



Jefferies Global Industrial and A&D Conference

Michael Madsen

President, Defense & Space

Honeywell

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

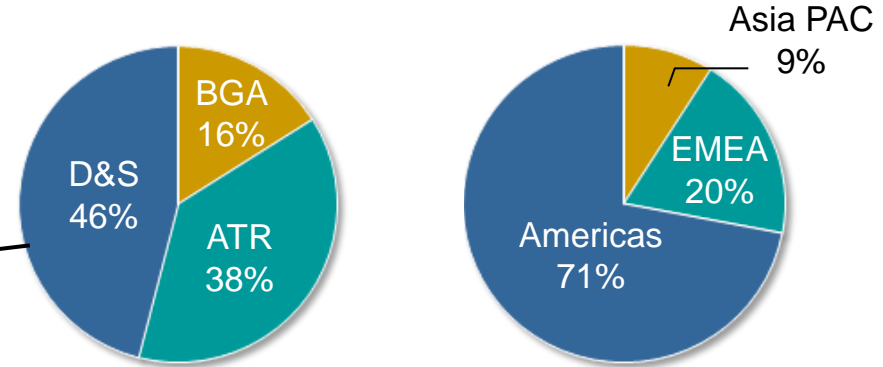
HONEYWELL 2011E REVENUE: ~\$36.4B

Automation & Control Solutions
~\$15.6B
~43%

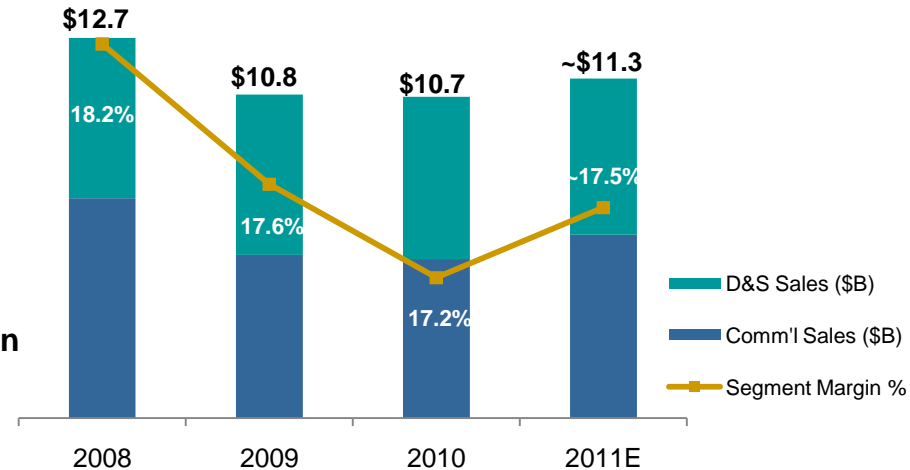
Aerospace
~\$11.3B
~31%

Specialty Materials
~\$5.7B
~16%

Transportation Systems
~\$3.7B
~10%



AEROSPACE FINANCIALS



Positioned For Growth And Margin Expansion

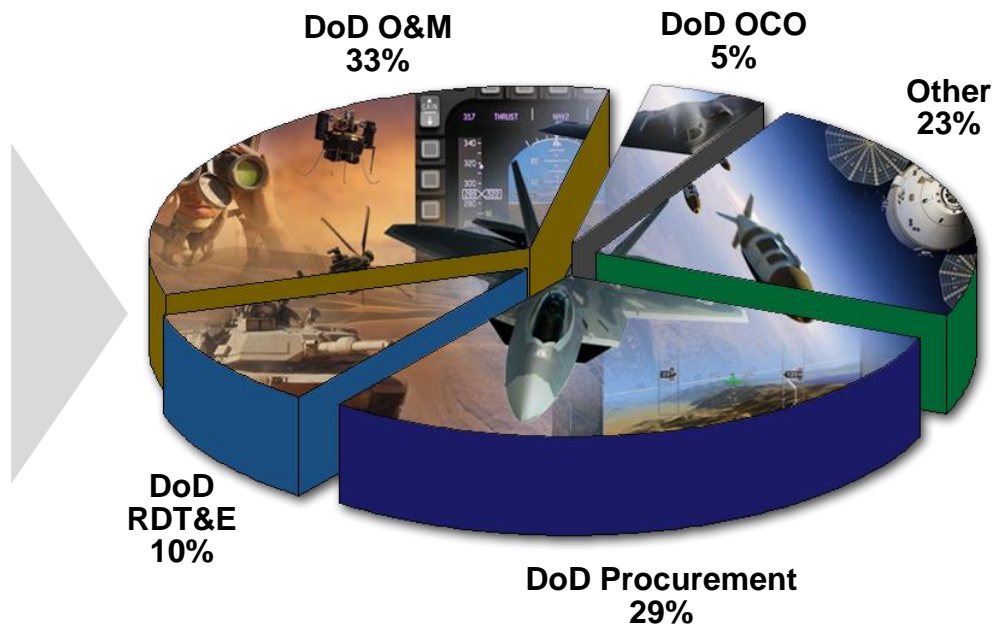
Defense Outlook*

DEFENSE BUDGET TRENDS

U.S. Area of Interest	'12-16E CAGR	HON Exposure
O&M	+1 to 3%	+++
OCO	-20 to -25%	+
Procurement	-4 to -6%	++
RDT&E	-10 to -12%	+

Int'l Area of Interest	'12-16E CAGR	HON Exposure
O&M	+2 to 4%	+
Procurement	+3 to 6%	++
Net Total	Flat to +3%	+

HONEYWELL DEFENSE REVENUE MIX



*Management Estimates

**Modest Exposure To Declining OCO And RDT&E Budget
Significant International Opportunities**

Strong Defense Platform Positions

Conventional Defense & Space (Near-Peer Combatant Threats)



**Fighter/Attack/
Trainer Aircraft**
30+ platforms



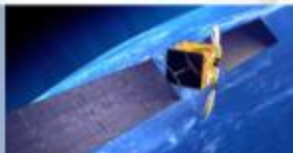
Human Space
10+ Platforms



**Surface/Soldier
Vehicles**
15+ platforms



**Bomber
Aircraft**
3 platforms



**DoD, Civil, and
Commercial
Space**
30+ Platforms



**Military
Helicopters**
20+ platforms



**Mobility/Tanker
Aircraft**
40+ platforms



**Army, Navy
and Air Force**
60+ Platforms



**Naval
Platforms**
10+ platforms

Asymmetric Threats



**Special
Mission/UAV
Aircraft**
20+ platforms

International: GROWING



International
20+ Platforms

Commercial-Related



**Commercial
Helicopters**
20+ platforms

Services



HTSI
Space, networks,
comms, logistics,
tech services



FM&T
Specialized
services &
solutions

Broad And Diverse Installed Base

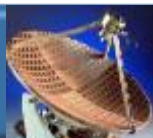
Expansive Product Portfolio

Crew Interface



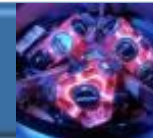
- Commercial Crew Interface & Displays
- Commercial Software Products
- Flight Management Systems
- Military Crew Interface
- Navigation Database & RNP Services

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

Propulsion



- AGT1500
- ALF502/LF507
- CFE738
- F124/F125
- HTF7000
- HTS900
- LTS101
- T55
- TFE731
- TPE331

Platform Systems / High Integrity Controls



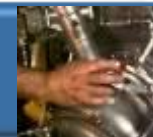
- Integrated Avionic sSystem
- T-Hawk Micro Air Vehicle
- Real-time Information in a Tactical Environment (RITE)
- Space Systems
- Electronic Eng Controls
- Flight Controls
- Space Pointing & Stabilization

Aero Services



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

Mechanical Sub Systems



- Air & Thermal Systems
- Auxiliary Power Units
- Electric Power

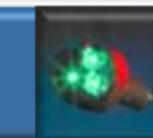
Mechanical Components



Wheels & Brakes



Lighting



Solutions Focused On Safety, Cost And Efficiency

Honeywell Defense & Space

2011E SALES: ~\$5.2B



COMPETITIVE STRENGTHS

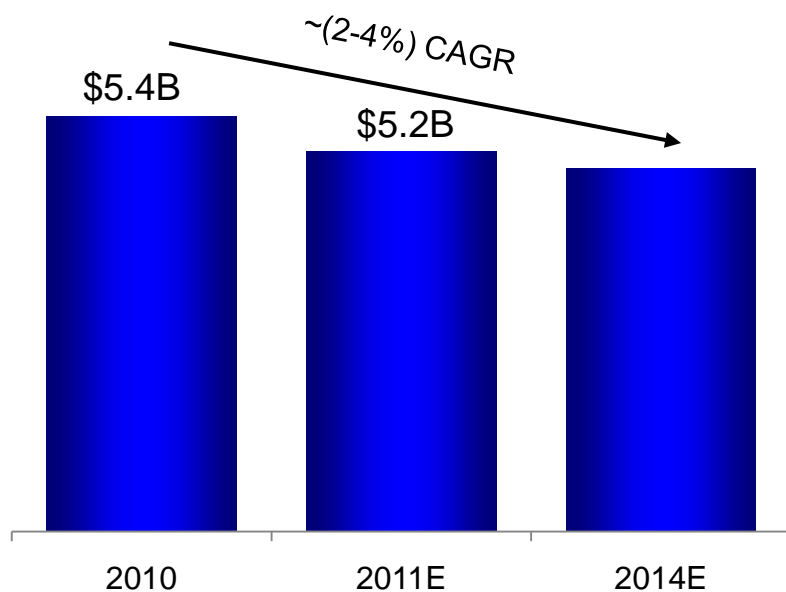
- Technology Leadership
 - Precision Navigation, LED Lighting,
- Differentiated Offerings
 - Cond. Based Maintenance, Helo Engines
- Broad Based Service Offerings
 - PBL Product Maintenance, Logistics
- Organizational Structure
 - Shared Support Model for Engineering, ISC

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



CHANGING MARKET LANDSCAPES

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

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”

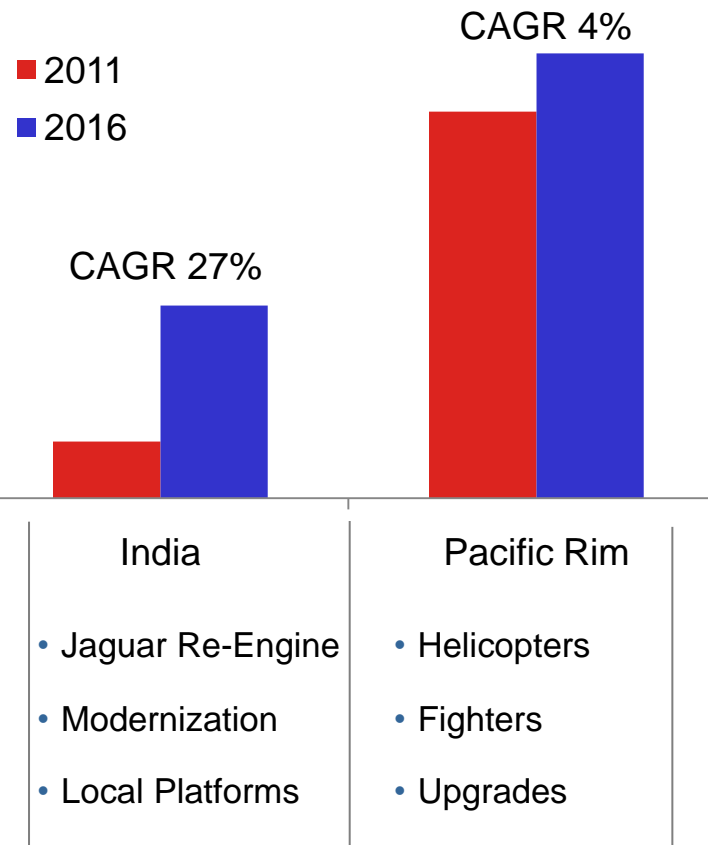
Defense Decline Highly Manageable

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



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

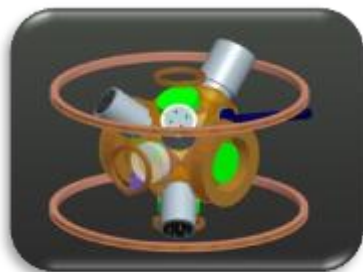
- Logistics and Maintenance – Reset and SLEP's
- Space Services – Mission Operations
- Security – Infrastructure Protection Services

KEY RECENT WINS

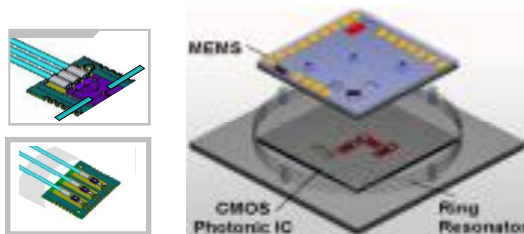
- T-55 CC Army Depot Mat'l/Logistics Support (~\$150M)
- US Army TIGER M1 Abrams Engine Support (~\$75M)
- NASA Safety, Quality, Analyses, & Test Support (~\$100M)
- FAA Security Systems/Maintenance (~\$40M)
- DoD Classified Engineering & Integration (~\$65M)
- Naval Research Lab Design & Development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

Continue To Extend Into Adjacencies

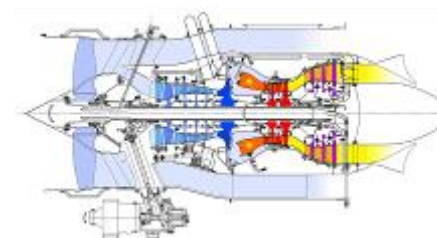
Growing Emerging Technologies



Cold Atom Clock



Band Gap RFOG



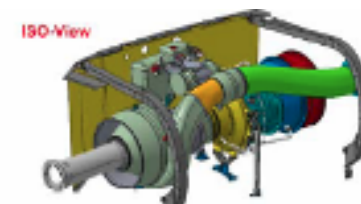
FAA CLEEN Program



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



Focused On HON Core Themes: Efficiency & Safety

Committed To Innovation & Performance



Q&A

Honeywell

Leader Profile



Michael Madsen

*President,
Defense & Space*

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.