Honeywell Aerospace
Air Transport & Regional
Business & General Aviation

John Bolton
President, AT&R

Rob Wilson
President, B&GA
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: ~$36.1-36.7B

Automation & Control Solutions
~43%

Aerospace
~31%

Aerospace Financials

Americas 71%
Asia PAC 9%
EMEA 20%

D&S 46%
BGA 16%
ATR 38%

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

2008 2009 2010 2011E
$12.7 $10.8 $10.7 ~$11.3
18.2% 17.6% 17.2% ~17.5%

Positioned For Growth And Margin Expansion
Expansive Product Portfolio

Technology Differentiator
- Safety
- Efficiency
- Dependability
- Performance

Innovation Leader
- Patents: 5,300 Active; 3,600 Pending

First to Market / Best in Class
- EGPWS
- Synthetic Vision
- Inertial Reference System
- APU
- Mid-thrust BGA Propulsion
- Satellite Communications
- Flight Management & Controls

Creating Value Through Technology Differentiation
Aerospace Commercial Businesses

Air Transport & Regional - 2011E Sales: ~$4.3B

- Mechanical 16%
- Electrical 19%
- U.S. 24%
- Rest of World 25%
- W. Europe 16%
- Aftermarket

- U.S. 50%
- W. Europe 9%
- ROW 4%
- Mechanical 24%
- Electrical 13%

- OEM
- Aftermarket

- OE Build Rate: Double-Digit CAGR% ‘11 to ’13
- ROW Aftermarket Share Gain 500 bps ’07 to ’11
- Great Positions on A350, C919, and 767 Tanker
- Pursuing Re-engine Aircraft Opportunities
- Positioned to Capitalize on Micro & Macro Trends

Business & General Aviation - 2011E Sales: ~$1.8B

- Mechanical 24%
- Electrical 13%
- U.S. 50%
- W. Europe 9%
- ROW 4%
- Aftermarket

- U.S. 24%
- W. Europe 9%
- ROW 4%
- Mechanical 24%
- Electrical 13%

- OEM
- Aftermarket

- OEM Build Rate: ~7% CAGR ’11 to ’15
- Positioned Well on Growth Platforms (Mid/Large)
- Large Fleets for Retrofit, Modification, and Upgrade (RMU) Opportunities
- Technology Leadership – Engines and Avionics
- Poised to Capture Growth in China & India

High-Value Offerings, High-Growth Strategic Wins
Key Industry Trends & Opportunities

• Biz Jet Delivery Outlook Stable, Returning to Modest Growth in 2012
  – High HON Content Aircraft More Resilient and Positioned to Outpace Industry

• Airlines Aftermarket Re-coupling to Flight Hours
  – Inventory to Flight Hour Ratio Stable, At Historical Lows

• Biz Jet Utilization Below Pre-Recession Levels
  – Favorable Engine Mix Exposure and RMUs Drives HON Outperformance

• New Technologies Available Today – Upside Potential
  – Safety and Efficiency Improvements Drive Customer Adoption

Macros Remain Favorable → Positioned For Upside
## Business Jet End Market Indicators

### International Flights % Growth from/to US
- **2009:** (14%)
- **2011 YTD:** 6%
- **2012-13E:** ~4-7%

### US Charter Flight % Growth
- **2009:** (23%)
- **2011 YTD:** 7%
- **2012-13E:** ~5-7%

### % Traffic Volume Growth
- **2009:** (16%)
- **2011 YTD:** 5%
- **2012-13E:** ~3-6%

<table>
<thead>
<tr>
<th>Year</th>
<th>Fleet For Sale</th>
<th>Production Slots</th>
<th>Deliveries Outside North America</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>16%</td>
<td>153</td>
<td>40%</td>
</tr>
<tr>
<td>2011 YTD</td>
<td>14%</td>
<td>76</td>
<td>44%</td>
</tr>
<tr>
<td>2012-13E</td>
<td>12-13%</td>
<td>70-80</td>
<td>46%</td>
</tr>
</tbody>
</table>

### On Track For Business Aviation Recovery

Sources: FAA, Jetnet, Honeywell internal estimates
Business Jet Delivery Trends By Class

High Honeywell Content Aircraft Outperform the Broader Market

High Honeywell Content Aircraft Deliver 2X the Value of Low Content Models
## Great Positions On New Business Aviation Aircraft

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Honeywell’s Platform Position</th>
<th>Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gulfstream G280</td>
<td>Engines, APU, ECS/CP, Lighting</td>
<td>~$18B</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~$0.3B</td>
</tr>
<tr>
<td>Embraer L500/450</td>
<td>Engines, APU, ECS/CP, Cabin Mgmt Systems</td>
<td>~$24B</td>
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<tr>
<td></td>
<td></td>
<td>~$2B</td>
</tr>
<tr>
<td>Gulfstream G650</td>
<td>Avionics, APU, ECS/CP, Lighting</td>
<td>~$3B</td>
</tr>
<tr>
<td></td>
<td></td>
<td>~$0.1B</td>
</tr>
</tbody>
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### Unannounced
- 1
- 2
- 3
- 4
- 5
- 6
- 7

**Life of Program Value**

**Broad Unmatched Wins**

[Honeywell.com](http://Honeywell.com)
Business Jet Growth On High-Value Platforms

Honeywell Wins for Major Systems (HTF7000 Family and Primus Epic/Primus Apex)

Cumulative Installed Base

Yearly Additions Primus Epic and Primus Apex

Yearly Additions HTF7000 Engine Family

HON Installed Base: Double Digit CAGR 2011-2016E

Note: Excludes Primus Epic in Helicopters and Air Transport
Air Transport & Regional Aftermarket Trends

Spares & Repairs Revenue Growth

AT&R Global Flt Hours (in Millions)

- Robust Spares Recovery Continues
- Strong R&O Backlog Through 1H12
- Aftermarket Re-coupling in 2H12
- RMUs Provide Additional Upside

- 650+ Net Aircraft Out of Warranty vs Parked/Retired
- ~400 a/c >16 Yrs Old Returned to Service ’09 -’11
- ~8M Flight Hours Above Previous Cycle Peak
- Oil Prices and RASM Support Continued Growth

Aftermarket To Re-couple In 2012 With Upside Potential
Honeywell Engine Flight Hours And Broader Market

Honeywell Turbofan Engines Growth Over 2X BA Traffic Growth

Sources: FAA, Global Insight, Honeywell internal estimates
Retrofit, Modifications & Upgrades (RMU)

- **Efficiency**
  - Improved Aircraft Routing
  - Avoid Inclement Weather
  - Reduced Fuel Burn
- **Safety**
  - Improved Situational Awareness
  - Avoid Runway Excursions & Incursions
  - Incorporate Mandates
- **Reliability**
  - Increased Dispatch Rate
  - Reduction in Delays & Cancellations
  - Enhanced Passenger Productivity

**Customer Needs Driving RMU Adoption**

- 5,200 a/c
- 4,500 a/c
- 900 a/c
- 400 a/c
- 800 a/c
- Light/Med – Med: 1,450 a/c
- Med/Large : 800 a/c
- Large : 1400 a/c
- Long Range + : 2,250 a/c
Business Aviation Retrofit, Modifications & Upgrades

Robust Pipeline; RMUs Grow From <$50M To $300M+

2009-2014 CAGR: 49%

2009-2014 CAGR: 5%

Business Jet Traffic Growth (% from 2009 base year)

RMU Revenue

Investing In Robust Retrofit/Mod/Upgrade Pipeline

Gulfstream Cert Foxtrot  
550 a/c opportunity

Dassault EASy II  
450 a/c opportunity

- Increases situational awareness: synthetic vision
- Lower landing minimums
- More landing approaches
- Time and fuel savings
- Lower maintenance costs

FMS 6.1  
2,400 a/c opportunity

- Increases pilot efficiency
- Lower landing minimums
- More airport approaches accessible
- Preferred routing

Primus Elite  
1,800 a/c opportunity
- Lowers operating costs vs. CRT displays
- Integrated Charts & Maps, satellite weather
- Growth to synthetic vision & advanced navigation

Ovation Select  
4,100 future platforms a/c opportunity
- Highly configurable cabin management system
- Enhances passenger comfort & productivity
- Lowers maintenance costs

Next Gen Airspace Upgrades  
3,100 a/c opportunity
- FAA NextGen
- EU SESAR
- “Green” FMS capabilities
Honeywell Integrated Flight Decks Form Foundation Of Software Revenue Growth

**Synthetic Vision**
- Enhanced Situational Awareness
- Increased Safety

**Infrared Synthetic Vision**
- Reduced Landing Minimums
- Enhanced Safety, Human Factors

**Advanced Navigation**
- Enhanced GPS
- Precision Navigation
- Datalink Mandates

**Next Gen Air Traffic Management**
- FAA NextGen
- EU SESAR
- “Green” FMS Capabilities

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**Broad Foundation for Software Upgrades**
- 2,000+ Cockpits Installed
- 3,100+ by 2015
- 12% CAGR 10-15

**Yearly Fleet Additions**
- Primus Epic & Primus Apex

**Primus Epic & Primus Apex Flight Decks Installed, Cumulative**
- 2010: 250
- 2011: 500
- 2012: 1,000
- 2013: 1,500
- 2014: 2,000
- 2015: 2,500

**Demonstrated & Forecast Software Revenue Growth**
- SW Revenue 18% CAGR 10-15

**Software Sales**
- 2010: 0
- 2011: 25
- 2012: 50
- 2013: 75
- 2014: 100
- 2015: 125

**Yearly Software Revenue**
- 2010: 0
- 2011: 25
- 2012: 50
- 2013: 75
- 2014: 100
- 2015: 125

*Note: Excludes Primus Epic in Helicopters and Air Transport*
New Safety Innovations – Available Now

Smart Runway - Reduces Runway Incursions

“Approaching Runway Three-Four Left”

- Improves Airport Surface and Landing Safety
- Reduces Pilot Workload
- Lowers Incident Costs
  - Currently 30 Runway Excursions/Year

Smart Landing - Reduces Landing Risk

- 700 ATR and 1,900 BGA Units Sold
- Certification Received for 10,000+ AT A/C
- $500M Growth Opportunity

New Innovations Address Highest Safety Issues
Providing Critical Value To Airlines And Operators

**Nitrogen Generation System**
- Reduces Risk of Fuel Tank Flammability via Replacement of Oxygen With Nitrogen
- OE Production in ‘10
- Retrofits Mandated By ’17
- $300M+ Program Value

**Smartview Synthetic Vision**
- Synthesizes Key Information for the Pilot
  - Location, Terrain, Airport Maps & Key Symbology
- Situational Awareness
  - “Clear day” Conditions All the Time
- Reduces Pilot Workload During Critical Times
  - Adverse Conditions
  - On the Ground
Air Transport & Regional Flight Profile Management

In-Trail Procedures (ITP) – Reduces Separation Requirements

Desired Altitude

38,000 ft
36,000 ft
34,000 ft

Sub-Optimum Altitude

Certified on United Airlines 747- 400 Fleet
– STC Received June 27, 2011; Operational Certification By Each Airline

Optimized Profiles Yield $200,000 - $400,000 Savings/Year Per Aircraft

200+ Trans-Pacific Flights Daily

$30M+ Growth Opportunity

Monetizing ATM Solutions Today
Expanded Satcom Offerings In Growing Market

- Adoption to Meet Consumer Data Connectivity Needs
- Technology Driven Replacements
  - Faster Data Rates
  - Lower Data Costs
  - Lighter, Smaller Components

Announced Forward Fit Programs

<table>
<thead>
<tr>
<th>Business Jets</th>
<th>Fleet Size (2017)</th>
</tr>
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<tbody>
<tr>
<td>Dassault 7X, G450, G550, G650</td>
<td>1,700 Aircraft</td>
</tr>
<tr>
<td>Global Express</td>
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</tr>
</tbody>
</table>

| Commercial Widebodies         | 4,900 Aircraft    |
| A380, A330/340, 777, A350, 787, 747 |

| Commercial Narrowbodies       | 6,300 Aircraft    |
| Boeing 737, C-Series, C919   |                   |

Great Positions With Differentiated Technology
Summary

• Commercial Growth to Offset Manageable Defense Declines
  – Delivering Above ATR Replacement Cycle
  – Favorable BGA Positions Drive Growth, Outpacing OE Build Rate

• Great Positions, Unmatched Technologies
  – Well Positioned With Favorable Commercial Macro Trends
  – Picking Winning Platforms

• Balanced Near- and Long-Term Growth Prospects
  – Short-Cycle RMUs Driving Upside
  – ATM \( \rightarrow \) Differentiated Industry Position \( \rightarrow \) Monetizing Solutions Now
Q&A
Leader Profile

John Bolton was named President of the Air Transport & Regional Strategic Business Unit of Honeywell Aerospace in January 2009. Global customers include aircraft manufacturers, airlines, leasing companies, freight companies and service providers.

Prior to his current role, John served as Vice President of the Aftermarket business in Honeywell’s Business & General Aviation Strategic Business Unit, where he leveraged extensive cross-functional, product and customer experience to provide strategic and tactical leadership to that $1.2B business.

John joined Honeywell’s Transportation Systems organization in 1993 as an engineer. He transitioned to Aerospace in 1996 as Manufacturing Leader in the Rocky Mount (North Carolina) facility. Since that time, he has held a series of progressively responsible management positions in manufacturing, product line management, aftermarket sales and marketing.

In 2002 he was named Product Sales Director for Aerospace’s Engine, Systems & Accessories business where he was responsible for meeting revenue objectives for the Aviation Aftermarket Services organization. This was followed in 2004 with his selection as Director of Customer Support for the $1.6B Aviation Aftermarket Services business, where he led strategic customer satisfaction initiatives to simplify, standardize and enhance the customer experience.

Prior to joining Honeywell, John served as Production Department Manager for GTE.

John has a Masters of Business Administration from Duke University and a bachelor of science degree in Engineering from Clarkson University in New York. He is a certified Six Sigma Black Belt.
Leader Profile

Rob Wilson was appointed as President of Business & General Aviation for Honeywell Aerospace in August 2005. In this role, Rob leads the Business & General Aviation business unit which serves customers who make, operate and maintain business jets, and general aviation aircraft.

Prior to his current role, Rob was Vice President and General Manager of the Military Aircraft business, a role in which he had total business accountability for the Guidance & Navigation product line in Clearwater, Florida; Aircraft components, including Air Data Components & Radar Altimeter, in Minneapolis, MN; as well as the Displays and Integrated Systems product lines in Teterboro, NJ and Albuquerque, NM.

Rob also served as Vice President of the HTF7000 product line where he led the team that certified Honeywell's first all new jet engine in over 30 years. He joined the company in 1987 and has held diverse leadership roles including Director of Engines Engineering, Leader of the Engines Assembly and Test Center, and Vice President of the Hydromechanical Controls Product Line.

Rob was the 2010 Chairman of the General Aviation Manufacturers Association, an international trade association headquartered in Washington, DC representing 67 of the world's leading manufacturers of general aviation aircraft, engines, avionics and related equipment.

He is a graduate of Case Western Reserve University in Cleveland, Ohio, where he received his bachelor's degree in mechanical engineering.