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.
Business Overview

Honeywell Overview

(2012 Sales)

- Automation & Control Solutions
  - $15.9B
- Performance Materials & Technologies
  - $3.6B
- Transportation Systems
  - $6.2B
- Aerospace
  - $12.0B

Aerospace Financials

- D&S 42%
- BGA 20%
- ATR 38%

($B)

- 2010: $10.7B
- 2011: $11.5B
- 2012: $12.0B
- 2013E: $12.1 - $12.2

ATR Sales
- 2010: $12.0B
- 2011: $13.5B
- 2012: $14.0B
- 2013E: $14.6 - $14.8B

BGA Sales
- 2010: $10.7B
- 2011: $11.3B
- 2012: $11.8B
- 2013E: $12.4 - $12.6B

D&S Sales
- 2010: $3.6B
- 2011: $4.0B
- 2012: $4.2B
- 2013E: $4.6 - $4.8B

Segment Margin

- 2010: 17.2%
- 2011: 17.6%
- 2012: 18.9%
- 2013E: 19.6 - 19.8%
Defense & Space Overview

Sales

($B)

2010 2011 2012 2013E

$5.4 $5.3 $5.1 (~4%)

Mix Profile

US Aftermarket 25%
Space, Missiles & Munitions 18%
Int’l Aftermarket 18%
US OEM 17%
Int’l OEM 12%

Aligning Resources to Achieve Growth

• Over $1B International Growth In 2012
• ~25% of Sales Outside U.S.
• Commercial Helo Demand Accelerating

Expanded Scope of Offerings

• >40% Products Commercially Priced
• Broad-Based Service Offerings
• Leader In PBL / Incentive-Based Maintenance Models

Diversified and Well-Positioned

• Highly Diversified - 300+ Platforms
• Balanced Product And Service Portfolio
• Low Exposure To War Spending (< 4%)

US Declines Anticipated

• Focused On Enduring Needs
• D&S Indirect Spend Down (20%)
• Leveraging Shared Aero Support Structure

Uniquely Positioned For Changing Landscape

US OEM

Services

Int’l Aftermarket

Int’l OEM

Uniquely Positioned For Changing Landscape

Honeywell
Current Defense Landscape

U.S. Defense Budgets
- Full Sequester In Place, Unlikely To Be Modified
- Slow Economic Recovery, Continued Uncertainty
- Pricing Pressure / Program Award Delays

War Drawdown
- Largest Budget Declines In OCO War Spending
- Accelerated Withdrawal From Afghanistan
- Pre-emptive Spending Cuts In Services

International Growth
- 3.5% CAGR Expected For International Defense Budgets
- Demand For MRO, Modernization, Indigenous Capability
- RMU’s Focused On Safety, Efficiency, Availability

Cost / Efficiency Focus
- Performance Based Logistics / Incentive-Based Maintenance
- Demand For Service Offerings / Service Life Extensions
- Energy Efficiency (Helo Engines, Weather Radar, Smart-grids, etc)

Well-Positioned To Support Defense Customers In Lower Spend Environment
Managing Current Defense Landscape

Honeywell

DoD Budget

U.S. DoD Baseline Budget

FY12 Presidential Budget Request
FY13 Presidential Budget Request
Full Sequestration / HON Planning

Reference Point For Savings
$486B In DoD Cuts
$975B In DoD Cuts

HON Impact

2012-2014 CAGR (2%)

Full Sequestration Scenario Built In To Forecast

Full Sequestration Impact To 2013, Covered By Contingency


2014-2017 CAGR ~3%


2012 2013 2014 2015 2016 2017

2.0 3.0 4.0 5.0 6.0


2012 2013 2014 2015 2016 2017

2.0 3.0 4.0 5.0 6.0
Recent Wins And Highlights

- **Recent Traditional Wins Reinforce Growth Profile**
  - USAF Secondary Power Logistics Services (~$350M)
  - U.S. Navy Performance-Based Logistics (~$200M)
  - USAF Enhanced GPS Inertial Navigation System
  - FAA Security System Maintenance And Optimization

- **Expanding In International, Services & Adjacencies**
  - **International**: Israeli M-346 Engine ($700M+ Program), Reaction Wheels, Inertials Growth In Multiple International Markets
  - **RMUs**: (Retrofits, Mods, Upgrades) $400M+ 2013 YTD Wins
  - **Cyber**: Recent Wins In Security, Audit And Assurance

*Continuing To Win, Domestically And Internationally*
Growth Opportunities

**Retrofits / Modifications / Upgrades**

- **Capability**: Propulsion, SATCOM, Navigation
- **Productivity**: Condition Based Maintenance
- **Life Extension**: Navigation, Displays
- **Safety**: Terrain Avoidance, Weather Radar

**International**

- **People**: In Region/Country Addressing Local Needs
- **Channels**: OEM/Commands/Partners
- **Products**: Significant Refresh Opportunities

**International Defense Budget Growing**

- **2011**: $200B
- **2016**: $600B

- **CAGR**: ~16%

- **W Europe**: 1.2%
- **Asia Pac**: 3.4%
- **Mideast**: 5.1%
- **India**: 7.6%
- **Other**: 4.9%

**Focused On Safety, Efficiency, And Productivity**

*HON Well Positioned Despite DoD Spending Cuts*
Summary

• **Strong Global Positions On Broad Range Of Enduring Platforms**
  - Technology Leadership, Differentiated Offerings And Customer Support

• **High Value RMU Products Available Now**
  - Meeting Customer Safety, Efficiency And Productivity Needs At Low Investment

• **Growing International Business Offsetting DoD Declines**
  - Over $1B In YTD International Business Wins

• **Value-Added Services Expansion Offsetting OCO Declines**
  - Performance Based Logistics, Physical/Cyber Security, Logistics/Tech Services

• **Optimized Cost Base And Shared Support Structure**
  - Strong Operational Execution → HOS, VPD

*Uniquely Positioned For Changing Landscape*
Leader Profile

Mike Madsen was named president of Honeywell Aerospace’s Defense & Space business in October 2010. This $5.1 billion business serves OEM, aftermarket, military, government agency and commercial helicopter segments internationally.

Previously Madsen was vice president of the Airlines Customer Business team within the Air Transport & Regional (AT&R) business. He advanced to that role in 2007 after serving as vice president for AT&R’s Regional Aircraft and Aero Component business.

Madsen’s career at Honeywell, which began more than 25 years ago, started as an engine performance engineer in the Systems Analysis and Performance group supporting the TFE731, ATF3 and CFE738 engines. Following this, he held a series of positions of increasing leadership responsibility in program management within Honeywell’s Engines Systems and Accessories organization. Madsen led development activities on a wide range of products ranging from solar dynamic power systems to cryogenic valves, launch vehicle actuation systems and aircraft pneumatic components.

Madsen later served as a production program manager and product manager supporting Honeywell’s aerospace components business, as well as the director of Program Management and Velocity Product Development for Honeywell’s Business & General Aviation organization.

He earned his Bachelor of Science degree in aerospace engineering from Arizona State University in Tempe, Ariz., and his Masters of Business Administration from Duke University in Durham, North Carolina. He is also Black Belt certified.