Forward Looking Statements

These materials contain certain statements that may be deemed “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in these materials are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, and technological factors affecting our operations, markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements.
Honeywell Today

- 118,000 employees in nearly 100 countries
- A Fortune 75 company – $30 billion in sales in 2006
- One of 30 select companies in the DJIA

* Pie Chart calculated using 2006E Sales
India Overview

• Economy experiencing rapid growth
  - Annual growth averaged 6% last 20 years
  - GDP expected to grow 6-8%
  - Growth in attractive commercial and industrial segments
  - Recognition by government to foster investment and trade

• Honeywell tapping opportunity for domestic market and procurement
  - Commercial trade ~$500M
  - Leverage engineering and back office resources
  - Engaged in local manufacturing for domestic and exports
India Economy

GDP Expected To Grow 6-8% Over Foreseeable Future

6% annual growth (2005 - 2025)
- Consistent 6% in last two decades
- Demand driven and led by private sector

Likely to grow faster
- Focus on investments in infrastructure and administrative reform
- Industrialization process is real
  - *Industrial capacities peaked ... new investment cycle*
- Competition, tariff reductions, income velocity and financing major drivers
- New growth engines – tourism, organized retail, aviation...
- Strong inflows from overseas
  - *Opportunities for all our businesses*

India Economy Has Significant Momentum

Note: * Assuming 6%+ growth rate
Source: Goldman Sachs BRICS Report; CERG Advisory
## Projected Infrastructure Spend

<table>
<thead>
<tr>
<th>Area</th>
<th>2000 – 2004</th>
<th>2005 -2010 (P)</th>
<th>Key Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENERGY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Gen</td>
<td>$10B</td>
<td>$32 - $40B</td>
<td>Shortages, 6-10,000 MW to be added annually</td>
</tr>
<tr>
<td><strong>WATER</strong></td>
<td></td>
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<tr>
<td>Waste Treatment, Supply,</td>
<td>$25B</td>
<td>$40 - 45B</td>
<td>Poor quality of drinking water; shortages</td>
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<tr>
<td>Irrigation</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>TRANSPORT</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Roads</td>
<td>$7B</td>
<td>$25 - 30B</td>
<td>14,000 Km highways program</td>
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<tr>
<td>Ports</td>
<td>$3B</td>
<td>$8 - 10B</td>
<td>23 New ports; modernization of existing infrastructure</td>
</tr>
<tr>
<td>Airports</td>
<td>$1B</td>
<td>$8 - 10B</td>
<td>Modernization, expansion new airports</td>
</tr>
<tr>
<td>Railways</td>
<td>$11B</td>
<td>$30 - 40B</td>
<td>Dedicated freight corridor between key cities</td>
</tr>
<tr>
<td><strong>TELECOM</strong></td>
<td>$12B</td>
<td>$25B</td>
<td>Low teledensity ~ 14%</td>
</tr>
</tbody>
</table>

### Massive Infrastructure Growth

$130-170B

Source: BCG analysis; IMA Asia Forecasting; Planning Commission of India; CMIE
Honeywell India: 2006

Rapid progress since 2002
• From ~ $60M, 2002 to $500M, 2006E

HON Trade ~$500M In India

* Note – All numbers in US Dollars
Honeywell India: Footprint

- Honeywell Life Safety
- BPO, Corporate
- Honeywell Automation India
- Honeywell Turbo Technologies
- Honeywell Technology Solutions Lab
- NOVAR India
- Manufacturing
- Labs
- Key Sales Offices, Excluding 15 additional sales offices
Turbo Plant In Pune

HTT Production For Domestic And Exports
Honeywell Opportunities (2006 – 2010)

**Automotive**

- **Cumulative Demand**
  - Cars: 9 - 10M
  - Diesel Cars: 2 - 3M

- **Key Drivers**
  - Rising incomes, retail credit, tougher emissions standards
    - Cars: 4% household ownership 2006, 9% by 2010
    - Retail Credit: competition and low interest rates
  - Diesel 30% cheaper than gasoline

**Consumer Durables**

- **Cumulative Demand**
  - Refrigerators: 40 - 50M
  - Room ACs: 15 - 20M

- **Key Drivers**
  - Refrigerators: 14% household ownership 2006, 20% by 2010
  - Availability of power, competitive pricing, retail credit, improving quality of life
  - Lifecycle cost of ownership, health and potential regulatory focus to drive demand for next generation fluorocarbons, sensors

*Increased Quality Of Life Driving Growth Opportunities*

Source: Synovate Business Consulting; CMIE; NCAER; Literature Review
## Honeywell Opportunities (2006 – 2010)

### Refineries
- **Cumulative Demand**
  - Expansion 50 - 60 MTPA
  - Modernization

- **Key Drivers**
  - Projected demand
    - 2005 demand 112 MT, growing to 150 MT in 2010
  - New emission norms

### Power Generation
- **Cumulative Demand**
  - 30 - 40,000 MW capacity addition

- **Key Drivers**
  - 7% shortage today, (12% peak time)
  - Privatization of distribution and new electricity act increases bank-ability of power projects

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Source: Synovate Business Consulting; CMIE; NCAER; Literature Review
Honeywell Opportunities (2006 – 2010)

**Aviation**
- Cumulative Demand
  - 300+ new aircraft to be delivered by 2010
- Key Drivers
  - Deregulation of sector, private airlines permitted to fly abroad
  - Emergence of latent demand, low cost carriers
    - 25% traffic growth Y-O-Y

**Real Estate**
- Cumulative Demand
  - 400M+ sq ft premium real estate, special economic zones
- Key Drivers
  - IT, BPO sector driving premium office space
    - 1.5-2.5M new jobs projected (2006-2010) @ 80 sq ft per employee
    - Banking call centers, back office, telecom offices, manufacturing
  - Organized retail to grow to 5% of market by 2010 (from 2% in 2004)
    - 25M sq ft of space under development in top 14 cities

Source: Synovate Business Consulting; CMIE; NCAER; Literature Review
Honeywell In India – Our Businesses

• AEROSPACE
  - Leading supplier of safety avionics such as TCAS, EGPWS and APUs on commercial airliners … *serving all commercial airlines in India*
  - Licensor for TPE 331 engines and radars to HAL
  - Supplier of Video Docking Guidance Systems at Chennai airport

• AUTOMATION & CONTROL SOLUTIONS
  - Leaders in industrial process automation solutions … *Over 50% of oil refineries in India use Honeywell process solutions*
  - India’s largest building automation solutions provider
  - Leader in Energy Efficiency offerings

• SPECIALTY MATERIALS
  - *Over 50% of oil in India is refined using UOP processes and know how*
  - Products such as fiber for armor applications, next gen fluorocarbons for air conditioning and refrigeration applications, packaging films for food and pharma applications

• TRANSPORTATION SYSTEMS
  - Turbo manufacturing unit commissioned in Pune in November 2005 … *for domestic market as well as exports*

• Technology Centre, Engineering & Back Office Services
  - *HTSL at Bangalore and Madurai is one of the largest Tech centers in India*
  - Engineering services at Pune supports and leads major Petrochemical and other projects in the Middle East, Africa and Europe
  - Back office centers at Delhi and Bangalore…global customer support, employee services
Honeywell In India – Recent Highlights

• e-Retail Solutions for Indian Oil and Hindustan Petroleum ... $48M
  ... Linking 1,300 retail outlets, 2,300 product tankers and 100+
  product storage terminals

• Energy Performance Contract for the Rashtrapati Bhawan
  (President’s estate)

• Building Management System for Hyderabad International Airport

• Export Orders From Europe and Thailand for Turbochargers

• Business Superbrand (’04-06)

• “10 Great Places to Work”... Business World

Leveraging Technology, Brand, People To Win
Honeywell Technology Solutions Lab Overview
Globalization Drivers

- Increase of software content in products
- Effective Globalized workforce as a differentiator
- Expansion in controls’ business… opportunity to cross leverage
- Higher Engineering cost productivity
- Growing software embedded product / solutions market
- Availability of Engineering resource pool
- Opportunity for “Follow the sun” work & India as a market
- Retain knowledge by leveraging young talent

Fulfilling Business Needs For Technology And Cost
HTSL Journey

**Cost Driven**
- Founded in 1995 in Bangalore
- Cross-Company Engineering & Technology Center
- Customers – Honeywell SBUs worldwide
  - Aerospace
  - Automation Control Solutions
  - Corporate Functions (IT, HR, Finance)

**1995-2000**
- Software Testing & Development Focus
- Low Cost / Staff Augmentation Driven
- Bangalore
- CMM Level 4
- Created a Unique Culture
- 6 to 600 Employees

**2001-2003**
- Software Design & Development
- Research & technology
- IT Support
- Madurai
- Beijing
- CMM Level 5
- Product Roadmap

**2004-2006**
- Electronics & Mechanical Eng’g
- System Engineering
- Shanghai, Brno
- Great Place to work (#4 in 2005)
- CMMi L5 / PCMM L5
- 4,500 Employees
- End to End Engineering/Process Solutions

**Growth Driven**

*Cost + Growth Orientation = Competitive Edge*
Operating Model

Globalized Execution Capabilities

- Customer / Manufacturing Proximity
- Value Engineering CoE

HON-SBUs
- Customer Management
- Program Management
- System Engineering & Integration
- Sales & Marketing

HTSL-Brno
- Program Execution
- Technology / Engineering Center of Excellence
- IT Expertise
- Best of the Breed Commercial Technologies
- Partnership Ecosystem

HTSL-India
- China Growth
- Design to Cost Capability
- Supply Chain Capabilities

HTSL-China
- Replicating Capability and Leveraging Value

Replicating Capability and Leveraging Value
Airline Industry Trends

Mega-Trends

- Increasing Commercial Air Travel
- New platforms will account for most OE sales in 10 years
- Airline profitability challenged
- Capacity and competition increasing in Aftermarket MRO
- Demographic Shifts, Rise of India & China
- War on Terror → Safety and Security

Implications for Honeywell

- Capture content in new platforms
- Improve relative cost position
- Grow aftermarket with customized offerings
- Technology Trends and Changes → Software as a value driver; Operating efficiency vs. more features
- New Platforms

Implications for HTSL

- Rapid Technology Evaluation
- Value/Sustenance Engineering
- Increased engineering productivity
- Core platforms development
- Next generation product development
- Deliver on local needs

Well Positioned For Catering To The Changing Landscape
Cabin Pressure Control Monitoring System

- Developed a new Product with a quick turn around design cycle
- Multiple derivatives with high reuse & low customisation
- Addresses both
  - Growth - New market
  - Productivity - Reuse

- Low cost – Design to cost
- All-electric vs electro pneumatic
- Electronics / software / control laws developed and demonstrated as a proof of concept to gain customer interest

HTSL

- Honeywell has a strong platform and presence, but opportunity exists in modernizing of technology, weight and cost

Improved Technology At Lower Cost
Supporting Advanced Technology Development

1. In cabin wireless
2. Arc fault detection
3. Perception sensing and obstacle avoidance
4. Diagnostics algorithms
5. Automated software verification

Legend:
- Sensors
- Wireless AP
- Wireless Camera

Wireless Communication

More Electric A/C

Vehicle Health

Autonomous Navigation

Dependable Software

Enabling Technology Driven Growth Opportunities
Automation And Control – Industry Trends

Mega-trends
- Aging population
- Energy efficiency
- Wireless & other life style changes
- Air / emissions regulations (Kyoto)
- Homeland security
- Growth in Asia

Implications for Honeywell
- Lower total installed cost
- Emerging business opportunities → Industrial Wireless, Sensors, Comfort, Energy Efficiency, Emissions reduction and trading
- Industrial security/safety, critical infrastructure security, video / access / perimeter

Implications for HTSL
- Upgrading products / new products
- Customize products for emerging markets
- Accelerate new technology development
- Advanced energy efficiency technology and solutions
- Innovate new offerings in emerging security, optimization, etc.

Emerging Market Changes Provide Critical Enabler For Growth
Redefining Competitive Dynamics

Before
- >70% smart field devices in the market were HART-based
- Entry barriers through technology existed

After
- Honeywell recognized as leader in HART
- Portfolio with complete range of HART products
- Effective Asset Management / Field Solutions

HTSL
- Customer consortium
- Standards Body
- System Design
- Product/ Application Development
- Product Management

Developing Solutions Quickly To Compete
Focus On Critical Technology Platforms

1. Industrial RF technology
2. Video analytics
3. Planning / scheduling applications
4. Plant wide energy solutions
5. Usability
Building Platforms That Can Be Used Across Businesses

Aerospace
- Replace wired avionics with wireless
- UAVs for commercial applications

Automation & Control Solutions
- RF in harsh environment
- Sensor networks for wide area surveillance

Wireless Platform
- Dependable wireless
- Sensor networks
- Miniature systems
- Power optimization

Value Creation Through Cross SBU Tech Development
Cycle Of Execution And Improvement … Source Of Competitive Advantage

- Strong Leadership
- Culture of innovation
- Proximity to offshoring models
- Tight linkage with SBUs
- Local ecosystem
- Cross SBU leverage
- Technology Leverage
- Strong HR practices
- Emerging market presence
- Global Exchange Programs
- PCMM-Level 5
- SEI-CMM-L5 DFSS & HOS
- Process excellence
- Customer focus
- 50+ Patents
- Product Roadmaps
- Platform Reuse
- Location COE

Culture Of Innovation And Cost Efficiency
Unique People Practices And Culture

Building Competencies
- Pervasive & flexible Competency framework
- Quest for Innovation
- Communities of Practice

Motivating & Managing Performance
- Career profiling
- Talent-at-risk engagement
- Unique reward and recognition programs

Building Workgroups & Culture
- Multilevel employee engagement
- Best Practice sharing & Technology Forums

Shaping the Work Force
- Cross industry talent
- Tier 2 cities
- Global exchange programs

Performance And Customer Driven People Culture
A Systematic Mechanism To Replicate Success

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<table>
<thead>
<tr>
<th>“HTSL Way” Platform</th>
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<tbody>
<tr>
<td>Process Maturity</td>
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<td>People Capabilities</td>
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<td>Business &amp; Operating Model</td>
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<tr>
<td>Value Focus</td>
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<tr>
<td>Customer Experience</td>
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<tr>
<td>Organizational Mechanisms</td>
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</tbody>
</table>
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Replicate in new locations

Replicate through new offshore based services

Multiplying The Competitive Advantage
HTSL Summary

- Cost and Growth-driven
- Process excellence
- Culture of cost take-out
- Source of Engineering competitive advantage
- Technology engine
- Positioned to tap emerging markets

**Built To Deliver Value**