Honeywell Today

HONEYWELL 2010E REVENUE: ~$33B

- Automation & Control Solutions: ~$13.3B (~41%)
- Specialty Materials: ~$4.5B (~14%)
- Transportation Systems: ~$4.0B (~12%)
- Aerospace: ~$10.7B (~33%)

AEROSPACE 2010E REVENUE: ~$10.7B

*Commercial Mix

- America: 58%
- EMEA: 26%
- Asia PAC: 16%

AEROSPACE FINANCIAL SUMMARY

- 2007: Sales ~$12.2B, Margin 18.0%
- 2008: Sales ~$12.7B, Margin 18.2%
- 2009: Sales ~$10.8B, Margin 17.6%
- 2010E: Sales ~$10.7B, Margin 17.0 – 17.5%

Global Scope, Great Positions In Good Industries
Winning In The Marketplace

Pursuits

- Customer Focused Portfolio
  - $100B+ OEM Wins
  - COMAC C919 - $11B+ Wins
  - 90%+ Airline Aftermarket Selections

Execution

- Development Program Experience
  - 20% Less Software Cycle Time
  - 50% More Distributed Work

Installed Base Support

- Customer and Product Support
  - “Best in Class” Recognition
  - +65% - Net Promoter Score

Winning Share With OEMs And Installed Base
HON Competitive Advantage “Flywheel”

- Continuous Cycle of Innovation
- Integrated Solutions
- Service & Support
- Product Upgrades
- ATM Modernization Leadership
- Unmatched Offering
- Innovation
- Speed of Customer Solutions
- Customer Intimacy

Continuous Cycle Of Innovation
COMAC C919 – Honeywell Systems Content

APU, Engine Control, Installation Kit, & Starter Generator
• Improved version of 737/A320 APU (131-C9C)

Flight Control System
• Fly By Wire Technology
• AutoLand
• Auto-Pilot
• Flight Deck MCP

Avionics – IRS & Air Data
• LaserRef VI
• Adv. Air Data System

Wheels and Brakes
• Carbon solution

>2,000 C919 Aircraft – Another Step For Honeywell China
The Power of Integration

A350 XWB
- Combined Mechanical and Avionics
- $18B win – largest single commercial platform award in history

Joint Strike Fighter
- “Unbuildable” without Honeywell’s Integrated Solution Approach
- $30B lifetime contract value

Increased HON Value-Add: Mechanical – Avionics – Air and Ground
Honeywell is in the sweet spot of ATM shift from ground to air
ATM Modernization – Looking Ahead

Performance Based Operations (PBN)
- Eliminates point to point
- Allows more efficient arrivals/departures (RNP/RNAV)
- Incorporates Optimized Profile Descents eliminating dive and drive

Traffic Awareness – ADS-B
- Enhanced traffic awareness & surface operations
- Builds on PBN
- Elementary Merging and Spacing Operations
- Increased throughput with precise spacing

4-D Operations
- Precise time spacing, advanced merging & spacing
- Incorporates self-separation techniques
- Optimized flight plans vs. segments
- 4-D = PBN + ADS-B + Req. Time of Arrival (RTA)

European Link 2000
- Now
  - FMS for PBN
  - GPS
  - IRS
  - GLS

Mid-term 2012
- TCAS
- FMS
- ADS-B Displays

Long-term 2015+
- ADS-B
- FMS for 4D SWIM Displays
- IRS
- CPDLC

$1.8B
$0.8B
$1.7B

10-year Opportunity

Mandate
Performance Upgrades

- Increases **Safety** & **Situational** Awareness
- **Proven** Synthetic Vision System - Combining EGPWS and Advanced Display Technologies
- Provides **Natural** & **Intuitive** 3D Terrain - 'Daytime Out The Window' View
- **Improves Airport Access** – Reduced Minimums and Pilot Training

- Runway Incidents Cost Airlines **$1B annually**
  - Delays, Inspections, Repairs and Injuries
- NTSB **Top 10 Global Safety Concerns**
- **Software Updates to Existing Equipment**;
  - Less Than **One Hour** Installation
- **>$250M** Opportunity Over The Next 5 Years

**Making Flying Safer, More Efficient**
Honeywell

Integrated Service And Support

HON Capabilities

- Globally Located Product Support Organization, Close to the Customer
- 24/7/365 Technical Operations Center to Address Customer Inquiries
- Maximizing Efficiency of Customer Operations Through Upgrades
- Winning Business Through Superior Customer Support

APU Retrofit Example

- HON Leader in Advanced APUs, Both OEM and Retrofit
- HON APUs **Highest in Efficiency and Reliability** - Lowest Emissions
- APU Upgrades Provide $>500K Annual Savings at a Typical Airline
- Saves Over **3.8M Gallons of Fuel** and **38K Tons of CO₂**
- **~$100M Opportunity** Over the Next 5 Years

**Competitive Advantage Through Customer Intimacy**
Air Transport & Regional

2010E SALES: ~$3.7B

COMPETITIVE STRENGTHS

- Portfolio Leadership
  - EGPWS, IntuVue™ Radar, Runway Safety, Navigation, APU
- Proven Reliability & Performance
  - APU, Avionics, ECS, Engine Components, W&B
- System Integration Capabilities
  - Mechanical Systems, Flight Controls
- Leading Customer Support

Global Leader…Differentiated Value For Customers
Global OE Deliveries: “Supply”

FOCUS AREAS
- VPD™ And Global Product Development
- Recovery Planning / Rate Readiness
- Global Production / Procurement Refocus
- Winning The Right Business

HIGHLIGHTS
- Historically High Backlog
- Secured Major Role On C919
- 787 Flight Controls
- Narrowbody Production Increases
- Technology Leadership Across Key Platforms

Strong Backlog Holding Delivery Rates High
Air Transport & Regional A/M

**FOCUS AREAS**

- A/M Re-coupling To Flight Hours
- APUs And Avionics Leading Recovery
- Value Propositions Aligned To OE & A/M
- Winning Airline Selectable Content

**STRATEGY**

- Flexible Service Offerings
- Regionally Focused Org.
- Value Added Retrofits, Modifications, And Upgrades

**HIGHLIGHTS**

- Demand Firming For Spares and R&O
- 100% APU Selection In China
- Leading Customer Support
- Monitoring Retirements / Parked Fleet

Recovery Underway…Well Positioned To Modernize Fleet
Air Transport & Regional AM Trends

- Significant Spares Destocking In 2009
- R&O Activity More Closely Tracks Flight Hours
- Parked A/C Supply Delayed A/M Recovery
- End-of-Destocking Drives Uptick In Spares Activity
- 4Q10E ATR A/M Growth 2X Flight Hours

Flight Hour Trends Follow GDP Growth
Flight Hours Above Previous Cycle Peak
Increased Utilization Of Active Fleet
New Deliveries Partially Offset By Retirements
Inventory-to-Flight Hours Ratio Stabilizes

2011 AT&R Global Flt Hours (in Millions)

Spares & Repairs Revenue Growth

Aftermarket To Re-couple To Aircraft Utilization
Business & General Aviation

Industry Outlook

- **HON Revenues**
  - $0
  - $5
  - $10
  - $15
  - $20
  - 2009 2010 2011 2012 2013 2014

- **Light - Medium**
- **Super-Mid and Above**

Why We Win

- **Portfolio Leadership**
  - Primus Epic/APEX, Engine Efficiency, Runway Safety, Cabin Management

- **System Integration Capabilities**
  - Propulsion Systems, Primus Epic/APEX Avionics

- **Upgrade Solutions**
  - Navigation, Flight Management, Cockpit Displays, Safety

- **Leading Customer Support**

Differentiated Value For OEM Pursuits And Aftermarket Growth
Growth on High-Value Platforms

HON Announced Wins for Major Systems (HTF7000 Family and Primus Epic/Apex)

Fleet Additions Epic and Apex
Fleet Additions HTF7000 Engine Family

Cumulative Installed Base Major Systems (right axis)

15+% Compounded Growth Of HON Installed Base 2010-2014

Note: Excludes Primus Epic in Helicopters and Air Transport
Investing In High Value Growth Platforms

Top Honeywell Customers Growing the Fastest

Annual Value of AC Deliveries Indexed to 100 in CY 2008

<table>
<thead>
<tr>
<th>OEM</th>
<th>10-20 CAGR Deliveries</th>
<th>HON content</th>
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</thead>
<tbody>
<tr>
<td>Embraer</td>
<td>16.8%</td>
<td>++</td>
</tr>
<tr>
<td>Gulfstream</td>
<td>5.9%</td>
<td>++</td>
</tr>
<tr>
<td>Bombardier</td>
<td>6%</td>
<td>+</td>
</tr>
<tr>
<td>Dassault</td>
<td>-1.2%</td>
<td>+</td>
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<tr>
<td>HBC</td>
<td>3.9%</td>
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</tr>
<tr>
<td>Cessna</td>
<td>9%</td>
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High Honeywell Content Aircrafts Deliver 3x The Value Of Other Models

10-15 CAGR

Midsize

Large

High Honeywell Content Aircraft Outgrow Others In Every Class
The Power Of Our Portfolio In Action

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Competition</th>
<th>Honeywell</th>
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<tbody>
<tr>
<td>Gulfstream G250</td>
<td>Avionics</td>
<td>Engines</td>
</tr>
<tr>
<td></td>
<td>~$0.3B</td>
<td>APU</td>
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<tr>
<td>Embraer L500/450</td>
<td>Avionics</td>
<td>ECS/CP</td>
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<tr>
<td></td>
<td>~$2B</td>
<td>Lighting</td>
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<tr>
<td>Gulfstream G650</td>
<td>Life of Program Value</td>
<td>~$4B</td>
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<tr>
<td></td>
<td>~$0.1B</td>
<td>Engines</td>
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</tbody>
</table>

High-Value Wins On Successful Platforms
Defense & Space

2010E SALES: ~$5.4B

COMPETITIVE STRENGTHS

• Portfolio Leadership
  – Precision Navigation, Helicopter Engines

• Growth Systems
  – UAS, cIED, Condition-based Maintenance

• Logistics & Services
  – Performance-based Logistics

• Market-facing Structure
  – Strategic Campaign Management

Industry Leader Committed To Innovation And Performance
Succeeding In An Environment Of Change

MARKET FORCES

- Global Economics
- Defense Budget Pressure
- International Doctrinal Changes
- Export Reforms
- Acquisition & Export Reform
- Focus on Asymmetric Threats
- International Doctrinal Changes
- Near Peer 51%
- Asymmetric 4%
- Commercial-related 6%
- International 19%

OUR STRATEGIES

- Optimize and sustain near-peer business
- Drive international growth offerings
- Grow service offerings
- Accelerate capabilities for asymmetric threats

Adapt, Align, Balance To Capture Opportunities
Driving International Growth

STRATEGY

- Align offerings to doctrinal changes
- Execute on engine upgrades
- Manage targeted RMU campaigns
- Enable indigenous support model

FOCUSED REVENUE GROWTH

- 2010
- 2015
- CAGR 5%
- CAGR 11%

India
- Service life extension
- Anti-insurgent capabilities

Pacific Rim
- OEM sales
- RMUs and support

Strategies Aligned To Emerging Threats And Economic Realities
Accelerating Capabilities For Asymmetric Threats

**FOCUS AREAS**
- Battlefield Power
- Unmanned Vehicles and Systems
- Soldier Systems
- Counter IED and Electronic Warfare

**STRATEGY**
- Enhance current platforms and position for next
- Improve soldier situational awareness and communications
- Protect ground personnel

**2010-2015 CAGR**
- UAS: 10%
- Battlefield Power: 33%
- Soldier Systems: 46%
- cIED & EW: 59%

**New Technologies To Meet Evolving Needs**
Honeywell Operating System

HOS Deployment Status

- 2008: 34 sites deployed
- 2009: 47 sites deployed
- 2010LE: 62 sites deployed
- 2011: 76 sites deployed

2011 Priorities

- 14 new deployments to achieve 100% conversion cost coverage
- 24 HOS Bronze Sites by YE 2011
- 2 HOS Silver Sites by YE 2011
- 50% of Aerospace conversion cost Bronze

HOS Bronze Site Results

- Safety: 57% Reduction in TCIR
- Defects (PPM): 56% Reduction
- Inventory (DOS): 42% Reduction
- Productivity: 50% Greater

Results Beginning To Flow
Building Our Global Presence

Development…

Operations…

India

Penang, May 2008

China

Penang, June 2009

U.S.A.

Czech Republic
Summary

• Building on Competitive Advantage Through Portfolio Leadership
• Focused on Flawless Execution of Development Programs
• Capitalizing on Organizational Efficiency Gains
• Tapping Emerging Global Demand
• Well-Positioned to Capture Industry Growth
• Differentiated by World-Class Customer Support

Continue To Win Through Differentiated Value