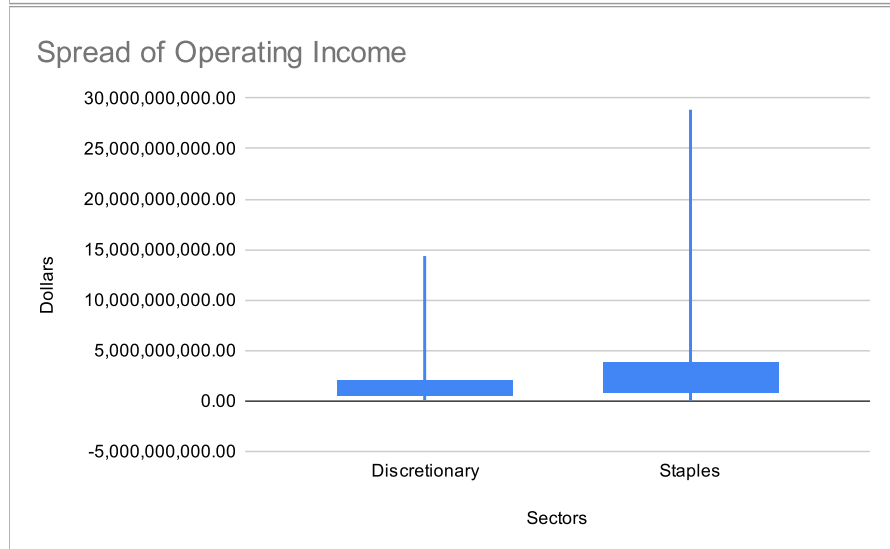
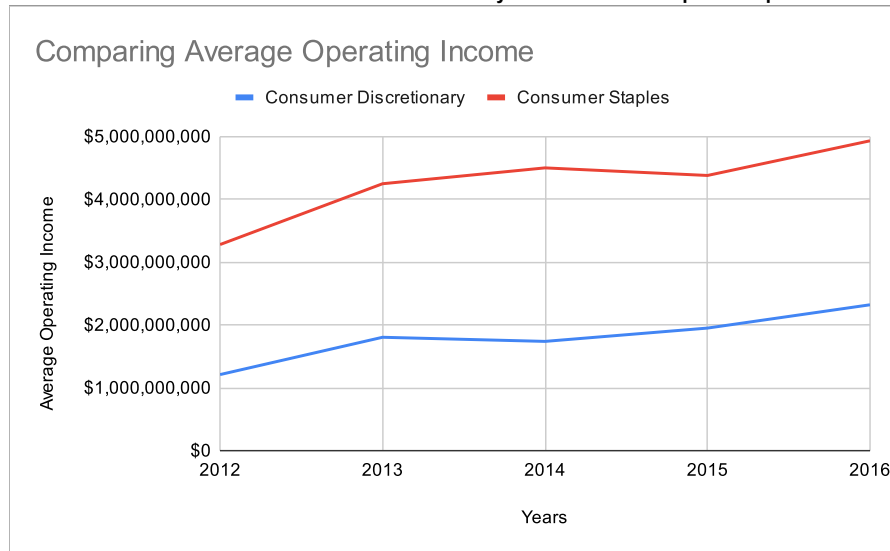


1. Summary Statistics for Presentation (separate file)

How does the Gross Profit of Consumer Discretionary and Consumer Staples compare?



	Min	Q1	Q3	Max
Discretionary	75,606,000.00	693,921,500.00	1,948,550,000.00	14,358,000,000.00
Staples	-11,305,000.00	987,500,000.00	3,684,500,000.00	28,857,000,000.00

Measures of Center

	Mean	Median
Discretionary	1,870,509,612.38	1,086,016,000.00
Staples	4,255,035,969.70	1,529,500,000.00

Measures of Spread

	Range	SD	IQR range
Discretionary	14,282,394,000.00	2,245,001,216.16	1,254,628,500.00
Staples	28,868,305,000.00	6,394,519,885.89	2,697,000,000.00

Count

Discretionary	307
Staples	132

2. Dynamic P & L
Profit & Loss Statement
Company

AAL

Year	Year 1	Year 2	Year 3	Year 4
Total Revenue	\$24,855,000,000	\$26,743,000,000	\$42,650,000,000	\$40,990,000,000
Cost of Goods Sold	\$10,499,000,000	\$11,019,000,000	\$15,620,000,000	\$11,096,000,000
Gross Profit	\$14,356,000,000	\$15,724,000,000	\$27,030,000,000	\$29,894,000,000
Sales, General, and Admin. Expenses	\$12,977,000,000	\$12,913,000,000	\$20,686,000,000	\$21,275,000,000
Research and Development	\$0	\$0	\$0	\$0
Other Operating Costs	\$845,000,000	\$853,000,000	\$1,295,000,000	\$1,364,000,000
Total Operating Expenses	\$13,822,000,000	\$13,766,000,000	\$21,981,000,000	\$22,639,000,000
Operating Income	\$534,000,000	\$1,958,000,000	\$5,049,000,000	\$7,255,000,000

3. Forecasting Model for HON

Company

HON

Scenario

Weak Case

Income Statement

	Historical				Forecast	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Total Revenue	\$39,055,000,000	\$40,306,000,000	\$38,581,000,000	\$39,302,000,000	\$38,932,006,284	\$38,226,052,521
Cost of Goods Sold	\$28,364,000,000	\$28,957,000,000	\$26,747,000,000	\$27,150,000,000		
Gross Profit	\$10,691,000,000	\$11,349,000,000	\$11,834,000,000	\$12,152,000,000	\$9,620,382,080	\$9,054,887,045
Sales, General, and Admin. Expenses	\$5,190,000,000	\$5,518,000,000	\$5,006,000,000	\$5,469,000,000		
Research and Development	\$0	\$0	\$0	\$0		
Other Operating Costs	\$0	\$0	\$0	\$0		
Total Operating Expenses	\$5,190,000,000	\$5,518,000,000	\$5,006,000,000	\$5,469,000,000		
Operating Income	\$5,501,000,000	\$5,831,000,000	\$6,828,000,000	\$6,683,000,000	\$4,604,193,030	\$4,239,105,868

Operating Statistics

	Historical				Assumptions	
Revenue Growth (%)		3.20%	-4.28%	1.87%	-0.94%	-1.81%
Gross Margin	0.27	0.28	0.31	0.31	0.25	0.24
Operating Margin	0.14	0.14	0.18	0.17	0.12	0.11

Operating Scenarios - sensitivity analysis

Revenue Growth (%)

Strong Case	2.80%	2.17%
Base Case	0.26%	-0.04%
Weak Case	-0.94%	-1.81%

Gross Margin

Strong Case	0.37	0.38
Base Case	0.31	0.31
Weak Case	0.25	0.24

Operating Margin			
Strong Case		0.19	0.19
Base Case		0.15	0.15
Weak Case		0.12	0.11

4. Model for Forecasting of HON

	Industrial		Industrial Conglomerate		HON		
	Gross Margin	Operating Margin	Gross Margin	Operating Margin	Gross Margin	Operating Margin	Revenue Growth
CENTER							
Average	0.404	0.154	0.319	0.140	0.293	0.158	0.26%
Median	0.390	0.133	0.306	0.142	0.294	0.157	1.87%
SPREAD							
Min	0.042	0.013	0.085	0.031	0.274	0.141	-4.28%
1 STD -	0.194	0.048	0.171	0.080	0.276	0.139	-2.12%
Median	0.390	0.133	0.306	0.142	0.294	0.157	1.87%
1 STD +	0.585	0.218	0.441	0.204	0.312	0.175	5.86%
Max	1.000	0.406	0.604	0.287	0.309	0.177	3.20%
STDV	0.195	0.085	0.135	0.062	0.018	0.018	0.040

Weighted Model

	Year 5		Year 6	
	Gross Margin	Operating Margin	Gross Margin	Operating Margin
Strong	0.365	0.185	0.384	0.189
Base	0.309	0.154	0.315	0.153
Weak	0.247	0.118	0.237	0.111