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.
Honeywell Aerospace

Financials

- 2010: $10.7, 17.2%
- 2011: $11.5, 17.6%
- 2012E: $12.0 - $12.2, 18.5% - 18.7%

Businesses

Business Units

- D&S: 42%
- BGA: 19%
- ATR: 39%
- EMEAI: 27%
- Asia Pac: 11%
- Americas: 62%

Commercial Regional Mix

- Americas: 62%
- EMEAI: 27%
- Asia Pac: 11%

Highlights

- Transformed, Customer Centric Organization
- Leading Portfolio And Technology
- Robust Commercial Up-Cycle
- Winning In The Marketplace – New Platforms And Aftermarket
- Manageable Defense Environment

Great Position In A Good Industry
**Strong Aerospace Outlook**

**Sales**

- **2011**
  - D&S 45%
  - Comm’l AM 36%
  - Comm’l OE 19%

- **2014E**
  - D&S ~40%
  - Comm’l AM ~35%
  - Comm’l OE ~25%

- CAGR 4%

- **$11.5B**
- **$13B**

**Key Recent Wins**

- **~$23B In Unannounced OEM Orders Across The Portfolio**
  - $6B Propulsion
  - $8B Avionics
  - $9B Mechanical Systems

- **$2.5B Airline Wins 2011**
  - $400M In APAC Wins In 4Q11

- **$2.7B In D&S Wins 2011**
  - Defense Book-to-Bill > 1

- **Honeywell And Inmarsat Agreement In Ka-Band Airborne Connectivity**
  - Estimated $2.8B Value

**Winning Momentum Drives Aero Growth Outlook**
Commercial Aero Outlook

Air Transport & Regional Outlook

- HON OE Sales CAGR 7%*
- AC Delivery
- CAGR 6%

2011  
2016

Highlights

• HON Well Positioned on Growing Fleets
• Key New Aircraft Entering Service
  - 2011: B787, B747-8
  - 2014: A350
  - 2016: C919, 320NEO, 737Max
• Existing Production Rates Rising
  - Narrow Bodies, B777, A330
• Backlog At Historic Highs

Business & General Aviation Outlook

- HON OE Sales CAGR 13%*
- AC Delivery
- CAGR 6%

2011  
2016

Highlights

• High HON Content on High Growth Aircraft
• Key High Content Aircraft Entering Service
  - 2012: G650, G280
  - 2013: Legacy 450/500, Falcon 2000S
• 7 More Unannounced Wins EIS in 2015-2018
  - Avionics and Mechanical Systems
# Strong Pipeline Of New High Impact Aircraft

## Aircraft

### Certified Deliveries Underway
- **Gulfstream G650**

### Entering Flight Test Development
- **Embraer L500/450**

### Products Shipping To Airbus Assembly Line
- **Airbus A350**

### Development Underway
- **COMAC C919**

### Won, Development Underway
- **11 Unannounced**

## Honeywell’s Platform Position

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Status</th>
<th>Honeywell’s Platform Position</th>
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</thead>
<tbody>
<tr>
<td>Gulfstream G650</td>
<td>Certified Deliveries Underway</td>
<td>Avionics</td>
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<tr>
<td>Embraer L500/450</td>
<td>Entering Flight Test Development</td>
<td>Engines</td>
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<td>APS</td>
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<tr>
<td>11 Unannounced</td>
<td>Won, Development Underway</td>
<td>Avionics</td>
</tr>
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</table>
Business Jet Delivery Trends

High Honeywell Content Aircraft Outperform The Broader Market

- Long Range+ A/C: HON Content = High, 5% CAGR
- Medium to Large A/C: HON Content = High, 10% CAGR
- Light A/C: HON Content = Moderate, 2% CAGR

High Honeywell Content Aircraft Deliver 2X The Value Of Low Content Models

HON Equipped (<$500K) Aircraft Deliveries
- 2010: $5
- 2011: $5
- 2012E: $5
- 2013E: $10
- 2014E: $15
- 2015E: $20
- 2016E: $25

HON Equipped (>=$500K) Aircraft Deliveries
- 2010: $5
- 2011: $5
- 2012E: $5
- 2013E: $5
- 2014E: $5
- 2015E: $5
- 2016E: $5

High HON Content Aircraft Outperform The Broader Market

11 – 16 CAGR
Flight Hour Growth Continues
High Growth Regions Increasing Share

- Aftermarket Growth And Flight Hours Recoupling
- Double-Digit Growth In HON Asia Pacific R&O
- Regional Aircraft Segment Dynamics Shifting
- Oil Prices, RASM*, FTK, And World Commercial Scheduled Hours Support Continued Growth

* Revenue Per Available Seat Mile

ATR Aftermarket Trends

Regional Share Of Flight Activity

- High Growth Region Mix Expanding – Up 20 Pts
- Offsets Slower Growth In Developed Regions
- Increased Balance Reduces Volatility
- Growth Outlook Driven By New A/C Deliveries
Expanded Aftermarket Offerings

RMU Growth Trend (~30% CAGR)


Delivering High Value Upgrades

Passenger And Pilot Experience
Gulfstream and Dassault Cockpit Upgrades
1000 AC Opportunity
Ovation Select Cabin Management
4100 AC Opportunity

Safety + Efficiency
Legacy Cockpit Upgrades
2400 AC Opportunity
FMS Upgrade
4100 AC Opportunity
Bombardier Global Express
400 AC Opportunity

High Value Upgrades On High Value Aircraft
BGA Engine Hours And Fleet

Honeywell Turbofan Engine Growth

- HTF
- TFE
- TOTAL BA Fleet

Sources: FAA, Global Insight, Honeywell Internal Estimates

Honeywell Turbofan (HTF): 7000 to 8000 lbs Thrust Class
Turbofan Engine (TFE): 4000 to 5000 lbs Thrust Class

BGA Aftermarket Outpaces Flight Cycle Growth
**Honeywell Defense & Space**

**D&S Sales**

- **~(1%) CAGR**
- **$5.3**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012E</th>
<th>2013E</th>
<th>2014E</th>
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<tr>
<td>DoD</td>
<td>64%</td>
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<tr>
<td>Other</td>
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<tr>
<td>Internation</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
<td>19%</td>
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<tr>
<td>DoD War Spending (OCO)</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
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</tbody>
</table>

**Highlights**

- **Highly Diversified Across 300+ Platforms**
  - Less Than 3% Exposure on Any One
- **Low Exposure to War Spending**
  - ~20% of U.S. DOD Spending, ~5% of HON
- **Benefits of Balanced Portfolio Next 5 Years**
  - Modest Decline vs. Broad Market Outlook
- **Aligning Resources to Capture Growth Areas**
  - Investing in Modifications / Upgrades
  - Position for Wins in High Growth Regions – South Korea, India, Israel, Middle East
- **Broad Based Service Offerings**
  - Performance Based Logistics Product Maintenance
  - Service Life Extensions – Safety, Efficiency

**Little Exposure To DoD War Spending**
Defense & Space Opportunities

Aftermarket / RMU Growth

• **Capability**: Propulsion, SATCOM, Navigation
• **Operational Efficiency**: Condition Based Maint.
• **Modernization**: Navigation, Displays
• **Safety**: Terrain Avoidance, Weather Radar

Focused International Growth

Indian Opportunities

- **Jaguar Re-Engine**
- **Modernization**
- **Local Platforms**

Pacific Rim Opportunities

- **Helicopters**
- **Fighters**
- **Upgrades**

**CAGR 16%**

**2011** | **2016**
---|---

**CAGR 27%**

**2011** | **2016**
---|---

**CAGR 4%**

**2011** | **2016**
---|---

Opportunities Offset DoD Budget Declines
Expansive Product Breadth

Delivering New Innovations

- Enhanced Safety Products
- Air Traffic Modernization
- Innovative Mechanical And Electronic Solutions
- Airborne Connectivity

Unmatched Breadth, Uniquely Innovative
New Safety Innovations – Available Now

**Smart Runway**

- "Approaching Runway Three-Four Left"

**Smart Landing**

- New Safety Innovations – Available Now
- New Innovations Address Highest Safety Issues

- 3,000 Units Sold
- Certified for 10,000+ Aircraft
- 30,000+ Total Aircraft Available
- $500M Growth Opportunity

**Reduces Runway Incursions**

- Improves Safety of Landing and Taxi
- Reduces Pilot Workload
- Lowers Incident Costs – Currently 30 Runway Excursions/Year

**Reduces Landing Risk**

- New Innovations Address Highest Safety Issues
Passenger Connectivity Is Fueling Growth Across All Segments

By Integrating This Technology Across Our Portfolio, We Are Creating The E-Aircraft – Always On, Always Connected

A Combined Portfolio Building Better Connections
Install Base Upgrade Opportunity

Customer Needs Driving RMU Adoption

- Improved Situational Awareness
- Avoid Runway Excursions & Incursions
- Incorporate Mandates
- Increased Dispatch Rate
- Reduction In Delays & Cancellations
- Enhanced Passenger Productivity

<table>
<thead>
<tr>
<th>Market Needs</th>
<th>Efficiency</th>
<th>Safety</th>
<th>Reliability</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Improved Aircraft Routing</td>
<td>Improved Situational Awareness</td>
<td>Increased Dispatch Rate</td>
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<td></td>
<td>Avoid Inclement Weather</td>
<td>Avoid Runway Excursions &amp; Incursions</td>
<td>Reduction In Delays &amp; Cancellations</td>
</tr>
<tr>
<td></td>
<td>Reduced Fuel Burn</td>
<td>Incorporate Mandates</td>
<td>Enhanced Passenger Productivity</td>
</tr>
</tbody>
</table>

~24,000 Aircraft

~50,000 Aircraft

~40,000 Aircraft
Aerospace Productivity Mindset

• Integrated Product Roadmaps
  - RD&E Resources Used Across All Segments
  - 84 Product Lines/10 Product Families

• Leveraging Global Footprint
  - Global Operations - 17 Countries
  - Global Sourcing - 41 Countries

• Reaching Beyond The Factory Walls
  - Plan Owner For Every Part (~80K SKUs)
  - HOS Tools Supporting Supplier Rationalization / Partnering

• Accelerating HOS Deployment, Driving Significant Productivity
  - HOS Deployed At All Aero Sites; Time Required To Achieve Bronze Certification Declining
  - Targeting ~60% Of Bronze Certified By End Of 2012 → Bronze+ Site Productivity Up 50%
Long-Term Outlook Update

($B)

**Sales**

Long Term Target: 4 - 6% CAGR

**Segment Margin**

Long Term Goal: 21 - 23%

**Consistent Growth Outlook**
Summary

• Robust Commercial Up-Cycle Offsetting Defense Declines
  - Delivering Above ATR Replacement Cycle
  - Favorable BGA Positions, Outpacing Market

• Leading Portfolio And Technologies
  - Broad Core, High Value Offerings
  - Innovations Pushing Beyond Traditional Boundaries

• Balanced Near And Long Term Growth Prospects
  - Strong Portfolio Of RMU And OEM Content On New Deliveries
  - Accelerating Productivity – RD&E Effectiveness, HOS Benefits, Staying Flexible