aircraft age/condition,
  - Contractual requirements,
  - Change in mission, expiring warranties
  - Regulations requiring twin engines



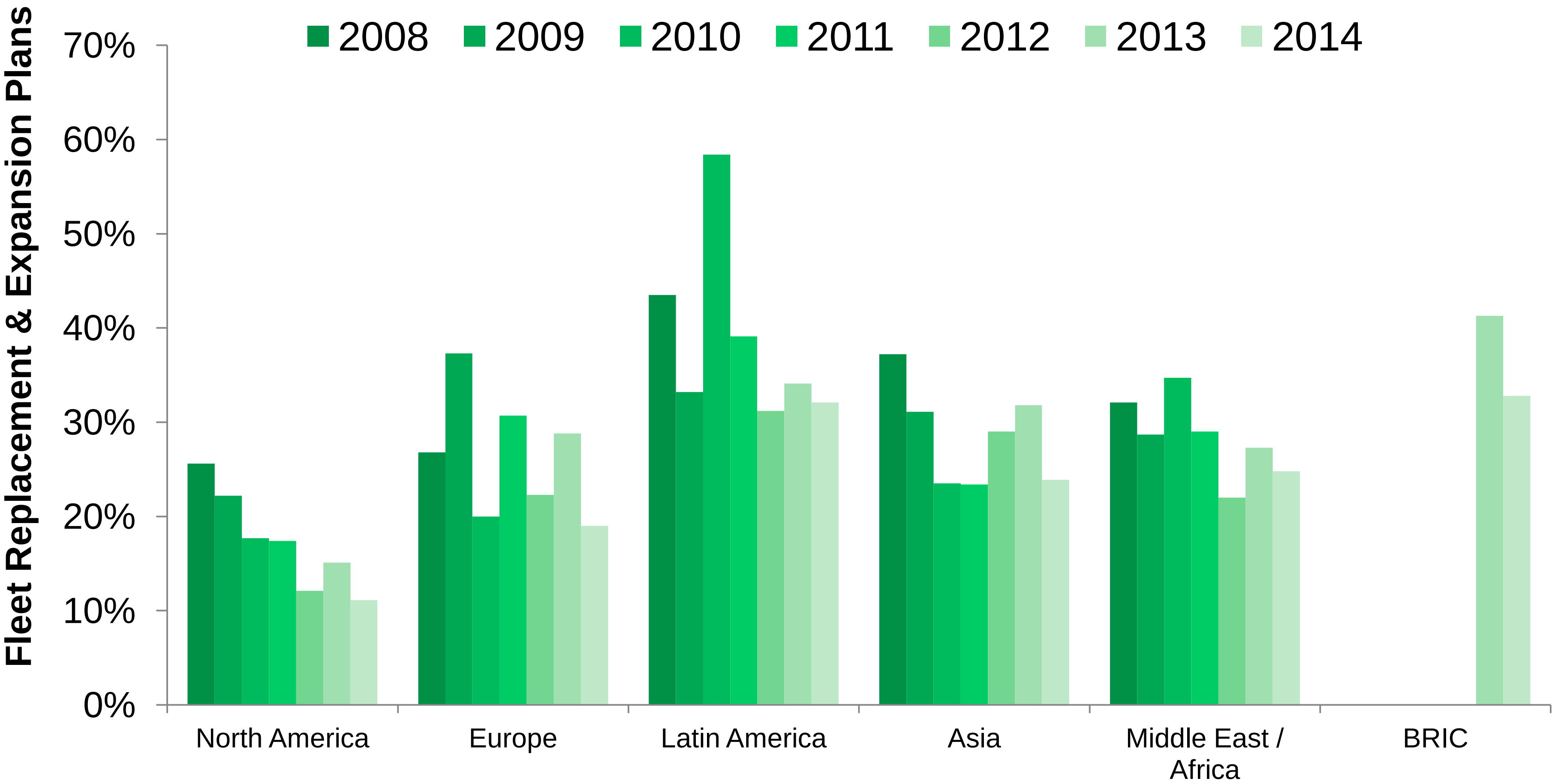
Outlook steady compared to last year

World fleet replacement and expansion plans



2014 new helicopter 5 year purchase plans fell ~4 points on Emerging Market economic concerns

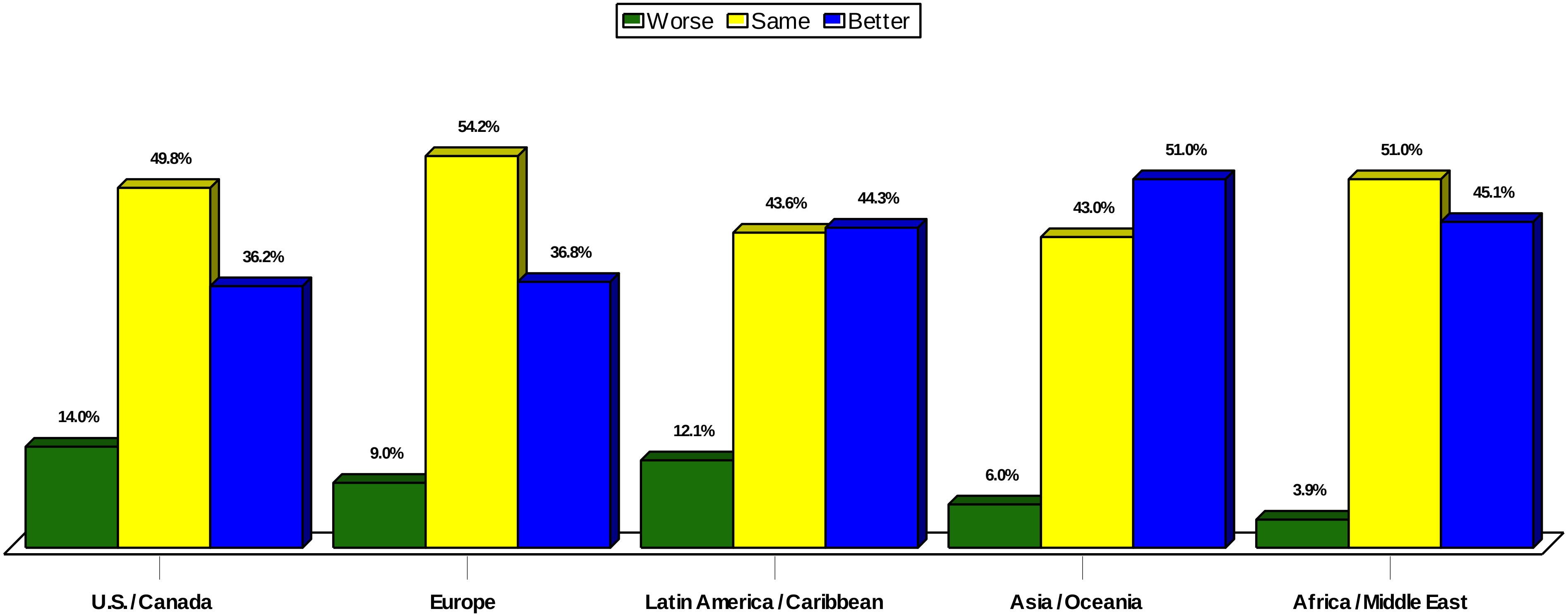
New helicopter purchase plans by region



5 year new helicopter purchase plans slipped in all regions

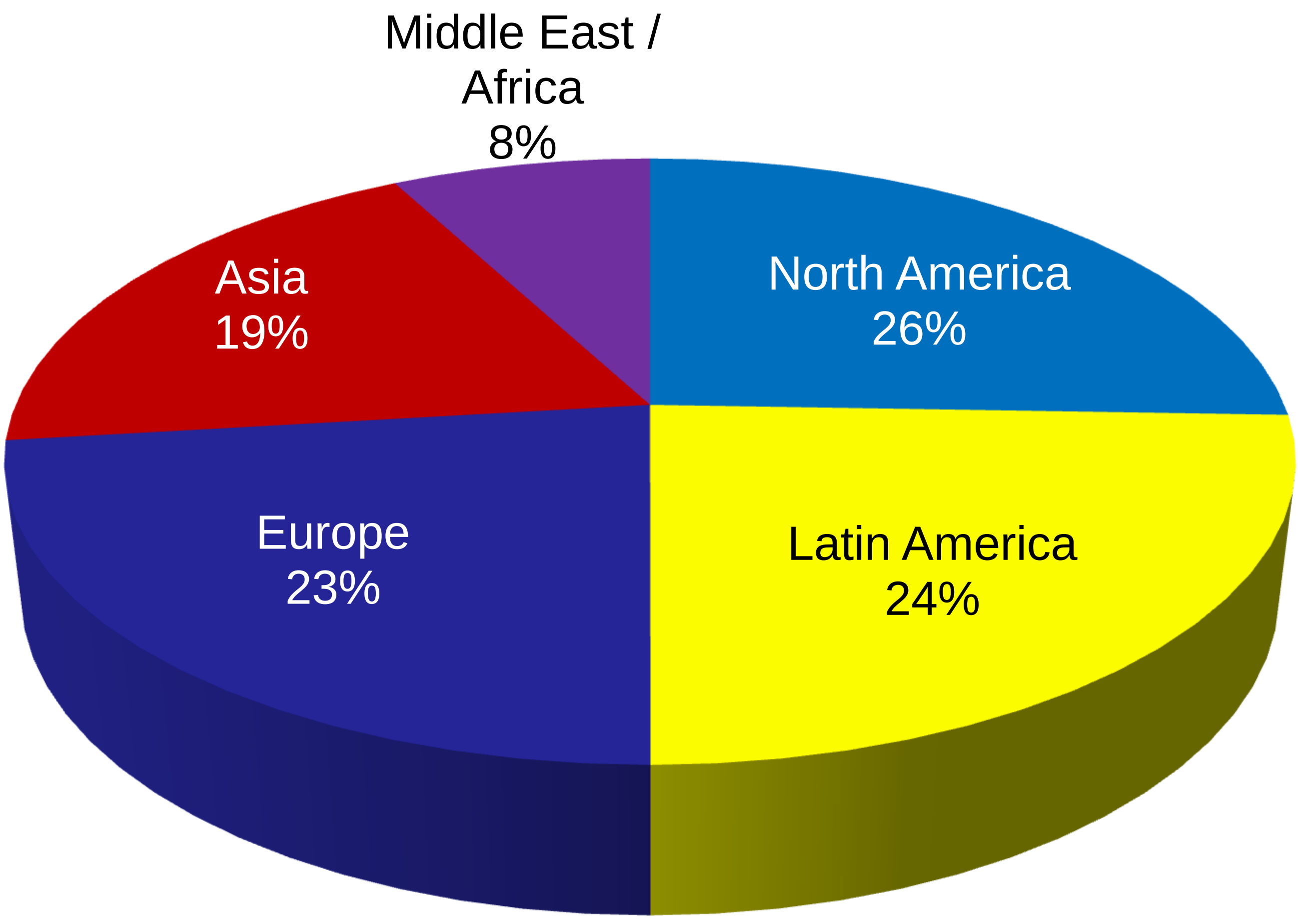
Operator’s expectations for business by region

"Based on your segment of operations, do you see business conditions improving, staying the same, or deteriorating (getting worse) over the next 12 months."



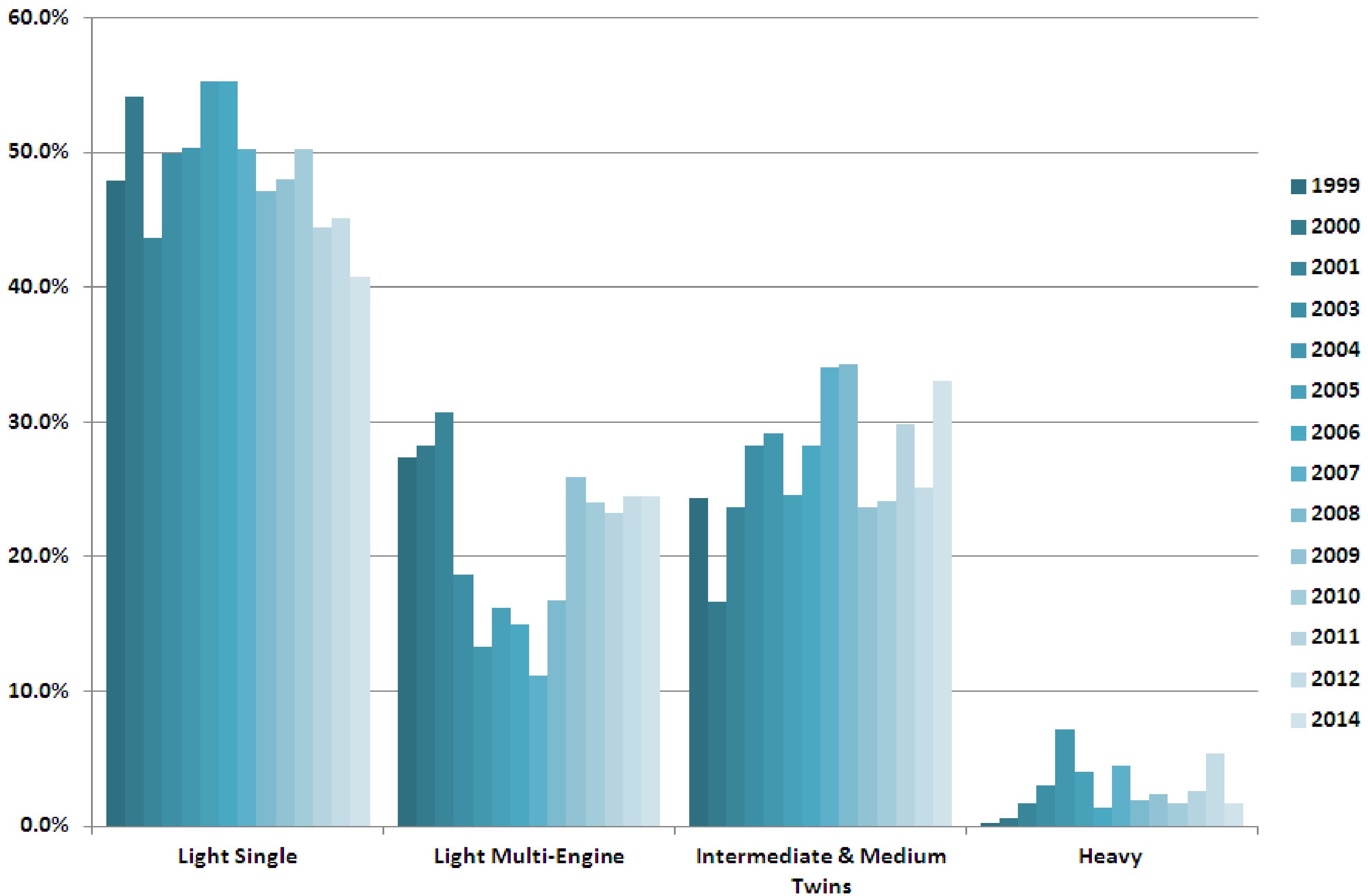
Expectations worldwide range from mostly ambivalent to clearly optimistic

Five year demand for new helicopters by region



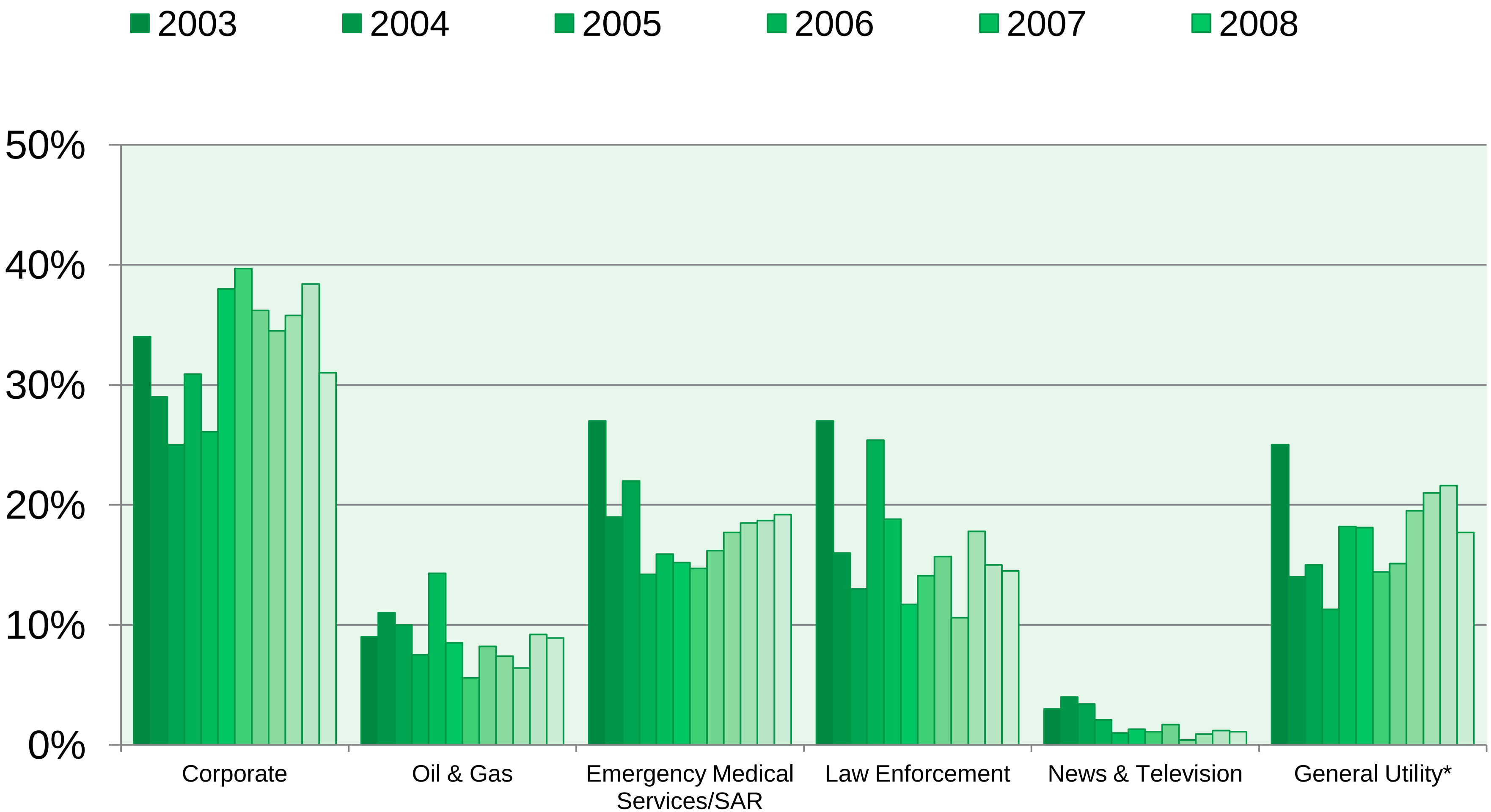
The Americas account for 50% of global demand

Purchase plans by size class



Light Singles most popular, but lost share to twins after '07

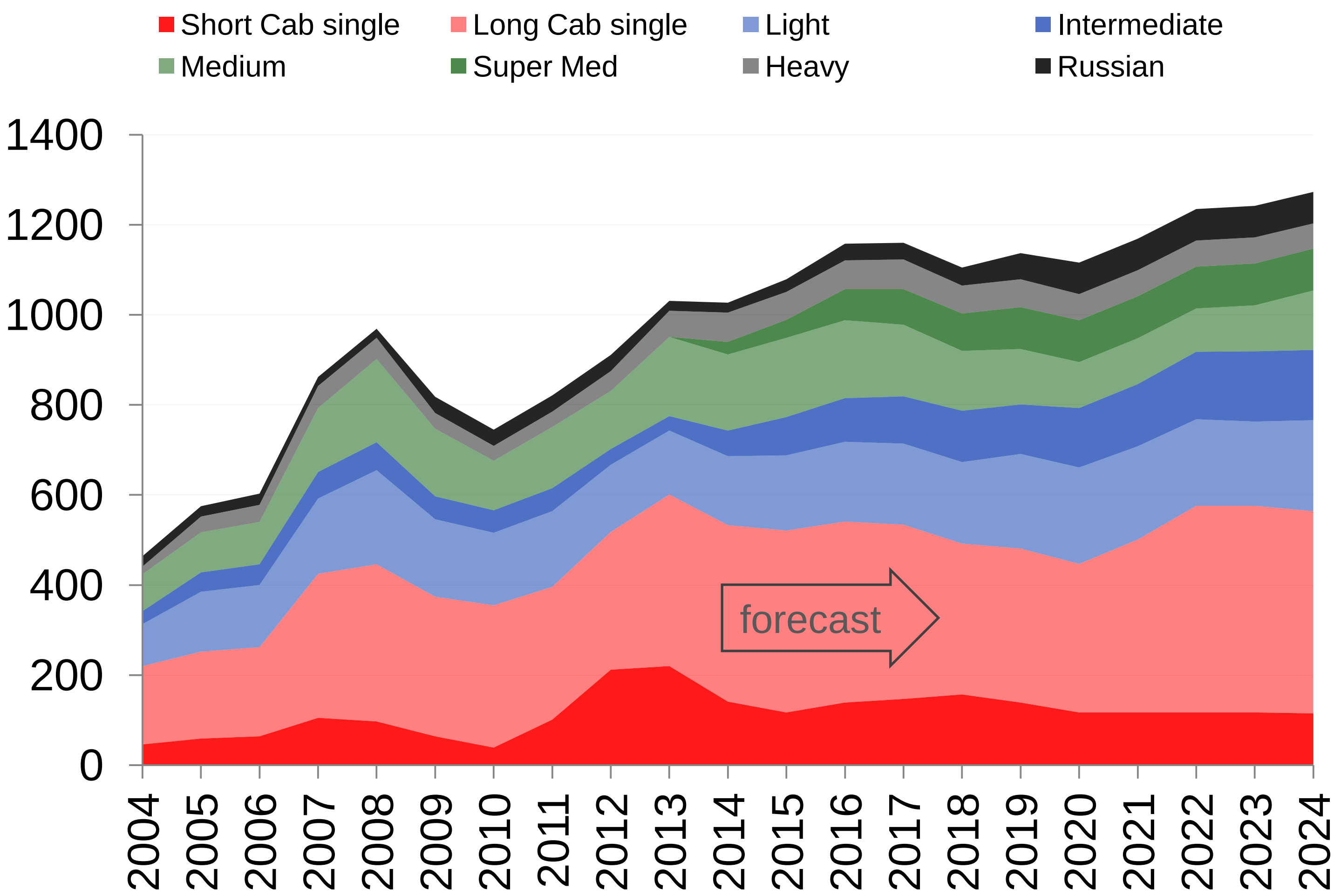
Planned usage of new helicopter purchases



Operational flexibility contributes to market robustness

Note: Data does not add to 100% due to multiple uses for some aircraft and excludes miscellaneous applications such as Tourism, Agriculture, Recreation, Experimental Testing Etc.

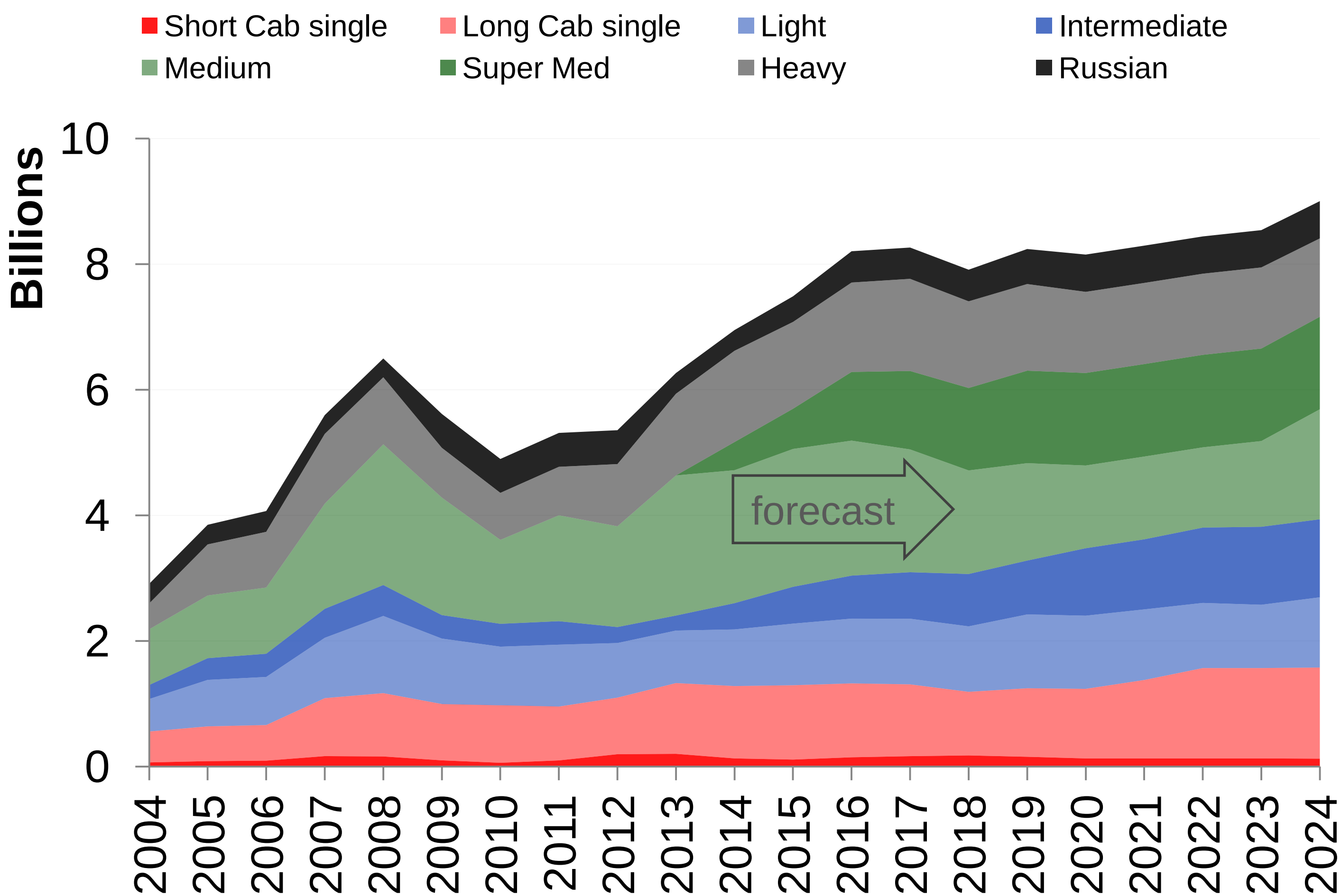
Delivery forecast – units



class	share
Russian	5%
Heavy	5%
Super Med	7%
Medium	12%
Intermediate	10%
Light	16%
Long Cab single	34%
Short Cab single	11%

12,700 Aircraft from 2014-2024

Delivery forecast – estimated list price



class	share
Russian	6%
Heavy	17%
Super Med	15%
Medium	21%
Intermediate	11%
Light	13%
Long Cab single	15%
Short Cab single	2%

$89.5B from 2014-2024