

UBS Investment Research
UBS Business Jet Update

Americas

Aerospace

Sector Comment

N America Continues to Bounce Off Bottom

■ **Q1 N America deliveries up 11%, W. Europe up 23%**

While overall Q1 bizjet delivery levels were up only marginally from the prior year, our analysis by region reveals that developed markets continue to recover with deliveries up 11% y/y in N America and 23% in Western Europe. N America deliveries are now up 14% over the past year with W. Europe up 10%, although declines in Eastern Europe, Asia (ex-China) and Middle East have mostly offset.

■ **Q1 small cabin deliveries higher, mid/large lower**

Total Q1 deliveries grew by 2% with small cabin leading the way up 16% mostly offset by 4% decline for large cabin deliveries and 3% decline for midsize. On a rolling 12 month basis overall deliveries are up 2% with small up 17%, midsize up 6% while large is off 10%. Small and midsize deliveries are still 50-60% below peak levels in 2007-08 while large cabin is only 5% off.

■ **TXT/COL most levered to N America bizjet recovery**

While up 20% off bottom, deliveries into N America are still 45% below peak levels with small/mid accounting for most of the decline. Of the manufacturers, Cessna, with 60-70% of its deliveries and installed base in N America, is most levered to a recovery in North America bizjets.

■ **See positive risk-rewards for stocks**

We believe N America bizjet is improving driven by replacement demand postponed during the downturn. While the bizjet stocks have moved higher, we still see positive risk-rewards as we don't think stocks incorporate much for bizjets at current levels including Buy rated TXT/COL/GD.

9 May 2012

www.ubs.com/investmentresearch

David E. Strauss

Analyst
 david.strauss@ubs.com
 +1-212-713 6185

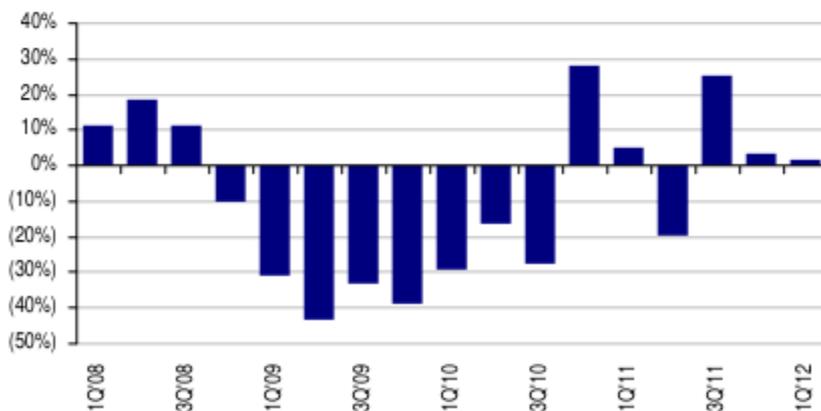
Darryl Genovesi

Analyst
 darryl.genovesi@ubs.com
 +1-212-713 4016

Matthew Akers

Associate Analyst
 matthew.akers@ubs.com
 +1-212-713 4881

Chart 1: Business Jet Deliveries by Quarter (Ex VLJs)



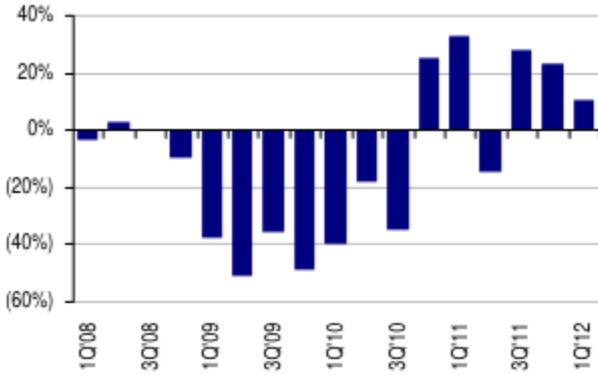
Source: ASCEND

This report has been prepared by UBS Securities LLC
ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 19.

UBS does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

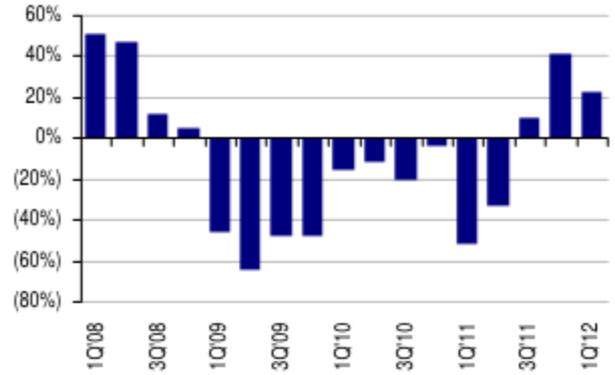
Ex VLJs, Q1 global bizjet deliveries increased by 2%, driven by double-digit growth in both North America (+11%) and Western Europe (+23%), mostly offset by declines in Asia ex-China (-50%) and Latin America (-25%).

Chart 2: North America Deliveries by Quarter (Ex VLJs)



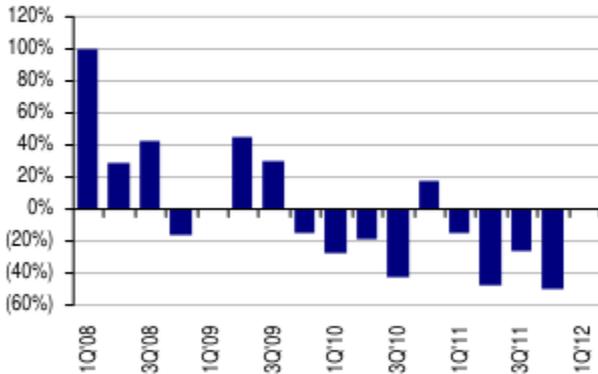
Source: ASCEND

Chart 3: Western Europe Deliveries by Quarter (Ex VLJs)



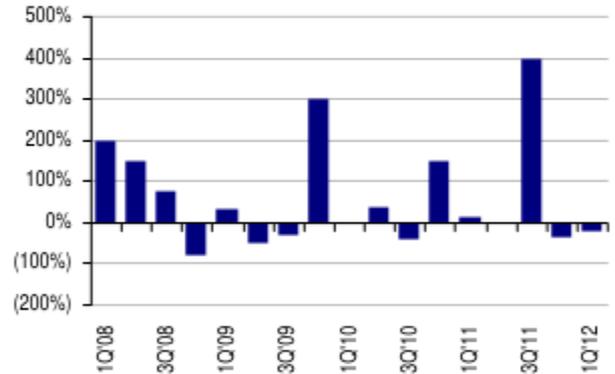
Source: ASCEND

Chart 4: Emerging EMEA Deliveries by Quarter (Ex VLJs)



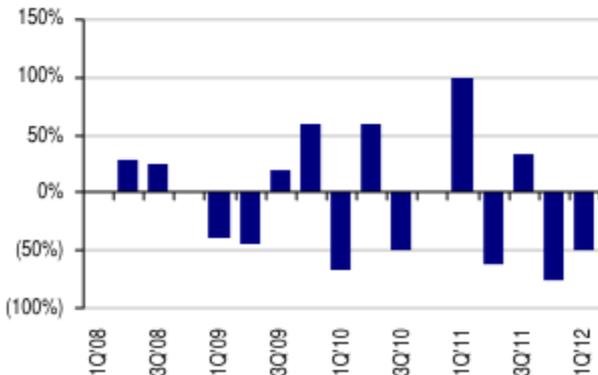
Source: ASCEND

Chart 5: China & India Deliveries by Quarter (Ex VLJs)



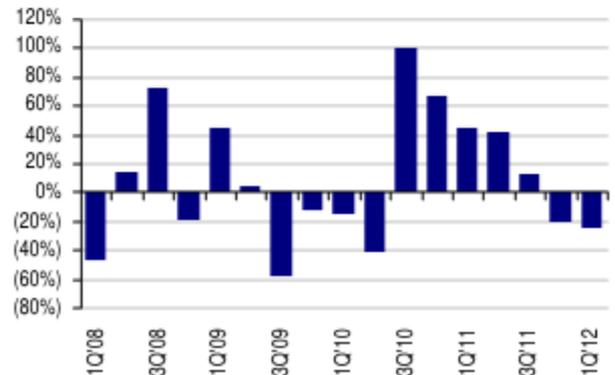
Source: ASCEND

Chart 6: APAC Other Deliveries by Quarter (Ex VLJs)



Source: ASCEND

Chart 7: Latin America Deliveries by Quarter (Ex VLJs)

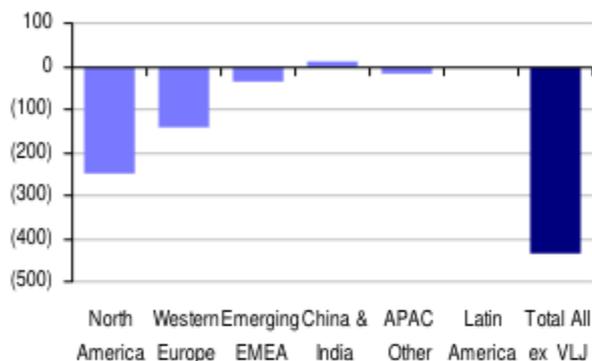


Source: ASCEND

Longer Term Regional Trends (Ex VLJs)

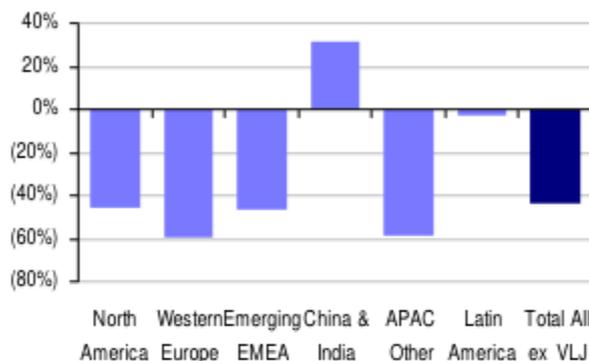
We estimate that business jet industry deliveries have moved 44% lower through the downturn from ~1,000 deliveries at the peak in 2007-08 (ex VLJs) to ~550 now. Deliveries into North America (ex VLJs) have fallen from ~550 at the peak in 2007-08 to ~300 now, accounting for the majority of the overall decline. Meanwhile, annual deliveries into Europe have fallen from nearly 300 to roughly 100 now, while growth in China and India has offset declines in the rest of the Asia-Pacific region.

Chart 8: Change in Unit Deliveries L12M vs Peak (Ex VLJs)



Source: ASCEND and UBS estimates

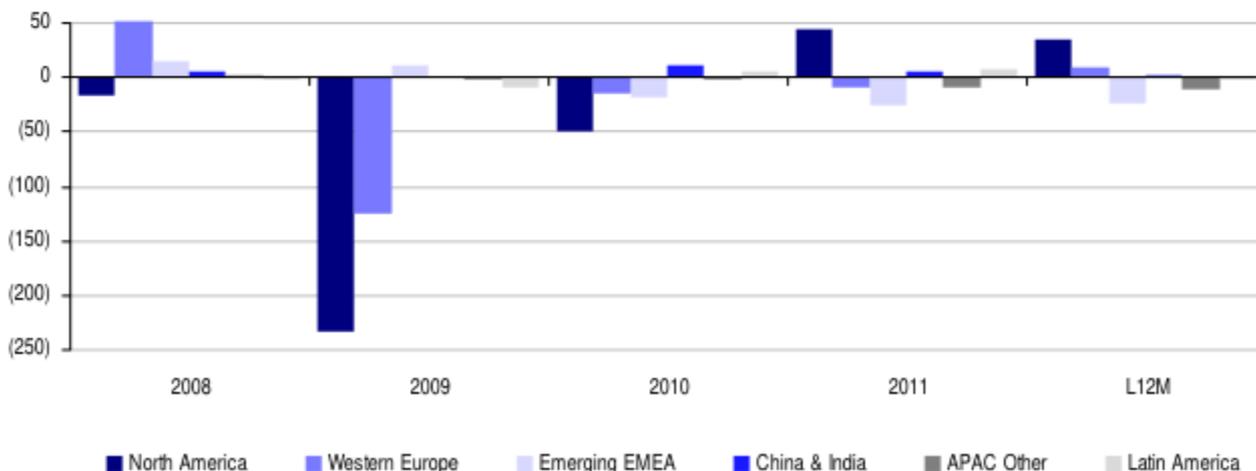
Chart 9: % Change in Unit Deliveries L12M vs Peak (Ex VLJs)



Source: ASCEND and UBS estimates

Following two years of large declines, we estimate business jet industry deliveries have grown 2% over the last 12 months (ex VLJs), led by 13% combined growth in North America and Western Europe while the rest of the world declined by 17% in aggregate with Eastern Europe and the Middle East accounting for most of the decline. (Please note that our analysis excludes Embraer Legacy and Lineage deliveries, which account for roughly 2-3% of total industry deliveries.)

Chart 10: Unit Delivery Growth by Region (Ex VLJs)

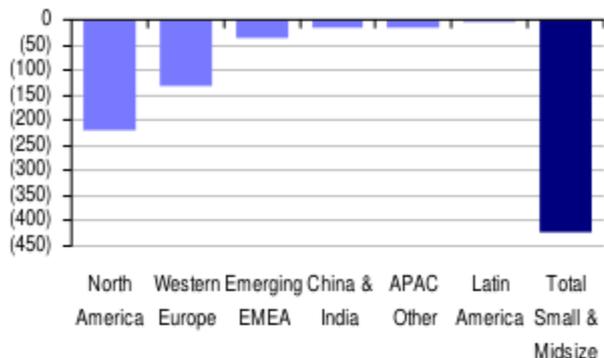


Source: ASCEND and UBS estimates

Small and Midsize Trends (Ex VLJs)

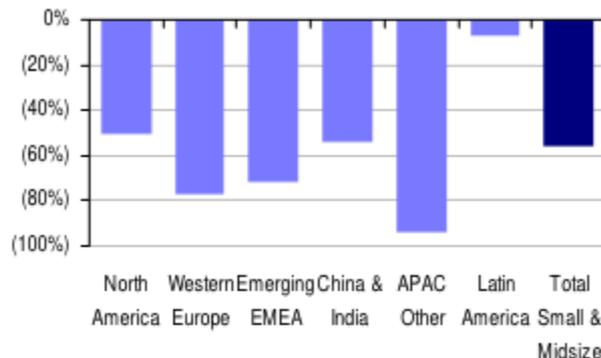
Small and midsize aircraft have accounted for nearly the entire delivery decline since the prior peak in 2007-08 with all regions below prior peak levels.

Chart 11: Change in Unit Deliveries L12M vs Peak (Small/Mid)



Source: ASCEND and UBS estimates

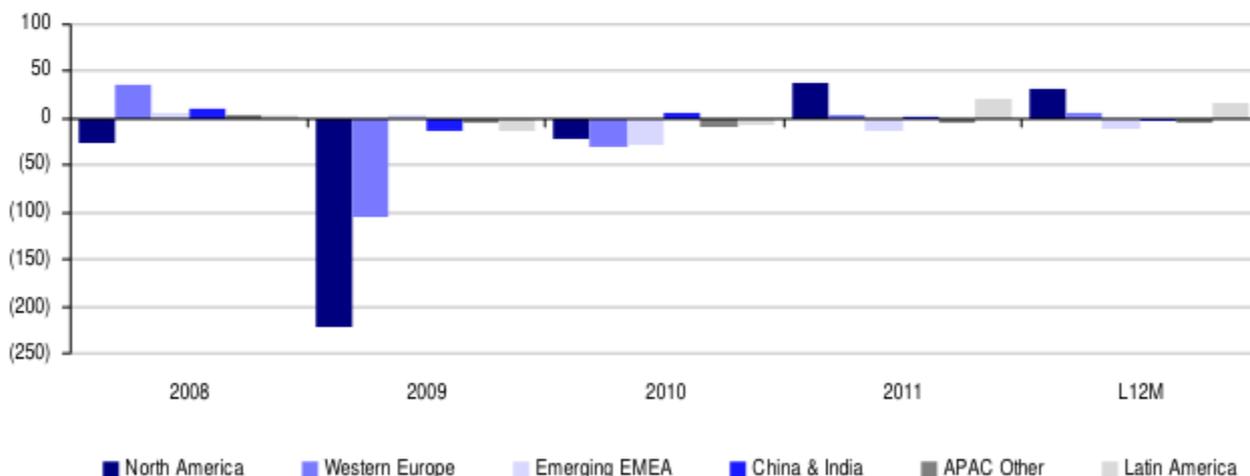
Chart 12: % Change in Unit Deliveries L12M vs Peak (Small/Mid)



Source: ASCEND and UBS estimates

However, after declining in 2009-10, small/midsize deliveries now look to be recovering, led by growth in North America, Latin America and Western Europe. Over the last 12 months, we estimate small cabin deliveries have grown 17% globally with midsize up 6%.

Chart 13: Unit Delivery Growth by Region (Small/Midsize)

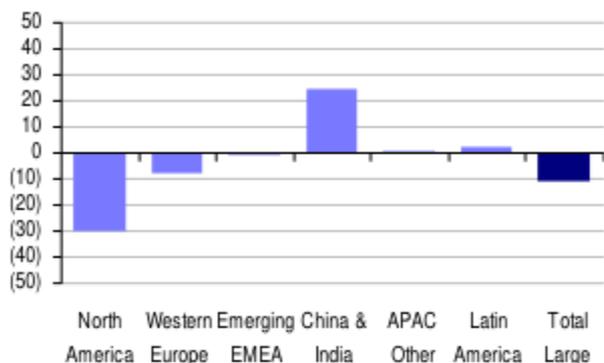


Source: ASCEND and UBS estimates

Large Cabin Trends

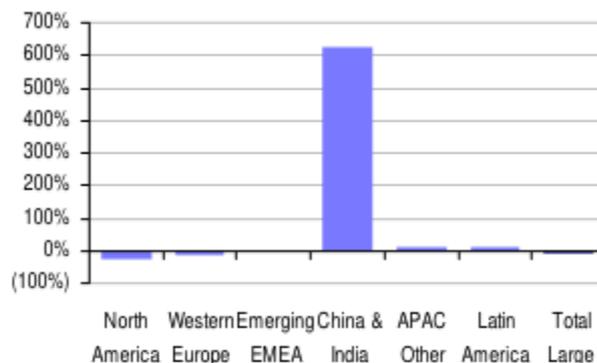
Large business jet deliveries have held relatively flat through the downturn as growth in Asia has mostly offset declines in North America and Europe.

Chart 14: Change in Unit Deliveries L12M vs Peak (Large)



Source: ASCEND and UBS estimates

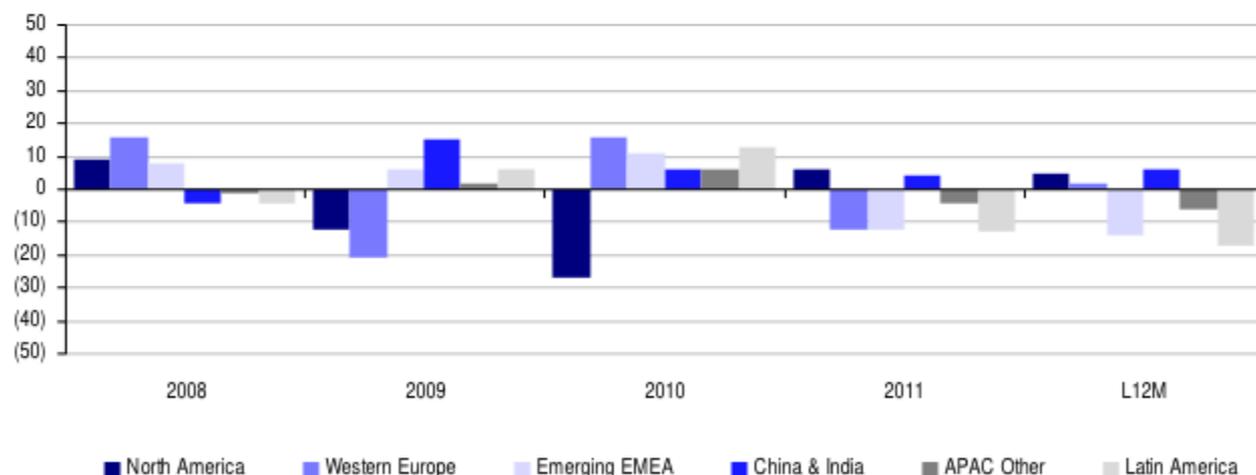
Chart 15: % Change in Unit Deliveries L12M vs Peak (Large)



Source: ASCEND and UBS estimates

While small/mid deliveries appear to be recovering, large aircraft deliveries have moved 10% lower over the past 12 months as modest growth in North America, Western Europe and China has been more than offset by declines in the rest of the world. By manufacturer, the decline is attributable to Dassault and Bombardier with Gulfstream 450/G550 deliveries up modestly.

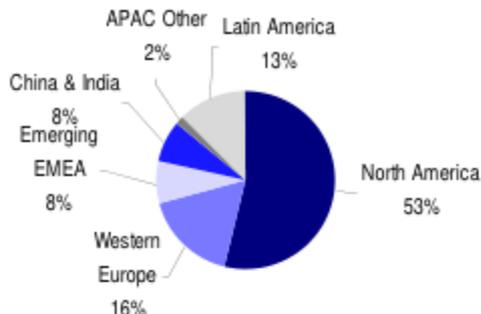
Chart 16: Unit Delivery Growth by Region (Large)



Source: ASCEND and UBS estimates

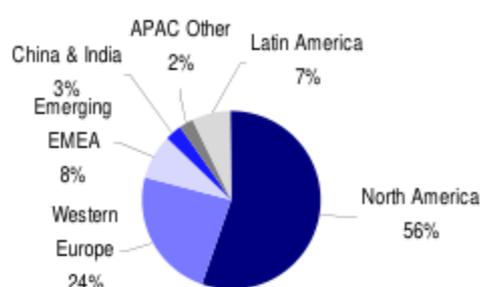
We estimate deliveries into North America now account for 53% of overall industry deliveries, slightly lower than the peak in 2007-08. Latin America, China/India have grown as a portion of total deliveries at the expense of a smaller market in Western Europe.

Chart 17: Total Bizjet Deliveries by Region – Last 12 Months



Source: ASCEND; Note: excludes 10 aircraft where delivery location is unknown

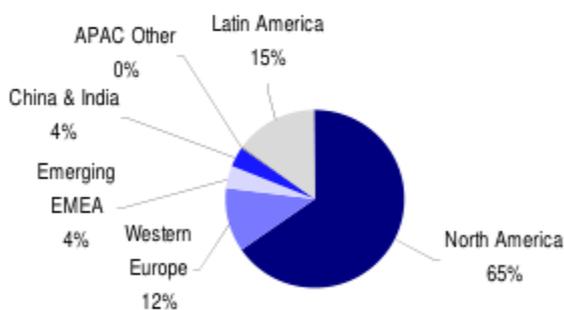
Chart 18: Total Bizjet Deliveries by Region – Peak (2007-08)



Source: ASCEND; Note: excludes 19 aircraft where delivery location is unknown

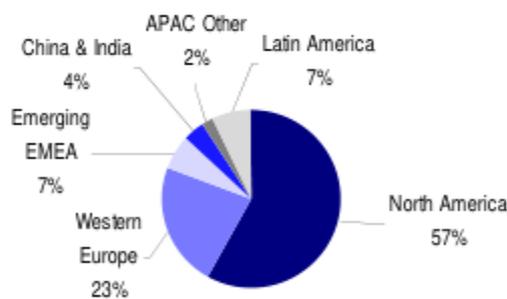
We think a recovery in the small/midsize market will be driven by N. American replacement demand as North America still represents more than two thirds of combined small/midsize market despite 50-60% decline from peak levels.

Chart 19: Small/Midsize Deliveries by Region - Last 12 Months



Source: ASCEND; Note: excludes seven aircraft where delivery location is unknown

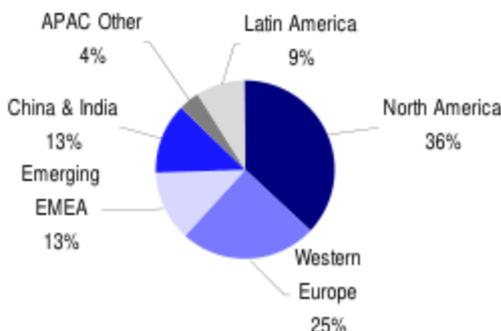
Chart 20: Small/Midsize Deliveries by Region - Peak (2007-08)



Source: ASCEND; Note: excludes nine aircraft where delivery location is unknown

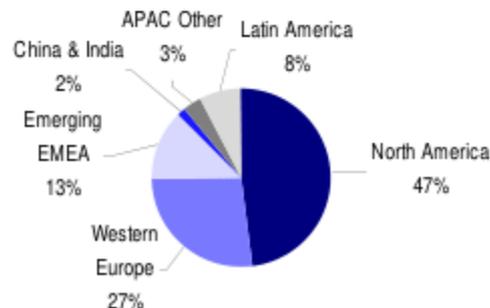
Emerging markets (ex N. America and W. Europe) now account for 39% of annual large cabin deliveries compared to only 26% at the peak of the last cycle.

Chart 21: Large Cabin Deliveries by Region - Last 12 Months



Source: ASCEND; Note: excludes three aircraft where delivery location is unknown

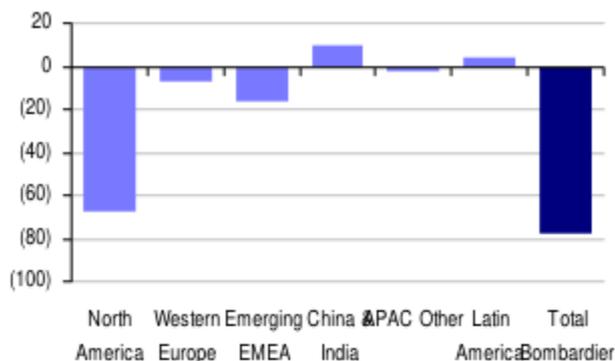
Chart 22: Large Cabin Deliveries by Region - Peak (2007-08)



Source: ASCEND; Note: excludes ten aircraft where delivery location is unknown

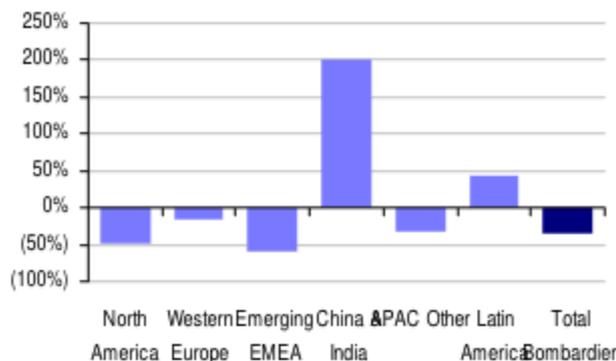
Bombardier

Chart 23: Change in Unit Deliveries L12M vs Peak (Bombardier)



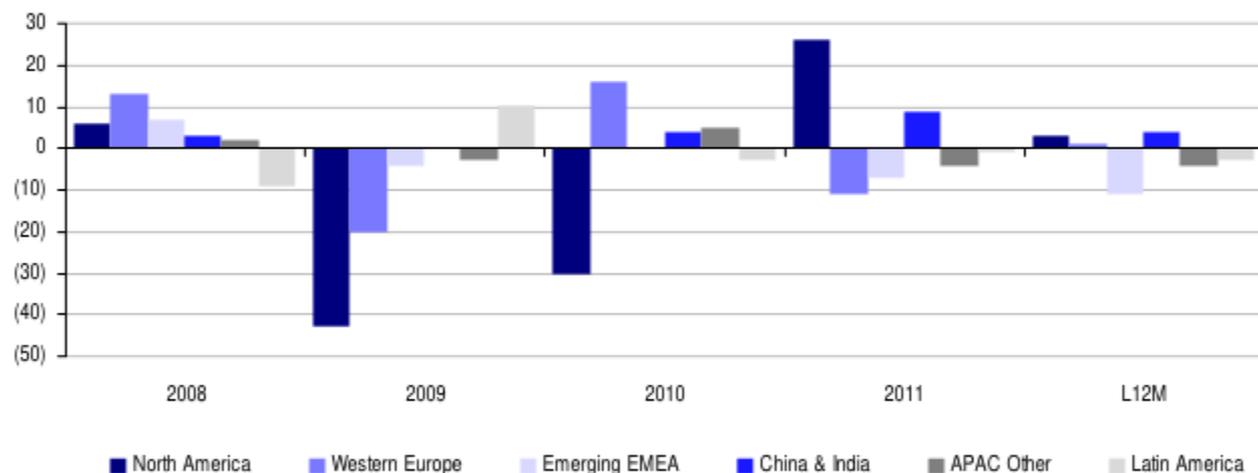
Source: ASCEND and UBS estimates

Chart 24: % Change in Deliveries L12M vs Peak (Bombardier)



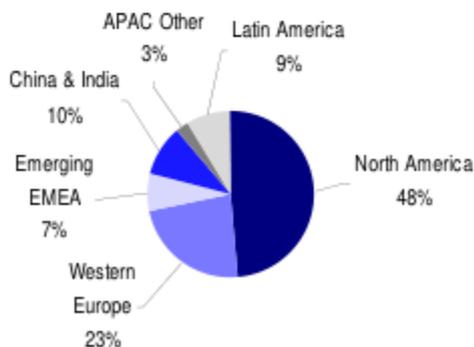
Source: ASCEND and UBS estimates

Chart 25: Unit Delivery Growth by Region (Bombardier)



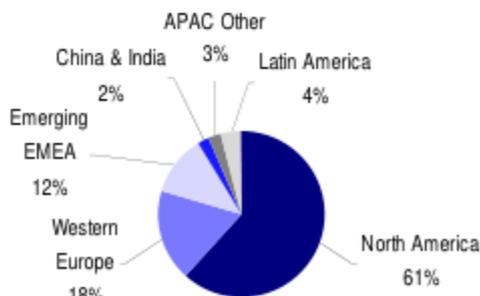
Source: ASCEND and UBS estimates

Chart 26: Bombardier Deliveries by Region - Last 12 Months



Source: ASCEND

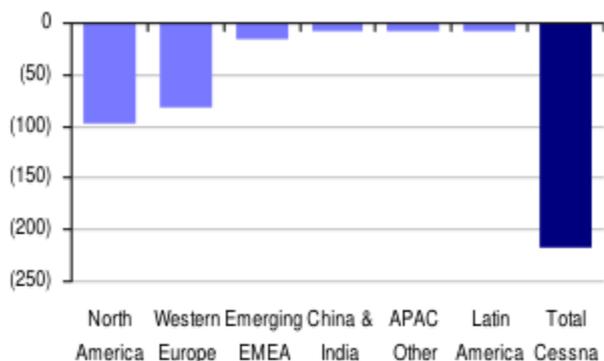
Chart 27: Bombardier Deliveries by Region - Peak (2007-08)



Source: ASCEND

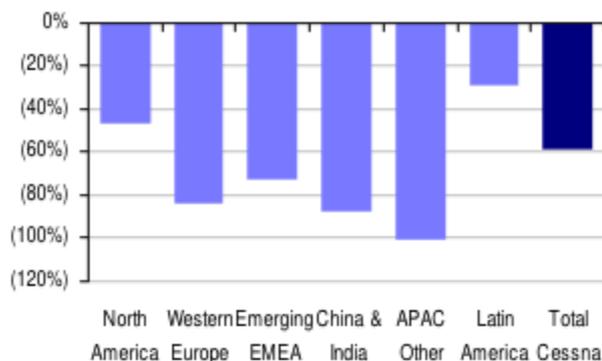
Cessna (Ex Mustang)

Chart 28: Change in Unit Deliveries L12M vs Peak (Cessna)



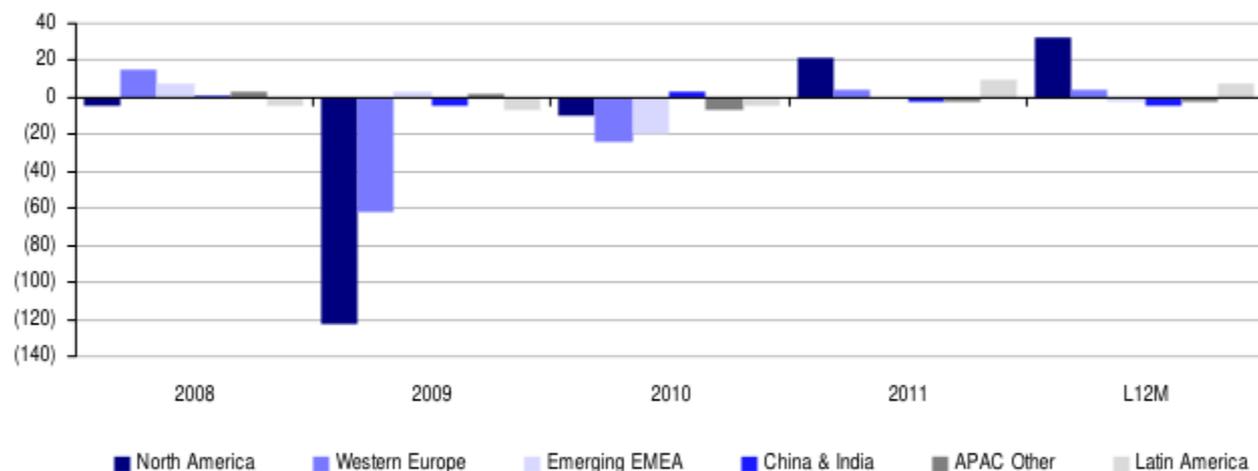
Source: ASCEND and UBS estimates

Chart 29: % Change in Unit Deliveries L12M vs Peak (Cessna)



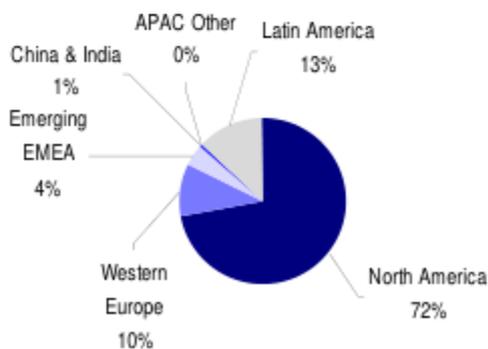
Source: ASCEND and UBS estimates

Chart 30: Unit Delivery Growth by Region (Cessna)



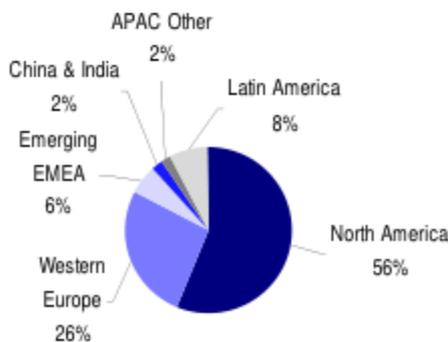
Source: ASCEND and UBS estimates

Chart 31: Cessna Deliveries by Region - Last 12 Months



Source: ASCEND

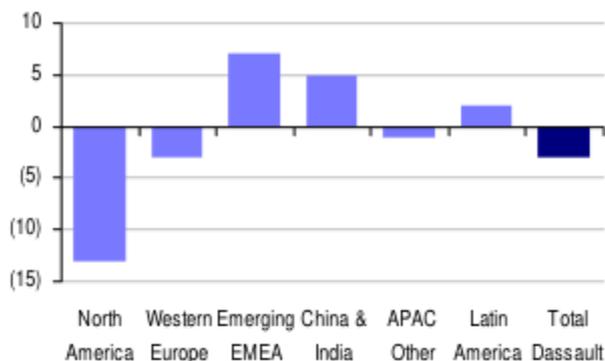
Chart 32: Cessna Deliveries by Region - Peak (2007-08)



Source: ASCEND

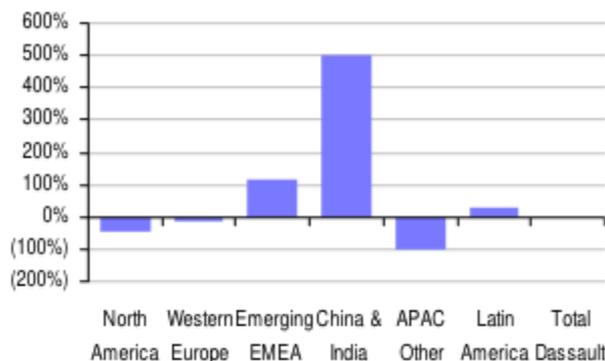
Dassault

Chart 33: Change in Unit Deliveries L12M vs Peak (Dassault)



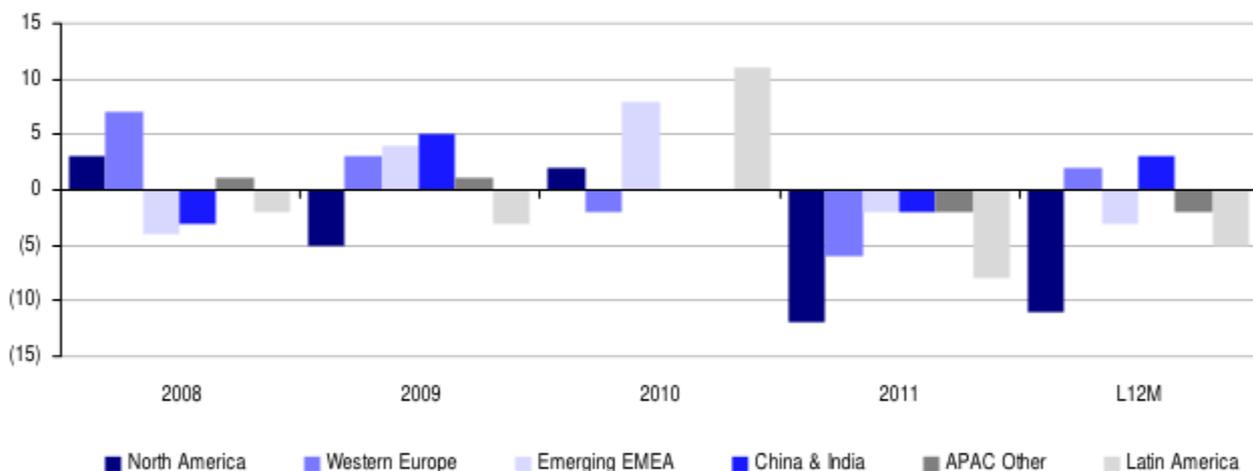
Source: ASCEND and UBS estimates

Chart 34: % Change in Unit Deliveries L12M vs Peak (Dassault)



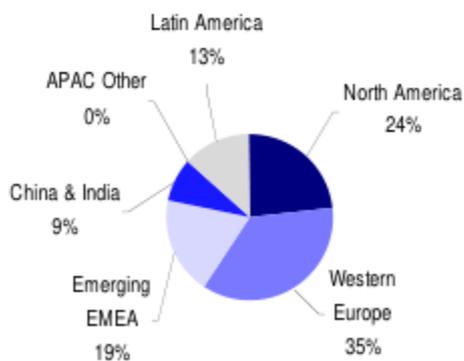
Source: ASCEND and UBS estimates

Chart 35: Unit Delivery Growth by Region (Dassault)



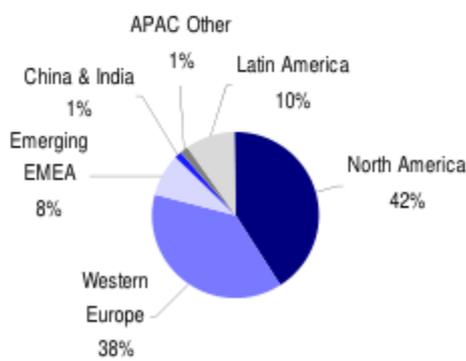
Source: ASCEND and UBS estimates

Chart 36: Dassault Deliveries by Region - Last 12 Months



Source: ASCEND

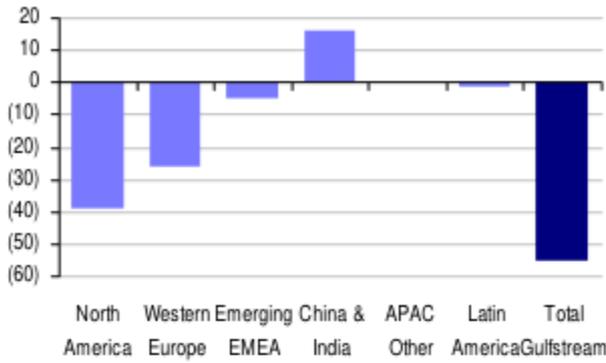
Chart 37: Dassault Deliveries by Region - Peak (2007-08)



Source: ASCEND

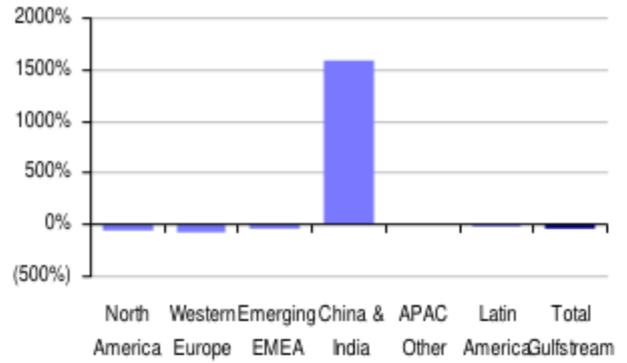
Gulfstream

Chart 38: Change in Unit Deliveries L12M vs Peak (Gulfstream)



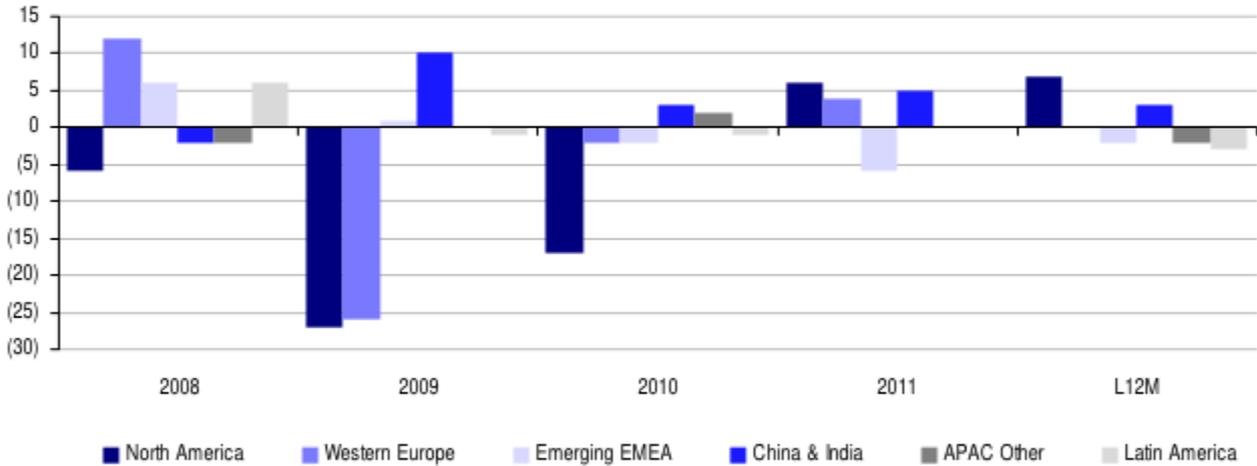
Source: ASCEND and UBS estimates

Chart 39: % Change in Unit Deliveries L12M vs Peak (Gulfstream)



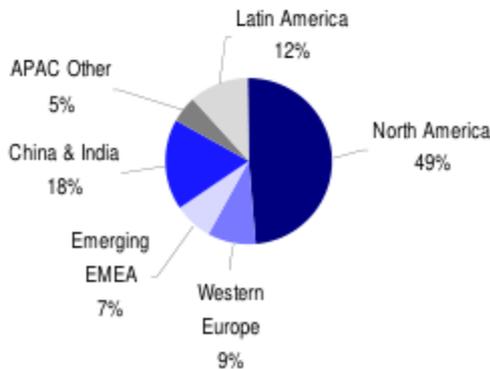
Source: ASCEND and UBS estimates

Chart 40: Unit Delivery Growth by Region (Gulfstream)



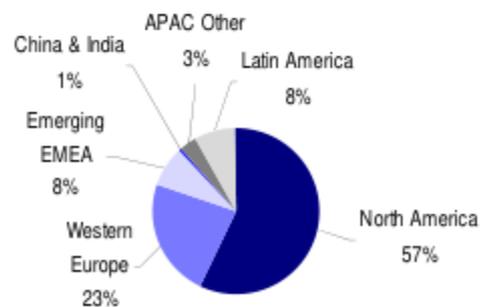
Source: ASCEND and UBS estimates

Chart 41: Gulfstream Deliveries by Region - Last 12 Months



Source: ASCEND

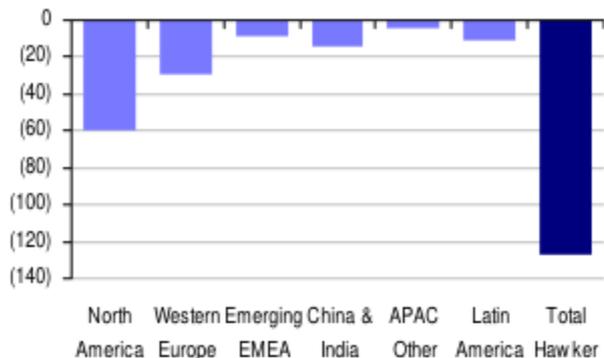
Chart 42: Gulfstream Deliveries by Region - Peak (2007-08)



Source: ASCEND

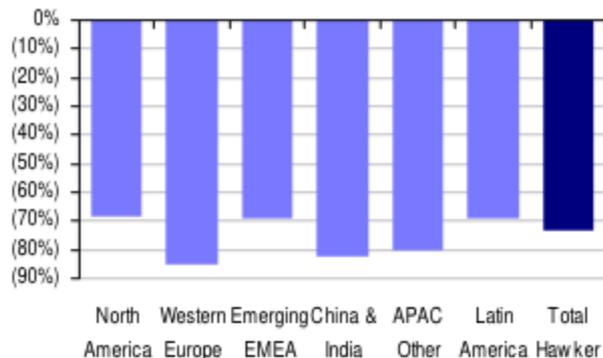
Hawker Beechcraft

Chart 43: Change in Unit Deliveries L12M vs Peak (Hawker)



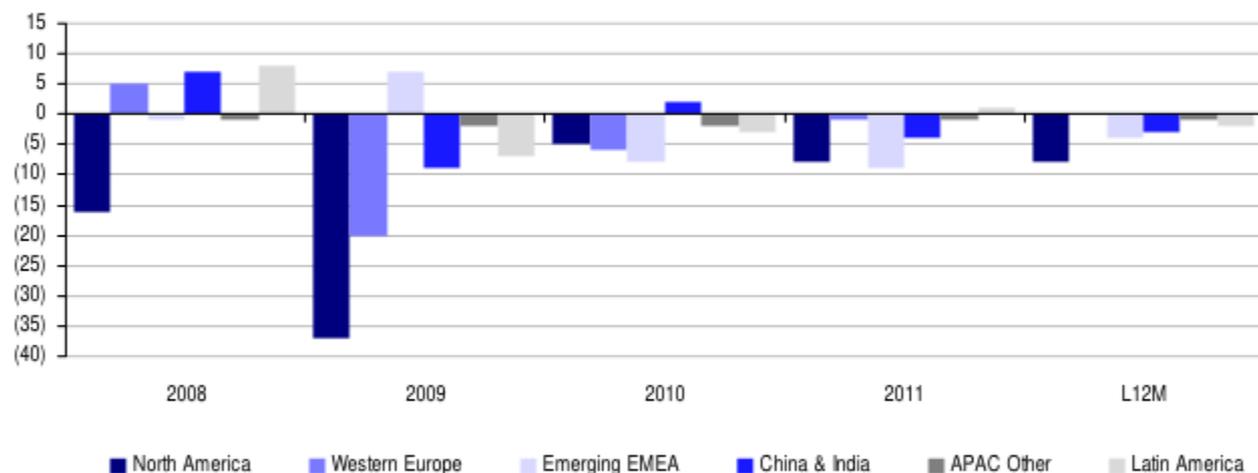
Source: ASCEND and UBS estimates

Chart 44: % Change in Unit Deliveries L12M vs Peak (Hawker)



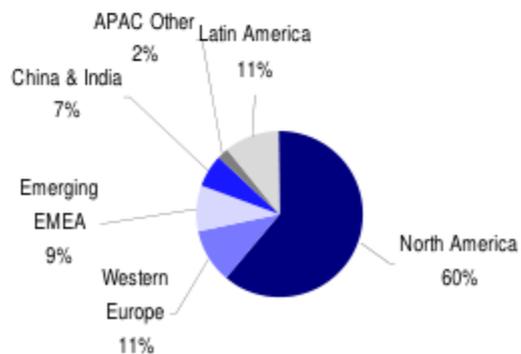
Source: ASCEND and UBS estimates

Chart 45: Unit Delivery Growth by Region (Hawker)



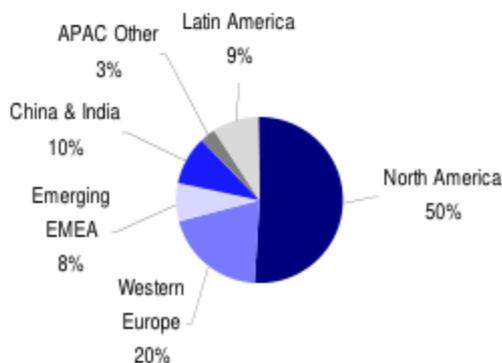
Source: ASCEND and UBS estimates

Chart 46: Hawker Deliveries by Region – Last 12 Months



Source: ASCEND

Chart 47: Hawker Deliveries by Region - Peak (2007-08)



Source: ASCEND

Table 1: Deliveries by Cabin Class and Region

VLJ												y/y growth										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
North America	0	0	0	0	0	3	118	189	139	72	47	48	(32%)	(17%)	(42%)	17%	60%	(26%)	(48%)	(35%)	(29%)	(78%)
Western Europe	0	0	0	0	0	0	13	34	36	36	9	8	(78%)	(57%)	(83%)	(50%)	162%	6%	0%	(75%)	(73%)	(75%)
Emerging EMEA	0	0	0	0	0	0	1	11	10	9	3	3	(100%)	n/a	n/a	n/a	1000%	(9%)	(10%)	(67%)	(25%)	(70%)
China & India	0	0	0	0	0	0	0	0	0	4	3	3	100%	n/a	(67%)	n/a	n/a	n/a	n/a	(25%)	(25%)	n/a
APAC Other	0	0	0	0	0	0	2	3	7	6	3	3	(100%)	n/a	(67%)	0%	50%	133%	(14%)	(50%)	(57%)	0%
Latin America	0	0	0	0	0	0	10	22	33	46	18	17	(81%)	0%	(38%)	(33%)	120%	50%	39%	(61%)	(53%)	(29%)
Total VLJ	0	0	0	0	0	3	144	259	225	173	83	82	(61%)	(17%)	(90%)	(8%)	80%	(13%)	(23%)	(52%)	(45%)	(71%)
Small	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
North America	296	295	198	204	223	242	254	221	97	103	130	138	0%	43%	8%	36%	(13%)	(56%)	6%	26%	18%	(42%)
Western Europe	55	56	35	36	50	76	90	106	35	15	19	21	0%	33%	43%	200%	18%	(67%)	(57%)	27%	40%	(81%)
Emerging EMEA	5	10	6	4	10	13	18	20	25	11	8	6	(80%)	0%	0%	(100%)	11%	25%	(56%)	(27%)	(50%)	(60%)
China & India	1	0	0	3	9	2	6	10	1	1	2	1	n/a	n/a	(100%)	(100%)	67%	(90%)	0%	100%	(50%)	(82%)
APAC Other	3	6	4	5	4	16	6	6	9	2	0	0	(100%)	n/a	(100%)	n/a	0%	50%	(78%)	(100%)	(100%)	(100%)
Latin America	33	24	13	14	17	27	36	25	17	18	35	33	267%	150%	(10%)	(40%)	(31%)	(32%)	6%	94%	50%	(3%)
Total Small	393	391	256	266	313	376	410	388	184	150	194	199	12%	55%	5%	16%	(5%)	(53%)	(18%)	29%	17%	(52%)
Midsize	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
North America	134	102	95	108	146	151	185	192	94	66	77	78	(23%)	42%	26%	6%	4%	(51%)	(30%)	17%	15%	(61%)
Western Europe	16	12	11	17	26	45	44	64	31	21	21	18	(75%)	67%	125%	(50%)	45%	(52%)	(32%)	0%	6%	(71%)
Emerging EMEA	8	0	3	6	17	13	25	30	30	15	4	8	(25%)	(100%)	(83%)	n/a	20%	0%	(50%)	(73%)	(33%)	(77%)
China & India	4	2	2	1	1	5	7	13	8	14	15	12	n/a	400%	(70%)	(100%)	86%	(38%)	75%	7%	(14%)	(25%)
APAC Other	5	3	5	4	2	5	8	12	5	4	1	1	n/a	(100%)	(100%)	0%	50%	(58%)	(20%)	(75%)	(75%)	(90%)
Latin America	8	11	4	3	11	11	13	27	21	13	17	17	100%	50%	33%	0%	108%	(22%)	(38%)	31%	42%	(15%)
Total Midsize	175	130	121	139	203	230	282	336	189	133	135	134	(4%)	43%	(2%)	(3%)	20%	(44%)	(30%)	2%	6%	(61%)
Large	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
North America	142	124	92	90	101	107	111	120	108	81	87	84	(24%)	5%	63%	(17%)	8%	(10%)	(25%)	7%	6%	(26%)
Western Europe	23	28	20	29	30	46	53	69	48	64	52	56	(31%)	(7%)	22%	67%	30%	(30%)	33%	(19%)	4%	(13%)
Emerging EMEA	16	9	6	12	15	18	18	26	32	43	31	29	(42%)	(17%)	(50%)	(22%)	44%	23%	34%	(28%)	(33%)	(3%)
China & India	1	2	1	1	1	5	6	2	17	23	27	29	(71%)	400%	11%	40%	(67%)	750%	35%	17%	26%	625%
APAC Other	3	7	2	0	3	4	7	6	8	14	10	9	(57%)	100%	(60%)	(100%)	(14%)	33%	75%	(29%)	(40%)	13%
Latin America	6	11	7	7	12	13	20	16	22	35	22	20	(44%)	(75%)	(42%)	(25%)	(20%)	38%	59%	(37%)	(46%)	11%
Total Large	191	181	128	139	162	193	215	239	235	260	229	227	(39%)	3%	5%	(4%)	11%	(2%)	11%	(12%)	(10%)	(5%)
All	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
North America	572	521	386	402	470	503	658	722	438	322	341	348	(19%)	20%	8%	11%	8%	(39%)	(26%)	6%	5%	(55%)
Western Europe	94	96	66	82	106	167	200	273	150	136	101	103	(45%)	(7%)	5%	13%	37%	(45%)	(9%)	(26%)	(11%)	(62%)
Emerging EMEA	29	19	15	22	42	44	62	87	97	78	46	46	(56%)	(13%)	(45%)	0%	40%	11%	(20%)	(41%)	(35%)	(49%)
China & India	6	4	3	5	11	12	19	25	26	42	47	45	13%	400%	(39%)	(22%)	32%	4%	62%	12%	5%	41%
APAC Other	11	16	11	9	9	25	23	27	29	26	14	13	(70%)	33%	(73%)	(25%)	17%	7%	(10%)	(46%)	(54%)	(52%)
Latin America	47	46	24	24	40	51	79	90	93	112	92	87	(23%)	10%	(26%)	(26%)	14%	3%	20%	(18%)	(19%)	(9%)
Total All	759	702	505	544	678	802	1051	1224	833	716	641	642	(31%)	18%	(8%)	1%	16%	(32%)	(14%)	(16%)	(8%)	(56%)
All ex VLJ	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
North America	572	521	386	402	470	500	550	533	299	250	294	300	(15%)	28%	23%	11%	(3%)	(44%)	(16%)	18%	14%	(45%)
Western Europe	94	96	66	82	106	167	187	239	114	100	92	95	(33%)	10%	41%	23%	28%	(52%)	(12%)	(8%)	10%	(60%)
Emerging EMEA	29	19	15	22	42	44	61	76	87	69	43	43	(48%)	(27%)	(50%)	0%	25%	14%	(21%)	(38%)	(36%)	(46%)
China & India	6	4	3	5	11	12	19	25	26	38	44	42	0%	400%	(35%)	(22%)	32%	4%	46%	16%	8%	31%
APAC Other	11	16	11	9	9	25	21	24	22	20	11	10	(63%)	33%	(75%)	(50%)	14%	(8%)	(9%)	(45%)	(52%)	(58%)
Latin America	47	46	24	24	40	51	69	68	60	66	74	70	43%	13%	(20%)	(25%)	(1%)	(12%)	10%	12%	(1%)	(3%)
Total All ex VLJ	759	702	505	544	678	799	907	965	608	543	558	560	(19%)	25%	3%	2%	6%	(37%)	(11%)	3%	2%	(44%)

Source: ASCEND and UBS estimates

Table 2: North American Deliveries by Manufacturer and Model

												y/y growth										L12M	L12M vs Peak
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M		
Bombardier																							
Learjet 31	14	9	2	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Learjet 40/45	44	36	17	29	34	35	39	38	21	12	20	12	(100%)	0%	100%	(80%)	(3%)	(45%)	(43%)	67%	(40%)	(73%)	
Learjet 60	27	11	13	4	7	6	12	14	5	7	7	6	n/a	0%	0%	(50%)	17%	(64%)	40%	0%	(14%)	(57%)	
Challenger 300	0	0	1	18	35	34	38	37	25	20	25	25	0%	67%	29%	0%	(3%)	(32%)	(20%)	25%	19%	(38%)	
Challenger 604/605	24	20	19	18	13	15	13	24	17	12	21	22	(50%)	67%	350%	20%	85%	(29%)	(29%)	75%	57%	(4%)	
Global 5000	0	0	0	1	8	6	10	8	10	2	4	2	n/a	n/a	(100%)	(100%)	(20%)	25%	(80%)	100%	(50%)	(80%)	
Global Express/XRS	17	13	6	2	7	6	14	11	11	6	8	7	n/a	100%	0%	(50%)	(21%)	0%	(45%)	33%	40%	(30%)	
Total Bombardier	126	89	58	72	104	102	126	132	89	59	85	74	(17%)	50%	52%	(39%)	5%	(33%)	(34%)	44%	4%	(48%)	
Cessna																							
Mustang	0	0	0	0	0	1	28	44	76	35	32	31	25%	40%	(44%)	(17%)	57%	77%	(55%)	(9%)	(11%)	(14%)	
CJ1	41	20	14	16	10	14	20	13	5	3	2	2	n/a	n/a	(100%)	n/a	(35%)	(62%)	(40%)	(33%)	0%	(88%)	
CJ2	30	66	45	14	13	25	22	28	13	11	7	11	(100%)	100%	(17%)	n/a	27%	(54%)	(15%)	(36%)	22%	(59%)	
CJ3	0	0	0	8	43	54	52	50	23	15	17	21	(50%)	100%	29%	400%	(4%)	(54%)	(35%)	13%	31%	(63%)	
CJ4	0	0	0	0	0	0	0	0	0	16	32	36	500%	60%	8%	80%	n/a	n/a	n/a	78%	57%	n/a	
Bravo/Encore	71	65	46	41	20	19	17	27	3	5	3	3	(100%)	n/a	(100%)	n/a	59%	(89%)	67%	(40%)	(25%)	(88%)	
Excel/XLS	65	60	39	43	44	41	43	30	18	12	18	20	400%	(43%)	75%	100%	(30%)	(40%)	(33%)	50%	43%	(31%)	
Sovereign	0	0	0	10	33	45	43	43	15	5	13	12	0%	300%	150%	(50%)	0%	(65%)	(67%)	160%	71%	(69%)	
Citation X	28	28	14	11	11	8	12	14	5	3	2	5	n/a	n/a	(33%)	n/a	17%	(64%)	(40%)	(33%)	67%	(64%)	
Total Cessna	235	239	158	143	174	207	237	249	160	107	126	141	17%	57%	(6%)	94%	5%	(36%)	(33%)	18%	25%	(42%)	
Dassault																							
Falcon 50	10	9	7	4	4	2	2	1	0	0	0	0	n/a	n/a	n/a	n/a	(50%)	(100%)	n/a	n/a	n/a	(100%)	
Falcon 500	17	11	8	10	6	8	9	11	8	9	3	3	(100%)	(33%)	(50%)	n/a	22%	(27%)	13%	(67%)	(50%)	(70%)	
Falcon 2000	26	26	15	23	20	20	15	12	8	9	10	10	(100%)	(50%)	250%	0%	(20%)	(33%)	13%	11%	(9%)	(29%)	
Falcon 7X	0	0	0	0	0	0	2	7	10	10	3	3	(100%)	(50%)	(33%)	n/a	250%	43%	0%	(70%)	(70%)	(25%)	
Total Dassault	53	46	30	37	30	30	28	31	26	28	16	16	(100%)	(43%)	40%	0%	11%	(16%)	8%	(43%)	(41%)	(45%)	
Embraer																							
Phenom 100	0	0	0	0	0	0	0	2	57	37	14	16	(73%)	(57%)	(47%)	n/a	n/a	2750%	(35%)	(62%)	(52%)	n/a	
Phenom 300	0	0	0	0	0	0	0	0	1	12	22	26	67%	200%	50%	200%	n/a	n/a	1100%	83%	100%	n/a	
Total Embraer	0	2	58	49	36	42	(43%)	0%	(19%)	300%	n/a	2800%	(16%)	(27%)	(9%)	n/a							
Gulfstream																							
G100/150	7	6	3	4	4	8	22	17	10	5	6	6	(67%)	0%	300%	n/a	(23%)	(41%)	(50%)	20%	20%	(70%)	
G200/280	25	12	21	17	20	18	21	21	4	3	3	3	n/a	n/a	(67%)	0%	0%	(81%)	(25%)	0%	(40%)	(86%)	
G300/350	0	0	5	2	8	2	1	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	n/a	
G400/450	30	27	19	14	17	27	22	26	25	16	20	17	200%	(33%)	200%	(75%)	18%	(4%)	(36%)	25%	21%	(15%)	
G500/550	28	27	20	20	22	23	25	21	19	17	18	20	0%	75%	0%	67%	(16%)	(10%)	(11%)	6%	33%	(13%)	
Total Gulfstream	90	72	68	57	71	78	91	85	58	41	47	46	22%	9%	50%	(11%)	(7%)	(32%)	(28%)	15%	18%	(46%)	
Hawker																							
Hawker Premier	14	23	18	28	22	17	35	15	12	7	9	7	0%	(100%)	50%	(100%)	(57%)	(20%)	(42%)	29%	(13%)	(68%)	
Hawker 400	17	16	17	25	37	37	26	20	1	8	0	0	n/a	(100%)	(100%)	n/a	(23%)	(95%)	700%	(100%)	(100%)	(100%)	
Hawker 800	37	36	37	40	32	30	35	40	16	19	15	15	200%	(50%)	17%	0%	14%	(60%)	19%	(21%)	0%	(67%)	
Hawker 4000	0	0	0	0	0	0	0	5	14	4	6	6	(100%)	n/a	100%	0%	n/a	180%	(71%)	50%	20%	100%	
Total Hawker	68	75	72	93	91	84	96	80	43	38	30	28	(26%)	(25%)	(17%)	(40%)	(17%)	(46%)	(12%)	(21%)	(22%)	(68%)	
Others																							
Eclipse 500	0	0	0	0	0	1	90	143	1	0	1	1	n/a	n/a	n/a	n/a	59%	(99%)	(100%)	n/a	n/a	(99%)	
Epic Victory	0	0	0	0	0	0	0	0	1	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	
Sino SJ30	0	0	0	0	0	1	0	0	2	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	
Total Others	0	0	0	0	0	2	90	143	4	0	1	1	n/a	n/a	n/a	n/a	59%	(97%)	(100%)	n/a	n/a	(99%)	
Total Industry	572	521	386	402	470	503	668	722	438	322	341	348	(19%)	20%	8%	11%	6%	(39%)	(26%)	6%	5%	(55%)	
Total Industry Ex VLJs	572	521	386	402	470	500	550	533	299	250	294	300	(15%)	28%	23%	11%	(3%)	(44%)	(16%)	18%	14%	(45%)	

Source: ASCEND and UBS estimates

Table 3: Western Europe Deliveries by Manufacturer and Model

												y/y growth										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
Bombardier																						
Leorjet 31	1	2	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Leorjet 40/45	8	3	2	7	6	11	7	10	5	0	0	0	n/a	n/a	n/a	n/a	43%	(50%)	(100%)	n/a	n/a	(100%)
Leorjet 60	6	6	2	2	6	5	6	5	4	3	6	6	n/a	100%	n/a	n/a	(17%)	(20%)	(25%)	100%	500%	(14%)
Challenger 300	0	0	0	3	4	5	7	13	4	10	4	5	(100%)	0%	100%	100%	86%	(69%)	150%	(60%)	(17%)	(44%)
Challenger 604/605	5	6	3	3	5	14	7	11	6	5	8	9	(67%)	n/a	0%	100%	57%	(45%)	(17%)	60%	50%	0%
Global 5000	0	0	0	0	0	5	1	3	1	6	8	9	0%	100%	150%	n/a	200%	(67%)	500%	33%	125%	200%
Global Express/XRS	3	3	2	4	3	3	7	6	8	20	7	6	(67%)	(83%)	(43%)	(100%)	(14%)	33%	150%	(65%)	(65%)	20%
Total Bombardier	23	20	9	19	24	43	35	48	28	44	33	35	(70%)	11%	42%	67%	37%	(42%)	57%	(25%)	3%	(17%)
Cessna																						
Mustang	0	0	0	0	0	0	7	23	26	17	6	5	(100%)	0%	(86%)	(50%)	229%	22%	(39%)	(65%)	(64%)	(72%)
CJ1	13	7	5	2	0	7	7	4	5	0	0	0	n/a	n/a	n/a	n/a	(43%)	25%	(100%)	n/a	n/a	(100%)
CJ2	6	14	11	8	6	9	16	17	3	2	4	5	100%	n/a	100%	n/a	6%	(82%)	(33%)	100%	150%	(67%)
CJ3	0	0	0	0	0	12	16	26	7	4	1	2	(100%)	0%	(100%)	n/a	63%	(73%)	(43%)	(75%)	(33%)	(91%)
CJ4	0	0	0	0	0	0	0	0	0	1	5	4	n/a	0%	n/a	(100%)	n/a	n/a	n/a	400%	100%	n/a
Bravo/Encore	12	10	5	6	7	2	4	1	2	0	0	0	n/a	n/a	n/a	n/a	(75%)	100%	(100%)	n/a	n/a	(100%)
Excel/XLS	10	14	7	7	17	17	24	33	12	2	3	4	(100%)	n/a	100%	n/a	38%	(64%)	(83%)	50%	100%	(89%)
Sovereign	0	0	0	1	4	6	13	15	5	2	2	1	n/a	n/a	(100%)	(100%)	15%	(67%)	(60%)	0%	(67%)	(94%)
Citation X	3	3	3	2	0	3	2	1	1	0	0	0	n/a	n/a	n/a	n/a	(50%)	0%	(100%)	n/a	n/a	(100%)
Total Cessna	44	48	31	28	34	56	89	120	63	28	21	21	(40%)	40%	(42%)	0%	35%	(48%)	(56%)	(25%)	(19%)	(82%)
Dassault																						
Falcon 50	2	1	1	1	1	3	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Falcon 900	8	7	3	6	7	8	9	9	7	5	4	4	n/a	0%	(33%)	0%	0%	(22%)	(29%)	(20%)	(20%)	(60%)
Falcon 2000	5	7	9	12	7	10	11	9	7	9	4	4	(100%)	0%	n/a	n/a	(18%)	(22%)	29%	(56%)	(43%)	(80%)
Falcon 7X	0	0	0	0	0	0	1	10	17	15	15	16	67%	50%	67%	50%	900%	70%	(12%)	0%	60%	129%
Total Dassault	15	15	13	19	15	21	21	28	31	29	23	24	(44%)	25%	67%	33%	33%	11%	(6%)	(21%)	8%	(11%)
Embraer																						
Phenom 100	0	0	0	0	0	0	0	0	8	19	3	3	(71%)	(100%)	(60%)	n/a	n/a	n/a	136%	(84%)	(81%)	n/a
Phenom 300	0	0	0	0	0	0	0	0	0	4	6	6	0%	n/a	33%	n/a	n/a	n/a	n/a	50%	50%	n/a
Total Embraer	0	0	0	0	0	0	0	0	8	23	9	9	(63%)	(75%)	(38%)	n/a	n/a	n/a	186%	(61%)	(55%)	n/a
Gulfstream																						
G100/150	0	0	2	1	0	1	2	6	1	0	1	0	n/a	n/a	n/a	(100%)	200%	(83%)	(100%)	n/a	(100%)	(100%)
G200/280	0	1	1	0	1	1	3	7	5	2	3	1	n/a	0%	n/a	(100%)	133%	(29%)	(60%)	50%	(67%)	(88%)
G300/350	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G400/450	1	3	0	0	1	7	8	0	1	1	1	4	n/a	n/a	(100%)	n/a	14%	(100%)	n/a	0%	300%	(96%)
G500/550	1	2	3	4	8	5	10	13	2	3	5	4	n/a	(100%)	n/a	(100%)	30%	(85%)	50%	67%	0%	(64%)
Total Gulfstream	2	6	6	5	9	8	22	34	8	6	10	9	n/a	(50%)	0%	(25%)	55%	(76%)	(25%)	67%	0%	(74%)
Hawker																						
Hawker Premier	2	5	5	4	3	7	7	7	1	2	0	0	n/a	(100%)	(100%)	n/a	0%	(86%)	100%	(100%)	(100%)	(100%)
Hawker 400	3	1	0	0	11	11	9	8	0	0	0	0	n/a	n/a	n/a	n/a	(11%)	(100%)	n/a	n/a	n/a	(100%)
Hawker 800	5	1	2	7	10	21	11	17	10	2	4	3	0%	n/a	n/a	(100%)	55%	(41%)	(80%)	100%	50%	(79%)
Hawker 4000	0	0	0	0	0	0	0	0	1	2	1	2	n/a	n/a	0%	n/a	n/a	n/a	100%	(50%)	100%	n/a
Total Hawker	10	7	7	11	24	39	27	32	12	6	5	5	0%	(100%)	50%	0%	18%	(63%)	(56%)	(17%)	0%	(85%)
Others																						
Eclipse 500	0	0	0	0	0	0	5	11	0	0	0	0	n/a	n/a	n/a	n/a	120%	(100%)	n/a	n/a	n/a	(100%)
Epic Victory	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sino SJ30	0	0	0	0	0	0	1	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	n/a
Total Others	0	0	0	0	0	0	6	11	0	0	0	0	n/a	n/a	n/a	n/a	83%	(100%)	n/a	n/a	n/a	(100%)
Total Industry	94	96	66	82	106	167	200	273	150	136	101	103	(45%)	(7%)	5%	13%	37%	(45%)	(9%)	(26%)	(11%)	(62%)
Total Industry Ex VLJs	94	96	66	82	106	167	187	239	114	100	92	95	(33%)	10%	4%	23%	28%	(52%)	(12%)	(8%)	10%	(60%)

Source: ASCEND and UBS estimates

Table 4: Eastern Europe, Middle East and Africa Deliveries by Manufacturer and Model

												y/y growth										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
Bombardier																						
Leorjet 31	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Leorjet 40/45	2	3	1	0	0	2	3	3	1	0	0	0	n/a	n/a	n/a	n/a	0%	(67%)	(100%)	n/a	n/a	(100%)
Leorjet 60	1	0	0	0	2	2	3	5	3	1	1	1	n/a	n/a	(100%)	n/a	67%	(40%)	(67%)	0%	0%	(86%)
Challenger 300	0	0	0	1	5	1	5	3	3	2	0	1	(100%)	n/a	(100%)	n/a	(40%)	0%	(33%)	(100%)	(50%)	(67%)
Challenger 604/605	1	3	1	0	2	4	2	5	10	8	4	3	100%	(50%)	(100%)	(100%)	150%	100%	(20%)	(50%)	(57%)	(40%)
Global 5000	0	0	0	0	2	0	2	5	2	2	3	3	n/a	0%	(100%)	0%	150%	(60%)	0%	50%	0%	(40%)
Global Express/XRS	3	0	1	2	2	1	2	3	1	7	5	3	(75%)	0%	(50%)	(100%)	50%	(67%)	600%	(29%)	(67%)	(25%)
Total Bombardier	7	6	3	3	13	10	17	24	20	20	13	11	(17%)	(25%)	(86%)	(50%)	41%	(17%)	0%	(35%)	(50%)	(59%)
Cessna																						
Mustang	0	0	0	0	0	0	1	8	8	9	0	0	(100%)	n/a	n/a	n/a	700%	0%	13%	(100%)	(100%)	(100%)
CJ1	0	0	0	1	1	0	3	1	1	0	0	0	n/a	n/a	n/a	n/a	(67%)	0%	(100%)	n/a	n/a	(100%)
CJ2	0	0	1	0	2	0	1	5	3	2	0	0	(100%)	n/a	(100%)	n/a	400%	(40%)	(33%)	(100%)	(100%)	(100%)
CJ3	0	0	0	0	0	1	0	3	5	0	2	1	n/a	n/a	n/a	(100%)	n/a	67%	(100%)	n/a	0%	(50%)
CJ4	0	0	0	0	0	0	0	0	0	0	2	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bravo/Encore	1	3	1	1	5	3	1	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	n/a
Excel/XLS	2	3	1	0	1	4	5	4	9	3	1	0	(100%)	n/a	n/a	(100%)	(20%)	125%	(57%)	(67%)	(100%)	(100%)
Sovereign	0	0	0	0	2	2	6	10	8	1	1	3	n/a	(100%)	n/a	n/a	67%	(20%)	(88%)	0%	200%	(75%)
Citation X	1	0	0	0	1	1	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Cessna	4	6	3	2	12	11	17	31	34	15	6	6	(100%)	0%	200%	0%	82%	10%	(56%)	(60%)	(50%)	(79%)
Dassault																						
Falcon 50	1	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Falcon 500	1	1	0	1	3	3	4	0	0	3	1	2	n/a	(100%)	n/a	n/a	(100%)	n/a	n/a	(67%)	0%	(33%)
Falcon 2000	5	1	0	3	1	2	3	2	6	3	1	2	(50%)	n/a	n/a	n/a	(33%)	200%	(50%)	(67%)	0%	0%
Falcon 7X	0	0	0	0	0	0	0	1	1	9	11	9	(67%)	0%	100%	(50%)	n/a	0%	800%	22%	(25%)	800%
Total Dassault	7	2	0	4	4	5	7	3	7	15	13	13	(60%)	(33%)	200%	0%	(57%)	133%	114%	(13%)	(19%)	117%
Embraer																						
Phenom 100	0	0	0	0	0	0	0	0	2	0	3	3	n/a	n/a	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a
Phenom 300	0	0	0	0	0	0	0	0	0	4	2	2	n/a	(100%)	(33%)	n/a	n/a	n/a	n/a	(50%)	(50%)	n/a
Total Embraer	0	2	4	5	5	n/a	100%	0%	n/a	n/a	n/a	100%	25%	25%	n/a							
Gulfstream																						
G100/150	0	0	0	0	0	0	0	1	0	1	0	0	(100%)	n/a	n/a	n/a	n/a	(100%)	n/a	(100%)	(100%)	(100%)
G200/280	2	0	0	2	0	0	2	2	2	0	0	0	n/a	n/a	n/a	n/a	0%	0%	(100%)	n/a	n/a	(100%)
G300/350	0	0	2	2	1	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G400/450	4	1	1	1	0	1	4	3	4	4	2	2	(100%)	n/a	(100%)	0%	(25%)	33%	0%	(50%)	(33%)	(60%)
G500/550	2	3	1	3	4	7	1	7	8	7	4	5	0%	0%	(50%)	n/a	600%	14%	(13%)	(43%)	0%	0%
Total Gulfstream	8	4	4	8	5	8	7	13	14	12	6	7	(67%)	50%	(67%)	100%	86%	8%	(14%)	(50%)	(22%)	(42%)
Hawker																						
Hawker Premier	0	1	2	2	0	1	4	2	2	0	1	1	n/a	n/a	n/a	n/a	(50%)	0%	(100%)	n/a	n/a	(50%)
Hawker 400	0	0	0	0	1	2	1	2	4	2	0	0	(100%)	n/a	n/a	n/a	100%	100%	(50%)	(100%)	(100%)	n/a
Hawker 800	3	0	3	3	7	7	9	9	10	7	2	2	0%	n/a	(100%)	n/a	0%	11%	(30%)	(71%)	(50%)	(82%)
Hawker 4000	0	0	0	0	0	0	0	0	4	3	0	1	n/a	(100%)	(100%)	n/a	n/a	n/a	(25%)	(100%)	(67%)	n/a
Total Hawker	3	1	5	5	8	10	14	13	20	12	3	4	0%	(100%)	(100%)	n/a	(7%)	54%	(46%)	(75%)	(50%)	(69%)
Others																						
Eclipse 500	0	0	0	0	0	0	0	3	0	0	0	0	n/a	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	(100%)
Epic Victory	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sino SJ30	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Others	0	3	0	0	0	0	n/a	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	(100%)						
Total Industry	29	19	15	22	42	44	62	87	97	78	46	46	(56%)	(13%)	(45%)	0%	46%	11%	(26%)	(41%)	(35%)	(49%)
Total Industry Ex VLJs	29	19	15	22	42	44	61	76	87	69	43	43	(48%)	(27%)	(50%)	0%	25%	14%	(21%)	(38%)	(36%)	(46%)

Source: ASCEND and UBS estimates

Table 5: India & China Deliveries by Manufacturer and Model

Manufacturer												y/y growth										L12M	L12M vs Peak
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M		
Bombardier																							
Leorjet 31	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Leorjet 40/45	1	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Leorjet 60	0	0	0	0	0	0	0	0	0	2	3	1	n/a	n/a	(100%)	(100%)	n/a	n/a	n/a	50%	(67%)	n/a	n/a
Challenger 300	0	0	0	0	0	0	0	2	1	0	6	5	n/a	n/a	n/a	(100%)	n/a	(50%)	(100%)	n/a	400%	150%	150%
Challenger 604/605	1	1	0	0	0	1	0	1	2	5	2	3	(100%)	n/a	(67%)	n/a	n/a	100%	150%	(60%)	(40%)	200%	200%
Global 5000	0	0	0	0	0	0	1	0	1	0	2	2	n/a	n/a	n/a	n/a	(100%)	n/a	(100%)	n/a	n/a	100%	100%
Global Express/XRS	0	0	1	0	1	0	0	1	0	1	4	4	(100%)	n/a	n/a	0%	n/a	(100%)	n/a	300%	100%	300%	300%
Total Bombardier	2	1	1	0	1	1	1	4	4	8	17	15	0%	n/a	0%	(50%)	300%	0%	100%	113%	36%	200%	200%
Cessna																							
Mustang	0	0	0	0	0	0	0	0	0	1	0	0	(100%)	n/a	n/a	n/a	n/a	n/a	n/a	(100%)	(100%)	n/a	n/a
CJ1	0	0	0	0	6	1	1	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	(100%)	(100%)
CJ2	0	0	0	1	0	0	2	2	0	0	1	0	n/a	n/a	n/a	(100%)	0%	(100%)	n/a	n/a	(100%)	(100%)	(100%)
CJ3	0	0	0	0	0	0	1	0	0	1	0	0	n/a	n/a	(100%)	n/a	(100%)	n/a	n/a	(100%)	(100%)	n/a	n/a
CJ4	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bravo/Encore	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Excel/XLS	0	0	0	1	3	0	1	4	1	0	1	1	n/a	n/a	n/a	n/a	300%	(75%)	(100%)	n/a	n/a	(67%)	(67%)
Sovereign	0	0	0	0	0	0	0	0	0	3	0	0	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	(100%)	(100%)	n/a	n/a
Citation X	1	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Cessna	1	0	0	2	9	1	5	6	1	5	2	1	0%	n/a	(100%)	(100%)	20%	(83%)	400%	(60%)	(83%)	(88%)	(88%)
Dassault																							
Falcon 50	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Falcon 500	0	0	0	0	0	1	1	0	2	0	1	1	n/a	n/a	n/a	n/a	(100%)	n/a	(100%)	n/a	n/a	0%	0%
Falcon 2000	0	0	0	0	0	1	2	0	3	1	1	2	(100%)	n/a	n/a	n/a	(100%)	n/a	(67%)	0%	100%	n/a	n/a
Falcon 7X	0	0	0	0	0	0	0	0	0	4	1	3	(100%)	0%	n/a	n/a	n/a	n/a	n/a	(75%)	50%	n/a	n/a
Total Dassault	0	0	0	0	0	2	3	0	5	5	3	6	(100%)	100%	n/a	n/a	(100%)	n/a	0%	(40%)	100%	500%	500%
Embraer																							
Phenom 100	0	0	0	0	0	0	0	0	0	3	3	3	n/a	n/a	(67%)	n/a	n/a	n/a	n/a	0%	0%	n/a	n/a
Phenom 300	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Embraer	0	0	0	0	0	0	0	0	0	3	3	3	n/a	n/a	(67%)	n/a	n/a	n/a	n/a	0%	0%	n/a	n/a
Gulfstream																							
G100/150	0	1	2	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G200/280	0	0	0	1	0	2	1	1	2	2	3	3	n/a	0%	n/a	n/a	0%	100%	0%	50%	200%	200%	200%
G300/350	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G400/450	0	0	0	0	0	0	1	0	2	7	4	4	0%	n/a	(50%)	0%	(100%)	n/a	250%	(43%)	(20%)	n/a	n/a
G500/550	0	1	0	1	0	2	1	0	7	5	12	10	n/a	300%	25%	(67%)	(100%)	n/a	(25%)	140%	25%	n/a	n/a
Total Gulfstream	0	2	2	2	0	4	3	1	11	14	19	17	50%	150%	17%	(50%)	(67%)	1000%	27%	36%	21%	1600%	1600%
Hawker																							
Hawker Premier	0	0	0	1	0	1	0	4	0	0	0	0	n/a	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	(100%)	(100%)
Hawker 400	0	0	0	0	0	0	1	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	n/a	n/a
Hawker 800	3	1	0	0	1	3	6	10	4	2	3	3	n/a	n/a	(50%)	n/a	67%	(60%)	(50%)	50%	50%	(77%)	(77%)
Hawker 4000	0	0	0	0	0	0	0	0	1	5	0	0	n/a	n/a	(100%)	n/a	n/a	n/a	400%	(100%)	(100%)	n/a	n/a
Total Hawker	3	1	0	1	1	4	7	14	5	7	3	3	n/a	n/a	(83%)	n/a	100%	(64%)	40%	(57%)	(50%)	(82%)	(82%)
Others																							
Eclipse 500	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Epic Victory	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sino SJ30	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Others	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Industry	6	4	3	5	11	12	19	25	26	42	47	45	13%	40%	(39%)	(22%)	32%	4%	62%	12%	5%	41%	41%
Total Industry Ex VLJs	6	4	3	5	11	12	19	25	26	38	44	42	0%	40%	(35%)	(22%)	32%	4%	46%	16%	8%	31%	31%

Source: ASCEND and UBS estimates

Table 6: Asia Pacific (Ex India & China) Deliveries by Manufacturer and Model

												y/y growth										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	L12M vs Peak
Bombardier																						
Leorjet 31	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Leorjet 40/45	2	3	0	1	2	3	0	0	0	1	0	0	(100%)	n/a	n/a	n/a	n/a	n/a	n/a	(100%)	(100%)	n/a
Leorjet 60	0	0	1	2	0	1	1	2	0	0	0	0	n/a	n/a	n/a	n/a	100%	(100%)	n/a	n/a	n/a	(100%)
Challenger 300	0	0	0	1	0	0	1	1	0	0	0	0	n/a	n/a	n/a	n/a	0%	(100%)	n/a	n/a	n/a	n/a
Challenger 604/605	0	3	0	0	0	1	2	0	0	1	2	2	0%	n/a	n/a	n/a	(100%)	n/a	n/a	100%	100%	100%
Global 5000	0	0	0	0	1	0	0	1	2	2	0	0	(100%)	(100%)	n/a	n/a	n/a	100%	0%	(100%)	(100%)	(100%)
Global Express/XRS	2	1	1	0	1	2	0	2	1	4	2	2	(100%)	n/a	(50%)	n/a	n/a	(50%)	300%	(50%)	(50%)	0%
Total Bombardier	4	7	2	4	4	7	4	6	3	8	4	4	(80%)	100%	(50%)	n/a	50%	(50%)	167%	(50%)	(50%)	(33%)
Cessna																						
Mustang	0	0	0	0	0	0	1	3	3	5	2	2	(100%)	n/a	(100%)	0%	200%	0%	67%	(60%)	(67%)	0%
CJ1	0	0	1	2	0	1	1	1	3	0	0	0	n/a	n/a	n/a	n/a	0%	200%	(100%)	n/a	n/a	(100%)
CJ2	0	1	0	0	0	2	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
CJ3	0	0	0	0	0	2	0	2	2	0	0	0	n/a	n/a	n/a	n/a	n/a	0%	(100%)	n/a	n/a	(100%)
CJ4	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Bravo/Encore	1	0	1	0	1	6	0	0	0	1	0	0	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	(100%)	(100%)	n/a
Excel/XLS	0	0	0	0	0	2	1	1	1	0	0	0	n/a	n/a	n/a	n/a	0%	0%	(100%)	n/a	n/a	(100%)
Sovereign	0	0	0	0	0	1	2	1	2	1	0	0	n/a	n/a	(100%)	n/a	(50%)	100%	(50%)	(100%)	(100%)	(100%)
Citation X	0	0	1	0	1	0	0	2	1	0	0	0	n/a	n/a	n/a	n/a	n/a	(50%)	(100%)	n/a	n/a	(100%)
Total Cessna	1	1	3	2	2	14	5	10	12	7	2	2	(100%)	n/a	(100%)	0%	100%	20%	(42%)	(71%)	(75%)	(78%)
Dassault																						
Falcon 50	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Falcon 500	0	1	0	0	1	0	0	0	1	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a
Falcon 2000	0	0	0	0	0	0	0	1	1	2	0	0	n/a	(100%)	(100%)	n/a	n/a	0%	100%	(100%)	(100%)	(100%)
Falcon 7X	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Dassault	0	1	0	0	1	0	0	1	2	2	0	0	n/a	(100%)	(100%)	n/a	n/a	100%	0%	(100%)	(100%)	(100%)
Embraer																						
Phenom 100	0	0	0	0	0	0	0	0	4	1	1	1	n/a	n/a	0%	n/a	n/a	n/a	(75%)	0%	0%	n/a
Phenom 300	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Embraer	0	0	0	0	0	0	0	0	4	1	1	1	n/a	n/a	0%	n/a	n/a	n/a	(75%)	0%	0%	n/a
Gulfstream																						
G100/150	1	0	0	0	0	0	0	2	0	0	0	0	n/a	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	(100%)
G200/280	0	0	0	0	0	0	1	0	1	1	0	0	n/a	(100%)	n/a	n/a	(100%)	n/a	0%	(100%)	(100%)	n/a
G300/350	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G400/450	0	0	0	0	0	0	1	1	0	2	1	1	(100%)	n/a	(100%)	n/a	0%	(100%)	n/a	(50%)	(50%)	(50%)
G500/550	1	2	1	0	0	1	4	1	3	3	5	4	0%	n/a	0%	(100%)	(75%)	200%	0%	67%	0%	300%
Total Gulfstream	2	2	1	0	0	1	6	4	4	6	6	5	(33%)	100%	(50%)	(100%)	(33%)	0%	50%	0%	(29%)	0%
Hawker																						
Hawker Premier	0	0	0	1	1	0	3	0	1	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	(100%)	n/a	n/a	(100%)
Hawker 400	0	2	2	1	0	0	1	2	2	0	0	0	n/a	n/a	n/a	n/a	100%	0%	(100%)	n/a	n/a	(100%)
Hawker 800	4	3	3	1	1	3	3	4	1	1	1	1	n/a	n/a	n/a	0%	33%	(75%)	0%	0%	0%	(67%)
Hawker 4000	0	0	0	0	0	0	0	0	0	1	0	0	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	(100%)	(100%)	n/a
Total Hawker	4	5	5	3	2	3	7	6	4	2	1	1	n/a	n/a	(100%)	0%	(14%)	(33%)	(50%)	(50%)	(50%)	(80%)
Others																						
Eclipse 500	0	0	0	0	0	0	1	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	(100%)
Epic Victory	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sino SJ30	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Others	0	0	0	0	0	0	1	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	(100%)
Total Industry	11	16	11	9	9	25	23	27	29	26	14	13	(70%)	33%	(73%)	(25%)	17%	7%	(16%)	(46%)	(54%)	(52%)
Total Industry Ex VLJs	11	16	11	9	9	25	21	24	22	20	11	10	(63%)	33%	(75%)	(50%)	14%	(8%)	(9%)	(45%)	(52%)	(58%)

Source: ASCEND and UBS estimates

Table 7: Latin America Deliveries by Manufacturer and Model

												y/y growth										L12M vs Peak
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	L12M	2Q'11	3Q'11	4Q'11	1Q'12	2008	2009	2010	2011	L12M	
Bombardier																						
Learjet 31	3	1	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Learjet 40/45	2	1	0	4	4	8	8	0	5	2	4	3	0%	n/a	n/a	(100%)	(100%)	n/a	(60%)	100%	0%	200%
Learjet 60	3	4	0	0	2	1	2	2	1	2	1	3	n/a	n/a	(100%)	n/a	0%	(50%)	100%	(50%)	200%	50%
Challenger 300	0	0	0	0	0	4	2	4	2	2	2	2	n/a	(100%)	n/a	n/a	100%	(50%)	0%	0%	100%	(33%)
Challenger 604/605	2	6	0	3	3	3	1	2	2	5	5	3	(100%)	0%	n/a	(67%)	100%	0%	150%	0%	(40%)	50%
Global 5000	0	0	0	0	2	2	1	1	4	3	0	0	(100%)	n/a	n/a	n/a	0%	300%	(25%)	(100%)	(100%)	(100%)
Global Express/XRS	1	0	1	0	4	1	4	0	5	2	3	2	(100%)	(100%)	n/a	(50%)	(100%)	n/a	(60%)	50%	(50%)	n/a
Total Bombardier	11	12	1	7	15	19	18	9	19	16	15	13	(50%)	0%	200%	(33%)	(50%)	111%	(16%)	(6%)	(19%)	44%
Cessna																						
Mustang	0	0	0	0	0	0	8	20	7	7	2	1	(100%)	n/a	(100%)	(100%)	150%	(65%)	0%	(71%)	(83%)	(95%)
CJ1	7	4	1	0	0	1	2	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	n/a
CJ2	3	7	2	2	2	1	3	4	2	3	1	1	(100%)	n/a	(100%)	n/a	33%	(50%)	50%	(67%)	(67%)	(83%)
CJ3	0	0	0	0	3	2	10	5	4	1	2	2	n/a	n/a	(100%)	n/a	(50%)	(20%)	(75%)	100%	100%	(78%)
CJ4	0	0	0	0	0	0	0	0	0	0	9	9	n/a	n/a	n/a	0%	n/a	n/a	n/a	n/a	800%	n/a
Bravo/Encore	5	2	2	2	0	4	2	0	0	0	0	0	n/a	n/a	n/a	n/a	(100%)	n/a	n/a	n/a	n/a	n/a
Excel/XLS	6	6	1	2	5	6	6	8	4	4	5	5	n/a	100%	(50%)	n/a	33%	(50%)	0%	25%	67%	(38%)
Sovereign	0	0	0	1	2	4	2	5	5	2	4	3	0%	0%	n/a	(100%)	150%	0%	(60%)	100%	0%	(40%)
Citation X	0	0	0	1	2	0	1	0	0	1	0	0	n/a	n/a	(100%)	n/a	(100%)	n/a	n/a	(100%)	(100%)	n/a
Total Cessna	21	19	6	8	14	18	34	42	22	18	23	21	0%	35%	(25%)	(67%)	24%	(48%)	(16%)	28%	17%	(56%)
Dassault																						
Falcon 50	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Falcon 500	1	1	1	1	1	1	4	2	0	5	2	3	(50%)	(100%)	(50%)	n/a	(50%)	(100%)	n/a	(60%)	(40%)	0%
Falcon 2000	0	2	3	2	0	2	3	1	3	5	4	4	n/a	(100%)	(50%)	n/a	(67%)	200%	67%	(20%)	(20%)	n/a
Falcon 7X	0	0	0	0	0	0	2	4	1	5	1	2	n/a	n/a	(75%)	n/a	100%	(75%)	400%	(80%)	(50%)	(50%)
Total Dassault	1	3	4	3	1	3	9	7	4	15	7	9	50%	(100%)	(60%)	n/a	(22%)	(43%)	275%	(53%)	(36%)	28%
Embraer																						
Phenom 100	0	0	0	0	0	0	0	0	26	39	16	16	(77%)	(25%)	(27%)	0%	n/a	n/a	50%	(58%)	(47%)	n/a
Phenom 300	0	0	0	0	0	0	0	0	0	6	12	12	n/a	(33%)	33%	0%	n/a	n/a	n/a	100%	50%	n/a
Total Embraer	0	26	45	28	28	(46%)	(29%)	(14%)	0%	n/a	n/a	73%	(38%)	(26%)	n/a							
Gulfstream																						
G100/150	0	1	0	0	0	0	2	4	2	1	2	2	0%	n/a	n/a	n/a	100%	(50%)	(50%)	100%	100%	100%
G200/280	1	2	0	1	0	1	1	4	4	1	3	3	n/a	100%	n/a	n/a	300%	0%	(75%)	200%	200%	0%
G300/350	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
G400/450	2	1	0	0	0	0	2	3	2	2	1	1	n/a	n/a	(100%)	0%	50%	(33%)	0%	(50%)	(67%)	(80%)
G500/550	0	1	2	1	2	4	3	3	5	8	6	5	(33%)	(75%)	n/a	(50%)	0%	67%	60%	(25%)	(44%)	67%
Total Gulfstream	3	5	2	2	2	5	8	14	13	12	12	11	(25%)	(20%)	0%	(33%)	75%	(7%)	(8%)	0%	(21%)	(8%)
Hawker																						
Hawker Premier	2	1	3	1	0	1	4	4	0	1	1	1	n/a	n/a	(100%)	n/a	0%	(100%)	n/a	0%	0%	(86%)
Hawker 400	5	2	4	3	3	4	1	4	2	1	1	0	n/a	n/a	(100%)	(100%)	300%	(50%)	(50%)	0%	(100%)	(100%)
Hawker 800	4	4	4	0	5	1	3	7	7	2	3	3	n/a	0%	0%	0%	133%	0%	(71%)	50%	0%	(50%)
Hawker 4000	0	0	0	0	0	0	0	1	0	2	2	1	n/a	n/a	n/a	(100%)	n/a	(100%)	n/a	0%	0%	n/a
Total Hawker	11	7	11	4	8	6	8	16	9	6	7	5	n/a	0%	(67%)	(67%)	100%	(44%)	(33%)	17%	(29%)	(69%)
Others																						
Eclipse 500	0	0	0	0	0	0	2	2	0	0	0	0	n/a	n/a	n/a	n/a	0%	(100%)	n/a	n/a	n/a	(100%)
Epic Victory	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sino S350	0	0	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Others	0	0	0	0	0	0	2	2	0	0	0	0	n/a	n/a	n/a	n/a	0%	(100%)	n/a	n/a	n/a	(100%)
Total Industry	47	46	24	24	40	51	79	93	93	112	92	87	(23%)	10%	(26%)	(26%)	14%	3%	20%	(16%)	(19%)	(9%)
Total Industry Ex VLJs	47	46	24	24	40	51	69	68	60	66	74	70	43%	13%	(20%)	(25%)	(1%)	(12%)	10%	12%	(1%)	(3%)

Source: ASCEND and UBS estimates

■ Statement of Risk

The business jet market is cyclical in nature, largely driven by the general economic environment. Business jet manufacturers' earnings and cash flow are dependent on end-user demand, availability of customer financing, program execution and inventory management. A weak market for business jets could negatively affect General Dynamics, Textron, Bombardier, Embraer, Rockwell Collins, Honeywell, B/E Aerospace, Rolls-Royce and United Technologies.

■ Analyst Certification

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner, including with respect to UBS, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.

Required Disclosures

This report has been prepared by UBS Securities LLC, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS.

For information on the ways in which UBS manages conflicts and maintains independence of its research product; historical performance information; and certain additional disclosures concerning UBS research recommendations, please visit www.ubs.com/disclosures. The figures contained in performance charts refer to the past; past performance is not a reliable indicator of future results. Additional information will be made available upon request. UBS Securities Co. Limited is licensed to conduct securities investment consultancy businesses by the China Securities Regulatory Commission.

UBS Investment Research: Global Equity Rating Allocations

UBS 12-Month Rating	Rating Category	Coverage ¹	IB Services ²
Buy	Buy	51%	34%
Neutral	Hold/Neutral	40%	35%
Sell	Sell	9%	15%
UBS Short-Term Rating	Rating Category	Coverage ³	IB Services ⁴
Buy	Buy	less than 1%	25%
Sell	Sell	less than 1%	17%

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

3:Percentage of companies under coverage globally within the Short-Term rating category.

4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS. Rating allocations are as of 31 March 2012.

UBS Investment Research: Global Equity Rating Definitions

UBS 12-Month Rating	Definition
Buy	FSR is > 6% above the MRA.
Neutral	FSR is between -6% and 6% of the MRA.
Sell	FSR is > 6% below the MRA.
UBS Short-Term Rating	Definition
Buy	Buy: Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.
Sell	Sell: Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.

KEY DEFINITIONS

Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

Market Return Assumption (MRA) is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

Under Review (UR) Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation.

Short-Term Ratings reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case.

Equity Price Targets have an investment horizon of 12 months.

EXCEPTIONS AND SPECIAL CASES

UK and European Investment Fund ratings and definitions are: Buy: Positive on factors such as structure, management, performance record, discount; Neutral: Neutral on factors such as structure, management, performance record, discount; Sell: Negative on factors such as structure, management, performance record, discount.

Core Banding Exceptions (CBE): Exceptions to the standard +/-6% bands may be granted by the Investment Review Committee (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Company Disclosures table in the relevant research piece.

Research analysts contributing to this report who are employed by any non-US affiliate of UBS Securities LLC are not registered/qualified as research analysts with the NASD and NYSE and therefore are not subject to the restrictions contained in the NASD and NYSE rules on communications with a subject company, public appearances, and trading securities held by a research analyst account. The name of each affiliate and analyst employed by that affiliate contributing to this report, if any, follows.

UBS Securities LLC: David E. Strauss; Darryl Genovesi; Matthew Akers.

Company Disclosures

Company Name	Reuters	12-mo rating	Short-term rating	Price	Price date
Bombardier Inc. ^{2, 4b, 5a, 5b, 6a, 18a, 20}	BBDb.TO	Buy (CBE)	N/A	C\$3.90	08 May 2012
General Dynamics Corp. ^{13, 16}	GD.N	Buy	N/A	US\$67.53	08 May 2012
Rockwell Collins Inc. ^{2, 4a, 6a, 6b, 7, 8, 16, 18b}	COL.N	Buy	N/A	US\$53.39	08 May 2012
Textron Inc. ^{6b, 7, 13, 16, 18c, 22}	TXT.N	Buy	N/A	US\$24.68	08 May 2012

Source: UBS. All prices as of local market close.

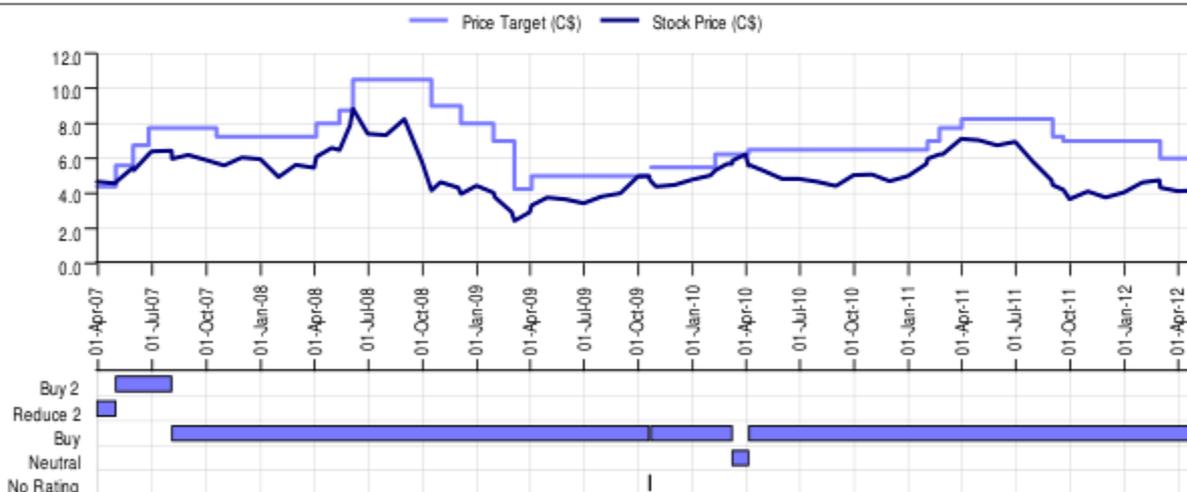
Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

2. UBS AG, its affiliates or subsidiaries has acted as manager/co-manager in the underwriting or placement of securities of this company/entity or one of its affiliates within the past 12 months.
- 4a. Within the past 12 months, UBS AG, its affiliates or subsidiaries has received compensation for investment banking services from this company/entity.
- 4b. Within the past 12 months, UBS Securities Canada Inc or an affiliate has received compensation for investment banking services from this company/entity.
- 5a. UBS AG, its affiliates or subsidiaries expect to receive or intend to seek compensation for investment banking services from this company/entity within the next three months.
- 5b. UBS Securities Canada Inc or an affiliate expect to receive or intend to seek compensation for investment banking services from this company/entity within the next three months.
- 6a. This company/entity is, or within the past 12 months has been, a client of UBS Securities LLC, and investment banking services are being, or have been, provided.
- 6b. This company/entity is, or within the past 12 months has been, a client of UBS Securities LLC, and non-securities services are being, or have been, provided.

- 7. Within the past 12 months, UBS Securities LLC has received compensation for products and services other than investment banking services from this company/entity.
- 8. The equity analyst covering this company, a member of his or her team, or one of their household members has a long common stock position in this company.
- 13. UBS AG, its affiliates or subsidiaries beneficially owned 1% or more of a class of this company's common equity securities as of last month's end (or the prior month's end if this report is dated less than 10 days after the most recent month's end).
- 16. UBS Securities LLC makes a market in the securities and/or ADRs of this company.
- 18a. The U.S. equity strategist, a member of his team, or one of their household members has a long common stock position in Bombardier, Inc.
- 18b. The U.S. equity strategist, a member of his team, or one of their household members has a long common stock position in Rockwell Collins Inc.
- 18c. The U.S. equity strategist, a member of his team, or one of their household members has a long common stock position in Textron Inc.
- 20. Because UBS believes this security presents significantly higher-than-normal risk, its rating is deemed Buy if the FSR exceeds the MRA by 10% (compared with 6% under the normal rating system).
- 22. UBS AG, its affiliates or subsidiaries held other significant financial interests in this company/entity as of last month's end (or the prior month's end if this report is dated less than 10 working days after the most recent month's end).

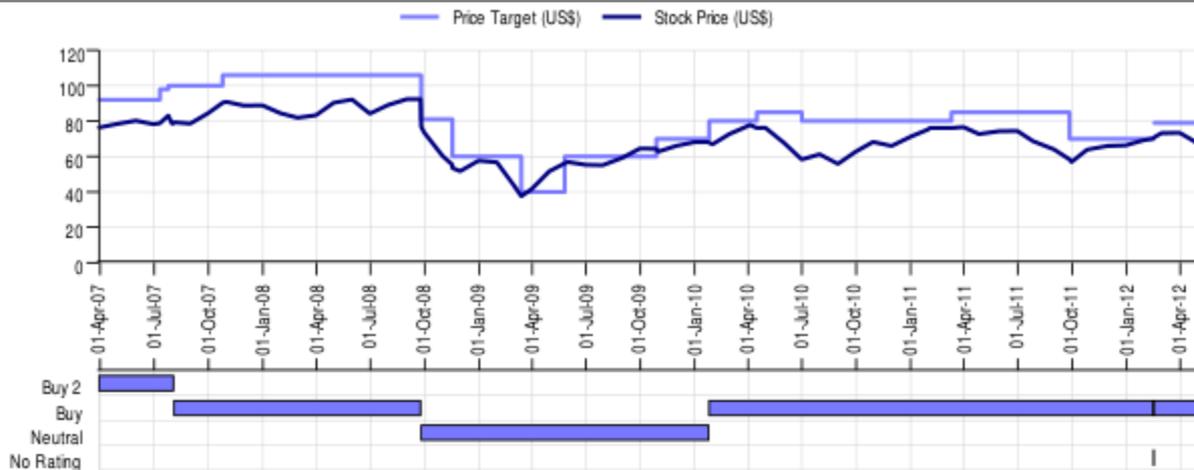
Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report.

Bombardier Inc. (C\$)



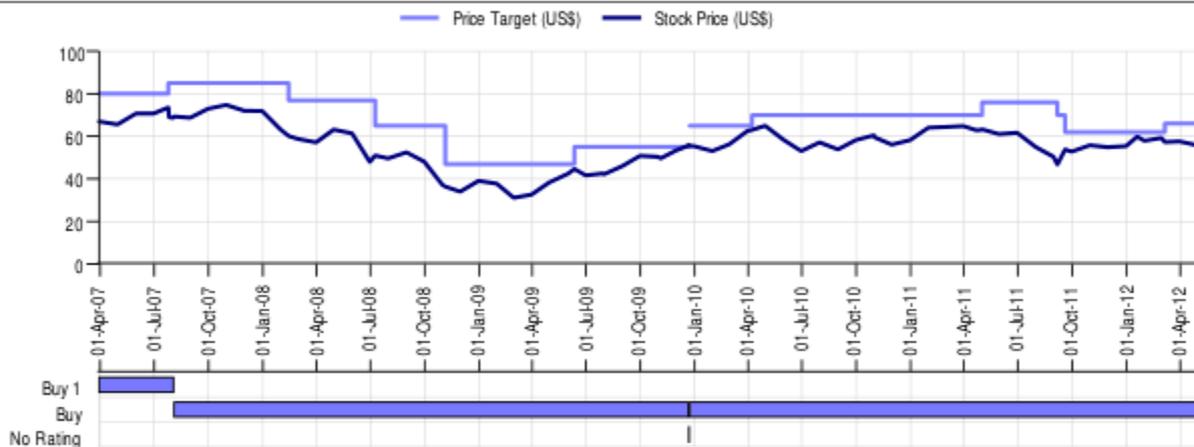
Source: UBS; as of 08 May 2012

General Dynamics Corp. (US\$)



Source: UBS; as of 08 May 2012

Rockwell Collins Inc. (US\$)



Source: UBS; as of 08 May 2012

Textron Inc. (US\$)



Source: UBS; as of 08 May 2012

Note: On August 4, 2007 UBS revised its rating system. (See 'UBS Investment Research: Global Equity Rating Definitions' table for details). From September 9, 2006 through August 3, 2007 the UBS ratings and their definitions were: Buy 1 = FSR is > 6% above the MRA, higher degree of predictability; Buy 2 = FSR is > 6% above the MRA, lower degree of predictability; Neutral 1 = FSR is between -6% and 6% of the MRA, higher degree of predictability; Neutral 2 = FSR is between -6% and 6% of the MRA, lower degree of predictability; Reduce 1 = FSR is > 6% below the MRA, higher degree of predictability; Reduce 2 = FSR is > 6% below the MRA, lower degree of predictability. The predictability level indicates an analyst's conviction in the FSR. A predictability level of '1' means that the analyst's estimate of FSR is in the middle of a narrower, or smaller, range of possibilities. A predictability level of '2' means that the analyst's estimate of FSR is in the middle of a broader, or larger, range of possibilities. From October 13, 2003 through September 8, 2006 the percentage band criteria used in the rating system was 10%.

Global Disclaimer

This document has been prepared by UBS Securities LLC, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS.

This document is for distribution only as may be permitted by law. It is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such jurisdiction, publication, availability or use would be contrary to law or regulation or would subject UBS to any registration or licensing requirement within such jurisdiction. It is published solely for information purposes, it is not an advertisement nor is it a solicitation or an offer to buy or sell any financial instruments or to participate in any particular trading strategy. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in this document ("the information"), except with respect to information concerning UBS. The information is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. UBS does not undertake to update or keep current the information. Any opinions expressed in this document may change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS.

Nothing in this document constitutes a representation that any investment strategy or recommendation is suitable or appropriate to an investor's individual circumstances or otherwise constitutes a personal recommendation. Investments involve risks and investors should exercise prudence and their own judgement in making their investment decisions. The financial instruments described in the document may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Mortgage and asset-backed securities may involve a high degree of risk and may be highly volatile in response to fluctuations in interest rates or other market conditions. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument referred to in the document. For investment advice, trade execution or other enquiries, clients should contact their local sales representative.

The value of any investment or income may go down as well as up and investors may not get back the full amount invested. Past performance is not necessarily a guide to future performance. Neither UBS nor any of its directors, employees or agents accepts any liability for any loss (including investment loss) or damage arising out of the use of all or any of the information.

Any prices stated in this document are for information purposes only and do not represent valuations for individual securities or other financial instruments. There is no representation that any transaction can or could have been effected at those prices and any prices do not necessarily reflect UBS's internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by UBS or any other source may yield substantially different results.

Research will initiate, update and cease coverage solely at the discretion of UBS Investment Bank Research Management. The analysis contained in this document is based on numerous assumptions. Different assumptions could result in materially different results. The analyst(s) responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting market information. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS into other areas, units, groups or affiliates of UBS. The compensation of the analyst who prepared this document is determined exclusively by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking revenues, however, compensation may relate to the revenues of UBS Investment Bank as a whole, of which investment banking, sales and trading are a part.

For financial instruments admitted to trading on an EU regulated market: UBS AG, its affiliates or subsidiaries (excluding UBS Securities LLC) acts as a market maker or liquidity provider (in accordance with the interpretation of these terms in the UK) in the financial instruments of the issuer save that where the activity of liquidity provider is carried out in accordance with the definition given to it by the laws and regulations of any other EU jurisdictions, such information is separately disclosed in this document. For financial instruments admitted to trading on a non-EU regulated market: UBS may act as a market maker save that where this activity is carried out in the US in accordance with the definition given to it by the relevant laws and regulations, such activity will be specifically disclosed in this document. UBS may have issued a warrant the value of which is based on one or more of the financial instruments referred to in the document. UBS and its affiliates and employees may have long or short positions, trade as principal and buy and sell in instruments or derivatives identified herein; such transactions or positions may be inconsistent with the opinions expressed in this document.

United Kingdom and the rest of Europe: Except as otherwise specified herein, this material is distributed by UBS Limited, to persons who are eligible counterparties or professional clients. UBS Limited is authorised and regulated by the Financial Services Authority (FSA). **France:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities France S.A. UBS Securities France S.A. is regulated by the Autorité des Marchés Financiers (AMF). Where an analyst of UBS Securities France S.A. has contributed to this document, the document is also deemed to have been prepared by UBS Securities France S.A. **Germany:** Prepared by UBS Limited and distributed by UBS Limited and UBS Deutschland AG. UBS Deutschland AG is regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). **Spain:** Prepared by UBS Limited and distributed by UBS Limited and UBS Securities España SV, SA. UBS Securities España SV, SA is regulated by the Comisión Nacional del Mercado de Valores (CNMV). **Turkey:** Prepared by UBS Menkul Değerler AS on behalf of and distributed by UBS Limited. No information in this document is provided for the purpose of offering, marketing and sale by any means of any capital market instruments and services in the Republic of Turkey. Therefore, this document may not be considered as an offer made or to be made to residents of the Republic of Turkey. UBS AG is not licensed by the Turkish Capital Market Board (the CMB) under the provisions of the Capital Market Law (Law No. 2499). Accordingly neither this document nor any other offering material related to the instruments/services may be utilized in connection with providing any capital market services to persons within the Republic of Turkey without the prior approval of the CMB. However, according to article 15 (d) (ii) of the Decree No. 32 there is no restriction on the purchase or sale of the securities abroad by residents of the Republic of Turkey. **Poland:** Distributed by UBS Limited (spółka z ograniczoną odpowiedzialnością Oddział w Polsce. **Russia:** Prepared and distributed by UBS Securities CJSC. **Switzerland:** Distributed by UBS AG to persons who are institutional investors only. **Italy:** Prepared by UBS Limited and distributed by UBS Limited and UBS Italia Sim S.p.A. UBS Italia Sim S.p.A. is regulated by the Bank of Italy and by the Commissione Nazionale per le Società e la Borsa (CONSOB). Where an analyst of UBS Italia Sim S.p.A. has contributed to this document, the document is also deemed to have been prepared by UBS Italia Sim S.p.A. **South Africa:** Distributed by UBS South Africa (Pty) Limited, an authorised user of the JSE and an authorised Financial Services Provider. **Israel:** UBS Limited and its affiliates incorporated outside Israel are not licensed under the Investment Advice Law. This material is being issued only to and/or is directed only at persons who are Sophisticated Investors within the meaning of the Israeli Securities Law and this material must not be relied on or acted upon by any other persons. Whilst UBS Limited holds insurance for its activities, it does not hold the same insurance that would be required for an investment advisor or investment marketer under the relevant Investment Advice Law Regulations. **Saudi Arabia:** This document has been issued by UBS AG (and or any of its subsidiaries, branches or affiliates), a public company limited by shares, incorporated in Switzerland with its registered offices at Aeschenvorstadt 1, CH-4051 Basel and Bahnhofstrasse 45, CH-8001 Zurich. This publication has been approved by UBS Saudi Arabia (a subsidiary of UBS AG), a foreign closed joint stock company incorporated in the Kingdom of Saudi Arabia under commercial register number 1010257812 having its registered office at Tatweer Towers, P.O. Box 75724, Riyadh 11588, Kingdom of Saudi Arabia. UBS Saudi Arabia is authorized and regulated by the Capital Market Authority to conduct securities business under license number 08113-37. **United States:** Distributed to US persons by either UBS Securities LLC or by UBS Financial Services Inc., subsidiaries of UBS AG; or by a group, subsidiary or affiliate of UBS AG that is not registered as a US broker-dealer (a "non-US affiliate") to major US institutional investors only. UBS Securities LLC or UBS Financial Services Inc. accepts responsibility for the content of a document prepared by another non-US affiliate when distributed to US persons by UBS Securities LLC or UBS Financial Services Inc. All transactions by a US person in the securities mentioned in this document must be effected through UBS Securities LLC or UBS Financial Services Inc., and not through a non-US affiliate. **Canada:** Distributed by UBS Securities Canada Inc., a registered investment dealer in Canada and a Member-Canadian Investor Protection Fund, or by another affiliate of UBS AG which is registered to conduct business in Canada or otherwise exempt from registration. **Hong Kong:** Distributed by UBS Securities Asia Limited. **Singapore:** Distributed by UBS Securities Pte. Ltd. (mica (p) 016/11/2011 and Co. Reg. No.: 198500648C) or UBS AG, Singapore Branch. Please contact UBS Securities Pte. Ltd., an exempt financial advisor under the Singapore Financial Advisers Act (Cap. 110); or UBS AG, Singapore Branch, an exempt financial adviser under the Singapore Financial Advisers Act (Cap. 110) and a wholesale bank licensed under the Singapore Banking Act (Cap. 19) regulated by the Monetary Authority of Singapore, in respect of any matters arising from, or in connection with, the analysis or document. The recipients of this document represent and warrant that they are accredited and institutional investors as defined in the Securities and Futures Act (Cap. 289). **Japan:** Distributed by UBS Securities Japan Co., Ltd. to institutional investors only. Where this document has been prepared by UBS Securities Japan Co., Ltd., UBS Securities Japan Co., Ltd. is the author, publisher and distributor of the document. **Australia:** Distributed by UBS AG (Holder of Australian Financial Services License No. 231087) and/or UBS Securities Australia Ltd (Holder of Australian Financial Services License No. 231098). The information in this document has been prepared without taking account any investor's objectives, financial situation or needs and investors should, before acting on the information, consider the appropriateness of the information, having regard to their objectives, financial situation and needs. If the information contained in this document relates to the acquisition, or potential acquisition of a particular financial product by a "Retail" client as defined by section 761G of the Corporations Act 2001 where a Product Disclosure Statement would be required, the retail client should obtain and consider the Product Disclosure Statement relating to the product before making any decision about whether to acquire the product. **New Zealand:** Distributed by UBS New Zealand Ltd. The information and recommendations in this publication are provided for general information purposes only. To the extent that any such information or recommendations constitute financial advice, they do not take into account any person's particular financial situation or goals. We recommend that recipients seek advice specific to their circumstances from their financial adviser. **Dubai:** The research prepared and distributed by UBS AG Dubai Branch, is intended for Professional Clients only and is not for further distribution within the United Arab Emirates. **Korea:** Distributed in Korea by UBS Securities Pte. Ltd., Seoul Branch. This document may have been edited or contributed to from time to time by affiliates of UBS Securities Pte. Ltd., Seoul Branch. **Malaysia:** This material is authorized to be distributed in Malaysia by UBS Securities Malaysia Sdn. Bhd (253825-x). **India:** Prepared by UBS Securities India Private Ltd. 2/F, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East), Mumbai (India) 400051. Phone: +912261556000 SEBI Registration Numbers: NSE (Capital Market Segment): INB230951431, NSE (F&O Segment) INF230951431, BSE (Capital Market Segment) INB010951437.

The disclosures contained in research documents produced by UBS Limited shall be governed by and construed in accordance with English law.

UBS specifically prohibits the redistribution of this document in whole or in part without the written permission of UBS and UBS accepts no liability whatsoever for the actions of third parties in this respect. Images may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. © UBS 2012. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.

