

PART I.

ITEM 1. BUSINESS

AlliedSignal Inc. (with its consolidated subsidiaries referred to in this Report as the Company) was organized in the State of Delaware in 1985. The Company is the successor to Allied Corporation, which was organized in the State of New York in 1920.

MAJOR BUSINESSES

AlliedSignal Inc. is an advanced technology and manufacturing company serving customers worldwide with aerospace and automotive products, chemicals, fibers, plastics and advanced materials. The Company's operations are conducted by eleven strategic business units, which have been aggregated under five reportable segments: Aerospace Systems, Specialty Chemicals & Electronic Solutions, Turbine Technologies, Performance Polymers and Transportation Products.

Following is a description of the Company's strategic business units:

STRATEGIC BUSINESS UNITS	PRODUCT CLASSES	MAJOR PRODUCTS/SERVICES	MAJOR CUSTOMERS/USES	KEY COMPETITORS
AEROSPACE SYSTEMS Aerospace Equipment Systems	Environmental control systems	Air conditioning systems Bleed air control systems Cabin pressure systems Environmental and thermal control for spacecraft Smoke detection systems Repair, overhaul and spare parts	Commercial, regional and general aviation aircraft Military aircraft Spacecraft	Barber Colman Hamilton Standard Liebherr Parker Hannifin Sundstrand TAT
	Engine systems and accessories	Electronic and hydromechanical fuel controls Engine start systems Pressure transducers Repair, overhaul and spare parts	Commercial air transport, regional and general aviation Military aircraft	Chandler-Evans Hamilton Standard Lockheed Martin Lucas Parker
	Power management and generation systems	Electric, hydraulic and pneumatic power generation systems Exterior and interior lighting systems Power distribution and power management systems Pumps, starters, converters, controls, electrical actuation for flight surfaces Repair, overhaul and spare parts	Commercial, military, regional and general aviation aircraft Ground vehicles	Auxilec B.F. Goodrich Hella Lucas Parker Bertea Smiths Sundstrand Teleflex
	Aircraft landing systems	Wheels and brakes Friction products Brake control systems Wheel and brake overhaul services Aircraft landing systems integration	Commercial and military aircraft	Aircraft Braking Systems Dunlop B.F. Goodrich Messier-Bugatti Messier-Dowty