Move Dirt
With Honeywell Turbo Technologies And Caterpillar
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 Transportation Systems

Financials

($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Segment Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$3.6</td>
<td>10.8%</td>
</tr>
<tr>
<td>2009</td>
<td>$2.4</td>
<td>2.5%</td>
</tr>
<tr>
<td>2010</td>
<td>$3.2</td>
<td>11.1%</td>
</tr>
<tr>
<td>2011</td>
<td>$3.9</td>
<td>12.6%</td>
</tr>
<tr>
<td>2012E</td>
<td>$3.5 - $3.6</td>
<td>12.0% - 12.2%</td>
</tr>
</tbody>
</table>

Revenue Profile

Businesses

End Markets

Geographic Mix

Top Stories

• Fuel Efficiency And Emissions Regulation Drive Long-Term Growth
• Win Rate And New Launches Supporting Growth Faster Than Industry
• Technology Leadership Across All Fuels, Segments And Geographies
• Operational Transformation: HOS™ And VPD™ Advantage, FM Turnaround

Outperforming The Industry
2012 Automotive Industry Macros

**North America**
- Light Vehicle Production: 13.1 → 14.9 (11% → 17%)
- Commercial Vehicle Production: 1.2 → 1.3 (14% → 17%)

**Europe**
- Light Vehicle Production: 20.2 → 19.0 (68% → 74%)
- Commercial Vehicle Production: 1.7 → 1.6 (-6%)

**China**
- Light Vehicle Production: 2.7 → 2.3 (-18%)
- Commercial Vehicle Production: 18.2 → 17.1 (9% → 8%)

**Japan**
- Light Vehicle Production: 7.9 → 9.5 (+20%)

**South Korea**
- Light Vehicle Production: 4.6 → 4.6 (33% → 34%)

**India**
- Light Vehicle Production: 1.2 → 1.3 (+6%)
- Commercial Vehicle Production: 3.6 → 3.8

**First Half**
- EU OE Production Down 5%, Diesel Pen At Highest 59.5%
- Japan Back To Pre-Tsunami Level, N. America Up 22%
- China LV Up 6%, CV On-Highway Down 23%

**Second Half**
- EU OE Production Down 5-7%; No Shift In Diesel Pen
- N. America Growth Slowing To 6% YOY
- China CV Softness Continues Despite Stimulus

**WW Turbo Pen Offsetting EU Production Decline**

Source: LV – IHS Global Insight; CV - LMC Automotive, PSR
Favorable Long Term Macros

- All Regions Mandating Fleet-Average Fuel Economy Gains
- Majority Of OEs Adopting Downsizing With Turbo Strategy
- Tougher Targets Planned For 2025 To 2030 Horizon

Fleet average fuel economy and green house gas emissions standards standardized by CAFE-converted MPG

More Stringent Regulation Drives Turbo Adoption
Turbo Value On Light Vehicles

- Turbo Enables Up To 35% Fuel Efficiency With Same Horsepower
- Small Engine Fuel Economy – Large Engine Performance

Turbo Offers “No Compromise” Solution To Consumers
## Turbo Value On Heavy Duty Equipment

### Off-Highway Emissions Regulations

<table>
<thead>
<tr>
<th>Year</th>
<th>Level</th>
<th>NOx &amp; PM Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Tier 1</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>Tier 2</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>Tier 3</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>Tier 4i</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>Tier 4F</td>
<td></td>
</tr>
</tbody>
</table>

### Average Annual Fuel Costs

- Heavy Duty Truck: $83,000
- Mine Truck: $1,400,000

- Latest Turbo Engines Enable 40% Lower Emissions/Incremental Fuel Efficiency
- Downsized Turbo Engines Increase Payload Capacity and Productivity

**Turbo Is An Emissions, Cost And Productivity Enabler**
Turbo Industry Outlook

• Turbo Penetration Accelerates $\rightarrow$ Significant Upside Remains

• Turbo Gas Growing Quickly, But Turbo Diesel Still Majority Of Volume

**HON Has Great Position In Good Industry**
Honeywell Differentiation Drivers

Technology & Innovation Leadership

- One Honeywell Advantage
- Aerospace Technology
- Flawless Launches

All Segments, All Fuels, All Regions

- Growth in Gas/CV Segments
- Geographic Expansion
- ER End-to-End Capabilities

Operational Excellence

- HOS™ and VPD™ Advantage
- Customer Satisfaction
- Cost Leadership

HON Positioned To Lead Industry Growth
One Honeywell Advantage

- One Honeywell – Jet Engines (AERO), Controls (ACS), Green Fuels (PMT)
- Largest Global Customer Base – Unique Engineering Insight
- 100+ Million Turbos Shipped – Launch Expertise And Field Experience

Setting Turbo Industry Standards For All Vehicles
Flawless Launches

<table>
<thead>
<tr>
<th>LV Diesel</th>
<th>LV Gas</th>
<th>On-Hwy</th>
<th>Off-Hwy</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM 2.8L, Honda 1.5/1.6L, Hyundai 1.7/2.0/2.2L, VW/Audi 2.0/4.2L</td>
<td>BMW 4.4L, GM 1.6L</td>
<td>Iveco 4.5/11/13L, MAN 10.9/12.5, Scania 9.3/12.8, Volvo 5.1/7.7/13.0L</td>
<td>Perkins 4.4/7.0L, MTU 21/64L</td>
</tr>
<tr>
<td>BMW 2.0L, Mazda 2.2L</td>
<td>BMW 4.4L, Ford 3.5L EcoBoost, VW 1.8/2.0L</td>
<td>Hino 5.1L/7.7L</td>
<td>CAT 15/18.0L, John Deere 9.0L</td>
</tr>
<tr>
<td>Dongfeng 2.8L, JMC 2.4/2.8L, Shanghai Diesel 1.9L</td>
<td>Brilliance 1.5L, Fiat-GAC 1.4L, Geely 1.3L</td>
<td>CAMC 9.8L, Weifang Diesel 7-12L, Wuxi Diesel 9/11L</td>
<td>TJ-Lovol 4.0L, Weifang Diesel 7L, Yuchai Diesel 16.0L</td>
</tr>
<tr>
<td>Mazda 2.2L</td>
<td>Subaru 2.0L</td>
<td>Hino 7.7L</td>
<td>Hino 5.1L</td>
</tr>
<tr>
<td>Lombardini 1.9/2.5L, GM 1.3L, Tata 1.0/2.2L</td>
<td></td>
<td>Mahindra 7.1L, Volvo 8.0L, Daimler 3.9L</td>
<td>John Deere 2.9L</td>
</tr>
</tbody>
</table>

~100 Launches In 2012
• Accelerating Revenue Growth In High Growth Regions
• Leading Capabilities In Engineering, Sourcing & Manufacturing
• Products Designed For HGR, Made in HGR – Local Innovation & Speed

* Domestic Revenue For High Growth Regions Which Includes China, India And Brazil
Honeywell Turbo U.S. Growth

- Favorable Legislation – CAFE For Cars And Trucks, Off-Hwy Emissions
- Turbo Penetration Growth In Light Vehicles – From 13% To 23% By 2016
- Launches Across All Segments – Trucks, Cars, Off-Highway

**CAFE Legislation Drives Turbo Acceleration**
Turbo North America – Light Vehicles

Flagship Platforms

- VW Passat 1.8/2.0L
  Driving U.S. Gas Growth
- Chevy Cruze 1.4L
  U.S. Bestseller – 42MPG
- Ford F350 6.7L
  VNT DualBoost diesel
- Mercedes 3.0L V6
  High temp; Ball Bearing diesel

Key Launches

- GM
- Ford
- Chrysler
- Audi
- FIAT
- Mercedes-Benz
- MAZDA
- NISSAN
- BMW
- HYUNDAI
- KIA
- KIA MOTORS

Top Stories

- Honeywell Turbo Outperforming Industry With Multiple OE Launches
- Leading Technology Applications – PACE Award In 2011 And 2012

HON Expanding U.S. Market Presence In LV Turbo
## Turbo North America – Commercial Vehicles

### Flagship Platforms

- **Caterpillar C175 / 3500**
  - Enabling Tier4 Emissions

- **Hino 4.0L Dutro**
  - Medium Duty On-Highway

- **John Deere 9.0L**
  - Heavy-Duty Tier 4 VNT

- **Volvo**
  - Critical On-Highway Platform

### Key Launches

- **CAT**
- **John Deere**
- **IVECO**
- **Volvo**
- **Hino**
- **Mack**
- **mtu**

### Top Stories

- **HON Turbo Leading Off-Highway And Expanding On-Highway**
- **60 Years Of Innovation With Off-Highway Industry Leader Caterpillar**

---

*Growing In CV Market Through Enhanced Technology*
Summary

Growth & Technology
- Continued Strong Win Rate
- Technology Differentiation & Innovation
- US, China, India & Aftermarket Expansion

Productivity & Cost
- Strengthening ER Capabilities
- HOS & VPD Differentiation
- Productivity & Cost Leadership

Flawless Launches & Developments
- ~100 New Launches
- 500+ Engines In Pipeline
- All Segments, All Regions, All Customers
Leveraging Our Aerospace Legacy

Craig Balis
Vice President, Engineering
Honeywell Turbo Technologies

Bob Smith
Chief Technology Officer
Honeywell Aerospace
A Collaborative History

A Jet Engine For The Automotive Set!
Turbocharger = Small Jet Engine

Technology Synergy Remains Critical Advantage
Leveraging The One Honeywell Synergy

Co-Located R&D Centers

- Global Teams Dedicated To Tech Innovation And Principle Sciences
- Rotational Career Paths Between Turbo And Aerospace
- Joint Design Reviews And Design-To-Cost Workshops
- Ideation And Governance At HON Technology Symposia
Commercializing Aerospace Innovation

Aerospace Technology

- Gulfstream G280
  - HTF7250G
  - Titanium Compressor
- Boeing 737NG
  - 131-9B APU
  - DualBoost™ Compressor
- Boeing Apache AH-64
  - 36-150 APU
  - Ball Bearing

Turbo Adoption

- D6T Track Type Tractor
  - Increased Power
  - Extended Service Life
- Ford Super Duty Light Trucks
  - 30% Torque Increase
  - 8% FE Improvement
- Mercedes 3.0L V6 Engines
  - 10% Torque Increase
  - 2% FE Improvement

Aerospace Technology → Automotive Advantage
## Looking To The Future

### Macro Driver

<table>
<thead>
<tr>
<th>Honeywell Core Technology</th>
<th>Aerospace Synergy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engine Downsizing</strong></td>
<td></td>
</tr>
<tr>
<td>High-Speed Machine</td>
<td>• Ball Bearings</td>
</tr>
<tr>
<td>Up To 350,000 RPM</td>
<td>• Air Bearings</td>
</tr>
<tr>
<td><strong>Higher Combustion</strong></td>
<td></td>
</tr>
<tr>
<td>Temperature</td>
<td>• New Materials For Gas</td>
</tr>
<tr>
<td>High-Temp Materials</td>
<td>• Thermal Coatings</td>
</tr>
<tr>
<td>Up To 1,900°F</td>
<td></td>
</tr>
<tr>
<td><strong>Electrification /</strong></td>
<td></td>
</tr>
<tr>
<td>Hybridization</td>
<td>• Turbo + Electrification</td>
</tr>
<tr>
<td>Energy Recovery</td>
<td>• Waste-Heat Recovery</td>
</tr>
<tr>
<td>Up To 50kW</td>
<td></td>
</tr>
</tbody>
</table>

### Extending Turbo Technology Leadership
# CAT Vehicles In Today’s Demonstration

<table>
<thead>
<tr>
<th></th>
<th>D6T Track Type Tractor</th>
<th>430E Backhoe Loader</th>
<th>950K Wheel Loader</th>
<th>324E Excavator</th>
<th>938 Wheel Loader</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engine:</strong></td>
<td>C9.3 ACERT</td>
<td>C4.4 ACERT</td>
<td>C7.1 ACERT</td>
<td>C7.1 ACERT</td>
<td>C6.6 ACERT</td>
</tr>
<tr>
<td><strong>9L Turbo-Diesel</strong></td>
<td>204 Horsepower</td>
<td>101 Horsepower</td>
<td>221 Horsepower</td>
<td>194 Horsepower</td>
<td>180 Horsepower</td>
</tr>
<tr>
<td><strong>Single-Stage Turbo</strong></td>
<td>Single-Stage Turbo</td>
<td>2-Stage Turbo System</td>
<td>2-Stage Turbo System</td>
<td>2-Stage Turbo System</td>
<td>Single-Stage Turbo</td>
</tr>
</tbody>
</table>

*Get Ready To Move Some Dirt!*
Honeywell