

From: "Lesley Groff" <[REDACTED]>

To: "Jeevacation" <jeevacation@gmail.com>

Subject: FW: UBS Business Jet Survey: Gauging Impact of Europe

Date: Fri, 04 Jun 2010 19:14:22 +0000

Attachments: Europe_Survey_MN060310.pdf; Inventory_MN060310.pdf; Cycles_MN052510.pdf; Bizjet_Survey_MN051310.pdf; disclaim.txt

From: Sean J. Lancaster [REDACTED]

Sent: Friday, June 04, 2010 3:12 PM

To: Sean J. Lancaster

Subject: FW: UBS Business Jet Survey: Gauging Impact of Europe

[This month's report](#)

* **Survey of bizjet contacts:** We recently surveyed our business jet contacts to get a sense of European business jet market conditions and the potential impact of a stronger dollar. We estimate Europe accounts for roughly 25% of business jet demand (on deliveries) with Dassault most exposed to Europe and Gulfstream least exposed.

* **Europe looks to have weakened:** The European market looks to have weakened from an already low level with half of our survey respondents indicating deterioration over the past couple of months. On currency, only a small fraction of our participants see the stronger dollar having a significant impact on demand with 75% calling for a moderate impact. Overall, our respondents overwhelmingly see weakness in the European economies as a much bigger risk factor than currency.

* **GD pricing Gulfstream at <10x:** With GD off more than the market and current levels implying less than 10x EPS for Gulfstream, we think Europe risk is more than reflected. We continue to believe that GD's defense businesses, particularly Combat Systems, will hold up better than expected and despite European weakness think Gulfstream will grow on initial G650 deliveries and improvement at Jet. Our Neutral rating on TXT reflects concerns over the shape of the recovery at Cessna given significant oversupply, fractional weakness and increased competition at the low-mid end.

Best regards,

Sean J. Lancaster

Bristol Associates Inc.

[REDACTED] direct

[REDACTED] Main Office

[REDACTED] Mobile

[REDACTED] FAX

www.bristolassociates.com

This message may contain confidential and/or legally privileged information. If you are not the intended recipient of the message, please destroy it. Any unauthorized dissemination, distribution or copying of the material in this message, and any attachments to the message, is strictly forbidden. (c) 2009 all rights reserved.