Forward Looking Statements

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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
<th>Segment Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$12.7</td>
<td>18.0%</td>
</tr>
<tr>
<td>2009</td>
<td>$10.8</td>
<td>17.6%</td>
</tr>
<tr>
<td>2010E</td>
<td>$10.5 – 10.8</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

**Recent Highlights**

- Secured Major Role on COMAC C919
- Next Gen Flight Management System
- Sole US Leader for SESAR ATM
- Industry Firsts with Synthetic Vision, SmartPath™, SmartRunway™, SmartLanding™, SmartView™, and Helo EGPWS/TAWS
- 100% APU Selection in China
- D&S Service Wins, Changing Landscape
- Collier Award for ISS Performance

**Business Units**

- D&S 50%
- ATR 35%
- BGA 15%

**Commercial Mix**

- Americas 58%
- EMEA 26%
- Asia-Pac 16%

*Represents 2009 mix

**Impressive Performance In Downturn**
Aerospace Transformation & Runway

Segment Margin Performance

Key Contributors

- Efficient Structure
  - 3 Customer Facing Organizations
  - Fully Functionalized

- Strategic Repositioning
  - Footprint Rationalization

- Enablers Driving Benefits
  - Execute HOS, FT, VPD™, ERP
  - Customer Support

- Strong NPI / Win Rates
  - Primus Epic / APEX, EGPWS
  - Engines / APUs

- Globalization & Effectiveness
  - Execute on Major Wins
  - Technology, Supply Base, Manufacturing

Dramatically Improved Business...
Well Positioned For Recovery
Key Commercial Aero Indicators

- Inventory Levels Stabilized
- Continued Global FH Growth in March
- AM Could Recouple to Utilization 2H10
- Spares Restocking Expected 2011/2012
- OE Delivery Trough in 2010
- Regionals Declining, 70-90 Seats Pressured
- BGA Orders Starting To Flow - Large Cabins
Winning In The Marketplace

• Pursuits
  • Market Back Products / Services
    – $100B - OEM Wins
    – COMAC C919 APU Win
    – 91% - Airline Aftermarket Selections
    – $2B+ D&S Services Wins in ‘09

• 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
## ATM Modernization

### HON A Leader
- Leader in Avionics, Onboard Intelligence
- Only US Company on SESAR
- Only Total System Solution

### Solutions

#### Legacy System Inefficient – Upgrade
- Precision Navigation / Surveillance
- Advanced Flight Planning / Controls
- Data Communications / Displays

#### ~$6B Annual Industry Value Created
- Reduced Fuel and Emissions
- Improved Schedule Certainty

#### ~$2B Opportunity Over the Next 5 Years

### HON In Sweet Spot Of ATM Shift From Ground To Air
Acting On International Opportunities

**COMAC C919**
- Multi-Billion revenue potential for Honeywell over the life of the program
- Selected to supply APU and associated equipment ($7B+ lifetime value)
- China’s entry into narrow-body air transport market
- Development and Production expected 2010 to 2035
- First flight expected in 2014; deliveries scheduled for 2016

**Airline Wins**
- ~$700M in Recent Contract Wins
- Airlines include:
  - Air China
  - China Southern
  - Kingfisher
  - Cathy Pacific
  - Lufthansa Technik
  - Emirates

**Jaguar**
- $5B lifetime program value
- Honeywell F125 Jet Engine
- Utilizes In-Region Engineering capabilities

**Changhe Z11**
- $300M lifetime program value
- Honeywell’s continued commitment to Chinese Aero industry
- Follow-on platform growth aligns with HON engine product line
- 25+ year production cycle

**Eastern European Aircraft**
- More than 12,000 Mi-8/Mi-17 multi mission helicopters in service
- Platform logistics opportunities for Russian Mi-8 and Mi-17 helicopters
- Avionics and mechanical upgrades

**Multi-Billion $ Potential; Incremental Global Growth**
Air Transport & Regional

Industry Outlook

Why We Win

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

Revenue Mix

* Represents 2009 mix

Differentiated Value For OEM Pursuits And Airlines Growth
Business & General Aviation

Industry Outlook

Why We Win

- **Technology Leadership**
  - Primus Epic/APEX, Engine Efficiency, Runway Safety, Cabin Management
  - Right Investments, Available Today

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

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

- **Distinguished Customer Support**

Revenue Mix

*Represents 2009 mix

Differentiated Value For OEM Pursuits And Aftermarket Growth
Defense & Space

Industry Outlook

Why We Win

- Technology Leadership
  - Precision Navigation, Helicopter Engines, Counter IEDs
- System Integration Capabilities
  - Power Management Systems, Avionics, UAVs
- Logistics & Services
  - In-Theater Support, Asset Management, Predictive Maintenance
- Leading Customer Support

Well Positioned For International Growth
Summary

• Successful Aerospace Transformation – Impressive Performance in Downturn, Impressive Margin Runway

• Building on Competitive Advantage Through Technology Leadership and World Class Customer Support

• Capitalizing on Operational Efficiency Gains

• Flawless Execution on Key Programs

• Positioned to Capture Industry-Leading Growth

• Expanding Global Focus and Winning
Honeywell