

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-3

FOR APPLICATIONS FOR QUALIFICATION OF INDENTURES UNDER THE
TRUST INDENTURE ACT OF 1939

ALLIEDSIGNAL INC.

(Name of Company)

101 Columbia Road
Morristown, NJ 07962-2497

(Address of Principal Executive Offices)

SECURITIES TO BE ISSUED UNDER THE INDENTURE TO BE QUALIFIED

TITLE OF CLASS	AMOUNT
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Debentures due June 1, 2033	\$100,000,000

APPROXIMATE DATE OF PROPOSED PUBLIC OFFERING: May 20, 1998.

NAME AND ADDRESS OF AGENT FOR SERVICE: Peter M. Kreindler, Esq., Senior Vice
President, General Counsel and Secretary, AlliedSignal Inc., 101 Columbia Road,
Morristown, New Jersey 07962-2497

The Company hereby amends this application for qualification on such date or
dates as may be necessary to delay its effectiveness until (i) the 20th day
after the filing of a further amendment which specifically states that it shall
supersede this amendment, or (ii) such date as the Securities and Exchange
Commission, acting pursuant to Section 307(c) of the Act, may determine upon the
written request of the Company.

GENERAL

1. GENERAL INFORMATION

(A) FORM OF ORGANIZATION: Corporation.

(B) STATE OR OTHER SOVEREIGN POWER UNDER THE LAWS OF WHICH ORGANIZED: Delaware.

2. SECURITIES ACT EXEMPTION APPLICABLE.

AlliedSignal Inc., a Delaware corporation (the "Company"), is relying upon the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 3(a)(9) thereunder, in connection with the Company's exchange offer as described herein (the "Exchange Offer"). The Exchange Offer is being made by the Company pursuant to its Offering Circular dated May 20, 1998 ("Offering Circular"), and the related Letter of Transmittal and Notice of Guaranteed Delivery of even date therewith, and consists of an offer to exchange the Company's \$100,000,000 Debentures due June 1, 2033 (the "New Debentures") for the Company's outstanding \$100,000,000 9 1/2% Debentures due June 1, 2016 (the "Old Debentures").

There have not been any sales of securities of the same series as the New Debentures or the Old Debentures by the Company, nor are there any such other sales planned, by or through an underwriter at or about the time of the Exchange Offer transaction.

The Company retained Deutsche Morgan Grenfell Inc. ("DMG") to advise the Company as to the structure, process and financial matters related to the Exchange Offer. DMG's services to the Company are limited solely to such advisory services, and DMG will not, directly or indirectly, solicit the exchange of Old Debentures for New Debentures under the Exchange Offer or otherwise make recommendations with respect to acceptance or rejection of the Exchange Offer. In exchange for such advisory services, DMG will be paid a flat fee which is not dependent upon the outcome of the transaction. DMG will not be paid any commission or similar variable type of remuneration.

The Company also has retained Georgeson & Company Inc. as the "Information Agent" and The Chase Manhattan Bank as the "Exchange Agent" in connection with the Exchange Offer. The Information Agent and Exchange Agent will provide to holders of Old Debentures only information otherwise contained in the Offering Circular and general information regarding the mechanics of the exchange process. The Exchange Agent will provide the actual acceptance and exchange services with respect to the exchange of Old Debentures and New Debentures. Neither the Information Agent nor the Exchange Agent will solicit exchanges in connection with the Exchange Offer and will not make recommendations as to the acceptance or rejection of the

Exchange Offer. Both the Information Agent and Exchange Agent will be paid reasonable fees directly by the Company for their services.

There are no cash payments made or to be made by any holder of the outstanding Old Debentures in connection with the Exchange Offer.

AFFILIATIONS

3. AFFILIATES. Furnish a list or diagram of all affiliates of the Company and indicate the respective percentages of voting securities or other bases of control.

The following is a list of direct and indirect subsidiaries and affiliates of the Company. Indirect subsidiaries and affiliates are indented and listed under their direct parent. Ownership indicated herein refers to the ownership of the direct parent. Unless otherwise indicated, the bases of control is ownership of equity securities.

AlliedSignal Inc.	
AS BAR LLC	100.000000%
Burbank Aircraft International GmbH	100.000000%
Harco Aerospace Fasteners, Ltd.	100.000000%
AS BAR PBH LLC	100.000000%
ASA Investments Inc.	100.000000%
ASI Specialty Chemicals, L.L.C.	100.000000%
UOP LLC	49.900000%
Nikki-Universal Co., Ltd.	50.000000%
Temperature Controlled Reactors L.L.C.	50.000000%
UOP Admin B.V.	100.000000%
UOP B.V.	100.000000%
UOP Canada Inc.	100.000000%
UOP Foreign Sales Corporation	100.000000%
UOP GmbH	100.000000%
UOP International Services Limited	99.700000%
UOP International Technology Limited	99.700000%
UOP Invest B.V.	100.000000%
UOP K.K.	100.000000%
UOP Limited	99.999900%
UOP France s.a.r.l.	100.000000%
UOP M.S. SpA	0.010000%
UOP M.S. SpA	99.990000%
UOP N.V.	99.997315%
UOP Pacific Ltd.	99.800000%
Shanghai UOP Ltd.	70.000000%

UOP Processos Industriais do Brasil Ltda.	99.987523%
UOP Spain, S.A.	14.980000%
Union Showa K.K.	50.000000%
Universal Oil Products Asia Pacific Pte. Ltd.	100.000000%
Universal Oil Products Company	100.000000%
Cataleasco, Inc.	100.000000%
Katalistiks International, Inc.	100.000000%
UOP Charitable Foundation, Inc.	100.000000%
UOP Equitec Services, Inc.	100.000000%
UOP Inc.	100.000000%
UOP Management Services, Inc.	100.000000%
UOP Management Services Ltd.	49.000000%
UOP Middle East Company	100.000000%
UOP Processes International, Inc.	100.000000%
UOP N.V.	0.002685%
UOP Processos Industriais do Brasil Ltda.	0.012477%
Aerospace Preforms Limited	100.000000%
Alliance Polymers Company	50.000000%
Allied Capital Management LLC	100.000000%
Allied Chemical Communications Company, Inc.	100.000000%
Allied Chemical Corporation	100.000000%
Allied Chemical Nuclear Products, Inc.	100.000000%
Allied-General Nuclear Services	50.000000%
Allied Technologies Corporation	100.000000%
Allied-Signal Aerospace Avionics Company	100.000000%
AlliedSignal Joint Venture Partnership	1.000000%
American Russian Integrated Avionics	67.700000%
Allied-Signal Energy Services, Inc.	100.000000%
Allied Fuel Energy Services Company, L.P.	42.500000%
Allied Fuel Services Company	51.000000%
ConverDyn (Partnership Interest)	50.000000%
Allied-Signal Environmental Services, Inc.	100.000000%
AlliedSignal Aerospace Pty Limited	0.010000%
AlliedSignal Aerospace Service Corporation	100.000000%
AlliedSignal Laminate Systems Technology Ltd.	0.000001%
AlliedSignal Canada Inc. (Preferred Stock)	100.000000%
Allied-Signal Automotive of Canada Inc.	100.000000%
AlliedSignal Aerospatiale Canada Inc.	100.000000%
AlliedSignal Chemicals Inc.	100.000000%
AlliedSignal China Inc.	100.000000%
AlliedSignal (Australia) Sales Limited	12.500000%
AlliedSignal Laminate Systems Technology Ltd.	0.000001%
Nittobo Norplex/Oak Co., Ltd.	0.000260%
AlliedSignal Environmental Catalysts Inc.	100.000000%
ASEC Manufacturing (Partnership Interest)	50.000000%

AS Catalizadores Ambientales, S.A. de C. V.	99.000000%
AlliedSignal Catalyseurs pour l'Environnement SAS	99.000000%
AlliedSignal Environmental Catalysts GmbH	100.000000%
ASEC Sales (Partnership Interest)	50.100000%
AS Catalizadores Ambientales, S.A. de C. V.	1.000000%
AlliedSignal Catalyseurs pour l'Environnement SAS	1.000000%
AlliedSignal Eurasia Ltd.	100.000000%
AlliedSignal Europe Inc.	100.000000%
AlliedSignal (Australia) Sales Limited	12.500000%
AlliedSignal Sistemas de Seguridad S.A.	0.000625%
AlliedSignal Europe [N.V.]	0.048784%
AlliedSignal Fluorochemicals Europe B.V.	100.000000%
AlliedSignal International Finance Corporation	100.000000%
ASIFCO (Suzhou) Inc.	100.000000%
Alchem Assurance Limited	100.000000%
Allied Chemical do Brasil Comercio e Participacoes, Ltda.	99.982790%
Allied Signal Italia S.p.A.	99.900000%
AlliedSignal Fluorochemicals Italia S.r.l.	100.000000%
AlliedSignal Sistemi di Sicurezza S.p.A.	99.950000%
Autoflug S.p.A.	100.000000%
Compagnia Costruzione Cinture S.p.A.	100.000000%
FIAAM Filter, S.p.A.	40.001259%
AFICO Filters	20.000000%
Arto Iberica S.A.	100.000000%
Coopers Filters, Ltd.	100.000000%
FIAAM Filter Germany GmbH	100.000000%
Fram Europe A.B.	100.000000%
Fram Europe B.V.	100.000000%
Coopers Filters Europe B.V.	100.000000%
Fram Europe Limited	100.000000%
Fram Filter France S.A.	99.850000%
Fram Filter, S.p.A.	100.000000%
AlliedSignal (Australia) Sales Limited	50.000000%
AlliedSignal (China) Investment Co., Ltd.	100.000000%
AlliedSignal (Kaiping) Industrial Fabrics Co. Ltd.	70.000000%
AlliedSignal (Kaiping) Industrial Fibers Co. Ltd.	70.000000%
AlliedSignal Amorphous Metals (Shanghai) Co., Ltd.	100.000000%
AlliedSignal Friction Materials (Guangzhou) Co., Ltd.	100.000000%
AlliedSignal Laminate Systems (Suzhou) Co., Ltd.	100.000000%
AlliedSignal TAECO Aerospace (Xiamen) Company Limited	65.000000%
AlliedSignal Turbocharging Systems (Shanghai) Co., Ltd.	100.000000%
CRIAA AlliedSignal (Nanjing) Aero Accessories Co.,	51.000000%

Ltd.	
Fenghua KBAS Automotive Air Compressor Co., Ltd.	35.000611%
AlliedSignal CATIC Engine (Suzhou) Co., Ltd.	56.000000%
AlliedSignal (Thailand) Co., Ltd.	99.970000%
Bendix (Thailand) Limited	46.880000%
AlliedSignal Aerospace Pty Limited	99.990000%
AlliedSignal Aerospace Pty Limited (Preferred Stock)	100.000000%
AlliedSignal Aerospace de Mexico S.A.	(less than 1%)
AlliedSignal Asahi Co., Ltd.	51.000000%
AlliedSignal Automotive Ltda. (Preferred Stock)	20.000000%
Knorr-Bremse Sistemas para Veiculos Comerciais Brasil Ltda.	35.000000%
AlliedSignal Automotive de Mexico, S.A. de C.V.	(less than 1%)
AlliedSignal Bremsbelag GmbH	10.000000%
AlliedSignal Aftermarket Europe B.V.	100.000000%
AlliedSignal Aftermarket Europe GmbH	100.000000%
AlliedSignal Aftermarket Europe [N.V.]	99.920000%
AlliedSignal Aftermarket Europe, Sverige AB	100.000000%
AlliedSignal Aftermarket Europe ApS	100.000000%
AlliedSignal Aftermarket Europe Norge AS	100.000000%
AlliedSignal Materiales de Friccion SA	100.000000%
Financiere AlliedSignal S.A.	1.891896%
AlliedSignal Fibers Europe S.A.S.	99.999996%
AlliedSignal Industrial Fibers S.A.	99.999260%
AlliedSignal Laminate Systems S.A.	99.988966%
AlliedSignal Materiaux de Friction SA	99.999717%
AlliedSignal Remanufacturing S.A.	75.000000%
AlliedSignal Servicos Industriais e Comerciais Portugal, Lda.	98.000000%
AlliedSignal Turbo S.A.	100.000000%
Garrett Finances S.N.C.	99.000000%
Turbo Services S.N.C.	99.000000%
Garrett Finances S.N.C.	1.000000%
Holt Lloyd Holdings S.A.	100.000000%
Holt Lloyd S.A.	100.000000%
Societe d'Etudes et de Constructions Aero-Navales, S.A. (Equity Share)	99.997619%
Enpro Secan (India) Private Limited	50.000000%
Jurid (U.K.) Ltd.	100.000000%
AlliedSignal Canada Inc.	99.577465%
AlliedSignal Carpet Fibers B.V.	100.000000%
AlliedSignal Europe [N.V.]	0.167259%
AlliedSignal European Services S.A.S.	10.000000%
AlliedSignal Filtros de Mexico S.A. de C.V.	0.000006%
AlliedSignal Foreign Sales Corporation	100.000000%
AlliedSignal Holdings Limited	99.999965%

Skyforce Avionics, Ltd.	100.000000%
AlliedSignal Aerospace GmbH	0.200000%
AlliedSignal Limited	100.000000%
AlliedSignal Holdings B.V.	54.900000%
Knorr-Bremse Systeme fuer Nutzfahrzeuge GmbH	35.000000%
Knorr Systemes pour Vehicules Utilitaires France S.A.	99.849194%
Knorr-Autobrzdy S.R.O.	67.000000%
Knorr-Bremse Benelux B.V.B.A.	99.000000%
Knorr-Bremse Fekrendszerék Kft.	100.000000%
Knorr-Bremse Italia, S.p.A.	99.344262%
Knorr-Bremse Sistemi per Autoveicoli Commerciali Italia S.p.A.	100.000000%
Knorr-Bremse System for Tunga Fordon AB	100.000000%
Knorr-Bremse Systems for Commercial Vehicles Limited	100.000000%
Knorr-Bremse U.K. Ltd.	100.000000%
Knorr-Bremse Systems for Commercial Vehicles Limited	100.000000%
Knorr-Orsan Ticari Arac, Sistemleri Limited, Sirketi	51.000000%
Dexbin, Ltd.	100.000000%
Allied Signal Italia S.p.A.	0.100000%
Allied-Signal Aerospace Limited	100.000000%
Fortin Laminating Limited	100.000000%
Garrett Automotive Limited	100.000000%
Garrett Turbo Services Limited	99.990000%
Turbocare Limited	100.000000%
Rajay Limited	50.000000%
Roto-Master Limited	50.000000%
Cheshire Castings Ltd.	100.000000%
Ferranti-Bendix Power Generation Limited	100.000000%
Holt Lloyd Group Limited	100.000000%
Autoclub Limited	100.000000%
Holt Lloyd Australasia Pty Limited	0.008000%
Kays Chemical Co. Limited	100.000000%
Holt Lloyd Holdings B.V.	100.000000%
Holt Lloyd Holdings Limited	100.000000%
Holt Lloyd Holdings B.V.	100.000000%
Holt Lloyd International Limited	100.000000%
Burnaby & Chantrell Limited	100.000000%
Carr & Day & Martin Limited	100.000000%
DCMC Industrial Aerosols Limited	100.000000%

Dupli-Color Limited	100.000000%
Flexiwrap Limited	100.000000%
Flexy Brushes Limited	100.000000%
Glassmatch Limited	100.000000%
Holt Lloyd & Raposa Limitada	35.000000%
Holt Lloyd Americas Limited	100.000000%
Holt Lloyd Australasia Pty Limited	99.992000%
Holt Lloyd Export Limited	100.000000%
Holt Lloyd Limited	100.000000%
Holt Lloyd Pension Trustees Ltd.	100.000000%
Holt Products Limited	100.000000%
MR Holt Product Pty Limited	100.000000%
Lloyds Industries (Molyslip) Limited	100.000000%
Lloyds Industries International Limited	100.000000%
Loy Plastics Limited	0.050000%
Nippon Kigyo KK	100.000000%
Radweld Engineering Company Limited	100.000000%
Loy Plastics Limited	99.950000%
Redex Limited	100.000000%
Romac Industries Limited	100.000000%
WH Cowie Limited	100.000000%
Holt Lloyd International Limited	100.000000%
Holt Lloyd S.p.A.	100.000000%
Holts Srl	100.000000%
Holt Lloyd Trustee Co. Ltd.	100.000000%
Simoniz International Limited	100.000000%
Holt Lloyd Group Limited	100.000000%
Klippan Automotive Products (U.K.) Limited	99.999007%
Normalair-Garrett (Holdings) Limited	48.000000%
Normalair-Garrett Limited	98.000000%
Normalair-Garrett Manufacturing Pty. Ltd.	99.996667%
Normalair-Garrett Pty. Ltd.	0.000800%
Normalair-Garrett Manufacturing Pty. Ltd.	0.003333%
Normalair-Garrett Pty. Ltd.	99.999200%
AlliedSignal Holdings Limited	99.999827%
AlliedSignal Holdings Limited (Preferred Stock)	- 99.999995%
AlliedSignal India Private Limited	99.999813%
AlliedSignal International Inc.	100.000000%
AlliedSignal (Australia) Sales Limited	12.500000%
AlliedSignal Inc. Japan	100.000000%
AlliedSignal Laminate Systems Technology Ltd.	0.000001%
Nittobo Norplex/Oak Co., Ltd.	0.000260%
AlliedSignal Ireland Limited	0.000035%
AlliedSignal International Services S.A.S.	75.000000%
AlliedSignal Ireland Software Limited	100.000000%

Holt Lloyd Limited (Ireland)	100.000000%
Iropharm plc	100.000000%
Iropharm plc	100.000000%
Jellalabad plc	100.000000%
AlliedSignal Korea Ltd.	100.000000%
AlliedSignal Laminate Systems Inc.	100.000000%
AlliedSignal Deutschland GmbH	100.000000%
AlliedSignal Aerospace GmbH	99.800000%
AlliedSignal Bremsbelag GmbH	90.000000%
AlliedSignal Chemical Holding AG	100.000000%
Riedel-de Haen AG	100.000000%
Lindener Volksbank e.G.	0.021249%
Niedersaechsische Gesellschaft fuer	0.250000%
Endablagerung von Sonderabfall mbH	
RdH Laborchemikalien GmbH & Co. KG	25.000000%
RdH Laborchemikalien	25.000000%
Verwaltungs-GmbH	
Riedel-de Haen Sozialhilfe GmbH	100.000000%
Riedel-de Haen AG	100.000000%
Riedel-de Haen AG	100.000000%
AlliedSignal Laminate Systems GmbH	100.000000%
AlliedSignal Polymers GmbH	100.000000%
AlliedSignal Specialty Chemicals GmbH	100.000000%
Holt Lloyd Holdings GmbH	100.000000%
Holt Lloyd GmbH	100.000000%
Holt Lloyd Kfz-pflegemittel Export GmbH	100.000000%
AlliedSignal Europe [N.V.]	99.783957%
AlliedSignal Laminate Systems (Thailand) Company	99.998600%
Limited	
AlliedSignal Laminate Systems Pacific Limited	99.999971%
AlliedSignal Laminate Systems Singapore Inc.	100.000000%
AlliedSignal Laminate Systems Technology Ltd.	0.000001%
AlliedSignal Laminate Systems Technology Ltd.	99.999992%
AlliedSignal Technologies Inc.	0.600000%
AlliedSignal Automotive Ltda.	59.999872%
Asahi-Schwebel (Taiwan) Co., Ltd.	49.000446%
Asia Pacific Resin Corporation	25.000000%
Financiere AlliedSignal S.A.	25.637718%
Nittobo Norplex/Oak Co., Ltd.	49.999221%
Oak-Mitsui (Partnership Interest)	50.100000%
Oak-Mitsui Inc.	50.100016%
AlliedSignal Laminate Systems Pacific Limited	0.000029%
AlliedSignal Laminate Systems Technology Ltd.	0.000001%
AlliedSignal Materiaux de Friction SA	0.000040%
AlliedSignal Productos Automotrices, S.A. de C.V.	0.000009%
AlliedSignal Romania Srl	100.000000%

AlliedSignal Singapore (Pte.) Limited	100.000000%
AlliedSignal Sistemas de Seguridad S.A.	99.999375%
AlliedSignal Sogefi Aftermarket Europe B.V.	65.000000%
AlliedSignal TBS Holdings, Inc.	0.830000%
AlliedSignal Truck Brake Systems Company (Partnership Interest)	65.000000%
AlliedSignal TBS Canada Inc.	100.000000%
AlliedSignal Truck Brake Systems Foreign Sales Corp.	100.000000%
AlliedSignal Technologies Inc. (Preferred Stock)	100.000000%
AlliedSignal Waterford Limited	100.000000%
AlliedSignal European Services S.A.S.	90.000000%
AlliedSignal International Services S.A.S.	25.000000%
AlliedSignal de Mexico, S.A. de C.V.	88.814772%
AlliedSignal Aerospace de Mexico S.A.	10.000000%
AlliedSignal Automotivo de Mexico, S.A. de C.V.	99.999999%
AlliedSignal Filtros de Mexico S.A. de C.V.	99.999994%
AlliedSignal Productos Automotrices, S.A. de C.V.	99.999991%
CEA AlliedSignal Aircraft Wheels and Brakes Repair and Overhaul Co., Ltd. Shanghai	60.000000%
Financiere AlliedSignal S.A.	72.391556%
Garrett Turbo Inc.	100.000000%
Garrett Turbochargers Ltd.	51.428571%
Goodproud	100.000000%
Holt Lloyd Limited	100.000000%
Holt Lloyd S.A. (Spain)	100.000000%
Holts Pty Limited	100.000000%
Holt Lloyd International (South Africa) Pty Limited	100.000000%
Turtleline (Pty) Limited	100.000000%
Industrial Turbines International, Inc.	15.398152%
Industrial Turbines International, Inc. (Preferred Stock)	8.798686%
JKC Truck Brake Systems Co., Ltd.	17.500000%
Musashi Holt KK	80.000000%
Nittobo Norplex/Oak Co., Ltd.	0.000260%
AlliedSignal Ireland Limited	99.999965%
AlliedSignal Joint Venture Partnership	99.000000%
AlliedSignal Leasing Company L.P. (Partnership Interest)	1.000000%
AlliedSignal Materiaux de Friction SA	0.000040%
AlliedSignal Power Systems Inc.	100.000000%
AlliedSignal Singapore Inc.	100.000000%
AlliedSignal Specialty Chemicals (S) Pte Ltd	100.000000%
AlliedSignal TBS Holdings, Inc.	87.020000%
AlliedSignal Technical Services Corporation	100.000000%
AlliedSignal (Australia) Sales Limited	12.500000%
AlliedSignal Laminate Systems Technology Ltd.	0.000001%
AlliedSignal Technologies Inc.	99.400000%

AlliedSignal Transportation Inc.	100.000000%
AlliedSignal de Mexico, S.A. de C.V.	10.818360%
AlliedSignal-Asiatic Pte Ltd	60.000000%
American Russian Integrated Avionics Corporation	67.700000%
Astor Holdings, Inc.	100.000000%
Astor Holdings II, Inc.	100.000000%
ABI Acquisition 1 plc. (Preferred Stock)	99.999907%
ABI Acquisition 2 plc.	99.999907%
Associated British Industries Limited	99.999972%
Astor Stag Limited	99.998428%
Astor Stag S.A.	100.000000%
Astor Stag S.A.R.L.	100.000000%
Stag Francaise S.A.	100.000000%
ABI Acquisition 2 plc. (Ordinary Non-Voting)	100.000000%
ABI Corporation	100.000000%
Astor Corporation (Preferred Stock)	100.000000%
ABI Acquisition 1 plc.	100.000000%
Petrofin Corporation	66.500000%
Astor Corporation	100.000000%
Avcon, Inc.	14.906416%
Bendix Electronic Service Corporation de Espana, S.A.	70.000000%
Bendix Leasing Company	100.000000%
Bendix Mintex Pacific Proprietary Limited	50.000000%
Bendix (Thailand) Limited	6.250000%
Don Brake (Australia) Pty Limited	100.000000%
Don Brake (Malaysia) Sdn Bhd	100.000000%
Bendix Mintex Proprietary Limited	50.999987%
Bendix Mintex Employees Superannuation Pty Ltd.	100.000000%
Bendix Mintex Executive Superannuation Pty Ltd	100.000000%
Bendix Mintex Staff Superannuation Pty Ltd	100.000000%
Bendix Products Corporation	100.000000%
Bunker Ramo Electronic Data Systems S.A.	100.000000%
Burdick & Jackson, Inc.	100.000000%
CFE Company (Partnership Interest)	50.000000%
Compania Industrial de Fluorita, S.A.	40.000000%
Compania Metalurgica de Parral, S.A.	40.000000%
Don Brake (Malaysia) Sdn Bhd	50.000000%
EM Sector Holdings Inc.	100.000000%
JGC Corporation	0.010000%
UOP Asia Ltd.	100.000000%
UOP Inter-Americana, Inc.	100.000000%
UOP LLC (LLC Membership Interest)	0.100000%
Evergreen Nylon Recycling Company, LLC	50.000000%
Garrett Comtronics Licensing Corporation	85.000000%
Globe Auto Electricals, Ltd.	25.700000%
Grimes Holdings Inc.	100.000000%

MRC Acquisition Corporation	100.000000%
Grimes Aerospace Company	100.000000%
Cambridge Thermionic Corp.	100.000000%
Cambridge Thermionic of Canada, Ltd.	100.000000%
FL Aerospace, Ltd.	100.000000%
M-R Development Company	100.000000%
MRC Acquisition Corp. No. 3	100.000000%
Midland Industries, Inc.	100.000000%
Midland Preferred Corp.	100.000000%
Midland-Ross International Corp.	100.000000%
Midland-Ross Trading Corporation	100.000000%
Midland-Ross of Canada, Ltd.	100.000000%
MidroLtd.	100.000000%
Nasco Enterprises	100.000000%
H-D Polymer Corporation	100.000000%
AlliedSignal Polymer Company, L.P.	98.000000%
AlliedSignal Leasing Company L.P. Interest)	99.000000%
Hankuk Brake Industrial Co., Ltd.	48.999859%
HoltraChem Manufacturing Company, L.L.C.	36.000000%
Industrial Turbines International, Inc.	84.601848%
Industrial Turbines International, Inc. (Preferred Stock)	45.845554%
International Auto Parts Limited (a/k/a Interzapchast)	33.333333%
International Turbine Engine Corporation	80.328053%
Investech (Partnership Interest)	3.630000%
Jidosha Kiki Co., Ltd.	4.642580%
Aruma Engineering Co., Ltd.	100.000000%
JKC-USA Corporation	100.000000%
Niigata Technos Co., Ltd.	100.000000%
Technos Co., Ltd.	100.000000%
Trondule Co., Ltd.	100.000000%
King Radio S.A.	95.000000%
Klippan N.V.	100.000000%
LG AlliedSignal Corporation	50.000000%
LORI, Inc.	100.000000%
Lori Asia Pte. Ltd.	100.000000%
Lorimark, Inc.	100.000000%
Light Helicopter Turbine Engine Company (Partnership Interest)	50.000000%
Nanoglass LLC	50.000000%
Nippon Amorphous Metals Co., Ltd.	50.000000%
Nirlon Limited	1.900361%
Nitto Boseki Co., Ltd.	0.010000%
Norplex Oak India Limited	20.000000%
Opex Corporation	100.000000%
AlliedSignal Polymer Company, L.P.	2.000000%

Pacific BBA Ltd.	(less than 1%)
Prestolite of India, Ltd.	33.330000%
Prestone Holdings Inc.	100.000000%
Prestone Products Corporation	100.000000%
AlliedSignal Canada Inc.	0.422535%
Quimobasicos, S.A. de C.V.	100.000000%
Propelentes Mexicanos, S.A.	80.000000%
Quimobasicos, S.A. de C.V.	100.000000%
Realdix Corporation	100.000000%
Remtex Mfg., Inc.	100.000000%
AlliedSignal TBS Holdings, Inc.	12.150000%
AlliedSignal de Mexico, S.A. de C.V.	0.366867%
Rubix	50.000000%
Rumford Automotive Products Co.	100.000000%
SN-Centro de Pesquisas e Promocao de Sulfato de Amonio Ltda.	99.989246%
Shenco Limited (Partnership Interest)	90.000000%
Technofan	3.266099%
The Bendix Corporation	100.000000%
Transitions Two (Partnership Interest)	5.740000%
Turbo Services S.N.C.	1.000000%
Turbodina S.A.I.y.C.	77.977843%
USHA Amorphous Metals, Ltd.	50.000000%
Universal Assets Inc.	50.000000%
Universal Assets Inc. (Preferred Stock)	29.333333%

MANAGEMENT AND CONTROL

4. DIRECTORS AND EXECUTIVE OFFICERS. List the names and complete mailing addresses of all directors and executive officers of the applicant and all persons chosen to become directors or executive officers. Indicate all offices with the applicant held or to be held by each person named.

The names of the directors and executive officers of the Company are set forth below. The mailing address of each of the directors and executive officers is 101 Columbia Road, Morristown, NJ 07962.

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Hans W. Becherer           Director
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Lawrence A. Bossidy       Director, Chairman and Chief Executive Officer
-----
Daniel P. Burnham         Director and Vice Chairman
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Ann M. Fudge              Director
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Paul X. Kelley            Director
-----
Robert P. Luciano         Director
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Robert B. Palmer	Director
Russell E. Palmer	Director
Frederic M. Poses	Director and Vice Chairman
Ivan G. Seidenberg	Director
Andrew C. Sigler	Director
John R. Stafford	Director
Thomas P. Stafford	Director
Robert C. Winters	Director
Henry T. Yang	Director
Peter M. Kreindler	Senior Vice President, General Counsel and Secretary
Joseph B. Leonard	Senior Vice President and President, Aerospace Marketing, Sales and Service
Paul J. Norris	Senior Vice President and President, Specialty Chemicals
Donald J. Redlinger	Senior Vice President, Human Resources and Communications
Paul R. Schindler	Senior Vice President, Europe, India and the Middle East
Richard F. Wallman	Senior Vice President and Chief Financial Officer

5. PRINCIPAL OWNERS OF VOTING SECURITIES. Furnish the following information as to each person owning 10 percent or more of the voting securities of the applicant. As of April 30, 1998. based on information supplied by such 10% owner in a Schedule 13G, as of December 31, 1997:

NAME AND COMPLETE MAILING ADDRESS	TITLE OF CLASS OWNED	AMOUNT OWNED	PERCENTAGE OF VOTING SECURITIES OWNED
State Street Bank & Trust Company	Common Stock, par value \$1 per share	69,261,968	12.3

UNDERWRITERS

6. UNDERWRITERS. Give the name and complete mailing address of (a) each person who, within three years prior to the date of filing the application, acted as an underwriter of any securities of the obligor which were outstanding on the date of filing the application, and (b) each proposed principal underwriter of the securities proposed to be offered. As to each person specified in (a), give the title of each class of securities underwritten. There are no underwriters of the securities proposed to be offered in the Exchange Offer. Following are the underwriters identified in Section 6(a) hereof:

A. The following were the underwriters in the Company's issuance of \$100 million of 6.75% Notes due August 15, 2000:

Goldman, Sachs & Co.
J.P. Morgan Securities Inc.
Salomon Brothers Inc.

The mailing address for the above underwriters is: 55 Broad Street, New York, NY 10004.

B. The following were the underwriters in the Company's issuance of \$200 million of 6.20% Notes due February 1, 2008:

Goldman, Sachs & Co.
J.P. Morgan Securities Inc.
Salomon Brothers Inc.

The mailing address for the above underwriters is: 55 Broad Street, New York, NY 10004.

C. The following were the underwriters in the Company's issuance of \$200 million of 5 3/4% remarketable securities due 2011:

J.P. Morgan Securities Inc.
Goldman, Sachs & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated

The mailing address for the above underwriters is: 60 Wall Street, New York, NY 10260.

CAPITAL SECURITIES

7. CAPITALIZATION. (a) Furnish the following information as to each authorized class of securities of the applicant.

The following table sets forth the consolidated capitalization of the Company as of April 30, 1998.

(i) Equity Securities:

Title of Class -----	Amount Authorized -----	Amount Outstanding -----
Common Stock \$1 par value	1,000,000,000 shares	563,714,332

Preferred Stock	20,000,000 shares	none
No par value		

(ii) Debt Securities:	Authorized and Outstanding (in millions)
-----	-----
Employee stock ownership plan floating rate notes, 4.29%-4.71%, due 1998-1999	\$ 48
6.75% notes due August 15, 2000	100
9 7/8% debentures due June 1, 2002	250
9.20% debentures due February 15, 2003	100
Medium term notes, 8.93%-9.28%, due 1999-2001	69
Zero coupon bonds and money multiplier notes, 13.0%-14.26%, due 1998-2009	164
9 1/2% debentures due June 1, 2016	100
Industrial development bond obligations, 3.15%-6.75%, maturing at various dates through 2027	105
6.20% notes due February 1, 2008	200
5 3/4% Dealer remarketable securities due 2011	200
Other (including capitalized leases), 1.54%-12.42%, maturing at various dates through 2016	249

(b) Give a brief outline of the voting rights of each class of voting securities referred to in paragraph (a) above.

Common shareowners are entitled to one vote per share. Common shareowners do not have preemptive or conversion rights. The Company may establish series of preferred stock having such number of shares and such terms as it may determine.

8. ANALYSIS OF INDENTURE PROVISIONS. Insert at this point the analysis of indenture provisions required under Section 305(a)(2) of the Trust Indenture Act of 1939, as amended.

For purposes of this Section 8, the "Indenture" shall refer to the Indenture, dated as of October 1, 1985, by and between AlliedSignal Inc. and The Chase Manhattan Bank, as

Trustee (the "Trustee"), as supplemented by the First Supplemental Indenture dated as of February 1, 1991 and by the Second Supplemental Indenture dated as of November 1, 1997. Other capitalized but otherwise undefined terms shall have the meanings ascribed thereto in the Indenture or the Offering Circular.

(A) EVENTS OF DEFAULT

Events of Default with respect to any series of Debentures under the Indenture include: (a) default in payment of any principal of or premium, if any, on such series, except for principal due upon sinking fund redemptions; (b) default in the payment of any installment of interest or sinking fund redemption, if any, on such series and continuance of such default for a period of 30 days; (c) default for 90 days after notice in the performance of any other covenant in the Indenture; or (d) certain events of bankruptcy, insolvency or reorganization in respect of the Company (Section 501). The Trustee may withhold notice to the holders of Debentures of any default (except in the payment of principal of or premium, if any, or interest on such series of Debentures) if it considers such withholding to be in the interest of holders of Debentures (Section 508). No Event of Default with respect to a particular series of Debentures issued under the Indenture necessarily constitutes an Event of Default with respect to any other series of Debentures.

On the occurrence of an Event of Default, the Trustee or the holders of at least 25% in principal amount at maturity of Debentures of each such series then outstanding may declare the principal (or in the case of Debentures sold at an original issue discount, the amount specified in the terms thereof) to be due and payable immediately (Section 501). Upon payment of such amount, together with any premium or interest due thereon, if any, all the Company's obligations in respect to payment of indebtedness on such Debentures will terminate (Sections 401, 501 and 502).

Subject to provisions relating to its duties in case of default, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any holders of Debentures unless such holders of Debentures shall have offered to the Trustee reasonable indemnity (Section 603).

(B) AUTHENTICATION AND DELIVERY

The New Debentures shall be executed on behalf of the Company by its Chairman of the Board, its President or one of its Vice Presidents, its Treasurer or one of its Assistant Treasurers, under the Company's corporate seal reproduced thereon and attested by the Secretary or one of the Assistant Secretaries. Upon proper delivery of New Debentures to the Trustee for authentication, the Trustee shall authenticate and deliver such securities. The Indenture does not contain provisions regarding the application of the proceeds from issuance of the New Debentures (Section 303).

(C) RELEASE OF PROPERTY SUBJECT TO LIEN

The Company's obligations under the New Debentures are not secured by any liens or security interests on any assets of the Company. Accordingly, the Indenture does not contain any provisions with respect to the release or the release and substitution of any property subject to such a lien.

(D) SATISFACTION AND DISCHARGE

The Indenture shall cease to be of further effect with respect to the Debentures of any series when (1) either: (i) all the Debentures of such series and Coupons appertaining thereto issued under the Indenture (except certain Debentures which have been destroyed, lost or stolen and certain Debentures and Coupons for whose payment money has theretofore been deposited in trust, held by the Company and repaid or discharged from such trust) have been delivered to the Trustee or an authenticating agent cancelled or for cancellation, or (ii) all such Debentures and Coupons have become due and payable or will become due and payable at their Stated Maturity, or have been called for redemption, and the Company has deposited in trust funds sufficient to pay off and discharge such Debentures and Coupons; (2) the Company has paid or caused to be paid all other sums required to be paid under the Indenture; and (3) the Company has delivered an appropriate officer's certificate and opinion of counsel to the Trustee stating that all conditions precedent therein provided for relating to the satisfaction and discharge of the Indenture with respect to the Debentures of such series have been complied with (Section 401).

(E) EVIDENCE OF COMPLIANCE WITH CONDITIONS AND COVENANTS

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year, a written statement stating (i) whether or not the Company has fulfilled all its obligations under the Indenture throughout the year, and if a default has occurred, providing details as to the circumstances of such default(s), and (ii) that no event has occurred and is continuing which is or would become a certain Event of Default, and if such an event has occurred, providing details as to the circumstances of such default(s) (Section 1004).

9. OTHER OBLIGORS. Give the name and complete mailing address of any person, other than the applicant, who is an obligor upon the indenture securities.

No other person is an obligor with respect to the New Debentures.

CONTENTS OF APPLICATION FOR QUALIFICATION

This application for qualification comprises:

- (a) Pages numbered one to 19, consecutively;
- (b) The statement of eligibility and qualification of the Trustee under the Indenture to be qualified (on Form T-1 hereby incorporated by reference to Exhibit 99 attached hereto);
- (c) The following exhibits, in addition to those filed as a part of the statement of eligibility and qualification of the trustee:
 - (i) Exhibit T3A -- The Company's Restated Certificate of Incorporation (incorporated by reference to Exhibit 3(i) to the Company's Form 10-Q for the quarter ended March 31, 1997);
 - (ii) Exhibit T3B -- The Company's Bylaws, as amended (incorporated by reference to Exhibit 3(ii) to the Company's Form 10-Q for the quarter ended March 31, 1996);
 - (iii) Exhibit T3C.1 -- Indenture between the Company and The Chase Manhattan Bank (National Association), Trustee, dated as of October 1, 1985. (Incorporated by reference to Exhibit 4(b) to Registration Statement No. 33-04551);
 - (iv) Exhibit T3C.2 -- First Supplemental Indenture dated as of February 1, 1991 between the Company and The Chase Manhattan Bank (National Association), as Trustee;
 - (v) Exhibit T3C.3 -- Second Supplemental Indenture dated as of November 1, 1997 between the Company and The Chase Manhattan Bank, as Trustee (Incorporated by reference to Exhibit 4.5 to Amendment No. 2 to Registration Statement No. 33-64245);
 - (vi) Exhibit T3D -- Not applicable;
 - (vii) Exhibit T3E.1 -- Offering Circular, dated as of May 20, 1998;
 - (viii) Exhibit T3E.2 -- Letter of Transmittal, dated as of May 20, 1998

- (ix) Exhibit T3E.3 -- Form of Notice of Guaranteed Delivery, dated as of May 20, 1998
- (x) Exhibit T3F -- Cross-Reference Sheet;
- (xi) Exhibit 99 -- Form T-1 of The Chase Manhattan Bank.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Company, AlliedSignal Inc., a corporation organized and existing under the laws of the State of Delaware, has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized, and its seal to be hereunto affixed and attested, all in the Township of Morris, and State of New Jersey, on the 20th day of May, 1998.

(SEAL)

ALLIEDSIGNAL INC.

By: /s/ Peter M. Kreindler

Name: Peter M. Kreindler
Title: Senior Vice President,
General Counsel and Secretary

Attest: /s/ Dennis R. Marshall

Name: Dennis R. Marshall
Title: Assistant Secretary

STATEMENT OF DIFFERENCE

The section symbol shall be expressed as 'SS'

FIRST SUPPLEMENTAL INDENTURE, dated as of February 1, 1991, between ALLIED-SIGNAL INC., a Delaware corporation (hereinafter called the "Corporation"), and The Chase Manhattan Bank (National Association), a national banking association organized and existing under the laws of the United States of America (hereinafter called the "Trustee").

WHEREAS, the Corporation and the Trustee entered into an Indenture, dated as of October 1, 1985 (hereinafter the "Original Indenture"), providing for the creation, execution, authentication and delivery of certain Debentures of the Corporation;

WHEREAS, the Corporation has requested the Trustee to join with it in the execution and delivery of this First Supplemental Indenture in order to supplement and amend the Original Indenture, by amending and adding certain provisions thereof, to facilitate the issuance of Debentures constituting medium term notes and to permit the Corporation to require, if it shall so elect, that the Debentures of any series be issued, in whole or in part, in the form of one or more Global Debentures (as defined herein);

WHEREAS, SECTION 901 of the Original Indenture provides, among other things, that the Corporation, when authorized by the Board of Directors and the Trustee, may

from time to time and at any time enter into an indenture or indentures supplemental to the Original Indenture for the purpose, inter alia, of making additional provisions in regard to matters or questions arising thereunder as shall not adversely affect the interests of the Holders of any series or the Holders of any Coupons;

WHEREAS, the Corporation and the Trustee are desirous of entering into this First Supplemental Indenture for the purposes set forth in Section 901 of the Original Indenture as referred to above; and

WHEREAS, all acts and things necessary to cause this First Supplemental Indenture to be a valid, binding and legal instrument of the Corporation have been done and performed by the Corporation, and the execution and delivery of this First Supplemental Indenture have in all respects been duly authorized by the Corporation, and the Corporation, in the exercise of the legal right and power in it vested, executes this First Supplemental Indenture.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE

WITNESSETH:

For and in consideration of the premises and the covenants herein contained and the purchase and acceptance of the Debentures issued hereunder by the Holders thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Corporation covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Debentures, as follows:

ARTICLE ONE

DEFINITIONS

Except as otherwise defined in or amended by this First Supplemental Indenture, each capitalized term used herein shall have the meaning assigned thereto in the Original Indenture.

ARTICLE TWO

MODIFICATIONS OF THE ORIGINAL INDENTURE

A. Section 101 of the Original Indenture is amended to add new definitions thereto, in the appropriate

alphabetical sequence, as follows:

"'Depository' means, unless otherwise specified by the Corporation pursuant to either Section 203 or 302, with respect to Debentures of any series issuable or issued as a Global Debenture, The Depository Trust Company, New York, New York, or any successor thereto registered as a clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation."

"'Global Debenture' means, with respect to any series of Debentures issued hereunder, a Debenture which is executed by the Corporation and authenticated and delivered by the Trustee to the Depository or pursuant to the Depository's instruction or retained by the Trustee pursuant to the Depository's instruction, all in accordance with this Indenture and any indenture supplemental hereto, if any, or Board Resolution and pursuant to a Corporation Request, which shall be registered in the name of the Depository or its nominee and which shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all of the Outstanding Debentures of such series or any portion thereof, in either case having the same terms, including, without limitation, the same original issue date, date or dates on which principal is due, and interest rate or method of determining interest."

B. Section 101 of the Original Indenture is further amended by amending the definition of "Corporate Trust Office" to read in its entirety as follows:

"'Corporate Trust Office' means the principal office of the Trustee in the The City of New York at which at any particular time its corporate trust business shall be administered, except that with respect to presentation of Debentures for payment or for registration of transfer or exchange and the location of the Debenture Register, such term shall mean the office or agency of the Trustee in The City of New York at which, at any particular time, its corporate agency business shall be conducted."

C. Section 101 of the Original Indenture is further amended to add to the definition of the term "Paying Agent", after the word "Corporation", the following:

"The Corporation initially authorizes the Trustee to act as Paying Agent for the Debentures on its behalf. The Corporation may at any time and from time to time authorize one or more Persons to act as Paying Agent in addition to or in place of the Trustee with respect to any series of Debentures issued under this Indenture."

D. Article Two of the Original Indenture is amended to add a new Section 203, which reads in its entirety as follows:

"SECTION 203. Debentures Issuable in the Form of a Global Debenture. (a) If the Corporation shall establish pursuant to Sections 201 and 302 that the Debentures of a particular series are to be issued in whole or in part in the form of one or more Global Debentures, then the Corporation shall execute and the Trustee or its agent shall, in accordance with Section 303 and the Corporation Request delivered to the Trustee or its agent thereunder, authenticate and deliver, such Global Debenture or Debentures, which (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, the Outstanding Debentures of such series to be represented by such Global Debenture or Debentures, or such portion thereof as the Corporation shall specify in a Corporation Request, (ii) shall be registered in the name of the Depository for such Global Debenture or Debentures or its nominee, (iii) shall be delivered by the Trustee or its agent to the Depository or pursuant to the Depository's instruction or retained by the Trustee pursuant to the Depository's instruction and (iv) shall bear a legend substantially to the following effect: 'Unless and until it is exchanged in whole or in part for the individual Debentures represented hereby this Global Debenture may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository

or any such nominee to a successor Depository or a nominee of such successor Depository.'

(b) Notwithstanding any other provision of this Section 203 or of Section 306, and subject to the provisions of paragraph (c) below, unless the terms of a Global Debenture expressly permit such Global Debenture to be exchanged in whole or in part for individual Debentures, a Global Debenture may be transferred, in whole but not in part and in the manner provided in Section 306, only to a nominee of the Depository for such Global Debenture, or to the Depository, or to a successor Depository for such Global Debenture selected or approved by the Corporation, or to a nominee of such successor Depository.

(c) (i) If at any time the Depository for a Global Debenture notifies the Corporation that it is unwilling or unable to continue as Depository for such Global Debenture or if at any time the Depository with respect to any series of Debentures represented in whole or in part by a Global Debenture shall no longer be eligible or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Corporation shall appoint a successor Depository with respect to such Global Debenture. If a successor Depository for such Global Debenture is not appointed by the Corporation within 90 days after the Corporation receives such notice or becomes aware of such ineligibility, the Corporation will execute, and the Trustee or its agent, upon receipt of a Corporation request for the authentication and delivery of individual Debentures of such series in exchange for such Global Debenture, will authenticate and deliver, individual Debentures of such series of like tenor and terms in an aggregate principal amount equal to the principal amount of such Global Debenture in exchange for such Global Debenture.

(ii) The Corporation may at any time and in its sole discretion determine that the Debentures of any series or portion thereof issued or issuable in the form of one or more Global Debentures shall no longer be represented by such Global Debenture or Debentures. In such event the Corporation will execute, and the Trustee, upon receipt of a Corporation Request for the authentication and delivery of individual Debentures of such series in exchange in whole or in part for such Global Debenture or Debentures, will authenticate and

deliver, individual Debentures of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Debenture or Debentures representing such series or portion thereof in exchange for such Global Debenture or Debentures.

(iii) If specified by the Corporation pursuant to Sections 201 and 302 with respect to Debentures issued or issuable in the form of a Global Debenture, the Depository for such Global Debenture may surrender such Global Debenture in exchange in whole or in part for individual Debentures of such series of like tenor and terms in definitive form on such terms as are acceptable to the Corporation and such Depository. Thereupon the Corporation shall execute, and the Trustee or its agent shall authenticate and deliver, without service charge, (1) to each Person specified by such Depository a new Debenture or Debentures of the same series of like tenor and terms and of any authorized denomination as requested by such Person in aggregate principal amount equal to and in exchange for such Person's beneficial interest in such Global Debenture and (2) to such Depository a new Global Debenture of like tenor and terms and in an authorized denomination equal to the difference, if any, between the principal amount of the surrendered Global Debenture and the aggregate principal amount of Debentures delivered to Holders thereof.

(iv) In any exchange provided for in any of the preceding three paragraphs, the Corporation will execute, and the Trustee or its agent will authenticate and deliver, individual Debentures in definitive registered form in authorized denominations. Upon the exchange of the entire principal amount of a Global Debenture for individual Debentures, such Global Debenture shall be cancelled by the Trustee or its agent. Except as provided in the preceding paragraph, Debentures issued in exchange for a Global Debenture pursuant to this Section shall be registered in such names and in such authorized denominations as the Depository for such Global Debenture, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee or the Debenture Registrar. The Trustee or the Debenture Registrar shall deliver such Debentures to the Persons in whose names such Debentures are so registered."

E. Section 302 of the Original Indenture is amended to (i) redesignate paragraph (o) as paragraph (p) and (ii) add a new paragraph (o) as follows:

"(o) issuance in whole or in part in the form of a Global Debenture or Debentures; the terms and conditions, if any, upon which any such Global Debenture or Debentures may be exchanged in whole or in part for other individual Debentures; and the Depository for any such Global Debenture or Debentures; and"

F. The first paragraph of Section 306 of the Original Indenture is amended by amending the second sentence of such paragraph to read in its entirety as follows:

"The Trustee is hereby initially appointed "Debenture Registrar" for the purpose of registering Registered Debentures and transfers of Registered Debentures as herein provided; provided, however, that the Corporation may at any time and from time to time authorize any Person to act as Debenture Registrar in place of the Trustee with respect to any series of Debentures issued under this Indenture.

G. The second paragraph of Section 306 of the Original Indenture is amended to add the words "Subject to Section 203," before the word "Upon" in the first sentence of such paragraph.

H. The third paragraph of Section 306 of the Original Indenture is amended to add the words "Subject to Section 203," before the words "At the option of the Holder thereof" in both the first and second sentences of such paragraph.

I. The following paragraph is added at the end of Section 306 of the Original Indenture:

"None of the Corporation, the Trustee, any agent of the Trustee, any Paying Agent or the Debenture Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Debenture or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests."

J. Article Three of the Original Indenture is amended to add a new Section 314, which reads in its entirety as follows:

"Section 314. Debentures Constituting Medium-term Notes. (a) Notwithstanding any contrary provision herein, if all Debentures of a series are not to be originally issued at one time, it shall not be necessary for the Corporation to deliver to the Trustee an Officers' Certificate, supplemental indenture, Opinion of Counsel, Corporation Request or other document otherwise required pursuant to Sections 102, 201, 302 and 304 at or prior to the time of authentication of each Debenture of such series if such documents are delivered to the Trustee or its agent at or prior to the authentication upon original issuance of the first Debenture of such series to be issued; provided that any subsequent instruction by the Corporation to the Trustee to authenticate Debentures of such series upon original issuance shall constitute a representation and warranty by the Corporation that as of the date of such instruction, the statements made in the Officers' Certificate delivered pursuant to Section 102 shall be true and correct as if made on such date.

An Officers' Certificate delivered by the Corporation to the Trustee in the circumstances set forth in the preceding paragraph may provide that Debentures which are the subject thereof will be authenticated and delivered by the Trustee or its agent on original issue from time to time upon the telephonic or written order of Persons designated in such Officers' Certificate (any such telephonic

instructions to be promptly confirmed in writing by such persons) and that such Persons are authorized on behalf of the Pricing Committee to determine, consistent with such Officers' Certificate, such terms and conditions of said Debentures as are specified in such Officers' Certificate."

(b) Notwithstanding any contrary provision herein, (i) Debentures of the series referred to as "Medium-Term Notes, Series A" (which Debentures are described in the Prospectus Supplement dated February 1, 1991, to the Company's Prospectus dated November 14, 1988) shall not be required to be identical as set forth in the third sentence of Section 301, provided, however, that all Debentures of such series shall be identical in respect of covenants and Events of Default, and (ii) the terms of any Debenture of such series may be determined at the time of issuance of such Debenture by the Pricing Committee (or by any Person authorized to determine such terms on behalf of the Pricing Committee).

K. Article Five of the Original Indenture is amended to add a new Section 511, which reads in its entirety as follows:

"SECTION 511. Record Dates for Action by Holders. If the Corporation shall solicit from the Holders of Debentures of any series any action (including the making of any demand or request, the giving of any direction, notice, consent or waiver or the taking of any other action), the Corporation may, at its option, by Board Resolution or action taken by the Pricing Committee, fix in advance a record date for the determination of Holders of Debentures entitled to take such action, but the Corporation shall have no obligation to do so. Any such record date shall be fixed at the Corporation's discretion. If such a record date is fixed, such action may be sought or given before or after the record date, but only the Holders of Debentures of record at the close of business on such record date shall be deemed to be Holders of Debentures for the purpose of determining whether Holders of the requisite proportion of Debentures of such series Outstanding have authorized or agreed or consented to such action, and for that purpose the Debentures of such series Outstanding shall be computed as of such record date."

L. The second paragraph of Section 1102 of the Original Indenture is amended to add the words "(or, in the case of any Global Debenture, the Depository)" after the words "the Holder" and before the words "the Trustee" in the third sentence of such paragraph.

M. The fourth paragraph of Section 1102 of the Original Indenture is amended to add the words "of like tenor and terms" after the words "the Debentures" and before the words "are to be redeemed" in the first sentence of such paragraph.

N. The fourth paragraph of Section 1102 of the Original Indenture is further amended to add the following sentence as the last sentence of such paragraph:

"Notwithstanding any of the foregoing, if less than all the Debentures of unlike tenor and terms of any series are to be redeemed, the particular Debentures to be redeemed shall be selected by the Corporation, and the notice shall specify the Debentures to be redeemed."

ARTICLE THREE

MISCELLANEOUS PROVISIONS

1. The Original Indenture, as amended and modified by this First Supplemental Indenture, hereby is in all respects ratified, confirmed and approved.

2. This First Supplemental Indenture shall be construed in connection with and as part of the Original Indenture.

3. This First Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

4. The recitals contained herein shall not be taken as the statements of the Corporation, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture.

5. This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

The Chase Manhattan Bank (National Association) hereby accepts the trusts in this First Supplemental Indenture declared and provided, upon the terms and conditions hereinabove set forth.

IN WITNESS WHEREOF, ALLIED-SIGNAL INC. has caused this First Supplemental Indenture to be duly signed and acknowledged by one of its officers thereunto duly authorized, and its corporate seal to be affixed hereunto, and the same to be attested by its Secretary or an Assistant Secretary; and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION) has caused this First Supplemental Indenture to be duly signed and acknowledged by one of its officers thereunto duly authorized, and its corporate seal to be affixed hereunto, and the same to be attested by one of its officers thereunto duly authorized.

ALLIED-SIGNAL INC.,

By /s/ R.C. Matthews

Name: R.C. Matthews
Title: Assistant Treasurer

SEAL

Attest:

/s/ H. B. Flanders, Jr.

Name: H. B. Flanders, Jr.
Title: Assistant Secretary

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),

By /s/ Ann L. Edmonds

Name: Ann L. Edmonds
Title: Vice President

SEAL

Attest:

/s/ Thomas Provenzano

Name: Thomas Provenzano
Title: Assistant Secretary

STATE OF NEW JERSEY,)
) ss.:
COUNTY OF MORRIS)

Personally appeared before me the undersigned, a Notary Public in and for said County, and , to me known and known to me to be respectively and of Allied-Signal Inc., one of the corporations which executed the foregoing instrument, who severally acknowledged that they did sign and seal said instrument as such officers for and on behalf of said corporation, and that the same is their free act and deed as such officers, and the free and corporate act and deed of said Allied-Signal Inc.; that they were duly authorized thereunto by its board of directors; and that the seal affixed to said instrument is the corporate seal of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and official seal
this day of February 1991.

Notary Public

[Notarial Seal]

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK)

Personally appeared before me the undersigned, a Notary Public in and for said County, and , to me known and known to me to be respectively and of THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), one of the corporations which executed the foregoing instrument, who severally acknowledged that they did sign and seal said instrument as such officers for and on behalf of said corporation, and that the same is their free act and deed as such officers, and the free and corporate act and deed of said THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION); that they were duly authorized thereunto by its board of directors; and that the seal affixed to said instrument is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal
this day of February 1991.

Notary Public

[Notarial Seal]

OFFERING CIRCULAR

Cusip No. 019512 AC6

[Logo]

OFFER TO EXCHANGE
DEBENTURES DUE JUNE 1, 2033
FOR ANY AND ALL OF ITS OUTSTANDING
9 1/2% DEBENTURES DUE JUNE 1, 2016

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON THURSDAY, JUNE 18, 1998, UNLESS EXTENDED (THE 'EXPIRATION DATE').

ALLIEDSIGNAL INC. (the 'Company') hereby offers, upon the terms and subject to the conditions set forth in this Offering Circular (the 'Offering Circular') and the accompanying Letter of Transmittal (which together constitute the 'Exchange Offer'), to exchange an aggregate principal amount of up to \$100,000,000 of its Debentures Due June 1, 2033 (the 'New Debentures') for a like principal amount of its issued and outstanding 9 1/2% Debentures Due June 1, 2016 (the 'Old Debentures') from the registered holders thereof. See 'Description of New Debentures'. The New Debentures will evidence a new series of debt and will be issued pursuant to, and entitled to the benefits of, an Indenture, dated as of October 1, 1985 between the Company and The Chase Manhattan Bank, as trustee, as supplemented by the First Supplemental Indenture dated as of February 1, 1991 and by the Second Supplemental Indenture dated as of November 1, 1997 (as so supplemented, the 'Indenture'). Although the Old Debentures are listed on the New York Stock Exchange (the 'NYSE'), the Company does not intend to apply for listing of the New Debentures on the NYSE or any other exchange.

The Company will accept for exchange any and all Old Debentures validly tendered and not withdrawn prior to the Expiration Date. Old Debentures may be tendered only in denominations of \$1,000 or an integral multiple thereof. See 'The Exchange Offer -- Procedures for Tendering Old Debentures'. The Exchange Offer is subject to certain customary conditions. See 'The Exchange Offer -- Conditions to the Exchange Offer'.

(cover page continued on next page)

SEE 'RISK FACTORS' ON PAGE 11 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN EVALUATING THE EXCHANGE OFFER.

THE OFFER OF THE SECURITIES CONTEMPLATED IN THE EXCHANGE OFFER IS MADE PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT'), PROVIDED BY SECTION 3(a)(9) THEREOF AND, ACCORDINGLY, THE OFFER OF SUCH SECURITIES HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Offering Circular is May 20, 1998.

(continued from cover page)

The New Debentures will bear interest at a rate that could be different than the interest rate on the Old Debentures (the 'Old Coupon'), as described herein. For the Old Debentures, a price (the 'Reference Price of the Old Debentures') will be determined using a specified fixed spread pricing formula. The Reference Price of the Old Debentures will be based on a yield (the 'Reference Yield of the Old Debentures') to the maturity date of the Old Debentures equal to (i) the yield (the 'Benchmark Treasury Yield') on the 6 1/8% U.S. Treasury Bond due November 15, 2027 (the 'Benchmark Treasury Security') plus (ii) 72 basis points (the '2016 Fixed Spread'). For the New Debentures, a per annum interest rate (expressed as a percentage with three decimal places rounded to the nearest half basis point) (the 'New Coupon') will be determined such that the price of the New Debentures (the 'Reference Price of the New Debentures') will be at least \$15.00 greater than the Reference Price of the Old Debentures per \$1,000 principal amount thereof. The Reference Price of the New Debentures will be based on a yield (the 'Reference Yield of the New Debentures') to the maturity date of the New Debentures equal to (i) the Benchmark Treasury Yield plus (ii) 88 basis points (the '2033 Fixed Spread'). For each \$1,000 principal amount of Old Debentures exchanged, the Holder thereof will receive \$1,000 principal amount of New Debentures. The New Coupon and the reference prices will be determined as of 2:00 p.m., New York City time, on June 16, 1998, unless the Exchange Offer is extended by more than three business days, in which case they will be determined on the second business day prior to the Expiration Date (the 'Price Determination Date').

Interest on the New Debentures will accrue from the last interest payment date on the Old Debentures (June 1, 1998) at the New Coupon. The first interest payment date on the New Debentures will be December 1, 1998. Accordingly, holders exchanging Old Debentures for New Debentures will not receive any interest payment in respect of Old Debentures so exchanged. However, if the New Coupon is lower than the Old Coupon, on the Exchange Date (as defined below) the Company will pay an amount in cash in respect of accrued interest per \$1,000 principal amount for each Old Debenture exchanged (rounded to the nearest thousandth of a cent) (the 'Accrued Interest Differential') equal to the difference between the Old Coupon and the New Coupon accrued on such principal amount for the period from June 1, 1998 to, but excluding, the Exchange Date. The 'Exchange Date' will be the fifth business day following the Expiration Date (i.e., June 25, 1998, unless the Expiration Date is extended).

The purpose of the Exchange Offer is to take advantage of currently available interest rates by exchanging a portion of the Company's long-term debt portfolio upon terms which the Company believes are more beneficial to it. The Company intends to accomplish this objective by extending the overall maturity of a portion of its long-term debt portfolio.

Based on an interpretation by the staff of the Division of Corporation Finance of the Securities and Exchange Commission (the 'Commission'), the Company believes that the New Debentures issued pursuant to the Exchange Offer may be offered for resale, resold and otherwise transferred by any holder thereof without compliance with the registration requirements of the Securities Act.

The Company has not entered into any arrangement or understanding with any person to distribute the New Debentures to be received in the Exchange Offer and, to the best of the Company's information and belief, each person participating in the Exchange Offer is acquiring the New Debentures in the ordinary course of business and has no arrangement or understanding with any person to participate in the distribution of the New Debentures.

The Company has made no arrangements for and has no understanding with any dealer, salesman or other person regarding the solicitation of tenders hereunder, and no person has been authorized by the Company to give any information or to make any representations in connection with the Exchange Offer other than those contained or incorporated by reference in this Offering Circular and, if given or made, such other information or representations must not be relied upon as having been authorized. Neither the delivery of this Offering Circular nor the exchange of New Debentures for Old Debentures shall, under any circumstances, create any implication that the information contained herein is correct as of any time subsequent to the date hereof.

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The Company will not receive any proceeds from the Exchange Offer. The Company has agreed to bear the expenses of the Exchange Offer.

The Exchange Agent (as defined herein) and The Depository Trust Company ('DTC') have confirmed that the Exchange Offer is eligible for the DTC Automated Tender Offer Program ('ATOP'). Accordingly, DTC participants may electronically transmit their acceptance of the Exchange Offer by causing DTC to transfer Old Debentures to the Exchange Agent in accordance with DTC's ATOP procedures for such a transfer. DTC will then send an Agent's Message (as defined herein) to the Exchange Agent.

NONE OF THE COMPANY, THE BOARD OF DIRECTORS OF THE COMPANY, THE EXECUTIVE OFFICERS OF THE COMPANY, THE FINANCIAL ADVISOR, THE INFORMATION AGENT OR THE EXCHANGE AGENT MAKES ANY RECOMMENDATION TO HOLDERS OF THE OLD DEBENTURES AS TO WHETHER TO EXCHANGE OR REFRAIN FROM EXCHANGING THEIR OLD DEBENTURES. IN ADDITION, NO ONE HAS BEEN AUTHORIZED TO MAKE ANY SUCH RECOMMENDATION. HOLDERS OF OLD DEBENTURES MUST MAKE THEIR OWN DECISION WHETHER TO EXCHANGE OLD DEBENTURES PURSUANT TO THE EXCHANGE OFFER AND, IF SO, THE AGGREGATE PRINCIPAL AMOUNT OF OLD DEBENTURES TO EXCHANGE.

THE EXCHANGE OFFER IS NOT BEING MADE TO, NOR WILL THE COMPANY ACCEPT TENDERS FOR EXCHANGE FROM, HOLDERS OF OLD DEBENTURES IN ANY JURISDICTION IN WHICH THE EXCHANGE OFFER OR THE ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE SECURITIES OR BLUE SKY LAWS OF SUCH JURISDICTION.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 (the 'Exchange Act') and in accordance therewith files reports and other information with the Securities and Exchange Commission (the 'Commission'). Reports, proxy statements and other information filed by the Company with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, DC 20549 and at the following Regional Offices of the Commission: 7 World Trade Center, New York, New York 10048; and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, DC 20549, at prescribed rates. The Commission maintains an Internet web site at <http://www.sec.gov/> that contains such reports, proxy statements and other information. Such reports, proxy statements and other information of the Company should also be available for inspection at the offices of the New York Stock Exchange Inc., 20 Broad Street, New York, New York 10005; the Chicago Stock Exchange, One Financial Place, 440 South LaSalle Street, Chicago, Illinois, 60605; and the Pacific Stock Exchange, 301 Pine Street, San Francisco, California 94104.

The Company has instructed the Financial Advisor, the Exchange Agent and the Information Agent not to solicit exchanges in connection with the Exchange Offer or to make any recommendation with respect to acceptance or rejection of the Exchange Offer. Solicitations will be made solely by employees of the Company. The Financial Advisor, the Exchange Agent and the Information Agent will answer any questions from holders of the Old Debentures with respect to the Exchange Offer solely by reference to the terms of this Offering Circular and holders may contact the Financial Advisor, the Exchange Agent and the Information Agent at the addresses and telephone numbers listed below. Holders of the Old Debentures who have any questions regarding the mechanics of the Exchange Offer should contact either the Exchange Agent or the Information Agent. In addition, all questions with respect to the Exchange Offer may be directed to the Company (Assistant Treasurer, telephone number (973) 455-5109).

Financial Advisor
DEUTSCHE MORGAN GRENFELL INC.
31 West 52nd Street
New York, New York 10019
(212) 469-7512 (call collect)

Information Agent
GEORGESON & COMPANY INC.
Wall Street Plaza
88 Pine Street, 30th Floor
New York, New York 10005
Banks and brokers call collect:
(212) 440-9800
All others call toll-free:
(800) 223-2064

By Fax:
(214) 672-5932
Attention: Frank Ivins

Exchange Agent
THE CHASE MANHATTAN BANK
By Hand or Overnight Courier:
The Chase Manhattan Bank
c/o Chase Bank of Texas, N.A.
Corporate Trust Services
1201 Main Street
18th Floor
Dallas, Texas 75202
Attention: Frank Ivins
Phone: (214) 672-5678

By Mail:
The Chase Manhattan Bank
c/o Chase Bank of Texas, N.A.
Corporate Trust Services
P.O. Box 219052
Dallas, Texas 75221-9052
Attention: Frank Ivins

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the Commission by the Company are incorporated herein by reference:

- (1) the Company's Annual Report on Form 10-K for the year ended December 31, 1997;
- (2) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998;
- (3) the Company's Current Reports on Form 8-K filed on January 15, February 2, February 5, February 18, February 23, March 18, April 22 and April 28, 1998; and
- (4) the Company's Application on Form T-3 filed on May 20, 1998.

All reports and other documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Offering Circular and prior to the termination of the offering of the New Debentures shall be deemed to be incorporated by reference in this Offering Circular and to be part hereof from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be modified or superseded for purposes of this Offering Circular to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

A copy of the documents incorporated by reference (other than exhibits thereto) will be forwarded without charge to each person to whom this Offering Circular is delivered, upon such person's written or oral request to AlliedSignal Inc., Office of the Secretary, P.O. Box 4000, Morristown, New Jersey 07962, telephone number (973) 455-5067.

OFFERING CIRCULAR SUMMARY

The following summary is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this Offering Circular. See 'Risk Factors' on page 11 for a discussion of certain factors that should be considered in connection with the Exchange Offer and the New Debentures offered hereby.

THE COMPANY

The Company is an advanced technology and manufacturing company serving customers worldwide with aerospace and automotive products, chemicals, fibers, plastics and advanced materials. The Company is organized into eleven strategic business units. The Company's products are used by many major industries, including textiles, construction, plastics, electronics, automotive, chemicals, housing, telecommunications, utilities, packaging, agriculture, military and commercial aviation and aerospace and in the space program.

The principal executive offices of the Company are located at 101 Columbia Road, Morris Township, New Jersey 07962. The telephone number is (973) 455-2000.

THE EXCHANGE OFFER

The Exchange Offer..... Upon the terms and subject to the conditions of the Exchange Offer, the Company is offering to any holder in exchange for any and all of its Old Debentures an equal principal amount of newly issued New Debentures.

The New Debentures will bear interest at a rate that could be different than the interest rate on the Old Debentures (the 'Old Coupon'), as described herein. For the Old Debentures, a price (the 'Reference Price of the Old Debentures') will be determined using a specified fixed spread pricing formula. The Reference Price of the Old Debentures will be based on a yield (the 'Reference Yield of the Old Debentures') to the maturity date of the Old Debentures equal to (i) the yield (the 'Benchmark Treasury Yield') on the 6 1/8% U.S. Treasury Bond due November 15, 2027 (the 'Benchmark Treasury Security') plus (ii) 72 basis points (the '2016 Fixed Spread'). For the New Debentures, a per annum interest rate (expressed as a percentage with three decimal places rounded to the nearest half basis point) (the 'New Coupon') will be determined such that the price of the New Debentures (the 'Reference Price of the New Debentures') will be at least \$15.00 greater than the Reference Price of the Old Debentures per \$1,000 principal amount thereof. The Reference Price of the New Debentures will be based on a yield (the 'Reference Yield of the New Debentures') to the maturity date of the New Debentures equal to (i) the Benchmark Treasury Yield plus (ii) 88 basis points (the '2033 Fixed Spread'). For each \$1,000 principal amount of Old Debentures exchanged, the holder thereof will receive \$1,000 principal amount of New Debentures. The New Coupon and the reference prices will be determined as of 2:00 p.m., New York City time, on June 16, 1998, unless the Exchange Offer is extended by more than three business

days, in which case they will be determined on the second business day prior to the Expiration Date (the 'Price Determination Date').

Interest on the New Debentures will accrue from the last interest payment date on the Old Debentures (June 1, 1998) at the New Coupon. The first interest payment date on the New Debentures will be December 1, 1998. Accordingly, holders exchanging Old Debentures for New Debentures will not receive any interest payment in respect of Old Debentures so exchanged. However, if the New Coupon is lower than the Old Coupon, on the Exchange Date the Company will pay an amount in cash in respect of accrued interest per \$1,000 principal amount for each Old Debenture exchanged (rounded to the nearest thousandth of a cent) (the 'Accrued Interest Differential') equal to the difference between the Old Coupon and the New Coupon accrued on such principal amount for the period from June 1, 1998 to, but excluding, the Exchange Date. The 'Exchange Date' will be the fifth business day following the Expiration Date (i.e., June 25, 1998, unless the Expiration Date is extended).

The New Debentures will constitute, and the Old Debentures constitute, direct, unsecured and unsubordinated obligations of the Company.

Calculations..... The reference prices, reference yields, Benchmark Treasury Yield, New Coupon, Spread Differential (as defined below) and Accrued Interest Differential, if any, will be determined as described and illustrated in the section 'The Exchange Offer -- Calculations; Information' and in Table A and Schedules A, B, C, D, E, F and G attached hereto.

Information..... As soon as practicable after the Price Determination Date, but in any event before 9:00 a.m., New York City time, on the following business day, the Company will publicly announce by press release to the Dow Jones News Service: the Benchmark Treasury Yield, the Reference Yield of the Old Debentures, the Reference Price of the Old Debentures, the Reference Yield of the New Debentures, the Reference Price of the New Debentures, the New Coupon and the Accrued Interest Differential, if any.

During the term of the Exchange Offer, holders of the Old Debentures can obtain current information regarding the Benchmark Treasury Yield, reference yields, reference prices and other information regarding the terms of the Exchange Offer from the Financial Advisor at (212) 469-7512. In addition, the Company intends to publish information about the Exchange Offer, including the information described in the preceding paragraph when available, on the MCM 'CorporateWatch' Service on Telerate page 41928.

Old Debentures Outstanding..... As of the date hereof, \$100,000,000 aggregate principal amount of Old Debentures are outstanding.

Conditions to the Exchange Offer..... Consummation of the Exchange Offer is conditioned upon certain customary conditions described herein. The Company may, in its sole discretion, waive any condition with respect to the Exchange Offer and accept for exchange any Old Debentures tendered. See 'The Exchange Offer -- Conditions to the Exchange Offer'.

Expiration Date; Extensions;
Termination; Amendments..... The Exchange Offer will expire at 5:00 p.m., New York City time, on June 18, 1998 or at such later time and date to which the Exchange Offer may be extended by the Company in accordance with the procedures described herein. The Company reserves the right to extend or terminate the Exchange Offer. See 'The Exchange Offer -- Expiration Date; Extensions; Termination; Amendments'.

If the Exchange Offer is extended for a period longer than three business days from the previously scheduled Expiration Date, then a new Price Determination Date, which would be two business days prior to the new Expiration Date, may be established. If the extension is for three business days or less, no new Price Determination Date will be established and the New Coupon will remain as determined on the Price Determination Date prior to the extension of the Exchange Offer.

If the consideration offered with respect to the Exchange Offer is changed or if any other amendment to the terms of the Exchange Offer is made that, in the opinion of the Company, would be adverse to the interests of the holders tendering Old Debentures for exchange, the Exchange Offer will remain open for at least five business days from the date public notice of such change or amendment is given.

Certain U.S. Federal Income Tax
Consequences..... The exchange of Old Debentures pursuant to the Exchange Offer will constitute a recapitalization for U.S. Federal income tax purposes, and a holder of Old Debentures that tenders pursuant to the Exchange Offer generally will recognize no gain or loss upon the exchange of Old Debentures for New Debentures. See 'Certain U.S. Federal Income Tax Consequences'.

Tender of Old Debentures..... Old Debentures may be tendered for exchange only in denominations of \$1,000 or an integral multiple thereof. To tender Old Debentures pursuant to the Exchange Offer, holders must deliver their Old Debentures together with a properly completed and duly executed Letter of Transmittal to the Exchange Agent or the procedures for book-entry transfer must be used. If Old Debentures are held by a broker, dealer, commercial bank, trust company or other nominee (individually, a 'Custodian' and collectively, the 'Custodians'), the beneficial owner thereof must instruct such Custodian to tender such Old Debentures on their behalf. All tenders must

be made on or prior to the Expiration Date. See 'The Exchange Offer -- Procedures for Tendering Old Debentures'.

New Debentures will be delivered only in book-entry form through DTC. Accordingly, holders who anticipate tendering and whose Old Debentures are not held through DTC are urged to contact promptly a Custodian that has the capability to hold securities through DTC, to arrange for receipt of any New Debentures to be delivered pursuant to the Exchange Offer and to obtain the information necessary to provide the required DTC participant and account information in the relevant Letter of Transmittal. See 'The Exchange Offer -- Proper Execution and Delivery of Letter of Transmittal'.

Guaranteed Delivery..... Holders of Old Debentures who wish to tender their Old Debentures and who cannot deliver their Old Debentures or the Letter of Transmittal to the Exchange Agent prior to the Expiration Date, or if the procedures for book-entry transfer cannot be completed on a timely basis, must tender their Old Debentures pursuant to the guaranteed delivery procedures set forth in 'The Exchange Offer -- Guaranteed Delivery Procedures'.

Acceptance of Old Debentures;
Delivery of New Debentures..... Upon the terms and subject to the conditions of the Exchange Offer, the Company will exchange (and thereby acquire) any and all Old Debentures that are properly tendered and not withdrawn prior to the Expiration Date. New Debentures will be delivered only in book-entry form through DTC. New Debentures will be delivered on the fifth business day following the Expiration Date. See 'The Exchange Offer -- Acceptance of Old Debentures Tendered for Exchange; Delivery of New Debentures'.

Withdrawal Rights..... Tenders of Old Debentures for exchange may be withdrawn at any time prior to the Expiration Date. Withdrawal of tendered Old Debentures will be deemed a rejection of the Exchange Offer. See 'The Exchange Offer -- Withdrawal Rights'.

Exchange Agent..... The Chase Manhattan Bank

Information Agent..... Georgeson & Company Inc.
Wall Street Plaza
88 Pine Street, 30th Floor
New York, New York 10005
Banks and brokers call collect: (212) 440-9800
All others call toll-free: (800) 223-2064

THE NEW DEBENTURES

Issuer..... AlliedSignal Inc.

Indenture..... The New Debentures will be issued under the Indenture dated as of October 1, 1985 between the Company and The Chase Manhattan Bank, as supplemented by the First Supplemental Indenture dated as of February 1, 1991 and the Second Supplemental Indenture dated as of November 1, 1997. For a discussion of certain changes to the Indenture as a result of the Second Supplemental Indenture, see 'Description of New Debentures -- Other Provisions'.

Principal Amount Offered..... \$100,000,000

Maturity Date..... June 1, 2033. The New Debentures are not subject to redemption prior to maturity.

Interest..... Interest will be paid each June 1 and December 1, commencing December 1, 1998. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The December 1, 1998 interest payment will include interest accruing on the New Debentures from June 1, 1998 to, but not including, December 1, 1998.

Interest Rate..... The New Coupon determined as provided herein.

Rating..... As of the date hereof, the Company's unsecured senior debt securities, including the Old Debentures, are rated A2 by Moody's Investors Service, Inc. ('Moody's') and A by Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies ('S&P'). The Company does not intend to obtain ratings on the New Debentures; however, the Company believes that if the New Debentures were rated, they would receive ratings equivalent to those assigned from time to time to the Old Debentures. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

Ranking..... The New Debentures will be unsecured and unsubordinated obligations of the Company and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company.

Listing..... Although the Old Debentures are listed on the NYSE, the Company does not intend to apply for listing of the New Debentures on the NYSE or any other exchange.

Form..... The New Debentures will be represented by one or more global debentures registered in the name of DTC's nominee (the 'Global Debentures'). Beneficial interests in the Global Debentures will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Except as described herein, New Debentures in definitive form will not be issued. The New Debentures will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity for the New Debentures will therefore settle in immediately available funds. All payments of principal and interest will be made by the Company in immediately available funds. See 'Description of New Debentures -- Same-Day Settlement and Payment'.

Use of Proceeds..... The New Debentures will be issued only in exchange for the Old Debentures. The Company will not receive any cash proceeds from the issuance of the New Debentures.

RISK FACTORS

In deciding whether to participate in the Exchange Offer, each holder should consider carefully, in addition to the other information contained in the Offering Circular, the factors listed below.

A debt security with a smaller outstanding aggregate principal amount may command a lower price than would an otherwise identical debt security with a larger outstanding aggregate principal amount. Depending upon, among other things, the aggregate principal amount of Old Debentures outstanding after the Exchange Offer, the trading market for the Old Debentures may be more limited, which may, therefore, adversely affect the liquidity and market price of the Old Debentures. Similarly, depending upon, among other things, the aggregate principal amount of the New Debentures outstanding after the Exchange Offer, the trading market for the New Debentures may be limited, which may, therefore, adversely affect the liquidity and market price of the New Debentures. In addition to the respective aggregate principal amounts outstanding, the trading market for the Old Debentures not tendered pursuant to the Exchange Offer and the New Debentures will depend upon, among other things, the number of holders of each and the degree to which securities firms maintain a market in the securities. In addition, although the Old Debentures are listed on the NYSE, the Company does not intend to apply for listing of the New Debentures on the NYSE or any other exchange.

THE COMPANY

The Company is an advanced technology and manufacturing company serving customers worldwide with aerospace and automotive products, chemicals, fibers, plastics and advanced materials. The Company is organized into eleven strategic business units. The Company's products are used by many major industries, including textiles, construction, plastics, electronics, automotive, chemicals, housing, telecommunications, utilities, packaging, agriculture, military and commercial aviation and aerospace and in the space program.

The principal executive offices of the Company are located at 101 Columbia Road, Morris Township, New Jersey 07962. The telephone number is (973) 455-2000.

THE EXCHANGE OFFER

PURPOSE OF THE EXCHANGE OFFER

The purpose of the Exchange Offer is to take advantage of currently available interest rates by exchanging a portion of the Company's long-term debt portfolio upon terms which the Company believes are more beneficial to it. The Company intends to accomplish this objective by extending the overall maturity of a portion of its long-term debt portfolio.

TERMS OF THE EXCHANGE OFFER

Upon the terms and subject to the conditions set forth in this Offering Circular and the accompanying Letter of Transmittal, the Company is offering to exchange \$1,000 principal amount of the New Debentures for each \$1,000 principal amount of the Old Debentures properly tendered for Exchange.

The New Debentures will bear interest at a rate that could be different than the interest rate on the Old Debentures (the 'Old Coupon'), as described herein. For the Old Debentures, a price (the 'Reference Price of the Old Debentures') will be determined using a specified fixed spread pricing formula. The Reference Price of the Old Debentures will be based on a yield (the 'Reference Yield of the Old Debentures') to the maturity date of the Old Debentures equal to (i) the yield (the 'Benchmark Treasury Yield') on the 6 1/8% U.S. Treasury Bond due November 15, 2027 (the 'Benchmark Treasury Security') plus (ii) 72 basis points (the '2016 Fixed Spread'). For the New Debentures, a per annum interest rate (expressed as a percentage with three decimal places rounded to the nearest half basis point) (the 'New Coupon') will be determined such that the price of the New Debentures (the 'Reference Price of the New Debentures') will be at least \$15.00 greater than the Reference Price of the Old Debentures per \$1,000 principal amount thereof. The Reference Price of the New Debentures will be based on a yield (the 'Reference Yield of the New Debentures') to the maturity date of the New Debentures equal to (i) the Benchmark Treasury Yield plus (ii) 88 basis points (the '2033 Fixed Spread'). For each \$1,000 principal amount of Old Debentures exchanged, the holder thereof will receive \$1,000 principal amount of New Debentures. The New Coupon and the reference prices will be determined as of 2:00 p.m., New York City time, on June 16, 1998, unless the Exchange Offer is extended by more than three business days, in which case they will be determined on the second business day prior to the Expiration Date (the 'Price Determination Date').

Interest on the New Debentures will accrue from the last interest payment date on the Old Debentures (June 1, 1998) at the New Coupon. The first interest payment date on the New Debentures will be December 1, 1998. Accordingly, holders exchanging Old Debentures for New Debentures will not receive any interest payment in respect of Old Debentures so exchanged. However, if the New Coupon is lower than the Old Coupon, on the Exchange Date the Company will pay an amount in cash in respect of accrued interest per \$1,000 principal amount for each Old Debenture exchanged (rounded to the nearest thousandth of a cent) (the 'Accrued Interest Differential') equal to the difference between the Old Coupon and the New Coupon accrued on such principal amount for the period from June 1, 1998 to, but excluding, the Exchange Date. The 'Exchange Date' will be the fifth business day following the Expiration Date (i.e., June 25, 1998, unless the Expiration Date is extended).

SUMMARY OF TERMS

The following is a summary of certain defined terms used in describing the Exchange Offer:

Accrued Interest Differential: as illustrated in Table A and in Schedules F and G, means, if the New Coupon is lower than the Old Coupon, an amount in cash in respect of accrued interest per \$1,000 principal amount for each Old Debenture exchanged (rounded to the nearest thousandth of a cent) equal to the difference between the Old Coupon and the New Coupon accrued on such principal amount for the period from the last interest payment date on the Old Debentures (June 1, 1998) to, but

excluding, the Exchange Date. 'Accrued Interest Differential' shall mean zero if the New Coupon is equal to or higher than the Old Coupon.

Adjusted Yield to Maturity of the New Debentures: as illustrated in Schedule E, means the yield to maturity of the New Debentures based on the Reference Price of the Old Debentures and the New Coupon.

Benchmark Treasury Security: means the 6 1/8% U.S. Treasury Bond due November 15, 2027.

Benchmark Treasury Yield: means, on the Price Determination Date, the yield on the Benchmark Treasury Security (expressed as a percentage with two decimal points).

2016 Fixed Spread: means 0.72% (72 basis points).

2033 Fixed Spread: means 0.88% (88 basis points).

Exchange Date: means the date five business days following the Expiration Date and on which New Debentures will be delivered pursuant to the Exchange Offer. If the Expiration Date is June 18, 1998, the Exchange Date will be June 25, 1998.

Expiration Date: means 5:00 p.m., New York City time, on June 18, 1998, unless the Exchange Offer is extended.

New Coupon: means, for the New Debentures, the per annum interest rate (expressed as a percentage with three decimal places rounded to the nearest half basis point) paid on such New Debentures from their date of issuance to their maturity date, June 1, 2033. The New Coupon will be set such that for the Benchmark Treasury Yield on the Price Determination Date, the Reference Price of the New Debentures will exceed the Reference Price of the Old Debentures by at least \$15.00 per \$1,000 principal amount of the Old Debentures.

Old Coupon: means 9 1/2% per annum.

Price Determination Date: means 2:00 p.m., New York City time, on June 16, 1998, unless the Exchange Offer is extended by more than three business days, in which case such term means the second business day prior to the Expiration Date.

Reference Price of the Old Debentures: means the price per \$1,000 principal amount of the Old Debentures based on the Reference Yield of the Old Debentures, determined in accordance with standard market practice as described in Schedule A and illustrated in Schedule B.

Reference Price of the New Debentures: means the price per \$1,000 principal amount of the New Debentures based on the Reference Yield of the New Debentures, determined in accordance with standard market practice as described in Schedule C and illustrated in Schedule D.

Reference Yield of the Old Debentures: means, at the Price Determination Date, the sum of the Benchmark Treasury Yield and the 2016 Fixed Spread.

Reference Yield of the New Debentures: means, at the Price Determination Date, the sum of the Benchmark Treasury Yield and the 2033 Fixed Spread.

Spread Differential: as illustrated in Schedule E and Table A, means the Adjusted Yield to Maturity of the New Debentures less the Reference Yield of the Old Debentures (expressed in basis points with one decimal place).

ILLUSTRATIVE EXAMPLE AND FORMULAS

A hypothetical illustration of the Spread Differential is set forth in Schedule E attached hereto and is to be used solely for the purpose of obtaining an understanding of the calculation of the Spread Differential based on a hypothetical Benchmark Treasury Yield, Reference Price of the Old Debentures, and New Coupon and should not be used or relied upon for any other purpose. Table A sets forth the (i) Reference Yield of the Old Debentures, (ii) Reference Price of the Old Debentures, (iii) Reference Yield of the New Debentures, (iv) New Coupon, (v) Reference Price of the New Debentures, (vi) price differential between the Reference Price of the New Debentures and the Reference Price of the Old

Debentures (the 'Price Differential'), (vii) Spread Differential and (viii) Accrued Interest Differential, if any, for Benchmark Treasury Yields between 5.40% and 6.40% on the Price Determination Date. The information in Table A is provided for illustrative purposes only. In the event of any discrepancy between the information in Table A and results obtained by the Company through the application of calculations described herein and outlined in Schedules A, C, and F, such results will supersede the information in Table A.

CALCULATIONS; INFORMATION

The Reference Price of the Old Debentures will be determined by calculating, per \$1,000 principal amount of such Old Debentures, the present value (less accrued and unpaid interest), using the Reference Yield of the Old Debentures, of (i) the principal amount payable on the maturity date of the Old Debentures plus (ii) all remaining payments of interest on the Old Debentures. The Reference Price of the Old Debentures will be rounded to the nearest cent per \$1,000 principal amount of Old Debentures. The methodology to be used in calculating the Reference Price of the Old Debentures is set forth in Schedule A attached hereto. An example of the application of such methodology is provided for the Old Debentures in Schedule B attached hereto. The Reference Yield of the Old Debentures will be determined by calculating the sum of (a) the Benchmark Treasury Yield and (b) the 2016 Fixed Spread. The reference price calculation will be made using the Benchmark Treasury Yield as of the Price Determination Date.

For the New Debentures, the New Coupon will be such that the Reference Price of the New Debentures will be at least \$15.00 greater than the Reference Price of the Old Debentures per \$1,000 principal amount of the Old Debentures. The Reference Price of the New Debentures will be determined by calculating, per \$1,000 principal amount of New Debentures, the present value (less accrued and unpaid interest), using the Reference Yield of the New Debentures, of (i) the principal amount payable on the maturity date of the New Debentures plus (ii) all remaining payments of interest on the New Debentures. The Reference Price of the New Debentures will be rounded to the nearest cent per \$1,000 principal amount of New Debentures. The methodology to be used in calculating the Reference Price of the New Debentures is set forth in Schedule C attached hereto. An example of the application of such methodology is provided for the New Debentures in Schedule D attached hereto. The Reference Yield of the New Debentures will be determined by calculating the sum of (a) the Benchmark Treasury Yield and (b) the 2033 Fixed Spread. The reference price calculation will be made using the Benchmark Treasury Yield as of the Price Determination Date.

The Benchmark Treasury Yield will be calculated by the Financial Advisor in accordance with standard market practice based on the bid side price for the Benchmark Treasury Security as of the Price Determination Date, as such bid side price is displayed on the Cantor Fitzgerald Quotation Service for U.S. Government Securities (the 'Cantor Fitzgerald Quotation Service') on Telerate page 500. If any relevant price is not available on a timely basis on the Cantor Fitzgerald Quotation Service or is manifestly erroneous, the relevant price information may be obtained from such other quotation service as the Company and the Financial Advisor shall select in their reasonable discretion, the identity of which shall be disclosed by the Company and the Financial Advisor to exchanging holders. Although the Benchmark Treasury Yield will be determined based solely on the sources described above, information regarding the price of the Benchmark Treasury Security also may be found in The Wall Street Journal.

After the Price Determination Date, the New Coupon that will be received by a holder pursuant to the Exchange Offer will be known and holders will be able to ascertain the Reference Price of the Old Debentures and the Reference Price of the New Debentures in the manner described above, unless the Exchange Offer is extended for a period longer than three business days. In the event the Exchange Offer is extended for a period longer than three business days from the previously scheduled Expiration Date, then a new Price Determination Date, which would be two business days prior to the new Expiration Date, will be established. If the extension is for three business days or less, no new

Price Determination Date will be established and the New Coupon will remain as determined on the Price Determination Date prior to the extension of the Exchange Offer.

As soon as practicable after the Price Determination Date, but in any event before 9:00 a.m., New York City time, on the following business day, the Company will publicly announce by press release to the Dow Jones News Service: the Benchmark Treasury Yield, the Reference Yield of the Old Debentures, the Reference Price of the Old Debentures, the Reference Yield of the New Debentures, the Reference Price of the New Debentures, the New Coupon and the Accrued Interest Differential, if any.

During the term of the Exchange Offer, holders of the Old Debentures can obtain current information regarding the Benchmark Treasury Yield, reference yields, reference prices and other information regarding the terms of the Exchange Offer from the Financial Advisor at (212) 469-7512. In addition, the Company intends to publish information about the Exchange Offer, including the information described in the preceding paragraph when available, on the MCM 'CorporateWatch' Service on Telerate page 41928.

In the event any dispute arises with respect to the Benchmark Treasury Yield, the reference yields, the reference prices, the New Coupon or any quotation or calculation with respect to the Exchange Offer, the Company's determination shall be conclusive and binding absent manifest error.

EXPIRATION DATE; EXTENSIONS; TERMINATION; AMENDMENTS

The Exchange Offer will expire at 5:00 p.m., New York City time, on June 18, 1998, unless extended by the Company as provided herein. In the event that the Exchange Offer is extended, the term 'Expiration Date' with respect to such extended Exchange Offer shall mean the time and date on which the Exchange Offer, as so extended, shall expire.

The Company expressly reserves the right, in its sole discretion, subject to applicable law, to (i) extend or terminate the Exchange Offer and not accept for exchange any tendered Old Debentures if (a) any of the conditions specified in ' -- Conditions to the Exchange Offer' are not satisfied or waived or (b) otherwise, (ii) waive any condition to the Exchange Offer and accept all Old Debentures tendered pursuant to the Exchange Offer, (iii) extend the Exchange Offer and retain all the Old Debentures tendered pursuant to the Exchange Offer until the expiration of the Exchange Offer, subject, however, to the withdrawal rights of holders as provided in, ' -- Withdrawal Rights', (iv) amend the terms of the Exchange Offer and (v) modify the form of the consideration to be provided pursuant to the Exchange Offer.

Any extension, termination or amendment will be followed as promptly as practicable by a public announcement and notification to the Exchange Agent. In the case of any extension, a public announcement will be issued prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Without limiting the manner in which the Company may choose to make any public announcement, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by release to the Dow Jones News Service or otherwise as required by law. In the event of any extension of the Exchange Offer, all Old Debentures tendered pursuant to the Exchange Offer and not subsequently withdrawn, will remain subject to, and holders will continue to have withdrawal rights until the expiration of, the Exchange Offer.

EFFECT OF TENDER

A tendering holder of Old Debentures that are exchanged in the Exchange Offer will not be obligated to pay transfer taxes or any fees or commissions with respect to the acquisition of their Old Debentures by the Company pursuant to the Exchange Offer. See Instruction 7 of the accompanying Letter of Transmittal. However, if the beneficial owner tenders through a Custodian, such beneficial owner may be required to pay fees or commissions to such institution.

ACCEPTANCE OF OLD DEBENTURES TENDERED FOR EXCHANGE; DELIVERY OF NEW DEBENTURES

Upon the terms and subject to the conditions of the Exchange Offer, the Company will exchange Old Debentures by accepting such Old Debentures for exchange and in consideration therefor will issue a like principal amount of New Debentures. New Debentures will be delivered on the Exchange Date. The Exchange Agent will act as agent for the tendering holders for the purpose of receiving Old Debentures and delivering New Debentures to such holders. In all cases, Old Debentures will be accepted for exchange pursuant to the Exchange Offer only after timely receipt by the Exchange Agent of certificates representing Old Debentures (or confirmation of a book-entry transfer), a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof or satisfaction of DTC's ATOP procedures) and any other documents required thereby.

New Debentures will be delivered only in book-entry form through DTC and only to the DTC account of the tendering holder or the tendering holder's Custodian. Accordingly, a holder who tenders Old Debentures must specify on the Letter of Transmittal the DTC participant to which New Debentures should be delivered and all necessary account information to effect such delivery. Failure to provide such information will render such holder's tender defective and the Company will have the right, which it may waive, to reject such tender. The Company and the Exchange Agent shall not incur any liability for delivering New Debentures in accordance with any instructions provided by a tendering holder.

The Company will be deemed to have accepted for exchange (and thereby to have acquired) tendered Old Debentures as, if and when the Company gives oral (promptly confirmed in writing) or written notice to the Exchange Agent of the Company's acceptance of such Old Debentures for exchange. Old Debentures accepted for exchange by the Company will be canceled.

If Old Debentures in a principal amount in excess of the principal amount indicated as being tendered on the Letter of Transmittal are submitted, an Old Debenture in principal amount equal to the excess principal amount over the amount indicated as tendered in the Letter of Transmittal will be issued to the tendering holder, at the Company's expense, in the same form in which such security was tendered, as promptly as practicable following the expiration or termination of the Exchange Offer. If any tendered Old Debentures are not accepted for exchange because of an invalid tender, the occurrence of certain other events set forth herein or otherwise, such Old Debentures will be returned, at the Company's expense, to the tendering holder thereof, as promptly as practicable following the expiration or termination of the Exchange Offer.

PROCEDURES FOR TENDERING OLD DEBENTURES

Minimum Denominations. A holder may tender less than all Old Debentures held by such holder. However, Old Debentures may be tendered only in denominations of \$1,000 or an integral multiple thereof.

Tender of Old Debentures Held in Physical Form. To tender Old Debentures held in physical form, a holder must (i) complete (including the required information regarding delivery of New Debentures through DTC) and sign the Letter of Transmittal in accordance with the instructions set forth therein and (ii) deliver the properly completed and executed Letter of Transmittal, together with any other documents required by the Letter of Transmittal and the Old Debentures in physical form, to the Exchange Agent at the address set forth under 'Available Information' prior to the Expiration Date.

Tender of Old Debentures Held Through a Custodian. To tender Old Debentures held by a Custodian, the beneficial owner of the Old Debentures must contact the Custodian and direct the Custodian to tender such Old Debentures in accordance with the procedures set forth herein and in the Letter of Transmittal.

The Exchange Agent and DTC have confirmed that the Exchange Offer is eligible for ATOP. Accordingly, DTC participants may electronically transmit their acceptance of the Exchange Offer by causing DTC to transfer Old Debentures to the Exchange Agent in accordance with DTC's ATOP procedures for such a transfer. DTC will then send an Agent's Message to the Exchange Agent.

The term 'Agent's Message' means a message transmitted by DTC, received by the Exchange Agent and forming part of a Book-Entry Confirmation (as defined herein), which states that DTC has received an express acknowledgment from the DTC participant tendering Old Debentures which are the subject of such Book-Entry Confirmation, that such DTC participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Company may enforce such agreement against such DTC participant. In the case of an Agent's Message relating to a guaranteed delivery, the term means a message transmitted by DTC and received by the Exchange Agent, which states that DTC has received an express acknowledgment from the DTC participant tendering Old Debentures that such DTC participant has received and agrees to be bound by the Notice of Guaranteed Delivery (as described below). Holders desiring to tender Old Debentures on the Expiration Date should note that such holders must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on that date.

If the Custodian holds Old Debentures in physical form, the Custodian must follow the procedure set forth above under ' -- Procedures for Tendering Old Debentures -- Tender of Old Debentures Held in Physical Form'.

If the Custodian holds Old Debentures in book-entry form through DTC (the 'Book-Entry Transfer Facility'), to tender such Old Debentures the Custodian must (i) effect a book-entry transfer (a 'Book-Entry Confirmation') of all Old Debentures to be tendered to the Exchange Agent's account at such Book-Entry Transfer Facility prior to the Expiration Date or (ii) complete (including the required information regarding delivery of New Debentures through DTC) and sign the Letter of Transmittal in accordance with the instructions set forth therein and deliver the properly completed and executed Letter of Transmittal, together with any other documents required by the Letter of Transmittal, to the Exchange Agent at the address set forth under 'Available Information' prior to the Expiration Date.

Book-Entry Delivery Procedures. The Exchange Agent will establish promptly an account with respect to the Old Debentures at the Book-Entry Transfer Facility for purposes of the Exchange Offer. Any financial institution that is a participant in the Book-Entry Transfer Facility may make a book-entry delivery of Old Debentures by causing the Book-Entry Transfer Facility to transfer Old Debentures to the Exchange Agent's account. DELIVERY OF A LETTER OF TRANSMITTAL TO A BOOK-ENTRY TRANSFER FACILITY WILL NOT CONSTITUTE VALID DELIVERY TO THE EXCHANGE AGENT.

Any holder whose Old Debentures have been mutilated, lost, stolen or destroyed will be responsible for obtaining replacement securities or for arranging for indemnification with The Chase Manhattan Bank, as Trustee for the Old Debentures. Holders may contact the Information Agent for assistance with such matters.

IN ORDER FOR A TENDERING HOLDER TO BE ASSURED OF PARTICIPATING IN THE EXCHANGE OFFER, SUCH HOLDER MUST TENDER OLD DEBENTURES IN ACCORDANCE WITH THE PROCEDURES SET FORTH HEREIN AND IN THE LETTER OF TRANSMITTAL PRIOR TO THE EXPIRATION DATE. THE METHOD OF DELIVERY OF OLD DEBENTURES AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND RISK OF THE HOLDER. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED AND ENOUGH TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Letters of Transmittal and Old Debentures must be sent only to the Exchange Agent. Do not send Letters of Transmittal or Old Debentures to the Company, the Trustee, the Information Agent or the Financial Advisor.

GUARANTEED DELIVERY PROCEDURES

If a holder of Old Debentures wishes to tender such Old Debentures and time will not permit such holder's Old Debentures or other required documents to reach the Exchange Agent prior to the Expiration Date, or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected if (i) the tender is made through an Eligible Institution (as such term is defined

in the Letter of Transmittal), (ii) on or prior to 5:00 p.m., New York City time, on the Expiration Date, the Exchange Agent receives from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Company (by facsimile transmission, mail, hand delivery or by Agent's Message), setting forth the name and address of the holder of Old Debentures and the amount of Old Debentures tendered, stating that the tender is being made thereby and guaranteeing that within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery, the certificates for all physically tendered Old Debentures, in proper form for transfer, or a Book-Entry Confirmation, as the case may be, together with a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof or Agent's Message in lieu thereof) with any required signature guarantees and any other documents required by the Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent, and (iii) the certificates for all physically tendered Old Debentures, in proper form for transfer, or a Book-Entry Confirmation, as the case may be, together with a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantees, and any other documents required by the Letter of Transmittal are deposited by the Eligible Institution within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery.

PROPER EXECUTION AND DELIVERY OF LETTER OF TRANSMITTAL

In general, all signatures on a Letter of Transmittal or a notice of withdrawal must be guaranteed by an Eligible Institution; however, such signatures need not be guaranteed if (a) the Letter of Transmittal is signed by the holder of the Old Debentures tendered thereby or by a participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the holder of the Old Debentures tendered thereby and such holder has not completed the portion entitled 'Special Delivery Instructions' on the Letter of Transmittal, or (b) such Old Debentures tendered are for the account of an Eligible Institution.

If the Letter of Transmittal is signed by the holder of the Old Debentures tendered thereby or a participant in a Book-Entry Transfer Facility whose name appears on a security position listing with respect to the Old Debentures tendered thereby, the signature must correspond with the name as written on the face of the Old Debentures or on the security position listing, respectively, without any change whatsoever. If any of the Old Debentures tendered thereby are held by two or more holders, all such holders must sign the Letter of Transmittal. If any of the Old Debentures tendered thereby are registered in different names on different Old Debentures, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations.

If the Letter of Transmittal is signed by a person other than the holder of the Old Debentures tendered thereby or a participant in a Book-Entry Transfer Facility whose name appears on a security position listing with respect to the Old Debentures tendered thereby, the Old Debentures must be endorsed or accompanied by appropriate instruments of transfer, in either case, signed exactly as the name of the holder appears on the face of the Old Debentures or on the security position listing with respect thereto. If the Letter of Transmittal or any Old Debentures, proxy or instrument of transfer is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person must so indicate when signing, and proper evidence satisfactory to the Exchange Agent of the authority of such person so to act must be submitted.

New Debentures will be delivered only in book-entry form through DTC and only to the DTC account of the holder or the holder's Custodian. If Old Debentures not tendered or not exchanged are to be delivered to a person other than the holder of the Old Debentures tendered, or to an address other than that of the holder of the Old Debentures tendered, such holder should indicate in the portion of the Letter of Transmittal entitled 'Special Delivery Instructions' the person and/or address to which such Old Debentures are to be delivered. If Old Debentures not tendered or not exchanged are to be issued to a person other than the holder of the Old Debentures tendered: (i) the employer identification or social security number of the person to whom issuance is to be made must be indicated on the

Letter of Transmittal; and (ii) the Old Debentures must be endorsed or accompanied by appropriate instruments of transfer, signed exactly as the name of the holder appears on the face of the Old Debentures or the security position listing with respect thereto, with the signature on the certificates or instruments of transfer guaranteed by an Eligible Institution. If no such instructions are given, any Old Debentures not tendered or exchanged will be delivered to the holder of the Old Debentures tendered.

Because New Debentures will be delivered only in book-entry form through DTC, a holder who tenders Old Debentures must specify on the Letter of Transmittal the DTC participant to which New Debentures should be delivered and all necessary account information to effect such delivery. Such DTC participant must be either the holder or a Custodian for the holder. Failure to provide such information will render such holder's tender defective and the Company will have the right, which it may waive, to reject such tender. Holders who anticipate tendering other than through DTC are urged to contact promptly a Custodian that has the capability to hold securities through DTC to arrange for receipt of any New Debentures to be delivered pursuant to the Exchange Offer and to obtain the information necessary to complete the account information table in the Letter of Transmittal.

No alternative, conditional, irregular or contingent tenders will be accepted. By executing the Letter of Transmittal, the holder of Old Debentures waives any right to receive any notice of the acceptance for exchange of such holder's Old Debentures, except as otherwise provided herein.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of tendered Old Debentures will be determined by the Company, whose determination shall be conclusive and binding. The Company reserves the absolute right to reject any or all tenders that are not in proper form or the acceptance of which may be, in the opinion of counsel for the Company, unlawful. The Company also reserves the absolute right to waive any condition of the Exchange Offer as set forth under ' -- Conditions to the Exchange Offer' and any irregularities or conditions of tender as to particular Old Debentures. The Company's interpretation of the terms and conditions of the Exchange Offer (including the instructions in the Letters of Transmittal) shall be conclusive and binding.

Unless waived, any irregularities in connection with tenders must be cured within such time as the Company may determine. The Company, the Exchange Agent and the Information Agent shall not be under any duty to give notification of defects in such tenders and shall not incur liability for any failure to give such notification. Tenders of Old Debentures will not be deemed to have been made until such irregularities have been cured or waived. Any Old Debentures received by the Exchange Agent that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the Exchange Agent to the holder, unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

CONDITIONS TO THE EXCHANGE OFFER

Notwithstanding any other provisions of the Exchange Offer or any extension of the Exchange Offer, the Company will not be required to issue New Debentures and may terminate the Exchange Offer by oral (promptly confirmed in writing) or written notice to the Exchange Agent, or, at its option, modify or otherwise amend the Exchange Offer with respect to such Old Debentures, if any of the following conditions has not been satisfied, on or prior to the Expiration Date:

(a) there shall not have been any action taken or threatened, or any statute, rule, regulation, judgment, order, stay, decree or injunction promulgated, enacted, entered, enforced by or before any court or governmental regulatory or administrative agency or authority or tribunal, domestic or foreign, which (i) challenges the making of the Exchange Offer or the exchange of Old Debentures for New Debentures pursuant to the Exchange Offer (the 'Exchange'), or might, directly or indirectly, prohibit, prevent, restrict or delay consummation of the Exchange Offer or the Exchange, or might otherwise adversely affect in any material manner the Exchange Offer or the Exchange or (ii) in the sole judgment of the Company, could materially adversely affect the business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects of the Company and its subsidiaries, taken as a whole, or materially impair the contemplated benefits of

the Exchange Offer or the Exchange to the Company or might be material to holders of Old Debentures in deciding whether to accept the Exchange Offer;

(b) there shall not have occurred or be likely to occur any event (i) affecting the business condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects of the Company that, in the sole judgment of the Company, would or might prohibit, prevent, restrict or delay consummation of the Exchange Offer or the Exchange or (ii) that in the sole judgment of the Company will, or is reasonably likely to, materially impact the contemplated benefits, including economic benefits or accounting treatment, of the Exchange Offer or the Exchange to the Company or (iii) that might be material to holders of Old Debentures in deciding whether to accept the Exchange Offer;

(c) there shall not have occurred (i) any general suspension of or limitation on trading in securities on the NYSE or in the over-the-counter market (whether or not mandatory), (ii) any material adverse change in the price of the Old Debentures, (iii) a material impairment in the general trading market for debt securities, (iv) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States (whether or not mandatory), (v) a commencement or escalation of a war, armed hostilities or other national or international crisis directly or indirectly relating to the United States, (vi) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, or (vii) any material adverse change in United States securities or financial markets generally, or in the case of any of the foregoing existing at the time of the commencement of the Exchange Offer, a material acceleration or worsening thereof;

(d) the Trustee shall not have objected in any respect to, or taken any action that could in the sole judgment of the Company adversely affect the consummation of, the Exchange Offer or the Exchange nor shall the Trustee have taken any action that challenges the validity or effectiveness of the procedures used by the Company in making the Exchange Offer or the Exchange;

(e) there shall not have occurred, been proposed or been announced any tender or exchange offer with respect to any class of the Company's equity securities, or any merger, acquisition, business combination or other similar transaction with or involving the Company or any subsidiary thereof;

(f) there shall not have occurred any change in the business, condition (financial or other), income, operations or prospects of the Company and its subsidiaries taken as a whole (including, without limitation, any downgrade in the credit ratings of any securities of the Company or any of its subsidiaries by Moody's or S&P or any announcement by Moody's or S&P that it has placed any such rating under surveillance or review with possible negative implications), which, in the sole judgment of the Company, is or may be materially adverse to the Company; and

(g) (i) no person, entity or 'group' (as that term is used in Section 13(d)(3) of the Exchange Act) shall have acquired, or proposed to acquire, beneficial ownership of more than 5% of the Company's outstanding common stock, (ii) no group shall have been formed which beneficially owns more than 5% of the Company's outstanding common stock and (iii) no person, entity or group shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, or made a public announcement reflecting an intent to acquire the Company or any of its subsidiaries or any of their respective assets or securities.

If any of the foregoing conditions is not satisfied, the Company may (i) terminate the Exchange Offer and return such Old Debentures to the holders who tendered them, (ii) extend the Exchange Offer and retain all tendered Old Debentures until the expiration of the Exchange Offer, as extended, subject, however, to the withdrawal rights of holders, see ' -- Withdrawal Rights' and ' -- Expiration Date; Extensions; Termination; Amendments', or (iii) waive any of the conditions with respect to the Exchange Offer and accept all Old Debentures tendered therein.

The foregoing conditions are for the sole benefit of the Company and may be waived by the Company, in whole or in part, in its sole discretion. Any determination made by the Company concerning an event, development or circumstance described or referred to above shall be conclusive and binding.

In addition, the Company reserves the right, in its sole discretion, to purchase or make offers for any Old Debentures that remain outstanding subsequent to the completion or termination of the Exchange Offer. The terms of any such purchase or offer could differ from the terms of the Exchange Offer.

WITHDRAWAL RIGHTS

Tendered Old Debentures may be withdrawn by the holder prior to the Expiration Date.

A holder of Old Debentures who tendered Old Debentures in physical form may withdraw the Old Debentures tendered by providing a written notice of withdrawal (or manually signed facsimile thereof) to the Exchange Agent, at its address set forth under 'Available Information', prior to the Expiration Date, which notice must contain: (i) the name of the person who tendered the Old Debentures; (ii) a description of the Old Debentures to be withdrawn; (iii) the certificate number or numbers shown on the particular certificate or certificates evidencing such Old Debentures; (iv) the aggregate principal amount represented by such Old Debentures; (v) the signature of the holder of such Old Debentures executed in the same manner as the original signature on the Letter of Transmittal (including a signature guarantee, if such original signature was guaranteed); and (vi) if such Old Debentures are owned by a new beneficial owner, evidence satisfactory to the Company that the person withdrawing the tender has succeeded to the beneficial ownership of the Old Debentures.

If a beneficial owner of Old Debentures tendered through a Custodian wishes to withdraw the Old Debentures tendered, such beneficial owner must contact the Custodian and direct the Custodian to withdraw such Old Debentures in accordance with the following procedures. In order to withdraw such Old Debentures the Custodian must provide a written notice of withdrawal (or manually signed facsimile thereof) to the Exchange Agent, at its address set forth under 'Available Information', prior to the Expiration Date, which notice must contain: (i) the name of the person who tendered the Old Debentures; (ii) a description of the Old Debentures to be withdrawn; (iii) the certificate number or numbers shown on the particular certificate or certificates evidencing such Old Debentures (if Old Debentures were tendered in physical form); (iv) the aggregate principal amount represented by such Old Debentures; and (v) if such Old Debentures are owned by a new beneficial owner, evidence satisfactory to the Company that the person withdrawing the tender has succeeded to the beneficial ownership of the Old Debentures. If the Old Debentures were tendered by book-entry transfer, the Custodian also must debit the Exchange Agent's account at the Book-Entry Transfer Facility through which the tender was made of all Old Debentures to be withdrawn.

A PURPORTED NOTICE OF WITHDRAWAL WHICH LACKS ANY OF THE REQUIRED INFORMATION WILL NOT BE AN EFFECTIVE WITHDRAWAL OF A TENDER PREVIOUSLY MADE. TENDERS MAY NOT BE WITHDRAWN AFTER THE EXPIRATION DATE.

Holders who have tendered in the Exchange Offer will continue to have withdrawal rights following any extension of the Expiration Date. Any permitted withdrawals of tenders of Old Debentures may not be rescinded, and any Old Debentures so withdrawn will thereafter be deemed not validly tendered for purposes of the Exchange Offer and the holder thereof will be deemed to have rejected the Exchange Offer. However, withdrawn Old Debentures may be re-tendered prior to the Expiration Date by following the procedures for tendering described above.

All questions as to the validity (including time of receipt) of notices of withdrawal will be determined by the Company, whose determination will be conclusive and binding. None of the Company, the Exchange Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

TRANSFER TAXES

The Company will pay all transfer taxes, if any, applicable to the transfer and acquisition of Old Debentures pursuant to the Exchange Offer. If, however, substitute Old Debentures for amounts not tendered or not exchanged are to be delivered to, or are to be registered in the name of, any person other than the holder of Old Debentures tendered, or if tendered Old Debentures are registered in the name of any person other than the person signing the Letter of Transmittal, or if a transfer tax is imposed for any reason other than the transfer to or acquisition by the Company of Old Debentures pursuant to the Exchange Offer, the amount of any such transfer taxes (whether imposed on the holder or any other persons) shall be payable by the holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the appropriate Letter of Transmittal, the amount of such transfer taxes will be billed directly to such holder and/or withheld from any payments due with respect to the Old Debentures tendered by such holder.

FINANCIAL ADVISOR

The Company has engaged Deutsche Morgan Grenfell Inc. to act as Financial Advisor in connection with the Exchange Offer. Any holder who has questions concerning the terms of the Exchange Offer or who would like current information regarding the Benchmark Treasury Yields, the reference yields, the reference prices or the New Coupon may contact the Financial Advisor at (212) 469-7512 or at the address set forth under 'Available Information'.

The Company has agreed to pay the Financial Advisor a financial advisory fee for its services and to reimburse the Financial Advisor for its reasonable out-of-pocket expenses, including reasonable fees and expenses of legal counsel, and the Company has agreed to indemnify the Financial Advisor against certain liabilities, including certain liabilities under the federal securities laws, in connection with the Exchange Offer. In the past, the Financial Advisor has provided other investment banking and financial advisory services to the Company.

EXCHANGE AGENT

The Chase Manhattan Bank has been appointed Exchange Agent for the Exchange Offer. The Company will pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith. Letters of Transmittal and all correspondence in connection with the Exchange Offer must be sent or delivered to the Exchange Agent at the address set forth under 'Available Information'.

INFORMATION AGENT

Georgeson & Company Inc. has been appointed Information Agent for the Exchange Offer. The Company will pay the Information Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith.

Any questions concerning the tender procedures or requests for assistance or additional copies of this Offering Circular or the Letters of Transmittal may be directed to the Information Agent at the address and telephone number set forth under 'Available Information'. Holders of Old Debentures may also contact the Financial Advisor or their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

DESCRIPTION OF NEW DEBENTURES

The following summary of certain provisions of the New Debentures and the Indenture does not purport to be complete and is subject, and is qualified in its entirety by reference, to all the provisions of the New Debentures and the Indenture, including the definitions therein of certain terms.

GENERAL

The New Debentures will be issued under the Indenture dated as of October 1, 1985 between the Company and The Chase Manhattan Bank, as trustee, as supplemented by the First Supplemental Indenture dated as of February 1, 1991 and the Second Supplemental Indenture (the 'Second Supplemental Indenture') dated as of November 1, 1997 (as so supplemented, the 'Indenture'). The Old Debentures were issued under the same Indenture as the New Debentures will be issued under, except that the Supplemental Indentures did not apply to the Old Debentures. See ' -- Other Provisions'. The following statements with respect to the New Debentures are subject to the detailed provisions of the Indenture. Whenever any particular provision of the Indenture or any term used therein is referred to, such provision or term is incorporated by reference as a part of the statement in connection with which such reference is made, and the statement in connection with which such reference is made is qualified in its entirety by such reference.

The New Debentures will be unsecured and unsubordinated obligations of the Company and will mature on June 1, 2033. The New Debentures are not subject to redemption prior to maturity.

The New Debentures will bear interest from June 1, 1998 at the New Coupon, payable on June 1 and December 1 of each year, commencing December 1, 1998, to the person in whose name the New Debenture was registered at the close of business on the preceding May 15 and November 15, respectively, subject to certain exceptions.

The Company does not intend to apply for listing of the New Debentures on the NYSE or any other exchange.

BOOK-ENTRY, DELIVERY AND FORM

The New Debentures will be issued in the form of one fully registered Global Debenture. The Global Debenture will be deposited with, or on behalf of DTC and registered in the name of Cede & Co., DTC's nominee.

Beneficial interests in the Global Debenture will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Except as set forth below, the Global Debenture may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

DTC has advised as follows: It is a limited-purpose trust company which was created to hold securities for its participating organizations ('DTC participants') and to facilitate the clearance and settlement of securities transactions in such securities between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks and trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly ('indirect participants'). Persons who are not DTC participants may beneficially own securities held by DTC only through DTC participants or indirect participants.

DTC advises that pursuant to procedures established by it (i) upon issuance of the New Debentures by the Company, DTC will credit the accounts of DTC participants whose Old Debentures were exchanged pursuant to the Exchange Offer with the principal amount of the New Debentures so exchanged, and (ii) ownership of beneficial interests in the Global Debenture will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC, the DTC participants and the indirect participants. The laws of some states require that certain persons take

physical delivery in definitive form of securities which they own. Consequently, the ability to transfer beneficial interests in the Global Debenture is limited to such extent.

So long as a nominee of DTC is the registered owner of the Global Debenture, such nominee for all purposes will be considered the sole owner or holder of the New Debentures under the Indenture. Except as provided below, owners of beneficial interests in the Global Debenture will not be entitled to have New Debentures registered in their names, will not receive or be entitled to receive physical delivery of New Debentures in definitive form, and will not be considered the owners or holders thereof under the Indenture.

Neither the Company, the Trustee, any Paying Agent nor the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Debenture, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Principal and interest payments on the New Debentures registered in the name of DTC's nominee will be made by the Trustee to DTC. Under the terms of the Indenture, the Company and the Trustee will treat the persons in whose names the New Debentures are registered as the owners of such New Debentures for the purpose of receiving payment of principal and interest on such New Debentures and for all other purposes whatsoever. Therefore, neither the Company, the Trustee nor any Paying Agent has any direct responsibility or liability for the payment of principal or interest on the New Debentures to owners of beneficial interests in the Global Debenture. DTC has advised the Company and the Trustee that its present practice is, upon receipt of any payment of principal or interest, to immediately credit the accounts of the DTC participants with such payment in amounts proportionate to their respective holdings in principal amount of beneficial interests in the Global Debenture as shown on the records of DTC. Payments by DTC participants and indirect participants to owners of beneficial interests in the Global Debenture will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in 'street name', and will be the responsibility of the DTC participants or indirect participants.

If DTC is at any time unwilling or unable to continue as depository and a successor depository is not appointed by the Company within 90 days, the Company will issue New Debentures in definitive form in exchange for the Global Debenture. In addition, the Company may at any time determine not to have the New Debentures represented by a Global Debenture and, in such event, will issue New Debentures in definitive form in exchange for the Global Debenture. In either instance, an owner of a beneficial interest in the Global Debenture will be entitled to have New Debentures equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such New Debentures endorsed thereon in definitive form. New Debentures so issued in definitive form will be issued in denominations of \$1,000 and integral multiples thereof and will be issued in registered form only, without coupons.

SAME-DAY SETTLEMENT AND PAYMENT

All payments of principal and interest on the New Debentures will be made by the Company in immediately available funds.

Secondary trading in long-term notes and debentures of corporate issuers is generally settled in clearing-house or next-day funds. In contrast, the New Debentures will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the New Debentures will therefore be required by DTC to settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the New Debentures.

OTHER PROVISIONS

In general, the provisions in the Indenture with respect to the Company's limitations on liens, merger and consolidation of the Company, events of default, defeasance and modification of the

Indenture that apply to the Old Debentures also will apply to the New Debentures; except that pursuant to the Second Supplemental Indenture (a) the New Debentures will be subject to covenant defeasance and (b) the clause in the merger and consolidation covenant prohibiting a merger, consolidation or sale of substantially all of the Company's assets if, as a result, such assets would be encumbered without equally securing the outstanding debts under the old Indenture, has been eliminated.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. Federal income tax consequences of the Exchange Offer to holders of Old Debentures and of the ownership and disposition of New Debentures acquired pursuant to the Exchange Offer. This summary is based on the Internal Revenue Code of 1986, as amended (the 'Code'), Treasury Regulations, Internal Revenue Service ('IRS') rulings, official pronouncements and judicial decisions, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect, or different interpretations. This summary is applicable only to persons who hold Old Debentures as capital assets and who will hold New Debentures as capital assets. This summary does not discuss all the U.S. Federal income tax consequences that may be relevant to a holder in light of the holder's particular circumstances. In particular, this summary does not address any special rules that may be applicable to insurance companies, tax-exempt persons, financial institutions, regulated investment companies, dealers in securities or currencies, pass-through entities, persons that hold Old Debentures or New Debentures as part of an integrated investment (including a 'straddle') consisting of Old Debentures or New Debentures and one or more other positions, foreign corporations, persons who are not citizens or residents of the United States, or persons whose functional currency is other than the United States dollar. In addition, this summary does not address any state or local tax considerations that may be relevant to a holder's decision to exchange Old Debentures for New Debentures pursuant to the Exchange Offer.

THE FOLLOWING IS NOT TAX ADVICE TO ANY HOLDER OF OLD DEBENTURES. ALL HOLDERS OF OLD DEBENTURES SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE UNITED STATES FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE EXCHANGE OF OLD DEBENTURES FOR NEW DEBENTURES AND OF THE OWNERSHIP AND DISPOSITION OF NEW DEBENTURES RECEIVED IN THE EXCHANGE OFFER IN LIGHT OF THEIR OWN PARTICULAR CIRCUMSTANCES.

EXCHANGE OF OLD DEBENTURES FOR NEW DEBENTURES

The Exchange will constitute a recapitalization within the meaning of section 368(a)(1)(E) of the Code. A holder of Old Debentures who exchanges Old Debentures for New Debentures will recognize no gain or loss on the Exchange. However, a cash-basis holder of Old Debentures who exchanges an Old Debenture for a New Debenture may be required to recognize as interest income received on the Exchange Date (rather than when paid) an amount equal to the interest accrued on such Old Debenture from June 1, 1998 through the Exchange Date. Any Accrued Interest Differential and the portion of the first interest payment on the New Debentures that represents stated interest accrued from June 1, 1998 through the Exchange Date should be treated as a payment in respect of interest accrued on the Old Debentures.

An exchanging holder's tax basis in New Debentures received in the Exchange will be the same as such holder's tax basis in the Old Debentures exchanged. An exchanging holder's holding period for the New Debentures received in the Exchange will include its holding period for the Old Debentures exchanged.

If a holder's tax basis in Old Debentures immediately after the acquisition of Old Debentures exceeded the principal amount of such Old Debentures, such excess constituted amortizable bond premium which the holder may have elected to amortize under a constant yield method under section 171 of the Code. If such an electing holder exchanges Old Debentures for New Debentures, the

remaining bond premium on the Old Debentures will carry over to and become bond premium on the New Debentures and would be amortizable over the term of the New Debentures as discussed below.

Some holders of Old Debentures may have acquired them at a 'market discount'. For this purpose, 'market discount' is the excess (if any) of the principal amount over the holder's acquisition price, subject to a statutory de minimis exception. While accrued market discount generally must be recognized to the extent of gain realized on the disposition of a market discount debt instrument, the Exchange will not cause any exchanging holders of Old Debentures who acquired them at a market discount to recognize any accrued market discount as income. Instead, any accrued market discount on Old Debentures that are exchanged for New Debentures will attach to the New Debentures. In addition, unaccrued market discount on such Old Debentures will carry over to the New Debentures and will accrue over the extended term of the New Debentures.

NEW DEBENTURES

Stated Interest on New Debentures. In general, interest based on the stated interest rate of the New Debentures from and after the Exchange Date will be ordinary income, taxable when accrued, in the case of a holder utilizing the accrual method of accounting, or when received, in the case of a holder utilizing the cash method of accounting.

No Original Issue Discount. The New Debentures will not be treated as issued with original issue discount ('OID'), because their 'stated redemption price at maturity' will not exceed their 'issue price'.

Bond Premium. If a holder's tax basis in New Debentures immediately after the Exchange exceeds the principal amount of such New Debentures, such excess will constitute amortizable bond premium which the holder may elect to amortize under a constant yield method under section 171 of the Code. A holder that elects to amortize bond premium must reduce the tax basis in the New Debentures by the amount so amortized. The amortizable bond premium will be treated as an offset to interest income rather than as a separate deduction item. An election to amortize bond premium under section 171 of the Code by a holder will apply to all obligations owned or acquired by the holder in the current and all subsequent taxable years and may not be revoked without the permission of the IRS. If an election to amortize bond premium is not made, a holder must include the full amount of each interest payment in income in accordance with its regular method of accounting and will receive a tax benefit from the premium only in computing gain or loss upon the redemption, sale or other disposition of the New Debentures.

Sale of the New Debentures. In general, upon a sale or other disposition of the New Debentures, a holder will recognize gain or loss equal to the difference between (i) the amount realized on the disposition (other than amounts attributable to accrued interest) and (ii) the holder's tax basis in the New Debentures. Such gain or loss will generally be capital gain or loss (subject to the market discount rules).

BACKUP WITHHOLDING

A holder of New Debentures may be subject to backup withholding at a rate of 31 percent with respect to interest paid (or the proceeds of a redemption) sale or other disposition of the New Debentures, unless the holder provides its taxpayer identification number and certain required certifications to the payor or otherwise establishes an exemption. Any amounts so withheld would be allowed as a credit against the holder's federal income tax liability.

PLAN OF DISTRIBUTION

The Company will exchange New Debentures for Old Debentures. Accordingly, the Company will not receive any proceeds from the exchange of New Debentures for Old Debentures.

Based on an interpretation by the staff of the Division of Corporation Finance of the Commission, the Company believes that the New Debentures issued pursuant to the Exchange Offer may be offered

for resale, resold and otherwise transferred by any holder thereof without compliance with the registration requirements of the Securities Act.

The Company has not entered into any arrangement or understanding with any person to distribute the New Debentures to be received in the Exchange Offer and, to the best of the Company's information and belief, each person participating in the Exchange Offer is acquiring the New Debentures in the ordinary course of business and has no arrangement or understanding with any person to participate in the distribution of the New Debentures.

The Company has agreed to pay all expenses incident to the Exchange Offer (other than commissions or concessions of any brokers or dealers).

VALIDITY OF NEW DEBENTURES

The validity of the New Debentures will be passed upon for the Company by J. Edward Smith, Senior Counsel, Corporate and Finance, of the Company.

INDEPENDENT ACCOUNTANTS

The consolidated financial statements of the Company included in the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 1997, have been audited by Price Waterhouse LLP, independent accountants, as set forth in their report dated January 28, 1998 accompanying such financial statements.

With respect to the unaudited consolidated financial information of the Company for the three month periods ended March 31, 1998 and 1997, incorporated by reference in this Offering Circular, Price Waterhouse reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated April 22, 1998 incorporated by reference herein, states that they did not audit and they did not express an opinion on that unaudited financial information. Price Waterhouse has not carried out any significant or additional tests beyond those which would have been necessary if their report had not been included. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

TABLE A

BENCHMARK TREASURY YIELD	REFERENCE YIELD OF THE OLD DEBENTURES	REFERENCE PRICE OF THE OLD DEBENTURES	REFERENCE YIELD OF THE NEW DEBENTURES	NEW COUPON	REFERENCE PRICE OF THE NEW DEBENTURES	PRICE DIFFERENTIAL	SPREAD DIFFERENTIAL (BASIS POINTS)	ACCRUED INTEREST DIFFERENTIAL
5.40%	6.12%	\$ 1,364.85	6.28%	8.980%	\$ 1,380.28	\$15.43	24.4	\$ 0.34667
5.41%	6.13%	\$ 1,363.50	6.29%	8.985%	\$ 1,379.14	\$15.64	24.6	\$ 0.34333
5.42%	6.14%	\$ 1,362.15	6.30%	8.985%	\$ 1,377.30	\$15.15	24.3	\$ 0.34333
5.43%	6.15%	\$ 1,360.81	6.31%	8.990%	\$ 1,376.16	\$15.35	24.4	\$ 0.34000
5.44%	6.16%	\$ 1,359.46	6.32%	8.995%	\$ 1,375.03	\$15.57	24.6	\$ 0.33667
5.45%	6.17%	\$ 1,358.12	6.33%	8.995%	\$ 1,373.20	\$15.08	24.3	\$ 0.33667
5.46%	6.18%	\$ 1,356.78	6.34%	9.000%	\$ 1,372.07	\$15.29	24.5	\$ 0.33333
5.47%	6.19%	\$ 1,355.45	6.35%	9.005%	\$ 1,370.94	\$15.49	24.6	\$ 0.33000
5.48%	6.20%	\$ 1,354.11	6.36%	9.005%	\$ 1,369.12	\$15.01	24.3	\$ 0.33000
5.49%	6.21%	\$ 1,352.78	6.37%	9.010%	\$ 1,368.00	\$15.22	24.5	\$ 0.32667
5.50%	6.22%	\$ 1,351.44	6.38%	9.015%	\$ 1,366.89	\$15.45	24.6	\$ 0.32333
5.51%	6.23%	\$ 1,350.11	6.39%	9.020%	\$ 1,365.77	\$15.66	24.7	\$ 0.32000
5.52%	6.24%	\$ 1,348.78	6.40%	9.020%	\$ 1,363.97	\$15.19	24.5	\$ 0.32000
5.53%	6.25%	\$ 1,347.46	6.41%	9.025%	\$ 1,362.86	\$15.40	24.6	\$ 0.31667
5.54%	6.26%	\$ 1,346.13	6.42%	9.030%	\$ 1,361.75	\$15.62	24.8	\$ 0.31333
5.55%	6.27%	\$ 1,344.81	6.43%	9.030%	\$ 1,359.95	\$15.14	24.5	\$ 0.31333
5.56%	6.28%	\$ 1,343.49	6.44%	9.035%	\$ 1,358.85	\$15.36	24.7	\$ 0.31000
5.57%	6.29%	\$ 1,342.17	6.45%	9.040%	\$ 1,357.75	\$15.58	24.8	\$ 0.30667
5.58%	6.30%	\$ 1,340.85	6.46%	9.040%	\$ 1,355.97	\$15.12	24.5	\$ 0.30667
5.59%	6.31%	\$ 1,339.54	6.47%	9.045%	\$ 1,354.87	\$15.33	24.7	\$ 0.30333
5.60%	6.32%	\$ 1,338.22	6.48%	9.050%	\$ 1,353.78	\$15.56	24.8	\$ 0.30000
5.61%	6.33%	\$ 1,336.91	6.49%	9.050%	\$ 1,352.00	\$15.09	24.6	\$ 0.30000
5.62%	6.34%	\$ 1,335.60	6.50%	9.055%	\$ 1,350.92	\$15.32	24.7	\$ 0.29667
5.63%	6.35%	\$ 1,334.29	6.51%	9.060%	\$ 1,349.83	\$15.54	24.9	\$ 0.29333
5.64%	6.36%	\$ 1,332.99	6.52%	9.060%	\$ 1,348.07	\$15.08	24.6	\$ 0.29333
5.65%	6.37%	\$ 1,331.68	6.53%	9.065%	\$ 1,346.99	\$15.31	24.8	\$ 0.29000
5.66%	6.38%	\$ 1,330.38	6.54%	9.070%	\$ 1,345.91	\$15.53	24.9	\$ 0.28667
5.67%	6.39%	\$ 1,329.08	6.55%	9.070%	\$ 1,344.16	\$15.08	24.7	\$ 0.28667
5.68%	6.40%	\$ 1,327.78	6.56%	9.075%	\$ 1,343.09	\$15.31	24.8	\$ 0.28333
5.69%	6.41%	\$ 1,326.48	6.57%	9.080%	\$ 1,342.02	\$15.54	25.0	\$ 0.28000
5.70%	6.42%	\$ 1,325.19	6.58%	9.080%	\$ 1,340.27	\$15.08	24.7	\$ 0.28000
5.71%	6.43%	\$ 1,323.89	6.59%	9.085%	\$ 1,339.21	\$15.32	24.9	\$ 0.27667
5.72%	6.44%	\$ 1,322.60	6.60%	9.090%	\$ 1,338.15	\$15.55	25.0	\$ 0.27333
5.73%	6.45%	\$ 1,321.31	6.61%	9.090%	\$ 1,336.41	\$15.10	24.8	\$ 0.27333
5.74%	6.46%	\$ 1,320.02	6.62%	9.095%	\$ 1,335.35	\$15.33	24.9	\$ 0.27000
5.75%	6.47%	\$ 1,318.74	6.63%	9.100%	\$ 1,334.30	\$15.56	25.1	\$ 0.26667
5.76%	6.48%	\$ 1,317.45	6.64%	9.100%	\$ 1,332.57	\$15.12	24.8	\$ 0.26667
5.77%	6.49%	\$ 1,316.17	6.65%	9.105%	\$ 1,331.53	\$15.36	25.0	\$ 0.26333
5.78%	6.50%	\$ 1,314.89	6.66%	9.110%	\$ 1,330.48	\$15.59	25.2	\$ 0.26000
5.79%	6.51%	\$ 1,313.61	6.67%	9.110%	\$ 1,328.76	\$15.15	24.9	\$ 0.26000
5.80%	6.52%	\$ 1,312.33	6.68%	9.115%	\$ 1,327.72	\$15.39	25.1	\$ 0.25667
5.81%	6.53%	\$ 1,311.06	6.69%	9.120%	\$ 1,326.68	\$15.62	25.2	\$ 0.25333
5.82%	6.54%	\$ 1,309.78	6.70%	9.120%	\$ 1,324.97	\$15.19	25.0	\$ 0.25333
5.83%	6.55%	\$ 1,308.51	6.71%	9.125%	\$ 1,323.94	\$15.43	25.1	\$ 0.25000
5.84%	6.56%	\$ 1,307.24	6.72%	9.125%	\$ 1,322.24	\$15.00	24.9	\$ 0.25000
5.85%	6.57%	\$ 1,305.97	6.73%	9.130%	\$ 1,321.21	\$15.24	25.1	\$ 0.24667
5.86%	6.58%	\$ 1,304.71	6.74%	9.135%	\$ 1,320.18	\$15.47	25.2	\$ 0.24333
5.87%	6.59%	\$ 1,303.44	6.75%	9.135%	\$ 1,318.49	\$15.05	25.0	\$ 0.24333
5.88%	6.60%	\$ 1,302.18	6.76%	9.140%	\$ 1,317.47	\$15.29	25.1	\$ 0.24000
5.89%	6.61%	\$ 1,300.92	6.77%	9.145%	\$ 1,316.45	\$15.53	25.3	\$ 0.23667
5.90%	6.62%	\$ 1,299.66	6.78%	9.145%	\$ 1,314.77	\$15.11	25.1	\$ 0.23667
5.91%	6.63%	\$ 1,298.40	6.79%	9.150%	\$ 1,313.75	\$15.35	25.2	\$ 0.23333
5.92%	6.64%	\$ 1,297.14	6.80%	9.155%	\$ 1,312.74	\$15.60	25.4	\$ 0.23000
5.93%	6.65%	\$ 1,295.89	6.81%	9.155%	\$ 1,311.07	\$15.18	25.2	\$ 0.23000
5.94%	6.66%	\$ 1,294.64	6.82%	9.160%	\$ 1,310.06	\$15.42	25.3	\$ 0.22667
5.95%	6.67%	\$ 1,293.38	6.83%	9.160%	\$ 1,308.39	\$15.01	25.1	\$ 0.22667
5.96%	6.68%	\$ 1,292.14	6.84%	9.165%	\$ 1,307.39	\$15.25	25.3	\$ 0.22333

TABLE A (CONTINUED)

BENCHMARK TREASURY YIELD	REFERENCE YIELD OF THE OLD DEBENTURES	REFERENCE PRICE OF THE OLD DEBENTURES	REFERENCE YIELD OF THE NEW DEBENTURES	NEW COUPON	REFERENCE PRICE OF THE NEW DEBENTURES	PRICE DIFFERENTIAL	SPREAD DIFFERENTIAL (BASIS POINTS)	ACCRUED INTEREST DIFFERENTIAL
5.97%	6.69%	\$ 1,290.89	6.85%	9.170%	\$ 1,306.39	\$15.50	25.4	\$ 0.22000
5.98%	6.70%	\$ 1,289.64	6.86%	9.170%	\$ 1,304.73	\$15.09	25.2	\$ 0.22000
5.99%	6.71%	\$ 1,288.40	6.87%	9.175%	\$ 1,303.74	\$15.34	25.4	\$ 0.21667
6.00%	6.72%	\$ 1,287.16	6.88%	9.180%	\$ 1,302.74	\$15.58	25.5	\$ 0.21333
6.01%	6.73%	\$ 1,285.92	6.89%	9.180%	\$ 1,301.09	\$15.17	25.3	\$ 0.21333
6.02%	6.74%	\$ 1,284.68	6.90%	9.185%	\$ 1,300.11	\$15.43	25.5	\$ 0.21000
6.03%	6.75%	\$ 1,283.44	6.91%	9.185%	\$ 1,298.46	\$15.02	25.2	\$ 0.21000
6.04%	6.76%	\$ 1,282.20	6.92%	9.190%	\$ 1,297.48	\$15.28	25.4	\$ 0.20667
6.05%	6.77%	\$ 1,280.97	6.93%	9.195%	\$ 1,296.50	\$15.53	25.6	\$ 0.20333
6.06%	6.78%	\$ 1,279.74	6.94%	9.195%	\$ 1,294.86	\$15.12	25.4	\$ 0.20333
6.07%	6.79%	\$ 1,278.51	6.95%	9.200%	\$ 1,293.89	\$15.38	25.5	\$ 0.20000
6.08%	6.80%	\$ 1,277.28	6.96%	9.205%	\$ 1,292.91	\$15.63	25.7	\$ 0.19667
6.09%	6.81%	\$ 1,276.05	6.97%	9.205%	\$ 1,291.29	\$15.24	25.5	\$ 0.19667
6.10%	6.82%	\$ 1,274.83	6.98%	9.210%	\$ 1,290.32	\$15.49	25.7	\$ 0.19333
6.11%	6.83%	\$ 1,273.60	6.99%	9.210%	\$ 1,288.70	\$15.10	25.4	\$ 0.19333
6.12%	6.84%	\$ 1,272.38	7.00%	9.215%	\$ 1,287.73	\$15.35	25.6	\$ 0.19000
6.13%	6.85%	\$ 1,271.16	7.01%	9.220%	\$ 1,286.77	\$15.61	25.8	\$ 0.18667
6.14%	6.86%	\$ 1,269.94	7.02%	9.220%	\$ 1,285.16	\$15.22	25.6	\$ 0.18667
6.15%	6.87%	\$ 1,268.73	7.03%	9.225%	\$ 1,284.20	\$15.47	25.7	\$ 0.18333
6.16%	6.88%	\$ 1,267.51	7.04%	9.225%	\$ 1,282.60	\$15.09	25.5	\$ 0.18333
6.17%	6.89%	\$ 1,266.30	7.05%	9.230%	\$ 1,281.64	\$15.34	25.7	\$ 0.18000
6.18%	6.90%	\$ 1,265.09	7.06%	9.235%	\$ 1,280.69	\$15.60	25.9	\$ 0.17667
6.19%	6.91%	\$ 1,263.88	7.07%	9.235%	\$ 1,279.09	\$15.21	25.6	\$ 0.17667
6.20%	6.92%	\$ 1,262.67	7.08%	9.240%	\$ 1,278.15	\$15.48	25.8	\$ 0.17333
6.21%	6.93%	\$ 1,261.46	7.09%	9.240%	\$ 1,276.56	\$15.10	25.6	\$ 0.17333
6.22%	6.94%	\$ 1,260.26	7.10%	9.245%	\$ 1,275.62	\$15.36	25.8	\$ 0.17000
6.23%	6.95%	\$ 1,259.05	7.11%	9.250%	\$ 1,274.67	\$15.62	26.0	\$ 0.16667
6.24%	6.96%	\$ 1,257.85	7.12%	9.250%	\$ 1,273.09	\$15.24	25.8	\$ 0.16667
6.25%	6.97%	\$ 1,256.65	7.13%	9.255%	\$ 1,272.16	\$15.51	25.9	\$ 0.16333
6.26%	6.98%	\$ 1,255.45	7.14%	9.255%	\$ 1,270.58	\$15.13	25.7	\$ 0.16333
6.27%	6.99%	\$ 1,254.26	7.15%	9.260%	\$ 1,269.65	\$15.39	25.9	\$ 0.16000
6.28%	7.00%	\$ 1,253.06	7.16%	9.260%	\$ 1,268.08	\$15.02	25.7	\$ 0.16000
6.29%	7.01%	\$ 1,251.87	7.17%	9.265%	\$ 1,267.15	\$15.28	25.9	\$ 0.15667
6.30%	7.02%	\$ 1,250.68	7.18%	9.270%	\$ 1,266.23	\$15.55	26.1	\$ 0.15333
6.31%	7.03%	\$ 1,249.49	7.19%	9.270%	\$ 1,264.67	\$15.18	25.8	\$ 0.15333
6.32%	7.04%	\$ 1,248.30	7.20%	9.275%	\$ 1,263.75	\$15.45	26.0	\$ 0.15000
6.33%	7.05%	\$ 1,247.11	7.21%	9.275%	\$ 1,262.19	\$15.08	25.8	\$ 0.15000
6.34%	7.06%	\$ 1,245.93	7.22%	9.280%	\$ 1,261.28	\$15.35	26.0	\$ 0.14667
6.35%	7.07%	\$ 1,244.74	7.23%	9.285%	\$ 1,260.36	\$15.62	26.2	\$ 0.14333
6.36%	7.08%	\$ 1,243.56	7.24%	9.285%	\$ 1,258.82	\$15.26	26.0	\$ 0.14333
6.37%	7.09%	\$ 1,242.38	7.25%	9.290%	\$ 1,257.90	\$15.52	26.2	\$ 0.14000
6.38%	7.10%	\$ 1,241.20	7.26%	9.290%	\$ 1,256.36	\$15.16	26.0	\$ 0.14000
6.39%	7.11%	\$ 1,240.02	7.27%	9.295%	\$ 1,255.46	\$15.44	26.2	\$ 0.13667
6.40%	7.12%	\$ 1,238.85	7.28%	9.295%	\$ 1,253.92	\$15.07	25.9	\$ 0.13667

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SCHEDULE A

FIXED SPREAD PRICING FORMULA TO DETERMINE THE
REFERENCE PRICE OF THE OLD DEBENTURES

YLD = Reference Yield of the Old Debentures expressed as a decimal number.
 CPN = The nominal rate of interest payable on the Old Debentures expressed as a decimal number.
 N = The number of semi-annual interest payments, based on the maturity date of the Old Debentures from, but excluding, the Exchange Date to, and including, the maturity date of the Old Debentures.
 S = The number of days from the last interest payment date on the Old Debentures (June 1, 1998) to, but not including, the Exchange Date. The number of days is computed using the 30/360 day-count method.
 exp = Exponentiate. The term to the left of 'exp' is raised to the power indicated by the term to the right of 'exp'.
 PRICE = The applicable Reference Price on the Old Debentures per \$1,000 principal amount of Old Debentures. The Reference Price of the Old Debentures is rounded to the nearest cent.

$$\begin{aligned}
 \text{PRICE} = & \frac{1,000}{(1 + \text{YLD}/2) \exp(N - S/180)} \\
 & + \frac{N}{[S]} \frac{1,000 (\text{CPN}/2)}{(1 + \text{YLD}/2) \exp(K - S/180)} \\
 & - 1,000 (\text{CPN}/2) (S/180)
 \end{aligned}$$

SCHEDULE B

HYPOTHETICAL PRICING EXAMPLE
FOR THE OLD DEBENTURES

This Schedule B provides a hypothetical illustration of the calculation of the Reference Price of the Old Debentures based on hypothetical data, and should, therefore, be used solely for the purpose of obtaining an understanding of the calculation of the Reference Price of the Old Debentures, as quoted at a hypothetical Benchmark Treasury Yield, and should not be used or relied upon for any other purpose.

OLD DEBENTURES

Maturity Date of the Old Debentures:.....	June 1, 2016
Benchmark Treasury Security:.....	6 1/8% U.S. Treasury Bond due November 15, 2027
EXAMPLE:	
Hypothetical Price Determination Date:.....	2:00 p.m., New York City time, on May 15, 1998
Exchange Date:.....	June 25, 1998
Benchmark Treasury Yield on the Hypothetical Price	
Determination Date.....	= 5.96%
Fixed Spread.....	= 0.72%
YLD.....	= 6.68%
CPN.....	= 9.50%
N.....	= 36
S.....	= 24
PRICE.....	= \$1,292.14

SCHEDULE C

FIXED SPREAD PRICING FORMULA TO DETERMINE THE
REFERENCE PRICE OF THE NEW DEBENTURES

- YLD = Reference Yield of the New Debentures expressed as a decimal number.
 CPN = The nominal rate of interest payable on the New Debentures expressed as a decimal number.
 N = The number of semi-annual interest payments, based on the maturity date of the New Debentures from, but excluding, the Exchange Date to, and including, the maturity date of the New Debentures.
 S = The number of days from the last interest payment date on the Old Debentures (June 1, 1998) to, but not including, the Exchange Date. The number of days is computed using the 30/360 day-count method.
 exp = Exponentiate. The term to the left of 'exp' is raised to the power indicated by the term to the right of 'exp'.
 PRICE = The applicable Reference Price of the New Debentures per \$1,000 principal amount of New Debentures. The Reference Price of the New Debentures is rounded to the nearest cent.

$$\begin{aligned}
 \text{PRICE} = & \frac{1,000}{(1 + \text{YLD}/2) \exp(N - S/180)} \\
 & + \frac{N}{[S]} \frac{1,000 (\text{CPN}/2)}{(1 + \text{YLD}/2) \exp(K - S/180)} \\
 & - 1,000 (\text{CPN}/2) (S/180)
 \end{aligned}$$

SCHEDULE D

HYPOTHETICAL PRICING EXAMPLE
FOR THE NEW DEBENTURES

This Schedule D provides a hypothetical illustration of the calculation of the Reference Price of the New Debentures based on hypothetical data, and should, therefore, be used solely for the purpose of obtaining an understanding of the calculation of the Reference Price of the New Debentures and the New Coupon, as quoted at a hypothetical Benchmark Treasury Yield, and should not be used or relied upon for any other purpose.

NEW DEBENTURES

Maturity Date of the New Debentures:.....	June 1, 2033
Benchmark Treasury Security:.....	6 1/8% U.S. Treasury Bond due November 15, 2027
EXAMPLE:	
Hypothetical Price Determination Date:.....	2:00 p.m., New York City time, on May 15, 1998
Exchange Date:.....	June 25, 1998
Benchmark Treasury Yield on the Hypothetical Price Determination Date.....	= 5.96%
Fixed Spread.....	= 0.88%
YLD.....	= 6.84%
CPN.....	= 9.165%
N.....	= 70
S.....	= 24
PRICE.....	= \$1,307.39

SCHEDULE E

HYPOTHETICAL EXAMPLE FOR CALCULATING
THE SPREAD DIFFERENTIAL

This Schedule E provides a hypothetical illustration of the calculation of the Spread Differential based on hypothetical data, and should, therefore, be used solely for the purpose of obtaining an understanding of the calculation of the Spread Differential, as calculated based on a hypothetical Benchmark Treasury Yield, Reference Price of the Old Debentures, and New Coupon, and should not be used or relied upon for any other purpose.

Hypothetical Price Determination Date:.....	2:00 p.m., New York City time, on May 15, 1998
Exchange Date:.....	June 25, 1998
Benchmark Treasury Yield on the Hypothetical Price Determination Date.....	= 5.96%
Reference Price of the Old Debentures.....	= \$1,292.14
New Coupon.....	= 9.165%
Adjusted Yield to Maturity of the New Debentures.....	= 6.933%
Reference Yield of the Old Debentures.....	= 6.68%
Spread Differential.....	= 0.253% (25.3 basis points)

SCHEDULE F

FORMULA FOR CALCULATING ACCRUED INTEREST DIFFERENTIAL

CPN1..... = the nominal rate of interest payable on the Old
Debentures expressed as a decimal number (i.e., the Old
Coupon).
CPN2..... = the nominal rate of interest payable on the New
Debentures expressed as a decimal number (i.e., the New
Coupon).
S..... = the number of days from the last interest payment date
on the Old Debentures (June 1, 1998) to, but not
including, the Exchange Date. The number of days is
computed using the 30/360 day-count method.
Accrued Interest Differential..... = The applicable Accrued Interest Differential per \$1,000
principal amount of an Old Debenture. The Accrued
Interest Differential is rounded to the nearest
thousandth of a cent.
Accrued Interest Differential..... = $(CPN1 - CPN2) 1,000 (S/360)$

- -----

Note: If CPN2 is greater than or equal to CPN1, then the Accrued Interest
Differential is zero.

SCHEDULE G

HYPOTHETICAL EXAMPLE FOR CALCULATING
THE ACCRUED INTEREST DIFFERENTIAL

This Schedule G provides a hypothetical illustration of the calculation of the Accrued Interest Differential based on hypothetical data, and should, therefore, be used solely for the purpose of obtaining an understanding of the Accrued Interest Differential, as calculated based on the Old Coupon, and a hypothetical New Coupon, and should not be used or relied upon for any other purpose.

Exchange Date:.....	June 25, 1998
CPN1.....	= 9.50%
CPN2.....	= 9.165%
S.....	= 24
Accrued Interest Differential.....	= \$0.22333

LETTER OF TRANSMITTAL

TO TENDER FOR EXCHANGE
9 1/2% DEBENTURES DUE JUNE 1, 2016
FOR
DEBENTURES DUE JUNE 1, 2033
OF
ALLIEDSIGNAL INC.
PURSUANT TO THE OFFERING CIRCULAR
DATED MAY 20, 1998

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON THURSDAY, JUNE 18, 1998, UNLESS EXTENDED (THE 'EXPIRATION DATE').

PLEASE READ CAREFULLY THE ATTACHED INSTRUCTIONS

IF YOU DESIRE TO ACCEPT THE EXCHANGE OFFER, THIS LETTER OF TRANSMITTAL SHOULD BE COMPLETED, SIGNED, AND SUBMITTED TO THE EXCHANGE AGENT:

THE CHASE MANHATTAN BANK

By Fax:
(214) 672-5932
Attention: Frank Ivins

By Hand or Overnight Courier:
The Chase Manhattan Bank
c/o Chase Bank of Texas, N.A.
Corporate Trust Services
1201 Main Street
18th Floor
Dallas, Texas 75202
Attention: Frank Ivins
Phone: (214) 672-5678

By Mail:
The Chase Manhattan Bank
c/o Chase Bank of Texas, N.A.
Corporate Trust Services
P.O. Box 219052
Dallas, Texas 75221-9052
Attention: Frank Ivins

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS, OR TRANSMISSION VIA FACSIMILE TO A NUMBER, OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

For any questions regarding this Letter of Transmittal or for any additional information you may contact the Exchange Agent.

The undersigned hereby acknowledges receipt of the Offering Circular dated May 20, 1998 (as it may be supplemented and amended from time to time, the 'Offering Circular') of ALLIEDSIGNAL INC. (the 'Company'), and this Letter of Transmittal which together constitute the Company's offer (the 'Exchange Offer') to exchange an aggregate principal amount of up to \$100,000,000 of its Debentures Due June 1, 2033 (the 'New Debentures') for a like principal amount of its issued and outstanding 9 1/2% Debentures Due June 1, 2016 (the 'Old Debentures') from the registered holders (individually, a 'Holder' and collectively, the 'Holders') thereof. Capitalized terms used but not defined herein have the meanings ascribed to them in the Offering Circular.

The undersigned hereby tenders the Old Debentures described in Box 1 below, upon the terms and subject to the conditions described in the Offering Circular and this Letter of Transmittal. The undersigned is the Holder of all such Old Debentures and the undersigned represents that it has received from each beneficial owner of the tendered Old Debentures ('Beneficial Owners') valid instructions which authorize and instruct the undersigned to take the action described in this Letter of Transmittal.

Subject to, and effective upon, the acceptance for exchange of the tendered Old Debentures, the undersigned hereby exchanges, assigns and transfers to, or upon the order of, the Company all right, title, and interest in, to and under the tendered Old Debentures.

Please issue the New Debentures exchanged for tendered Old Debentures in the name(s) of the undersigned. If Old Debentures not tendered or not exchanged are to be delivered to a person other than to the Holder of the Old Debentures tendered or to an address other than that of the Holder of such Old Debentures, such Holder should so indicate in the section of this Letter of Transmittal entitled 'Special Delivery Instructions' below (see Box 2).

The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as the true and lawful agent and attorney in fact of the undersigned with respect to the tendered Old Debentures, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver the tendered Old Debentures to the Company or cause ownership of the tendered Old Debentures to be transferred to, or upon the order of, the Company, on the books of the registrar for the Old Debentures and deliver all accompanying evidences of transfer and authenticity to, or upon the order of, the Company upon receipt by the Exchange Agent, as the undersigned's agent, of the New Debentures to which the undersigned is entitled upon acceptance by the Company of the tendered Old Debentures pursuant to the Exchange Offer, and (ii) receive all benefits and otherwise exercise all rights of beneficial ownership of the tendered Old Debentures, all in accordance with the terms of the Exchange Offer.

The undersigned understands that tenders of Old Debentures pursuant to the procedures described under the caption 'The Exchange Offer -- Procedures for Tendering Old Debentures' in the Offering Circular and in the instructions hereto will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Exchange Offer, subject only to withdrawal of such tenders on the terms set forth in the Offering Circular under the caption 'The Exchange Offer -- Withdrawal Rights'. All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned and any Beneficial Owner(s), and every obligation of the undersigned or any Beneficial Owner(s) hereunder shall be binding upon the heirs, representatives, successors, and assigns of the undersigned and such Beneficial Owner(s).

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, exchange, assign, and transfer the tendered Old Debentures and that the Company will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances and adverse claims when the tendered Old Debentures are acquired by the Company as contemplated herein. The undersigned and each Beneficial Owner will, upon request, execute and deliver any additional documents reasonably requested by the Company or the Exchange Agent as necessary or desirable to complete and give effect to the transactions contemplated hereby.

The undersigned hereby represents and warrants that the information set forth in Box 1 is true and correct.

Holders of Old Debentures that are tendering by book-entry transfer to the Exchange Agent's account at DTC can execute the tender through the DTC Automated Tender Offer Program ('ATOP'), for which the transaction will be eligible. DTC participants that are accepting the Exchange Offer must transmit their acceptance to DTC, which will verify the acceptance and execute a book-entry delivery to the Exchange Agent's DTC account. DTC will then send an Agent's Message to the Exchange Agent for its acceptance. DTC participants may also accept the Exchange Offer prior to the Expiration Date by submitting a Notice of Guaranteed Delivery through ATOP.

BOX 2
SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 5, 6 AND 7)

To be completed ONLY if New Debentures exchanged for Old Debentures and untendered Old Debentures are to be sent to someone other than the undersigned, or to the undersigned at an address other than that shown above.

Mail any Old Debenture(s) not tendered hereby to:

Name(s) : _____
(Please Print)

Address: _____

(include Zip Code)

Tax Identification or
Social Security No.: _____

BOX 3
USE OF GUARANTEED DELIVERY
(SEE INSTRUCTION 2)

To be completed only if Old Debentures are being tendered by means of a Notice of Guaranteed Delivery.

Name(s) of Holder(s): _____

Window Ticket No. (if any): _____

Date of Execution of Notice

of Guaranteed Delivery: _____

Name of Eligible Institution

that Guaranteed Delivery: _____

If Delivered by Book-Entry Transfer, complete the following:

DTC Account Number: _____

Transaction Code Number: _____

BOX 4
USE OF BOOK-ENTRY TRANSFER
(SEE INSTRUCTION 1)

To be completed only if delivery of Old Debentures is to be made by book-entry transfer.

Name of Tendering Institution: _____

Name of DTC Participant: _____

DTC Participant Number: _____

Transaction Code Number: _____

BOX 5
DTC PARTICIPANT INFORMATION
(SEE INSTRUCTION 1)

To be completed to indicate how New Debentures are to be delivered by book-entry transfer.

Name of DTC Participant: _____

DTC Participant Number: _____

BOX 6
TENDERING HOLDER SIGNATURE
(SEE INSTRUCTIONS 1 AND 5)
IN ADDITION, COMPLETE SUBSTITUTE FORM W-9

X _____
X _____
(Signature of Holder(s) or Authorized Signatory)

Note: The above lines must be signed by the registered holder(s) of Old Debentures as their name(s) appear(s) therein or on the DTC security position listing with respect thereto or by the person(s) authorized to become registered holder(s) (evidence of such authorization must be transmitted with this Letter of Transmittal). If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer, or other person acting in a fiduciary or representative capacity, such person must set forth his or her full title below. See Instruction 5.

Name(s): _____
Capacity: _____
Address: _____

(Zip Code)

Area Code and Telephone Number: _____
Tax Identification or Social Security Number: _____

SIGNATURE GUARANTEE
(IF REQUIRED BY INSTRUCTION 5)

Authorized Signature X _____

Name: _____
(please print)

Title: _____

Name of Firm: _____
(Must be an Eligible Institution as defined in Instruction 5)

Address: _____

(Zip Code)

Area Code and Telephone Number: _____
Dated: _____

PAYER'S NAME: THE CHASE MANHATTAN BANK

SUBSTITUTE
FORM W-9

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE

Please fill out your name and address below:
Name _____
Address (Number and street) _____
City, State and Zip Code _____

PART 1 -- PLEASE PROVIDE YOUR TIN IN THE BOX AT
RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.

Social Security Number
OR

Employer Identification Number

PAYER'S REQUEST FOR
TAXPAYER IDENTIFICATION
NUMBER (TIN)

PART 2 --
CERTIFICATION -- UNDER PENALTIES OF PERJURY, I CERTIFY THAT:
(1) The number shown on this form is my correct Taxpayer
Identification Number (or I am waiting for a number to be
issued to me) and (2) I am not subject to backup withholding
either because (a) I am exempt from backup withholding; or
(b) I have not been notified by the Internal Revenue Service
(the 'IRS') that I am subject to backup withholding as a
result of failure to report all interest and dividends,
or (c) the IRS has notified me that I am no longer subject
to backup withholding.

PART 3 --
Awaiting TIN []

Exempt []

CERTIFICATION INSTRUCTIONS -- You must cross out item (2) above if you have been
notified by the IRS that you are subject to backup withholding because of
under-reporting interest or dividends on your tax return. However, if after being
notified by the IRS that you were subject to backup withholding you received another
notification from the IRS stating that you are no longer subject to backup withholding,
do not cross out item (2). If you are exempt from backup withholding, check the
applicable box in Part 3.

SIGNATURE _____ DATE _____
NAME (Please Print) _____
ADDRESS (Number and street) _____
City, State and Zip Code _____

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP
WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER
AND THE SOLICITATION. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR
CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER OF SUBSTITUTE FORM
W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE
APPLICABLE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number
has not been issued to me, and either (a) I have mailed or delivered an
application to receive a taxpayer identification number to the appropriate
Internal Revenue Service Center or Social Security Administration Office or
(b) I intend to mail or deliver an application in the near future. I
understand that if I do not provide a taxpayer identification number to the
payor by the time of payment, 31% of all reportable payments made to me will
be withheld until I provide a number and that, if I do not provide my
taxpayer identification number within 60 days, such retained amounts shall
be remitted to the IRS as backup withholding.

SIGNATURE _____ DATE _____

INSTRUCTIONS TO LETTER OF TRANSMITTAL
FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. Delivery of this Letter of Transmittal and Old Debentures. This Letter of Transmittal is to be completed by Holders of tendered Old Debentures if certificates representing such tendered Old Debentures are to be forwarded herewith pursuant to the procedures set forth in the Offering Circular under 'The Exchange Offer -- Procedures for Tendering Old Debentures,' unless delivery of such certificates is to be made by book-entry transfer to the Exchange Agent's account maintained by DTC through ATOP. For a Holder to properly tender Old Debentures pursuant to the Exchange Offer, a properly completed and duly executed copy of this Letter of Transmittal, including the Substitute Form W-9, and any other documents required by this Letter of Transmittal must be received by the Exchange Agent at its address set forth herein, and either (i) certificates for tendered Old Debentures must be received by the Exchange Agent at its address set forth herein, or (ii) such tendered Old Debentures must be transferred pursuant to the procedures for book-entry transfer described in the Offering Circular under the caption 'The Exchange Offer -- Procedures for Tendering' (and a confirmation of such transfer must be received by the Exchange Agent) in each case prior to Expiration Date. The method of delivery of certificates for tendered Old Debentures, this Letter of Transmittal and all other required documents to the Exchange Agent is at the election and risk of the tendering Holder and the delivery will be deemed made only when actually received by the Exchange Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. Instead of delivery by mail, it is recommended that the Holder use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. No Letter of Transmittal or certificates for Old Debentures should be sent to the Company. Neither the Company nor the Exchange Agent is under any obligation to notify any tendering holder of the Company's acceptance of tendered Old Debentures prior to the closing of the Exchange Offer. New Debentures will be delivered only in book-entry form through DTC and only to the DTC account of the tendering Holder or the tendering Holder's Custodian. Accordingly, a Holder who tenders Old Debentures must specify in Box 5 the DTC Participant name and number to which the New Debentures should be delivered.

2. Guaranteed Delivery Procedures. If a Holder desires to tender Old Debentures pursuant to the Exchange Offer and (a) certificates representing such tendered Old Debentures are not immediately available, (b) time will not permit such Holder('s) Letter of Transmittal, certificates representing such tendered Old Debentures and all other required documents to reach the Exchange Agent prior to the Expiration Date, or (c) the procedures for book-entry transfer cannot be completed prior to the Expiration Date, such Holder may tender Old Debentures pursuant to the procedures set forth below and in the Offering Circular under 'The Exchange Offer -- Guaranteed Delivery Procedures' (including the completion of Box 3 above). Pursuant to such procedures, (i) the tender must be made by or through an Eligible Institution (as defined below), (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Company herewith, or an Agent's Message with respect to a guaranteed delivery that is accepted by the Company, must be received by the Exchange Agent on or prior to the Expiration Date, and (iii) the certificates for the tendered Old Debentures, in proper form for transfer (or a Book-Entry Confirmation of the transfer of such tendered Old Debentures to the Exchange Agent's account at DTC as described in the Offering Circular), together with a Letter of Transmittal (or manually signed facsimile thereof) properly completed and duly executed, with any required signature guarantees and any other documents required by the Letter of Transmittal or a properly transmitted Agent's Message, must be received by the Exchange Agent within three NYSE trading days after the date of execution of the Notice of Guaranteed Delivery. Any Holder who wishes to tender Old Debentures pursuant to the guaranteed delivery procedures described above must ensure that the Exchange Agent receives the Notice of Guaranteed Delivery relating to such tendered Old Debentures prior to the Expiration Date. Failure to complete the guaranteed delivery procedures outlined above will not, of itself, affect the validity or effect a revocation of any Letter of Transmittal form properly completed and executed by an Eligible Holder who attempted to use the guaranteed delivery process.

3. Beneficial Owner Instructions to Holders. Only a Holder in whose name Old Debentures are registered on the books of the registrar (or the legal representative or attorney-in-fact of such

registered holder) or whose name appears on a DTC security position listing as a holder of Old Debentures may execute and deliver this Letter of Transmittal. Any Beneficial Owner of Old Debentures who is not the Holder must arrange promptly with the Holder to execute and deliver this Letter of Transmittal on his or her behalf.

4. Partial Tenders. Tenders of Old Debentures will be accepted only in denominations of \$1,000 or in integral multiples thereof. If less than the entire principal amount of Old Debentures held by the Holder is tendered, the Holder should fill in the principal amount tendered in the column labeled 'Total Principal Amount of Old Debentures Tendered' of the box entitled 'Description of Old Debentures Tendered' (see Box 1) above. The entire principal amount of Old Debentures delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all Old Debentures held by the Holder is not tendered, then new certificates representing the Old Debentures for the principal amount of Old Debentures not tendered will be sent to the Holder at its registered address, unless a different address is provided in Box 2 above entitled 'Special Delivery Instructions' on this Letter of Transmittal, as soon as practicable following the Expiration Date.

5. Signatures on the Letter of Transmittal; Bond Powers and Endorsements; Guarantee of Signatures. If this Letter of Transmittal is signed by the Holder(s) of the tendered Old Debentures, the signature must correspond with the name(s) as written on the face of the tendered Old Debentures without alteration, enlargement or any change whatsoever. If any of the tendered Old Debentures are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal. If any tendered Old Debentures are held in different names, it will be necessary to complete, sign and submit as many separate copies of the Letter of Transmittal as there are different names in which such tendered Old Debentures are held.

If this Letter of Transmittal is signed by the Holder(s) of Old Debentures, and New Debentures issued in exchange therefor are to be issued (and any untendered principal amount of Old Debentures is to be reissued) in the name of the Holder(s), then such Holder(s) need not and should not endorse any Old Debentures, nor provide a separate bond power. In any other case, such Holder(s) must either properly endorse the tendered Old Debentures or transmit a properly completed separate bond power with this Letter of Transmittal with the signature(s) on the endorsement or bond power guaranteed by a Medallion Signature Guarantor (as defined below).

If this Letter of Transmittal is signed by a person other than the Holder(s) of any tendered Old Debentures, such tendered Old Debentures must be endorsed or accompanied by appropriate bond powers, in each case, signed as the name(s) of the Holder(s) appear(s) on the tendered Old Debentures, with the signature(s) on the endorsement or bond power guaranteed by a Medallion Signature Guarantor.

If this Letter of Transmittal or any tendered Old Debentures or bond powers are signed by trustees, executors, administrators, guardians, attorney-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and, unless waived by the Company, evidence satisfactory to the Company of their authority to so act must be submitted with this Letter of Transmittal.

Signatures on this Letter of Transmittal must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program (each a 'Medallion Signature Guarantor'), unless the Old Debentures are tendered (i) by the Holder of the Old Debentures (or by a participant in DTC whose name appears on a security position listing as the owner of such Old Debentures) who has not completed Box 2 ('Special Delivery Instructions') on this Letter of Transmittal, or (ii) for the account of a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. ('NASD') or a commercial bank or trust company having an office or correspondent in the United States (each of the foregoing being referred to as an 'Eligible Institution'). If the tendered Old Debentures are registered in the name of a person other than the signer of the Letter of Transmittal or if Old Debentures not tendered are to be returned to a person other than the Holder, then the signature on this Letter of Transmittal accompanying the tendered Old Debentures

must be guaranteed by a Medallion Signature Guarantor as described above. Beneficial Owners whose tendered Old Debentures are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if they desire to tender such Old Debentures.

6. Special Delivery Instructions. Holders should indicate in Box 2 ('Special Delivery Instructions') the name and address to which the New Debentures and/or substitute Old Debentures for principal amounts not tendered or not accepted for exchange are to be sent, if different from the name and address of the person signing this Letter of Transmittal. In the case of issuance in a different name, the taxpayer identification or social security number of the person named must also be indicated.

7. Transfer Taxes. The Company will pay all transfer taxes, if any, applicable to the exchange of Old Debentures pursuant to the Exchange Offer. If, however, a transfer tax is imposed for any reason other than the transfer and exchange of Old Debentures pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the Holder or on any other person) will be payable by the Holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with this Letter of Transmittal, the amount of such transfer taxes will be billed directly to such Holder.

It will not be necessary for transfer tax stamps to be affixed to the tendered Old Debentures listed in this Letter of Transmittal.

8. Tax Identification Number. Federal income tax law requires that the Holder(s) of any Old Debentures which are accepted for exchange must provide the Exchange Agent (as payor) with its correct taxpayer identification number ('TIN'), which, in the case of a Holder who is an individual, is his or her social security number. If the Exchange Agent is not provided with the correct TIN, the Holder may be subject to backup withholding and a \$50 penalty imposed by the Internal Revenue Service ('IRS'). (If withholding results in an over-payment of taxes, a refund may be obtained.) Certain Holders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. See the enclosed 'Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9' for additional instructions.

To prevent backup withholding, each Holder of tendered Old Debentures must provide such Holder's correct TIN by completing the Substitute Form W-9 set forth herein, certifying that the TIN provided is correct (or that such Holder is awaiting a TIN), and that (i) the Holder has not been notified by the IRS that such Holder is subject to backup withholding as a result of failure to report all interest or dividends or (ii) if previously so notified, the IRS has notified the Holder that such Holder is no longer subject to backup withholding. If the tendered Old Debentures are registered in more than one name or are not in the name of the actual owner, consult the 'Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9' for information on which TIN to report.

The Company reserves the right in its sole discretion to take whatever steps are necessary to comply with the Company's obligation regarding backup withholding.

9. Validity of Tenders. All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of tendered Old Debentures will be determined by the Company in its sole discretion, which determination will be final and binding. The Company reserves the right to reject any and all Old Debentures not validly tendered or any Old Debentures the Company's acceptance of which would, in the opinion of the Company or its counsel, be unlawful. The Company also reserves the right to waive any conditions of the Exchange Offer or defects or irregularities in tenders of Old Debentures as to any ineligibility of any Holder who seeks to tender Old Debentures in the Exchange Offer. The interpretation of the terms and conditions of the Exchange Offer (including this Letter of Transmittal and the instructions hereto) by the Company shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Old Debentures must be cured within such time as the Company shall determine. Neither the Company, the Exchange Agent nor any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Old Debentures, nor shall any of them incur any liability for failure to give such notification. Tenders of Old Debentures will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Old Debentures received by the Exchange Agent that are not properly

tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the Holders, unless otherwise provided in this Letter of Transmittal, as soon as practicable following the Expiration Date.

10. Waiver of Conditions. The Company reserves the absolute right to amend, waive or modify any of the conditions in the Exchange Offer in the case of any Old Debentures.

11. No Conditional Tender. No alternative, conditional, irregular or contingent tender of Old Debentures or transmittal of this Letter of Transmittal will be accepted.

12. Mutilated, Lost, Stolen or Destroyed Debentures. Any Holder whose tendered Old Debentures have been mutilated, lost, stolen or destroyed should contact the Exchange Agent at the address indicated herein for further instructions.

13. Requests for Assistance or Additional Copies. Questions and requests for assistance and requests for additional copies of the Offering Circular or this Letter of Transmittal may be directed to the Exchange Agent or the Information Agent at the addresses and telephone numbers indicated herein. Holders may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offer.

14. Acceptance of Tendered Old Debentures and Issuance of New Debentures; Return of Old Debentures. Subject to the terms and conditions of the Exchange Offer, the Company will accept for exchange all validly tendered Old Debentures as soon as practicable after the Expiration Date and will issue New Debentures therefor on the fifth business day following the Expiration Date. For purposes of the Exchange Offer, the Company shall be deemed to have accepted tendered Old Debentures when, as and if the Company has given written or oral notice (immediately followed in writing) thereof to the Exchange Agent. If any tendered Old Debentures are not exchanged pursuant to the Exchange Offer for any reason, such unexchanged Old Debentures will be returned, without expense, to the undersigned at the address shown in Box 1 or at a different address as may be indicated in Box 2 'Special Delivery Instructions'.

15. Withdrawal. Tenders may be withdrawn only pursuant to the procedures set forth in the Offering Circular under the caption 'The Exchange Offer -- Withdrawal Rights'.

NOTICE OF GUARANTEED DELIVERY
IN RESPECT OF
9 1/2% DEBENTURES DUE JUNE 1, 2016
OF

ALLIEDSIGNAL INC.
PURSUANT TO THE OFFERING CIRCULAR
DATED MAY 20, 1998

The Exchange Agent for the Exchange Offer is:

EXCHANGE AGENT
THE CHASE MANHATTAN BANK

By Fax:
(214) 672-5932
Attention: Frank Ivins

By Hand or Overnight Courier:
The Chase Manhattan Bank
c/o Chase Bank of Texas, N.A.
Corporate Trust Services
1201 Main Street
18th Floor
Dallas, Texas 75202
Attention: Frank Ivins
Phone: (214) 672-5678

By Mail:
The Chase Manhattan Bank
c/o Chase Bank of Texas, N.A.
Corporate Trust Services
P.O. Box 219052
Dallas, Texas 75221-9052
Attention: Frank Ivins

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS, OR TRANSMISSION VIA FACSIMILE TO A NUMBER, OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE VALID DELIVERY. THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON THURSDAY, JUNE 18, 1998, UNLESS EXTENDED (THE 'EXPIRATION DATE').

As set forth in the Offering Circular dated May 20, 1998 (as it may be supplemented and amended from time to time, the 'Offering Circular') of ALLIEDSIGNAL INC. (the 'Company') under 'The Exchange Offer -- Guaranteed Delivery Procedures,' and in the Instructions to the related Letter of Transmittal (the 'Letter of Transmittal'), this form, or one substantially equivalent hereto, or an Agent's Message relating to the guaranteed delivery procedures, must be used to accept the Company's offer (the 'Exchange Offer') to exchange an aggregate principal amount of up to \$100,000,000 of its Debentures Due June 1, 2033 (the 'New Debentures') for a like principal amount of its issued and outstanding 9 1/2% Debentures Due June 1, 2016 (the 'Old Debentures'), if time will not permit the Letter of Transmittal, certificates representing such Old Debentures and other required documents to reach the Exchange Agent, or the procedures for book-entry transfer cannot be completed, prior to the Expiration Date (as defined herein).

This form must be delivered by an Eligible Institution (as defined herein) by facsimile transmission, mail or hand delivery to the Exchange Agent as set forth above. If a signature on the Letter of Transmittal is required to be guaranteed by a Medallion Signature Guarantor under the instructions thereto, such signature guarantee must appear in the applicable space provided in the Letter of Transmittal. This form is not to be used to guarantee signatures.

Questions and requests for assistance and requests for additional copies of the Offering Circular may be directed to the Exchange Agent at the address above. Beneficial owners may also contact their broker, dealer, commercial bank, trust company, or other nominee for assistance concerning the Exchange Offer.

Ladies and Gentlemen:

The undersigned hereby tender(s) to the Company, upon the terms and subject to the conditions set forth in the Offering Circular and the Letter of Transmittal (receipt of which is hereby acknowledged), the principal amount of the Old Debentures specified below pursuant to the guaranteed delivery procedures set forth in the Offering Circular under 'The Exchange Offer -- Guaranteed Delivery Procedures' and in Instruction 2 to the Letter of Transmittal. The undersigned hereby authorizes the Exchange Agent to deliver this Notice of Guaranteed Delivery to the Company with respect to the Old Debentures tendered pursuant to the Exchange Offer.

The undersigned understands that Old Debentures will be exchanged only after timely receipt by the Exchange Agent of (i) such Old Debentures, or a Book-Entry Confirmation of the transfer of such Old Debentures into the Exchange Agent's account at the Book-Entry Transfer Facility, and (ii) a Letter of Transmittal (or a manually signed facsimile thereof), with respect to such Old Debentures, properly completed and duly executed, with any signature guarantees (or an Agent's Message in lieu thereof) and any other documents required by the Letter of Transmittal within three New York Stock Exchange trading days after the execution hereof. The undersigned also understands that the method of delivery of this Notice of Guaranteed Delivery and any other required documents to the Exchange Agent is at the election and sole risk of the Holder, and the delivery will be deemed made only when actually received by the Exchange Agent.

THE UNDERSIGNED UNDERSTANDS THAT TENDERS OF OLD DEBENTURES WILL BE ACCEPTED ONLY IN DENOMINATIONS OF \$1,000 OR AN INTEGRAL MULTIPLE THEREOF. THE UNDERSIGNED ALSO UNDERSTANDS THAT TENDERS OF OLD DEBENTURES MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE.

All authority conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall not be affected by, and shall survive, the death or incapacity of the undersigned, and every obligation of the undersigned under this Notice of Guaranteed Delivery shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned.

All capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Offering Circular.

PLEASE SIGN AND COMPLETE

Signature(s) of Holder(s) or Authorized Signatory: _____

Name(s) of Holder(s): _____

Principal Amount of Old Debentures Tendered: _____

Certificate No.(s) of Old Debentures (if available): _____

Date: _____

Address: _____

Area Code and Telephone No: _____

If Debentures will be delivered by book-entry transfer, check book-entry transfer facility below:

[] The Depository Trust Company DTC Account No. _____

This Notice of Guaranteed Delivery must be signed by the Holder(s) exactly as their name(s) appear(s) on certificate(s) for Old Debentures, or by person(s) authorized to become Holder(s) by endorsements and documents transmitted with this Notice of Guaranteed Delivery without alteration, enlargement or any change whatsoever. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer or other person acting in a fiduciary or representative capacity, such person must provide the following information.

Name(s) : _____

Please print name(s) and address(es)

Capacity: _____

Address(es): _____

DO NOT SEND OLD DEBENTURES WITH THIS FORM.
OLD DEBENTURES SHOULD BE SENT TO THE EXCHANGE AGENT TOGETHER
WITH A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL.

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a member of the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program (each, an 'Eligible Institution'), hereby (i) represents that the above-named persons are deemed to own the Old Debentures tendered hereby within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended ('Rule 14e-4'), (ii) represents that such tender of Old Debentures complies with Rule 14e-4 and (iii) guarantees that the Old Debentures tendered hereby are in proper form for transfer (pursuant to the procedures set forth in the Offering Circular under 'The Exchange Offer -- Guaranteed Delivery Procedures'), and that the Exchange Agent will receive (a) such Old Debentures, or a Book-Entry Confirmation of the transfer of such Old Debentures into the Exchange Agent's account at the Book-Entry Transfer Facility and (b) a properly completed and duly executed Letter of Transmittal or manually signed facsimile thereof (or Agent's message) with any required signature guarantees and any other documents required by the Letter of Transmittal within three New York Stock Exchange trading days after the date of execution hereof.

The Eligible Institution that completes this form must communicate the guarantee to the Exchange Agent and must deliver the Letter of Transmittal and Old Debentures to the Exchange Agent within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

Name of Firm: _____

Authorized Signature: _____

Title: _____

Address: _____

(Zip Code)

Area Code and Telephone Number: _____

Dated: _____

EXHIBIT T3F--CROSS REFERENCE SHEET

TABLE SHOWING REFLECTION IN INDENTURE OF CERTAIN PROVISIONS
OF TRUST INDENTURE ACT OF 1939

Trust Indenture Act Section -----	Indenture Section -----
'SS'310	(a) (1)609
	(a) (2)609
	(a) (3)Not Applicable
	(a) (4)Not Applicable
	(b)608, 610
	(c)Not Applicable
'SS'311	(a)613(a)
	(b)613(b)
	(b) (2)703(a) (2), 703(b)
'SS'312	(a)701
	702(a)
	(b)702(b)
	(c)702(c)
'SS'313	(a)703(a)
	(b) (1)Not Applicable
	(b) (2)703(b)
	(c)703(a), 703(b)
	(d)703(c)
'SS'314	(a) (1)704(1)
	(a) (2)704(2)
	(a) (3)704(3)
	(b)Not Applicable
	(c) (1)102
	(c) (2)102
	(c) (3)Not Applicable
	(d)Not Applicable
	(e)102
'SS'315	(a)601(a), 601(c)
	(b)602
	703(a) (6)
	(c)601(b)
	(d)601(c)
	(d) (1)601(a)
	601(c) (1)
	(d) (2)601(c) (2)
	(d) (3)601(c) (3)
	(e)509
'SS'316	(a)101
	(a) (1) (A)502
	507
	(a) (1) (B)507

(a) (2)Not Applicable
(b)504
'SS'317 (a) (1)503, 505
(a) (2)505
(b)1003
'SS'318 (a)107

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF
A TRUSTEE PURSUANT TO SECTION 305(b) (2) _____

THE CHASE MANHATTAN BANK
(Exact name of trustee as specified in its charter)

NEW YORK
(State of incorporation
if not a national bank)

13-4994650
(I.R.S. employer
identification No.)

270 PARK AVENUE
NEW YORK, NEW YORK
(Address of principal executive offices)

10017
(Zip Code)

William H. McDavid
General Counsel
270 Park Avenue
New York, New York 10017
Tel: (212) 270-2611
(Name, address and telephone number of agent for service)

ALLIEDSIGNAL INC.
(Exact name of obligor as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

22-2640650
(I.R.S. employer
identification No.)

101 COLUMBIA ROAD
MORRISTOWN, NEW JERSEY (973)455-6386
(Address of principal executive offices)

07962
(Zip Code)

DEBT SECURITIES
(Title of the indenture securities)

GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

New York State Banking Department, State House, Albany, New York 12110.

Board of Governors of the Federal Reserve System, Washington, D.C., 20551

Federal Reserve Bank of New York, District No. 2, 33 Liberty Street, New York, N.Y.

Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Articles of Association of the Trustee as now in effect, including the Organization Certificate and the Certificates of Amendment dated February 17, 1969, August 31, 1977, December 31, 1980, September 9, 1982, February 28, 1985, December 2, 1991 and July 10, 1996 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 333-06249, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference. On July 14, 1996, in connection with the merger of Chemical Bank and The Chase Manhattan Bank (National Association), Chemical Bank, the surviving corporation, was renamed The Chase Manhattan Bank).

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, The Chase Manhattan Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 18th day of May, 1998.

THE CHASE MANHATTAN BANK

By /s/ R.J. Halleran

R.J. Halleran
Second Vice President

LIABILITIES

Deposits	
In domestic offices	\$94,524
Noninterest-bearing	\$39,487
Interest-bearing	55,037

In foreign offices, Edge and Agreement, subsidiaries and IBF's.....	71,162
Noninterest-bearing	\$ 3,205
Interest-bearing	67,957
Federal funds purchased and securities sold under agree- ments to repurchase	43,181
Demand notes issued to the U.S. Treasury	1,000
Trading liabilities	48,903
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases):	
With a remaining maturity of one year or less	3,599
With a remaining maturity of more than one year . through three years.....	253
With a remaining maturity of more than three years.....	132
Bank's liability on acceptances executed and outstanding	1,698
Subordinated notes and debentures	5,715
Other liabilities	9,896
TOTAL LIABILITIES	280,063

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	1,211
Surplus (exclude all surplus related to preferred stock)...	10,291
Undivided profits and capital reserves	5,502
Net unrealized holding gains (losses) on available-for-sale securities	(22)
Cumulative foreign currency translation adjustments	16
TOTAL EQUITY CAPITAL	16,998

TOTAL LIABILITIES AND EQUITY CAPITAL	\$297,061
	=====

I, Joseph L. Sclafani, E.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WALTER V. SHIPLEY)
THOMAS G. LABRECQUE) DIRECTORS
WILLIAM B. HARRISON, JR.)

-5-

STATEMENT OF DIFFERENCES

The Greek letter sigma shall be expressed as..... [S]
The section symbol shall be expressed as..... 'SS'