

# PARIS AIR SHOW

## HONEYWELL AEROSPACE

JUNE 16, 2013

**Honeywell**



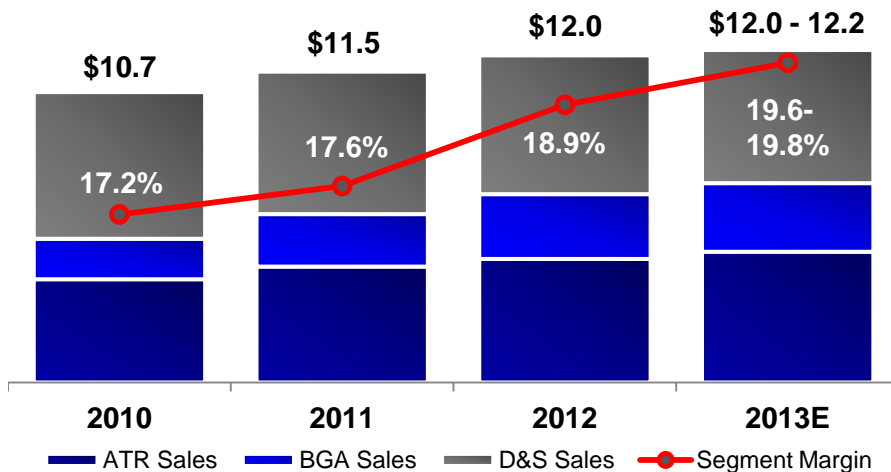
# Forward Looking Statements

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*This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management’s assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.*

# Aerospace Overview

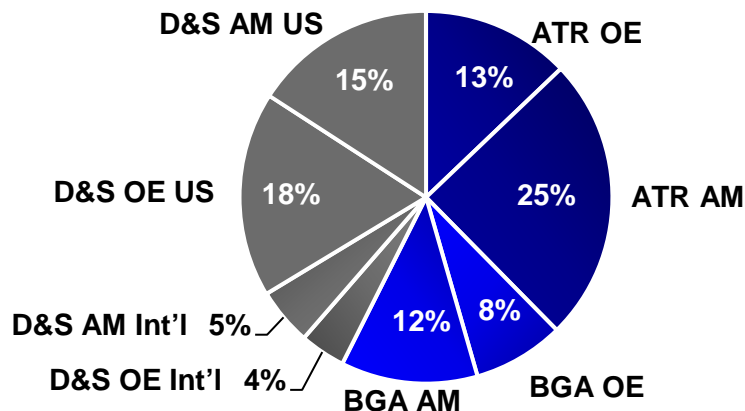
## Financials



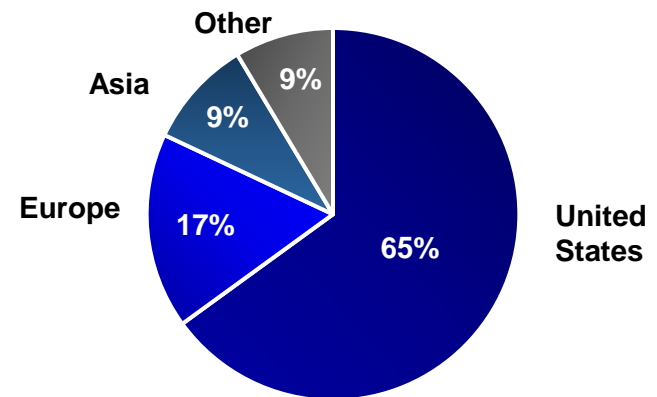
## 2012 Highlights

- **Large Air Transport Continued Growth**
  - Original Equipment (OE) Growth Strong - 11% Growth
  - Flight Hour Growth Tempered Throughout 2012
- **BGA Market Flat, HON Growing**
  - Growth >20% Despite Flat OE Market
  - Strong BGA Aftermarket Growth Vs. Low Utilization
- **Defense Weathering Modest Declines**
  - HON D&S Down (-3%)
  - Partially Offset By International Growth

## Business Split



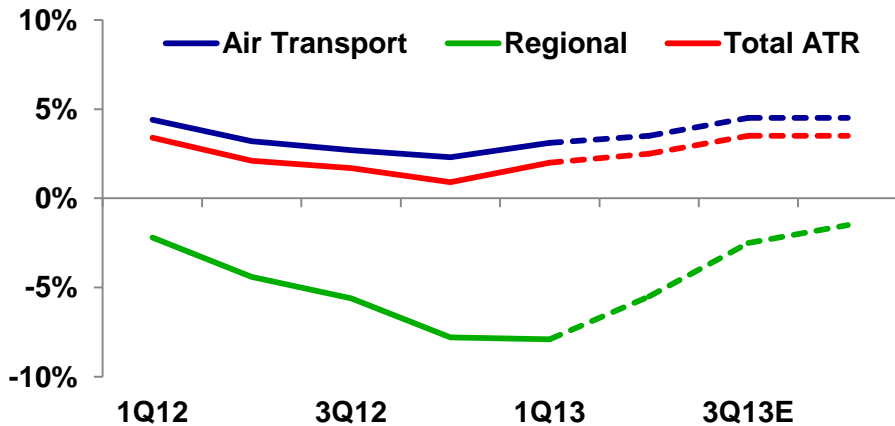
## Geographic Mix



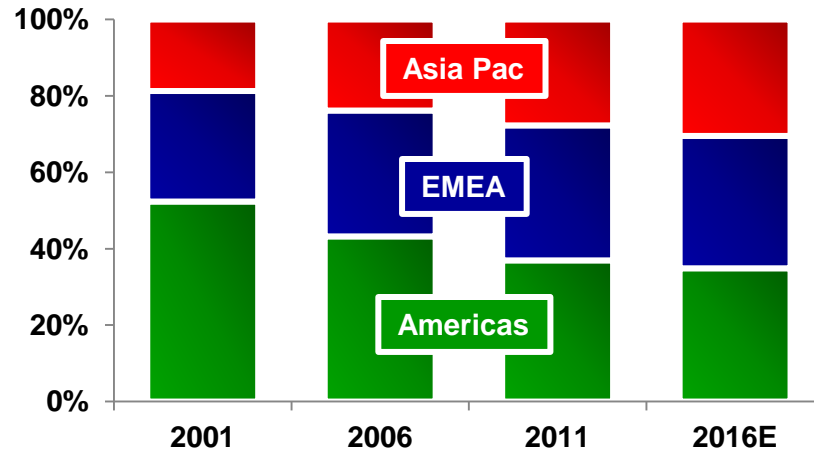
*Strong 2012, Well Positioned For Future*

# Aerospace Macro Drivers

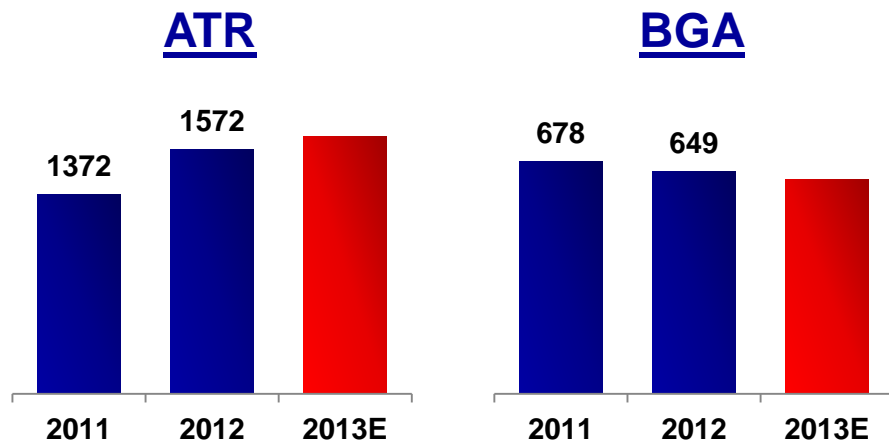
## Commercial Flight Hour Growth



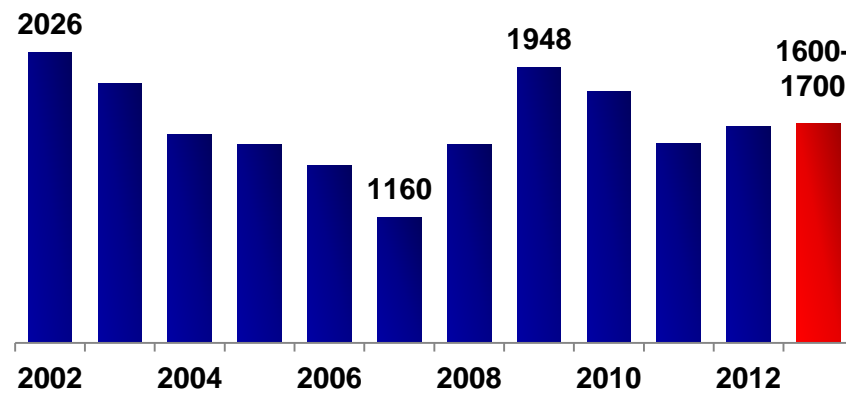
## Regional Share Of Flight Activity



## OE Deliveries



## Parked Aircraft



*Planning For A Continued Challenging Macro Environment*

# Big Wins – Last 3 Years

ATR	BGA	D&S
<p><b>\$16B</b> <b>COMAC C919</b> APU, Flight Controls, Wheels &amp; Brakes, Navigation, Components</p>	<p><b>~\$6B</b> <b>Bombardier CL350</b> HTF 7000 Engine</p>	<p><b>\$1.5B</b> <b>U.S. Army TIGER</b></p>
<p><b>\$4.0B</b> <b>Boeing 737MAX</b> EBAS and Controllers</p>	<p><b>\$3.6B</b> <b>Bombardier</b> TFE Engine</p>	<p><b>\$0.9B</b> <b>U.S. Air DoD</b> Logistics Services</p>
<p><b>\$2.8B</b> <b>Embraer G2</b> Avionics</p>	<p><b>\$3.7B</b> <b>Unannounced Win</b> Mechanical</p>	<p><b>\$0.7B</b> <b>Israeli Air Force</b> M-346 Trainer</p>
<p><b>\$2.7B</b> <b>Components Wins</b></p>	<p><b>\$0.8B</b> <b>Unannounced Win</b> Integrated Cockpit</p>	<p><b>\$0.5B</b> <b>NASA Goddard Space</b> <b>Flight Center</b></p>
<p><b>\$1.4B</b> <b>Airline Selectables</b></p>	<p><b>\$0.8B</b> <b>Unannounced Win</b> Mechanical</p>	<p><b>\$0.4B</b> <b>Unannounced</b> Helo Systems</p>
<p><b>~\$1B</b> <b>Irkut MS-21</b> APU, Avionics</p>	<p><b>\$3.6B</b> <b>PC-24 and Other AM &amp; OE</b> <b>Programs</b></p>	<p><b>\$0.2B</b> <b>U.S. Army</b> AGT1500 Abrams Engine</p>
<p><i>... And Many Others</i></p>	<p><i>... And Many Others</i></p>	<p><i>... And Many Others</i></p>
 <p><b>\$28B</b> 2010-2012</p>	 <p><b>\$19B</b> 2010-2012</p>	 <p><b>\$15B</b> 2010-2012</p>

*Winning Big In All Segments*

# Strong Pipeline Of New High Impact Aircraft Honeywell

## HONEYWELL'S PLATFORM POSITION

Aircraft	Avionics	Engines	APUs	ECS/CP	Components	Other	Honeywell Value	Competitor Value
Embraer 2 <sup>nd</sup> Gen E-Jet	Green	NA		TBD	TBD	TBD	~\$3B	<\$1B
Boeing 737 Max	Green	NA	Green	Green	Green	TBD	~\$4B	\$2B (Displays)
Airbus A350	Green	NA	Green	Green		Green	~\$18B	\$6-\$9B (Avionics and Components)
COMAC C919	Green	NA	Green		Green	Green	~\$16B	<\$16B (Avionics, ECS and Other)
Gulfstream 650	Green	NA	Green	Green	Green	Green	~\$3B	----
Embraer L500/450	Green	Green	Green	Green	Green	Green	~\$24B	~\$2B (Avionics)
Bombardier CL350 (Engine), Pilatus PC-24 (Avionics) and 10 Unannounced	Green	Green	Green	Green	Green	Green	~\$23B	TBD
Alenia Aermacchi M-346	Green	Green	NA	Green	Green	Green	~1.5B	~\$0.5B

*Broad, Unmatched Wins*

# Winning Globally

Honeywell



## Russia

- MS-21, AN-2 Wins
- Grow Safety And Efficiency Upgrades
- APU/Avionics On New Platforms
- Numerous Helicopter Opportunities



## China

- Execute On Wins - C919, ARJ21, AC311, YF12
- Continue Airlines Success BFE, Spares, RMUs
- Pursuing General Aviation Platforms / ATM
- Building Sourcing Capability

## South Korea

- Partner Locally To Win Numerous D&S Platforms

## India

- Win/Execute Jaguar Opportunity
- Eliminate/Reduce Constraints On Traffic Growth Through ATM Initiatives
- Win LCC Airlines
- Win D&S Platforms

## Indonesia

- Focus On Upgrades For Existing D&S Fleets
- Develop/Grow/Support Local Airlines



## Europe

- Turkey: "Gateway to the Stars" – D&S Growth
- Switzerland: PC-24 Avionics Program

## Middle East

- Services – Physical Security/Logistics Opportunity In UAE/Iraq
- Grow/Support Airlines

## Colombia

- Military Helo Upgrades

## Brazil

- Win E-Jet APU Program
- Helicopter Operations

## Mexico

- Mature R&O And Core Manufacturing
- Engineering Expansion



*Focused Regional Strategies To Support Global Growth*

# Large Installed Base Upgrade Opportunity

Honeywell

<b>ATR</b> 	<b>BGA</b> 	<b>D&amp;S</b> 
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## Market Needs Create Upgrade Opportunities

Efficiency	Safety	Reliability
<ul style="list-style-type: none"> <li>• Improved Aircraft Routing</li> <li>• Avoid Inclement Weather</li> <li>• Reduced Fuel Burn</li> </ul>	<ul style="list-style-type: none"> <li>• Improved Situational Awareness</li> <li>• Avoid Runway Excursions And Incursions</li> <li>• Incorporate Mandates</li> </ul>	<ul style="list-style-type: none"> <li>• Increased Dispatch Rate</li> <li>• Reduction In Delays &amp; Cancellations</li> <li>• Enhanced Passenger Productivity</li> </ul>

## Driving Upgrade Growth



*> \$700M Short-Cycle Sales Target In 2013*



# Electric Taxi: Demo In Paris

## Electric Green Taxiing System (EGTS)

- **APU-Driven Taxi**

- Saves Fuel
- Reduces Engine Maintenance Costs
- No Pushback Tug Required
- Lower Emissions
- Demo At Paris Air Show
- ~\$10B Opportunity Size



	Avionics	Electric Power	Wheels/ Brakes	APUs
Honeywell - Safran	Red	Red	Red	Red
Competitor 1	Blue	Grey	Grey	Grey
Competitor 2	Grey	Blue	Grey	Blue
Competitor 3	Grey	Blue	Blue	Grey

*Pushing Beyond Traditional Boundaries*

## Airbus A350



APS



CPCS



Avionics



AMS Perimeter



SATCOM

Vive La Modern Flight Experience

Honeywell has developed a holistic approach to integrate multiple systems on the Airbus A350. This has created a more efficient aircraft that leads to better passenger comfort, reduced fuel costs, higher dispatch reliability and the extension of Honeywell's technology legacy.

Comfort	Efficiency	Technology Legacy
Reduced operational noise provides a better experience for passengers, ground and in-flight crew. Advanced environmental systems keep passengers and crew refreshed during flight.	By integrating the aircraft systems which reduced aircraft weight, airlines will experience a greater flight experience including 10 percent improved fuel economy and reduction in emissions. <b>10% LESS</b> <small>* Supports the overall aircraft fuel efficiency improvement of 25%.</small>	With Honeywell's more than 50 years of experience providing integrated aircraft systems, the A350 XWB soars. Seven years of development and modifications accommodate a greater level of overall cockpit integration known as "the common cockpit."

**Fight Management System** offers the latest features and advances to create the Airbus common cockpit

**Ventilation System** distributes cooled air throughout all zones of the aircraft cabin for improved avionics reliability and passenger comfort

**Airbus Aircraft Environment Surveillance System** integrates multiple safety systems into one, reducing as many as eight avionics boxes down to two

**Cabin Pressure Control System** automatically controls the cabin pressure based on the aircraft's flight profile for a comfortable, imperceptible flight experience

**SYSTEMS**  
■ Mechanical  
■ Avionics

**A350 XWB**

**Bleed Air System** is a high-pressure system that provides pneumatic energy for the aircraft and is optimized for greater fuel economy

**Air Conditioning System** uses the air provided by APU and Engine systems to efficiently generate cabin zone heating and cooling for passenger and crew comfort

**Supplemental Cooling System** uniquely integrates the aircraft's cooling function into one centralized refrigeration system for weight reductions, power savings and reduced maintenance support

**HGT1700 Auxiliary Power Unit** is optimized to reduce weight, maximize performance and reduce direct maintenance to provide safe, efficient, low-cost operations

- **A350 Enters Service**

- Enabled With Honeywell Advanced Suite Of Avionics And Extended Mechanical Perimeter

- **First Flight**

- Occurred June 14<sup>th</sup>, 2013



*Unparalleled Position*

- **Airbus A350 First Flight**
  - Honeywell Avionics And Mechanical Products Throughout The Platform
- **Paving The Way**
  - HON Landing Planes At Lower Minimums With SmartLanding/SmartRunway
- **Broadest Portfolio Of Satellite Communications Offerings**
  - GX Aviation, Providing Truly Global Reach In 2015
- **Electric Green Taxiing System In Motion**
  - Lots Of Interest, Launching With Safran In 2016...Look For It At The Show!

*Stay Tuned For Paris Air Show Announcements*