Jefferies Global Industrial and A&D Conference

Michael Madsen
President, Defense & Space
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

HONEYWELL 2011E REVENUE: ~$36.4B

Automation & Control Solutions
~$15.6B
~43%

Aerospace
~$11.3B
~31%

Specialty Materials
~$5.7B
~16%

Transportation Systems
~$3.7B
~10%

AEROSPACE FINANCIALS

Asia PAC 9%
EMEA 20%
Americas 71%

D&S 46%
AEROSPACE FINANCIALS

BGA 16%
ATR 38%

D&S Sales ($B)
Comm’l Sales ($B)
Segment Margin %

2008
$12.7
18.2%

2009
$10.8
17.6%

2010
$10.7
17.2%

2011E
~$11.3
17.5%

Positioned For Growth And Margin Expansion
**Defense Outlook***

**DEFENSE BUDGET TRENDS**

<table>
<thead>
<tr>
<th>U.S. Area of Interest</th>
<th>‘12-16E CAGR</th>
<th>HON Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M</td>
<td>+1 to 3%</td>
<td>+++</td>
</tr>
<tr>
<td>OCO</td>
<td>-20 to -25%</td>
<td>+</td>
</tr>
<tr>
<td>Procurement</td>
<td>-4 to -6%</td>
<td>++</td>
</tr>
<tr>
<td>RDT&amp;E</td>
<td>-10 to -12%</td>
<td>+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Int’l Area of Interest</th>
<th>‘12-16E CAGR</th>
<th>HON Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>O&amp;M</td>
<td>+2 to 4%</td>
<td>+</td>
</tr>
<tr>
<td>Procurement</td>
<td>+3 to 6%</td>
<td>++</td>
</tr>
<tr>
<td>Net Total</td>
<td>Flat to +3%</td>
<td>+</td>
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</tbody>
</table>

*Management Estimates

**HONEYWELL DEFENSE REVENUE MIX**

- DoD O&M 33%
- DoD OCO 5%
- DoD Procurement 29%
- Other 23%
- DoD R&D&E 10%

**Modest Exposure To Declining OCO And RDT&E Budget Significant International Opportunities**
Strong Defense Platform Positions

Conventional Defense & Space (Near-Peer Combatant Threats)

<table>
<thead>
<tr>
<th>Category</th>
<th>Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fighter/Attack/Trainer Aircraft</td>
<td>30+ platforms</td>
</tr>
<tr>
<td>Human Space</td>
<td>10+ Platforms</td>
</tr>
<tr>
<td>Surface/Soldier Vehicles</td>
<td>15+ platforms</td>
</tr>
<tr>
<td>Bomber Aircraft</td>
<td>3 platforms</td>
</tr>
<tr>
<td>DoD, Civil, and Commercial Space</td>
<td>30+ Platforms</td>
</tr>
<tr>
<td>Military Helicopters</td>
<td>20+ platforms</td>
</tr>
<tr>
<td>Mobility/Tanker Aircraft</td>
<td>40+ platforms</td>
</tr>
<tr>
<td>Army, Navy and Air Force</td>
<td>60+ Platforms</td>
</tr>
<tr>
<td>Naval Platforms</td>
<td>10+ platforms</td>
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</tbody>
</table>

Asymmetric Threats

<table>
<thead>
<tr>
<th>Category</th>
<th>Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Mission/UAV Aircraft</td>
<td>20+ platforms</td>
</tr>
<tr>
<td>International</td>
<td>GROWING</td>
</tr>
<tr>
<td>Commercial-Related</td>
<td></td>
</tr>
</tbody>
</table>

Services

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>HTSI</td>
<td>Space, networks, comms, logistics, tech services</td>
</tr>
<tr>
<td>FM&amp;T</td>
<td>Specialized services &amp; solutions</td>
</tr>
</tbody>
</table>

Broad And Diverse Installed Base
Expansive Product Portfolio

Crew Interface
- Commercial Crew Interface & Displays
- Commercial Software Products
- Flight Management Systems
- Military Crew Interface
- Navigation Crew Interface & RNP Services

Safety & Information Management
- Cabin Mgmt System
- Comm/Nav Radios
- DataLink/Data Mgmt & Recorders
- Long Range Communication
- Ground Proximity
- Radar
- Traffic Surveillance
- Integrated Surveillance

Navigation Systems & Sensors
- Commercial Navigation Systems
- Defense & Space Navigation Systems
- Inertial Sensors – Accelerometers
- Inertial Sensors – Gyros
- Non-Inertial Sensors
- Magnetics & Personal Nav Systems
- Precision Landing Systems
- Radiation-Hardened Components
- Space Navigation
- Tactical Navigation Grade Systems

Platform Systems / High Integrity Controls
- Integrated Avionic sSystem
- T-Hawk Micro Air Vehicle
- Real-time Information in a Tactical Environment (RITE)
- Space Systems
- Electronic Eng Controls
- Flight Controls
- Space Pointing & Stabilization

Aero Services
- Vibration Monitoring/HUMS
- Zing™ Remote
- Maintenance Services
- Flight Support Services

Mechanical Sub Systems
- Air & Thermal Systems
- Auxilary Power Units
- Electric Power

Mechanical Components
- Wheels & Brakes
- Lighting

Solutions Focused On Safety, Cost And Efficiency
Honeywell Defense & Space

2011E SALES: ~$5.2B

COMPETITIVE STRENGTHS

- Technology Leadership
  - Precision Navigation, LED Lighting,
- Differentiated Offerings
  - Cond. Based Maintenance, Helo Engines
- Broad Based Service Offerings
  - PBL Product Maintenance, Logistics
- Organizational Structure
  - Shared Support Model for Engineering, ISC

STRATEGIC PRIORITIES

- Targeted International Growth
- Mods, Upgrades, Retrofits, Service Life Extensions – Safety, Cost of Ownership, Fuel Efficiency
- Services Expansion and Integration
- Optimize Support Structure and Cost Base

Industry Leader With Strategies Aligned To Economic Changes
**HON Defense & Space Outlook**

**HIGHLIGHTS**

- Highly Diversified Across 300+ Platforms
  - No More Than 5% 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 Mod’s/Upgrades
  - “Do More with Less”

**CHANGING MARKET LANDSCAPES**

- Traditional “Big Program” Spending Declines
- Needs Shifting From Conventional to “Hybrid”

**Defense Decline Highly Manageable**
Drive International Growth Offerings

STRATEGY

• Mod’s and Upgrades – Safety, Efficiency, Lower Cost of Operations
• SLEP’s – Installed Base Extension
• Helo and Fixed-wing Propulsion Engine Retrofits, Forward Fits
• Trainer Program Wins

FOCUSED REVENUE GROWTH

India
• Jaguar Re-Engine
• Modernization
• Local Platforms

Pacific Rim
• Helicopters
• Fighters
• Upgrades

International Expansion Partially Offsets DoD Declines
Growth Through Service Offerings

**STRATEGY**
- Expand PBL Offerings – Lower Cost, Increased Asset Utilization
- International Expansion – Logistics, Space/Network Mgmt, Tech Services
- Critical Infrastructure Security
- Product/Service Alignment and Pull

**FOCUS AREAS**
- Logistics and Maintenance – Reset and SLEP’s
- Space Services – Mission Operations
- Security – Infrastructure Protection Services

**KEY RECENT WINS**
- T-55 CC Army Depot Mat’l/Logistics Support (~$150M)
- US Army TIGER M1 Abrams Engine Support (~$75M)
- NASA Safety, Quality, Analyses, & Test Support (~$100M)
- FAA Security Systems/Maintenance (~$40M)
- DoD Classified Engineering & Integration (~$65M)
- Naval Research Lab Design & Development (~$35M)
- Mi-17 Training Program

*Continue To Extend Into Adjacencies*
Growing Emerging Technologies

- Cold Atom Clock
- Band Gap RFOG
- FAA CLEEN Program
- CATOX
- Enhanced and Synthetic Vision
- AATE HPW 3000

Recognized Technology Leader
Why We Win

• Technology Leadership
  – Precision Navigation, Power/Propulsion, Safety Products

• System Integration Capabilities
  – Power Management Systems, Avionics, Air Systems

• Logistics & Support
  – In-Theater Support, Asset Management, Predictive Maintenance

• Global Footprint Customer Support

Committed To Innovation & Performance

Focused On HON Core Themes: Efficiency & Safety
Leader Profile

Mike Madsen is president of the Defense & Space strategic business unit of Honeywell Aerospace, which provides a wide range of engineering, products and logistical services to the U.S. Department of Defense, NASA, government agencies, international ministries of defense, and defense contractors worldwide.

Madsen’s 24-year tenure with Honeywell began 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 Engine Systems and Accessories organization. He 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, director of Program Management and Velocity Product Development for Honeywell’s Business & General Aviation organization, and vice president of the Regional Aircraft and Aero Component business.

Prior to appointment in his current role, Madsen was vice president of the Airlines Customer Business Team, focusing on customer strategy, sales, customer support and new product program management covering all Honeywell Aerospace products for the aftermarket.

Madsen 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, N.C. He is also Black Belt-certified.