



NBAA 2012 Market Update

October 2012

Honeywell

Forward Looking Statements

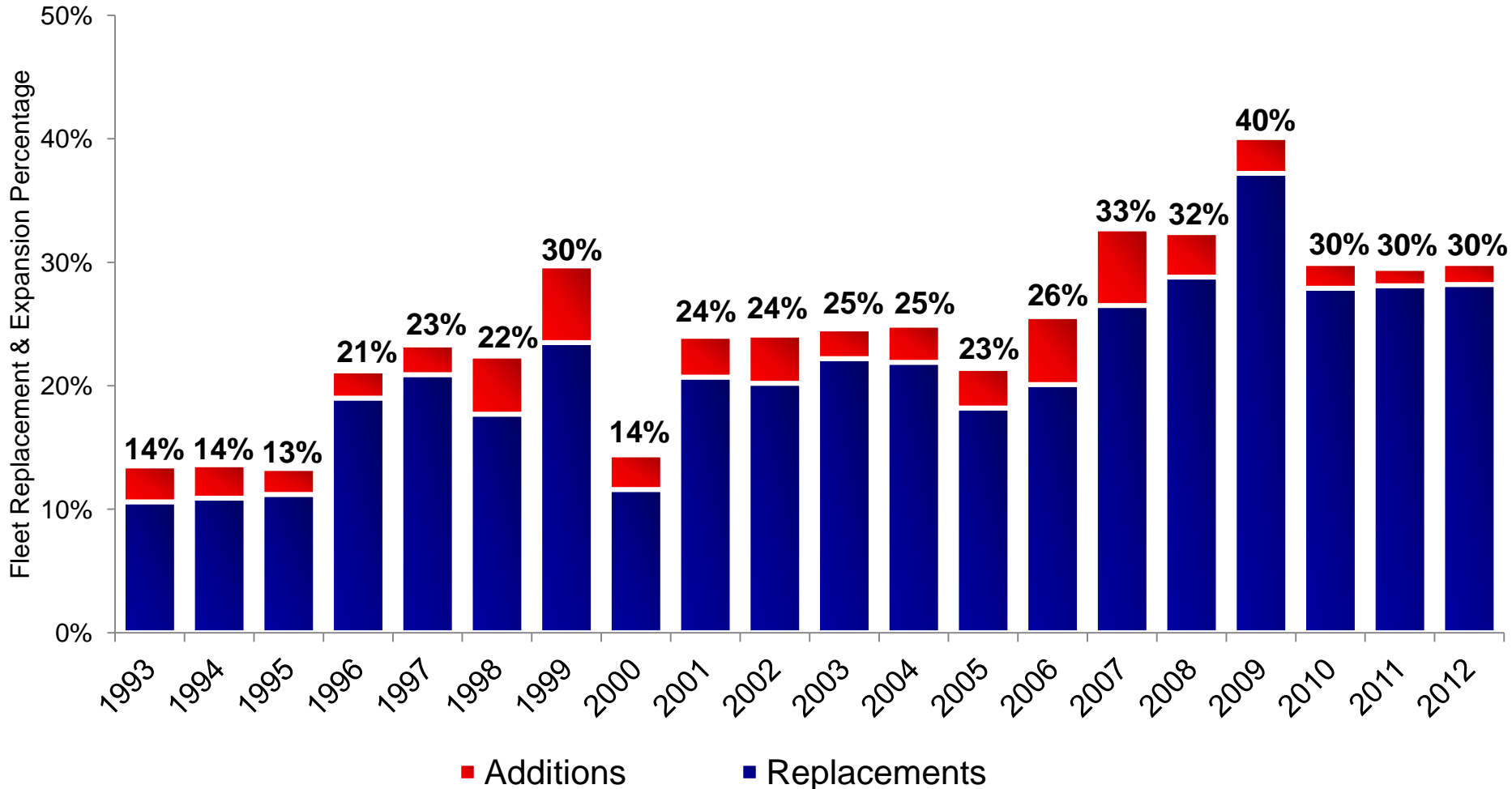
This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may 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.

2012 Business Aviation Outlook

- **26th Year Of Survey, 21st Public Report Release**
- **1,500 Corp Flight Depts From Around The World**
 - Aircraft Manufacturers And Other Sources
- **5 Yr Purchase Plans Steady Relative To 2011**
 - In Line With Pre-Recession Levels
- **International Demand Gains Share**
- **Modest Delivery Growth In 2012-2013 Over 2011**
 - Current Development Programs Boost Outlook In 2013 And Beyond
- **Long-Term Outlook: Moderate Recovery**
 - Up To 10,000 Aircraft Worth \$250B Projected From 2012-2022

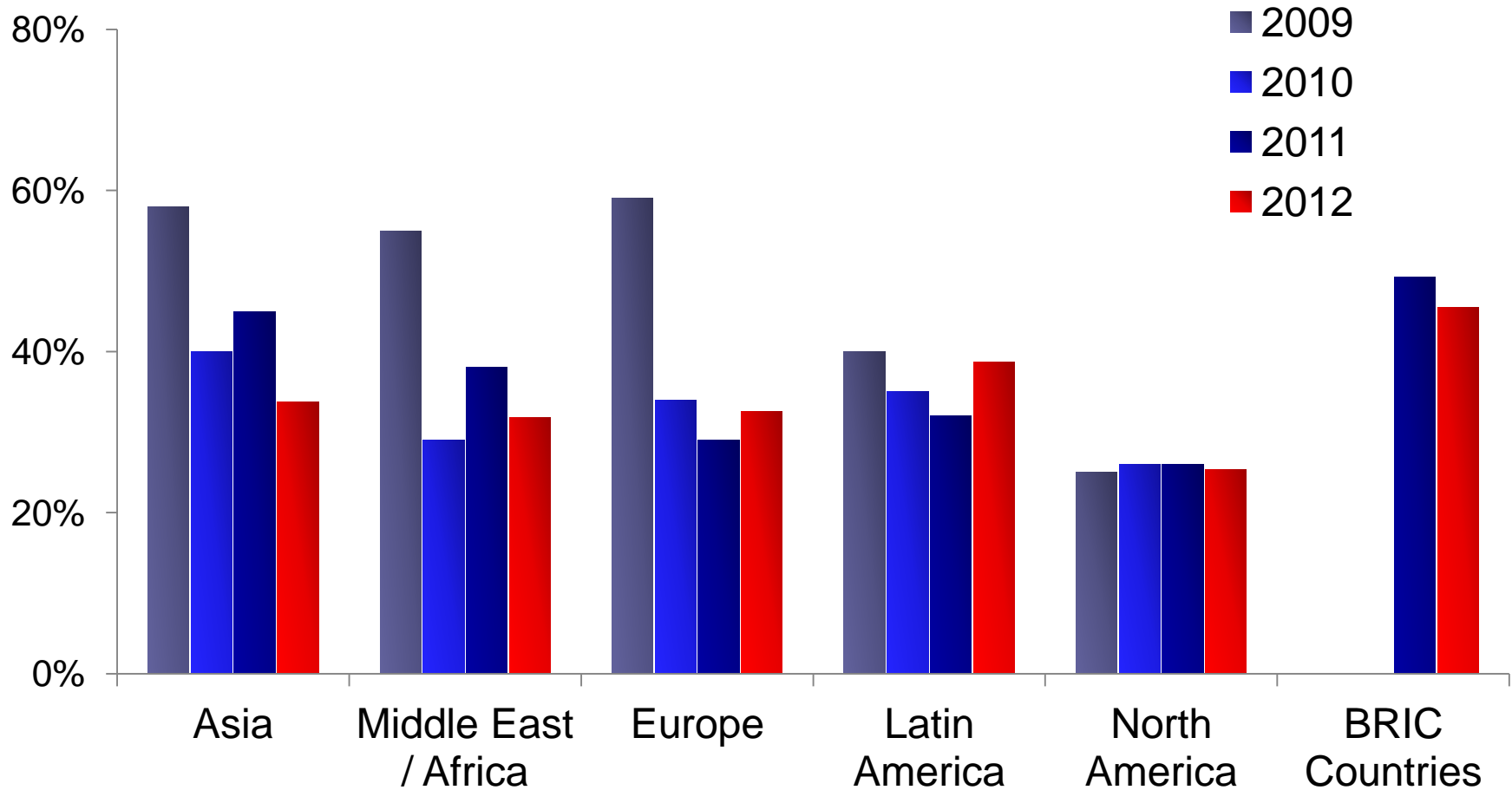


Five Year Purchase Plans For New Jets



2012 Purchase Plans Steady At 30%, Operators Remain Cautious About Slower Economic Growth

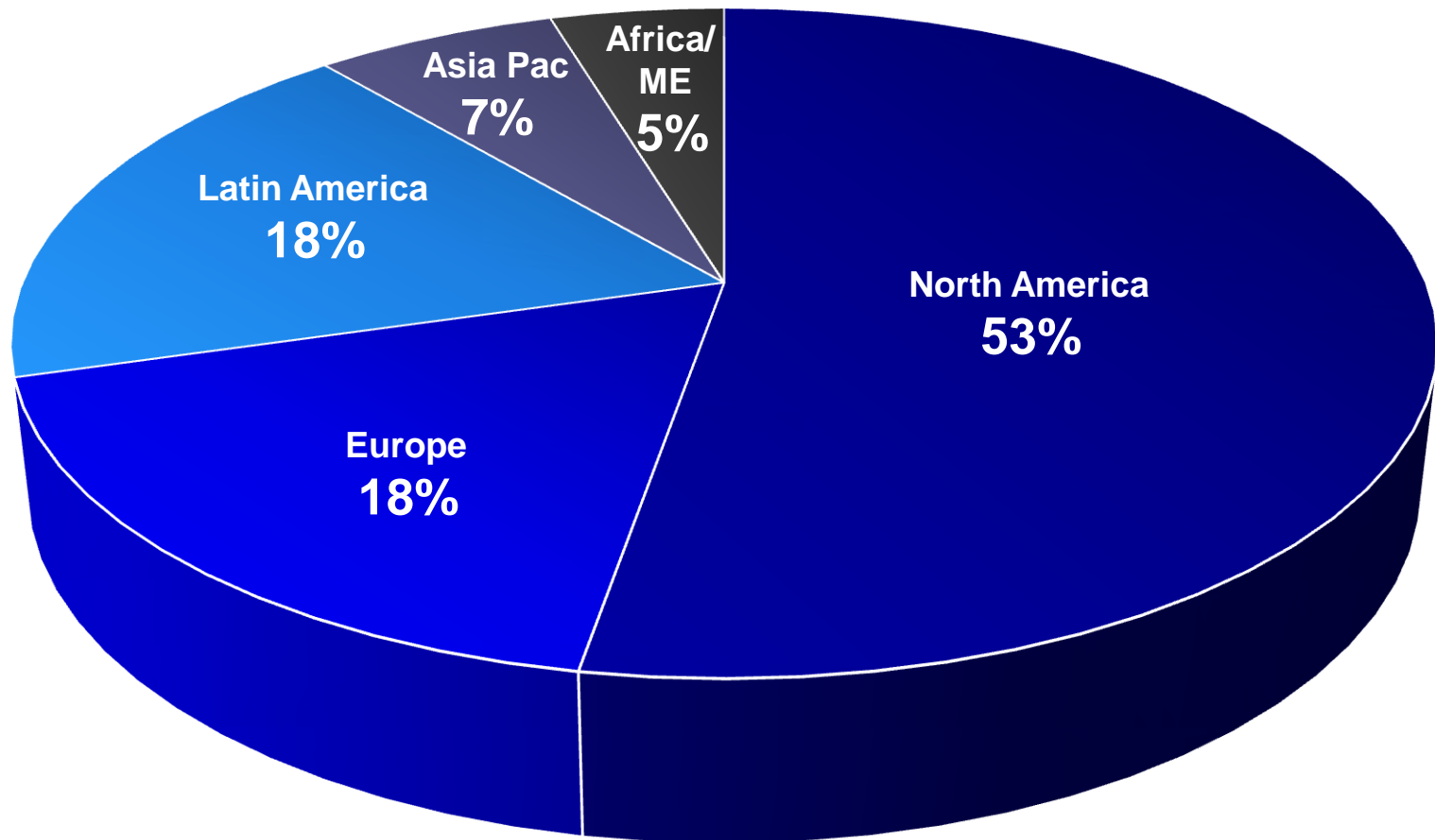
Purchase Expectations By Region



***BRIC Countries Purchase Plans Still Worlds Highest
Lat Am And E. Europe Offset Softness In APAC & AME***

Regional Demand: New Jets In Next 5 Years Honeywell

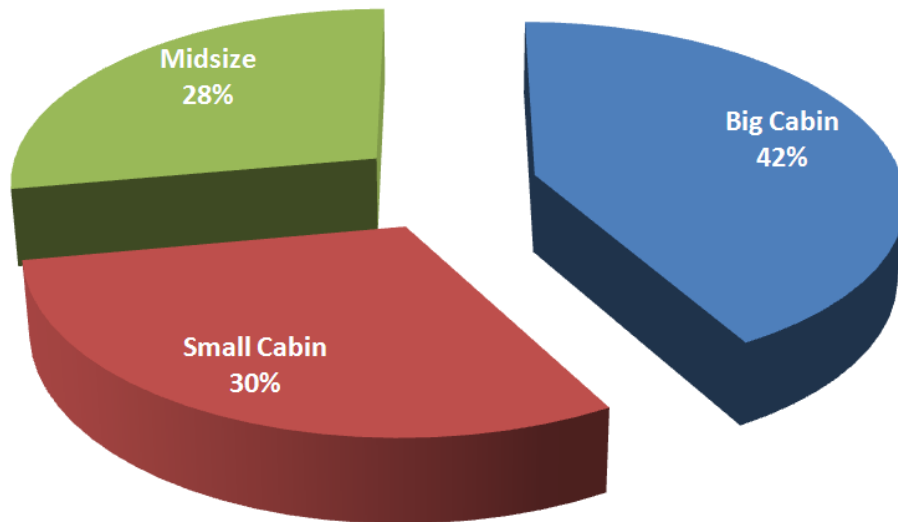
Traditional Corporate And Charter Operator Base



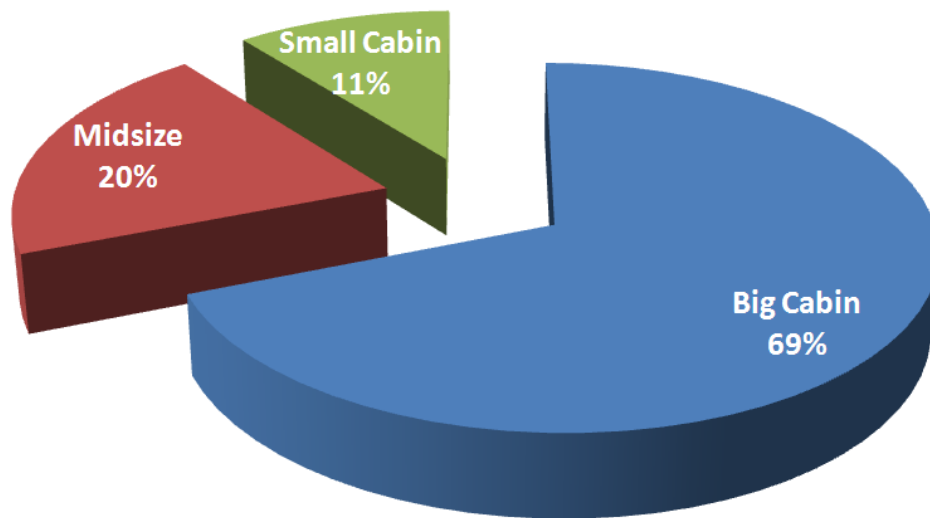
International Share Of Demand 47%

New Jet Purchase Plans By Aircraft Class

Units



2012 Dollars



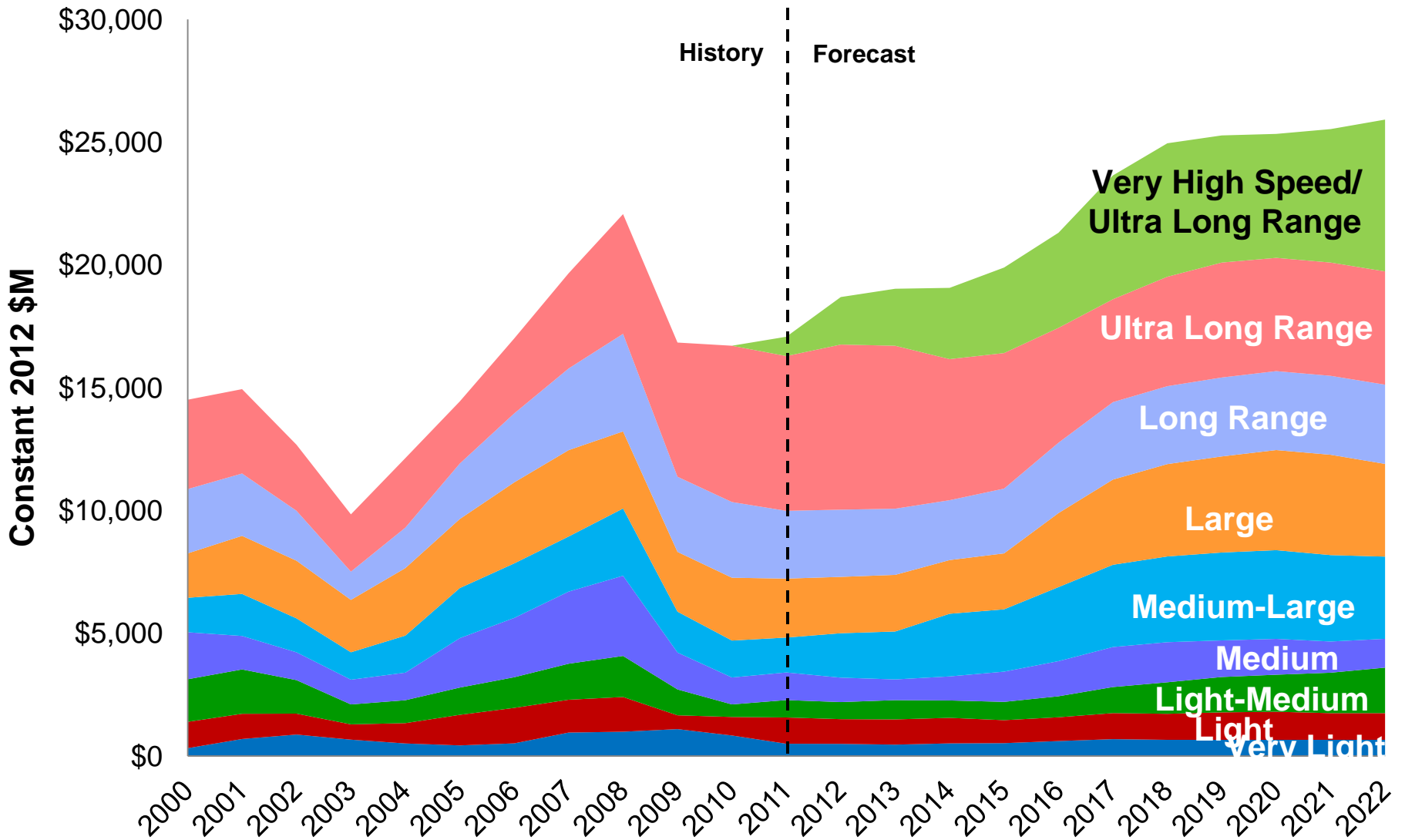
Big Cabin = Large thru VHS-ULR Segments

Mid Cabin = Medium thru Super-Midsize Segments

Small Cabin = Very Light, Light , Light-Medium

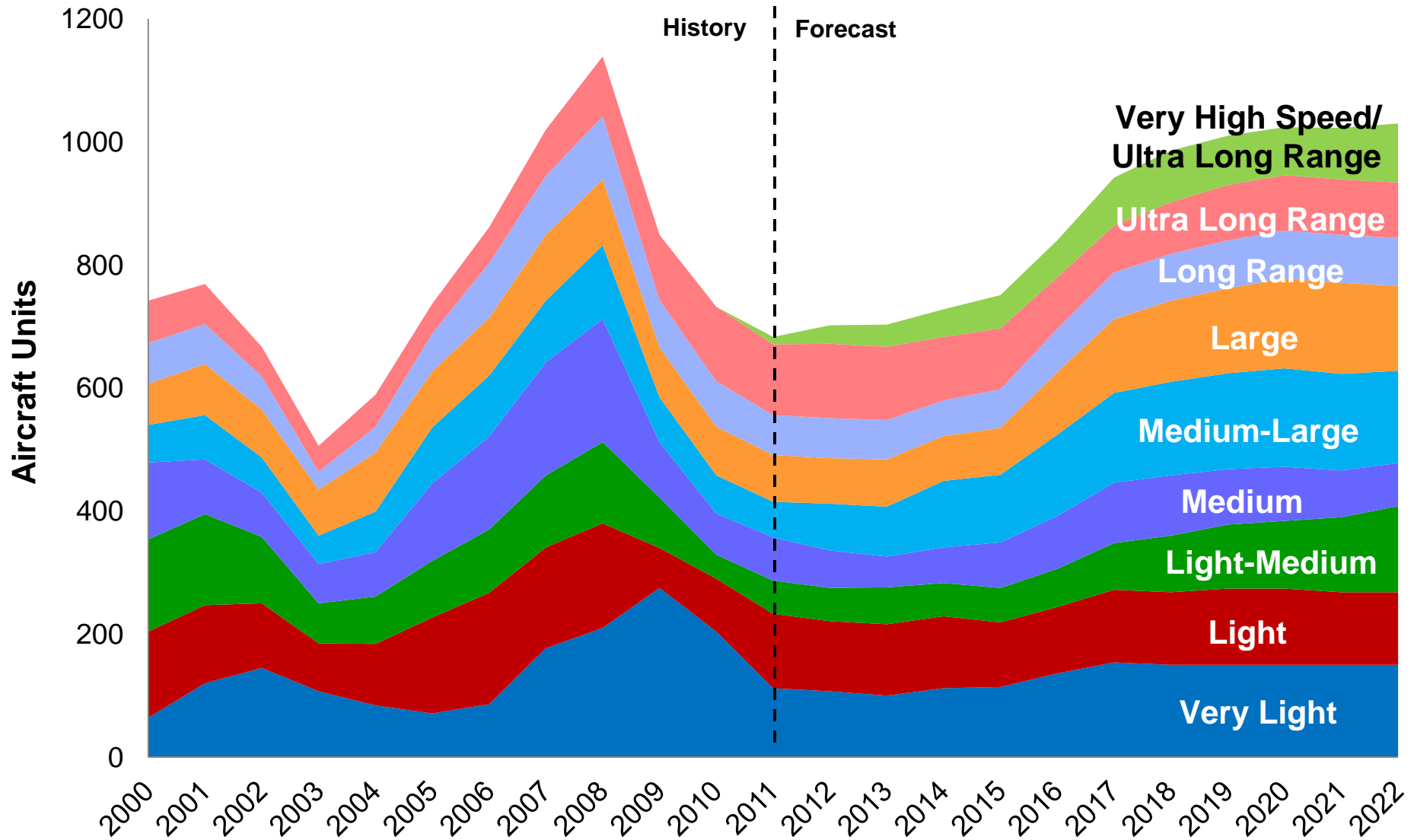
***Big Cabin Jets Account For 42% Of Unit Mentions
And 69% Of Dollar Value***

Business Jet Forecast – Delivery Value



\$250 Billion From 2012 To 2022

Business Jet Forecast - Delivery Units



~10,000 Aircraft From 2012 To 2022

NBAA 2012 Outlook Largely Unchanged, Again **Honeywell**

- **End Of Delivery Down Cycle - 2012 Will Post Modest Growth**
 - Less Volatility In OEM Rates, But Recently Improved Order Rates Face Economic Headwinds
 - Large Cabin Class Aircraft Still Faring Better
- **Operator Survey Signals Fairly Steady Purchasing Activity In 2013**
 - Economic Growth Expectations Are Positive But Weakened - Especially In The U.S. And W. Europe
 - International Share Of Demand Continues Slow Expansion
 - Emerging Economies Have Highest Purchase Plans
 - Modest Recovery In New Aircraft Deliveries In 2012 - Stronger Growth In Value Of Deliveries
 - Similar Levels Of Industry Deliveries Projected In 2013 - Order Rates Key To Sustaining Momentum
- **Pipeline Of New Models Still Important For Longer Term Growth**
- **Recovery In Fleet Utilization On Hold, Slow Improvement In Used Aircraft**
 - U.S. And European Flight Activity Growth Suspended, Growth Continues In Emerging Regions
 - International Flight Growth Remains Above Domestic Rates
 - Late model Used Jet Inventory Has Crept Up, Overall Used Inventory Is Slowly Declining

Survey Supports Steady New Jet Demand In Near Term, Operational Gains Lost Momentum, Slow Recovery In Mid Term

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