

AEROSPACE SOLUTIONS

Description

Honeywell Aerospace Solutions is the world's largest supplier of aircraft engines, equipment, systems and services for commercial transport, regional, general aviation and military aircraft.

Headquartered in Phoenix, Arizona, Honeywell Aerospace manufactures auxiliary power units; turbofan, turboprop and turboshaft propulsion engines; marine propulsion and ground power systems; engine systems and accessories; commercial avionics, including enhanced ground proximity warning systems (EGPWS); flight control systems; environmental control systems; aircraft landing systems; power management and generation systems; and interior and exterior aircraft lighting.

Honeywell also provides repair and overhaul services; aerospace consumable spare parts, hardware and logistics support; and management and technical services for space and communications facilities.

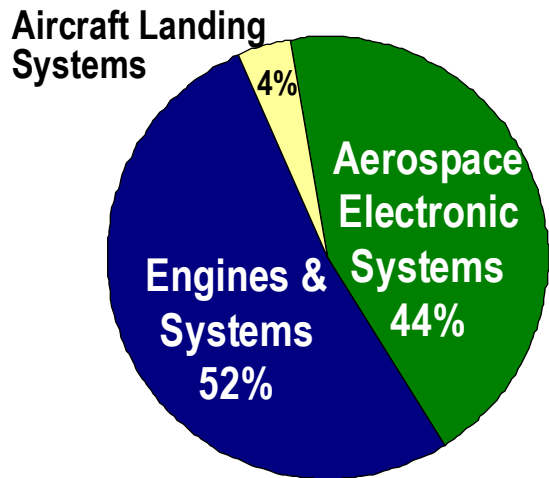
With a relentless customer focus, Honeywell Aerospace connects across each of its businesses, serving a wide range of markets within the industry. Honeywell incorporates the needs of these markets into the design and delivery of all its products, services and integrated subsystems. Comprising two key market segments, Honeywell works globally on behalf of customers in **Commercial** for the air transport, regional, business and general aviation markets, and in **Defense & Space**. These efforts include sales, marketing, market analysis and development, customer support, strategic development, as well as product and manufacturing interface within Honeywell.

Key Strategies

- Growth & Expanding Core
- Integrating Products & Systems
- Extending Services
- Enhancing Safety
- Developing Knowledge Management Capability

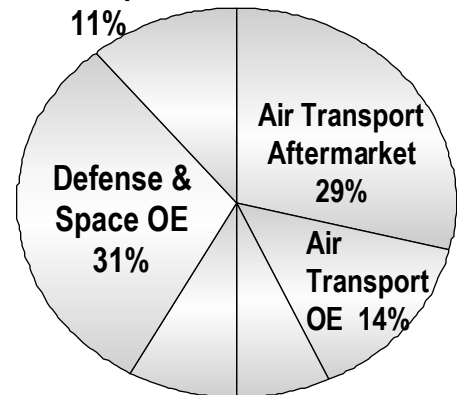
(M)	2000	2001	2002
Revenue	\$9,988	\$9,653	\$8,855
Seg. Margin	22.0%	18.0%	15.3%

Revenue Composition



Markets or Customers Served...

Defense & Space AM



Business/GA OE 8%

Business/GA AM 7%

OE: original equipment

AM: Aftermarket

Competitors...

United Technologies, Rockwell Collins, Litton, Sextant, Smiths Industries, Rolls-Royce, Garmin, Goodrich, Lockheed Martin, Liebherr, Parker Hannifin.

AUTOMATION & CONTROL SOLUTIONS

Description

Honeywell's **Automation & Control** segment is comprised of three main business areas: Products, Services and Industry Solutions.

Products provides controls for heating, cooling, indoor air quality, ventilation, humidification and home automation; advanced software applications for home/building control and industrial optimization; sensors, switches, controls systems and instruments for measuring pressure, air flow, temperature, electrical current; burglar and fire detection products and distribution, access control and video surveillance systems.

Services installs, maintains and upgrades systems that keep workplaces safe, comfortable and productive, helping customers to be more competitive through improved building and process performance.

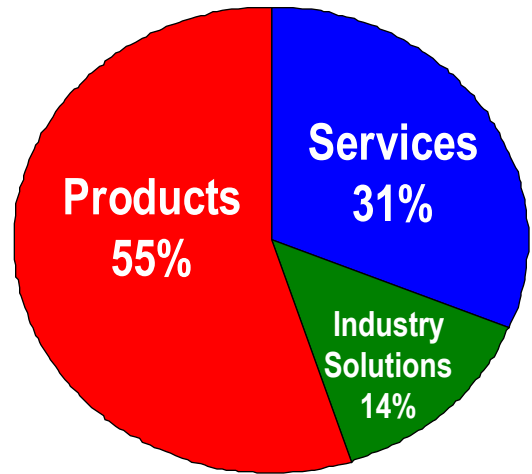
Industry Solutions offers a full range of automation and control solutions to key vertical markets, including Energy, Pulp and Paper, Chemicals/Pharmaceuticals, and Industrial Automation, and develops/markets industrial automation systems and advanced software applications.

Key Strategies

- **Integrate software, services, and products to help optimize customers' competitiveness, safety and productivity.**
- **Leverage open-systems software, commercial hardware, and e-business capabilities to lower costs, reduce asset intensity and provide differentiated solutions.**
- **Expand web-based delivery of software and services solutions to customers.**

(M)	2000	2001	2002
Revenue	\$7,384	\$7,185	\$6,978
Seg. Margin	13.4%	11.4%	12.8%

Revenue Composition



Markets or Customers Served...

Home & Building Controls: building owners, contractors, developers, wholesalers/distributors, hardware/home center stores, home builders, and original equipment manufacturers.

Industrial Controls: refining, oil & gas exploration and production, pulp & paper mills, fine chemicals, pharmaceuticals, and industrial manufacturing.

Competitors...

Emerson Electric, Johnson Controls, Siemens, Holmes, Andover, Invensys IA, AspenTech, ABB

TRANSPORTATION & POWER SYSTEMS

Description

Transportation & Power Systems is comprised of three businesses: Garrett Engine Boosting Systems, Consumer Products Group and Friction Materials.

Garrett Engine Boosting Systems is the world's leading manufacturer of turbochargers and thermal systems for passenger cars, light trucks and commercial vehicles. Garrett turbochargers cover the entire passenger car range from 0.5 liters to 6.0 liters engine displacement, as well as the commercial diesel engine range up to 30 liters.

Consumer Products Group manufactures and markets consumer-branded automotive products for the aftermarket consumer, as well as for automotive equipment manufacturers and installers, with household brand names including Prestone, Fram, Autolite and Holts.

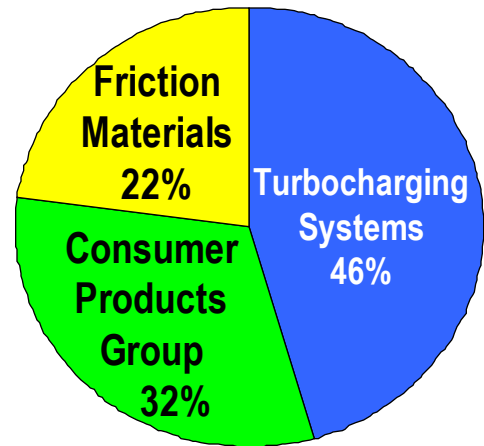
Friction Materials is a major global supplier of automotive brake friction materials and aftermarket brake products. Its key products include disc brake pads, drum brake linings and a variety of aftermarket brake products marketed under the Bendix® brand name in North America and the JURID® brand name in Europe and Asia.

Key Strategies

- **Turbochargers: Maintain leadership in turbine based technologies and drive penetration into new applications and end-markets**
- **Consumer Products: Grow through new products, brand support and retail penetration**

(M)	2000	2001	2002
Revenue	\$3,527	\$3,457	\$3,184
Op. Margin	7.8%	8.4%	11.2%

Revenue Composition



Markets or Customers Served...

Passenger Car OEM, Commercial Diesel OEM, Heavy Truck, Medium Truck, Bus and Trailer OEMs, Warehouse distributors, Auto Parts Retailers, Mass Merchandisers, National Installed Chains and Franchises, Buying Groups, Aftermarket Companies, Aftermarket Distributors & Dealers, Utilities, Distributed Power.

Competitors...

Eaton, WABCO, Meritor, Borg Warner, Williams International, Mitsubishi, Capstone, Valeo, GE/Elliot, Bosch, Arvin, Delphi, Ashland, Clorox, Dana.

SPECIALTY MATERIALS

Description

Honeywell's **Specialty Materials** segment is comprised of six main business areas: Nylon System, Performance Fibers, Fluorine Products, Specialty Chemicals, Electronic Materials and Advanced Circuits.

Nylon System is comprised of a portfolio of products that include carpet fibers, plastics, specialty films and chemical intermediates.

Performance Fibers is a global supplier of high strength and specialty fibers and solutions for a broad range of industrial, consumer and military uses.

Fluorine Products is a world leader in fluorine technologies and is the largest global producer of hydrofluoric acid (HF). It is also a leading producer of next generation safe fluorocarbons used in refrigerants, foam blowing and specialty applications.

Specialty Chemicals provides a superior offering of high-quality organic and inorganic chemicals for high technology applications.

Electronic Materials (EM) develops and manufactures a full line of materials utilized in the production of advanced integrated circuits. As a materials-based interconnect supplier, EM provides solutions for advanced on-chip interconnects for both subtractive and damascene applications.

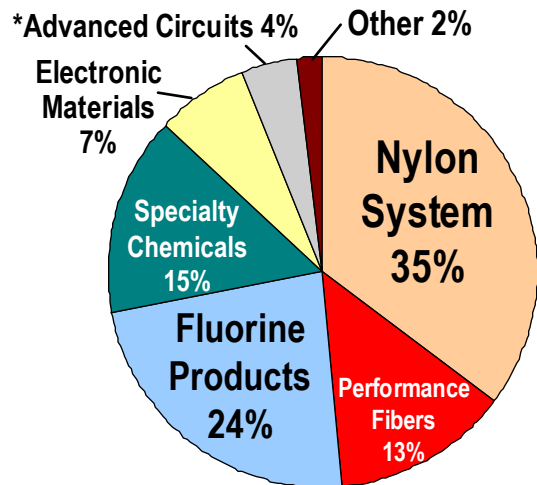
Advanced Circuits is a supplier of printed circuit board (PCB) solutions to the leading telecommunication, computer and Internet infrastructure companies and its manufacturing partners, and a leading supplier of high-density interconnect products.

Key Strategies

- **Fluorine Products:** develop new applications and improve cost position
- **Electronic Materials:** integrate broad portfolio of technologies into solutions for rapidly-evolving customer requirements
- **Specialty Chemicals:** focus commercialization efforts on high growth/technology industries

(M)	2000	2001	2002
Revenue	\$4,056	\$3,313	\$3,205
Op. Margin	8.2%	1.6%	1.8%

Revenue Composition



* sold in 2002

Markets or Customers Served...

Electronic, pharmaceutical, automotive, industrial, consumer, agricultural, oil refining, telecommunications, food packaging, residential, and candle manufacturers.

Competitors...

BASF, Dupont, Bayer, GE, Solutia, DSM, Lonza, ATOFINA, Eastman, 3M, Tyco, Applied Materials, Hyosung