

FOR IMMEDIATE RELEASE

**Honeywell Selects BAE SYSTEMS CANADA to Supply New-Generation Aviation GPS Receivers
Signs Agreement with Potential Sales Value exceeding \$50 million**

(Montreal, January 17, 2001) BAE SYSTEMS CANADA INC. (TSE, AMEX: BAE) has signed a multi-year agreement to supply its latest-generation Global Positioning System (GPS) receivers to Honeywell International. Under the terms of the agreement, the receivers will be integrated in Honeywell's Local Area Augmentation System (LAAS) as the GPS reference receiver, and in several of Honeywell's aircraft navigation and landing products. The agreement has a potential sales value in excess of CAN\$50 million.

The new BAE SYSTEMS CANADA GPS receiver, known as the CMA-4024, is a 24-channel aviation-grade receiver with a growth path to full Wide Area Augmentation System (WAAS) Category I and LAAS Category IIIb approach capability. BAE SYSTEMS CANADA has more than twenty years' experience in the design of certified GPS products. The CMA-4024 has been developed as a collaborative effort with NovAtel, BAE SYSTEMS CANADA's subsidiary, and combines the respective technological strengths of both companies to develop the most advanced GPS receiver to meet the most demanding needs of civil aviation.

According to Jim Close, president and CEO of BAE SYSTEMS CANADA, "This agreement is another step forward in a series of successful ventures between our company and Honeywell International, targeting the business, commuter and air transport markets. To date, we have supplied Honeywell with more than 5,000 GPS receivers and several thousand specialized component assemblies, including control display unit panels."

BAE SYSTEMS CANADA INC. is a leader in the design, manufacture, sales and support of high-technology electronic products for the aviation, communications, infrared sensing, marine electronics, positioning and space markets.

Honeywell is a US\$24-billion diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; automotive products; power generation systems; specialty chemicals; fibers; plastics; and electronic and advanced materials. The company is a leading provider of software and solutions, and Internet e-hubs including MyPlant.com, MyFacilities.com and MyAircraft.com (joint venture with United Technologies and i2 Technologies). Honeywell employs approximately 120,000 people in 95 countries and is traded on the New York Stock Exchange under the symbol HON, as well as on the London, Chicago and Pacific stock exchanges. It is one of the 30 stocks that make up the Dow Jones Industrial Average and is also a component of the Standard & Poor's 500 Index. Additional information on the company is available on the Internet at www.honeywell.com.

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