

Gabelli Asset Management Aircraft Supplier Conference

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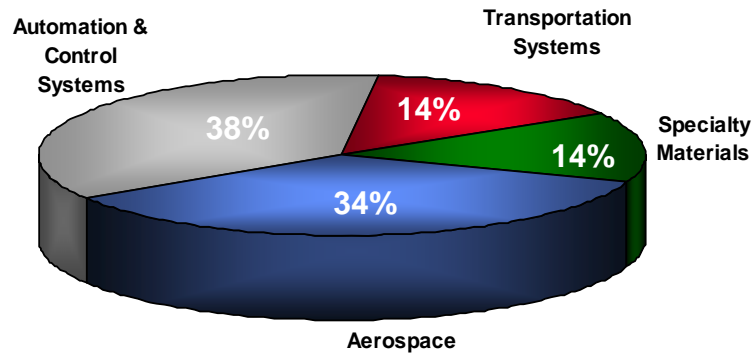
September 5, 2008

Honeywell

Forward Looking Statements

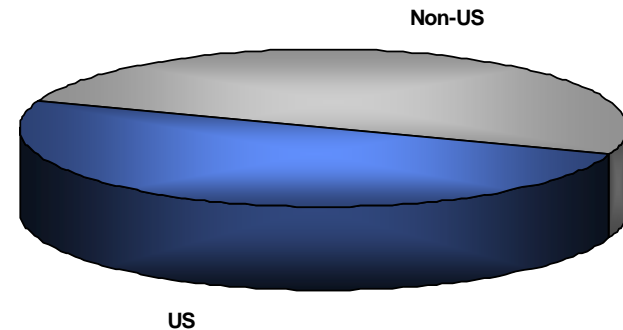
This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management’s assumptions and assessments in light of past experience and trends, current conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

2008E Sales: \$37.9B*



*Represents midpoint of guidance range

Geographic Split



Key Strategies

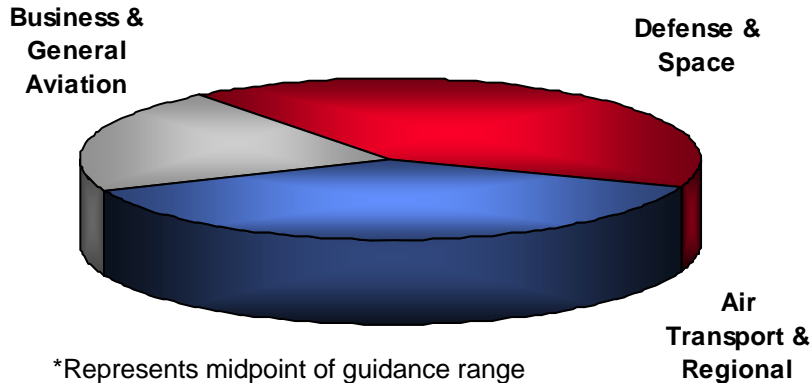
- Great Positions In Good Industries
- Global Growth and Innovation
- HOS Implementation (Early Stage)
- FT / ERP Leverage

Cash Deployment Since 2003

- \$7B+ Acquisitions
 - New Platforms, Higher Growth
- \$8B+ Share Repurchases
- \$3B+ Dividends

Balanced, Global Portfolio

2008E Sales: \$12.9B*



Highlights

- \$23B Engines Win at Embraer
- \$18B Mechanical / Avionics on A350
- \$3B Avionics on G650
- \$2B+ Aftermarket Wins YTD

Execution Focus

- HOS Driving Quality / Delivery Improvements
- ERP and FT Efficiencies
- Robust Technology Pipeline
- Emerging Market Expansion

Priorities

- Execution on Key AT&R Platforms
- High-Value B&GA Position Focus
- Expand Defense Logistics / Services
- 75% HOS Deployment

Executing In A Favorable Environment

- **Air Transport and Regional**

- 7,000+ Airbus / Boeing Aircraft Backlog, Continued International Demand
- FY08 ~4% Flight Hour Growth; 1H08 ~6% vs. 2H08 ~2% Anticipated
- Slower but Positive Growth in 2009

- **Business and General Aviation**

- Multi-Year OE Backlog for Jets, Strong Order Trends Continue
- Medium-Long Range Aircraft Remain Solid

- **Defense and Space**

- Continued Growth, FMS and International Programs
- Limited Supplementals Exposure, Benefiting from Program Plus-ups

Continued Positive Outlook Overall

Macro Trends

Trends	Implications/Actions
Fuel Price Increase and Industry Consolidation	<ul style="list-style-type: none"> • High Fuel Raises Tickets / Lowers Demand / Supply • Industry Demanding Fuel Efficiency Solutions • Negative U.S. Airline Profits, Aircraft Retirements
Flight Efficiency	<ul style="list-style-type: none"> • Air Traffic Management Growth Role • Lower Demands May Reduce Urgency
OE Competition and Business Model Change	<ul style="list-style-type: none"> • AT&R: Fewer Competitions / Supplier Integration • BA: Increasing Number of Competitors • GA: Focus on Profitable Niches (aftermarket)
Growing Global Demand	<ul style="list-style-type: none"> • Expand High Growth Regions (China / India / ME) • New Players Entering with Funding
Changing Defense Budget	<ul style="list-style-type: none"> • Affordable Upgrades / Platforms • Logistics and International Penetration

Actions Aligned With Trends And Opportunities

Short-Term Efficiency Upgrades

Up to 4% fuel savings

- **More Efficient Airplanes**
 - APU Efficiency and De-Rate
 - Lower Weight Products
 - Direct Engine Management
- **More Efficient Operations**
 - Air Traffic Management Modernization
 - Go Direct Services (RNP)
 - Weather Radar
 - Automated Taxi Guidance

Long-Term Solutions

HON plays key role in 20% improvement for NB

- **Hybrid APU**
- **More Electric Aircraft**
- **Continuing Weight Reduction**
- **Biofuel, Alternative Fuels**



Weight And Efficiency Now, Biofuels Later

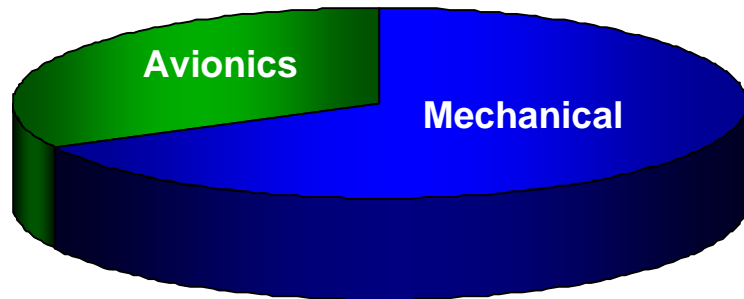
Growing The Business

Segment	2007-2008 YTD	Key Programs
Air Transport and Regional	<ul style="list-style-type: none">• 85% Win Rate• \$26B	<ul style="list-style-type: none">• Embraer 450/500• Gulfstream G650• Airbus A350• Airline Wins• M1A1 Tank Program
Business and General Aviation	<ul style="list-style-type: none">• 91% Win Rate• \$25B	
Defense and Space	<ul style="list-style-type: none">• 78% Win Rate• \$7B	



Focused Pursuits / Execution Paying Off

2008E Sales \$4.8B



Outlook and Strategy

- **Deliveries Strong Through 2011**
 - Over 7,000 Aircraft on Order
- **Execute on 787 and A350XWB**
- **Continued Aftermarket Growth**
 - Short-Term Headwinds
 - Longer-Term Fleet and Flight Hour Growth 4-5% per Year
- **Win High-Value Retrofits / Modifications / Upgrades (RMUs)**
- **Pursue Revenue Opportunities**
 - Flight Efficiency
 - Safety Technologies / Systems

Continued Growth, Investing In New Aircraft

Avionics Win On A350XWB Aircraft

Honeywell

- **A350XWB is Airbus's New Long-Range, Wide-Body Aircraft**
- **Honeywell Selected by Airbus to Provide:**
 - Flight Management System (FMS)
 - Aircraft Environment Surveillance System (AESS)
 - Estimated Value >\$1.5B Over Life of Program
- **Follows the September 2007 Selection of Honeywell to Provide Extended Mechanical Systems Perimeter**
- **\$18B Total Program Value for Mechanical and Electronics for Honeywell**

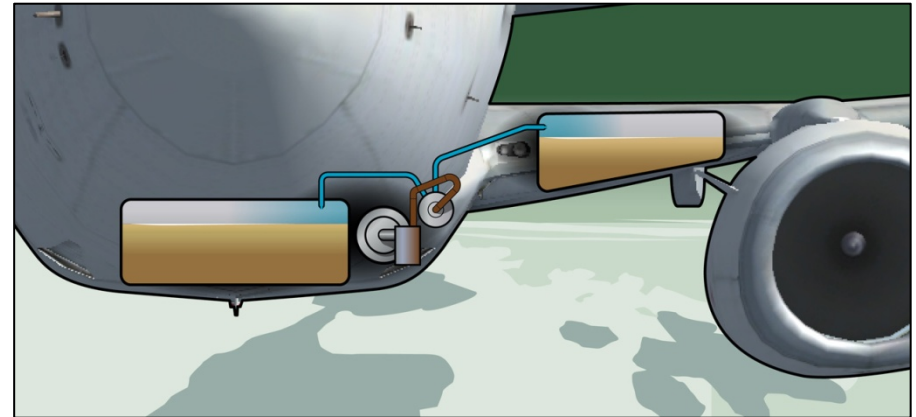


Providing Full Systems, Ready For Service

FAA Mandate – Fuel Tank Flammability

Honeywell

- **US-Registered Air Transport Aircraft with Center Wing Tanks Built in 1992 or Later**
- **50% Compliance in 6 Years; 100% Compliance in 9 Years**



Nitrogen Generation System (NGS)

Sole Provider for Retrofit and Forward-Fit Systems on Almost all Boeing Aircraft

1,800 Aircraft



Ozone Converters and Oxygen Sensors for A320, A330, A340 Inerting Systems

Conditioned Service Air Sub-System (CSAS) for the A350 Inerting System

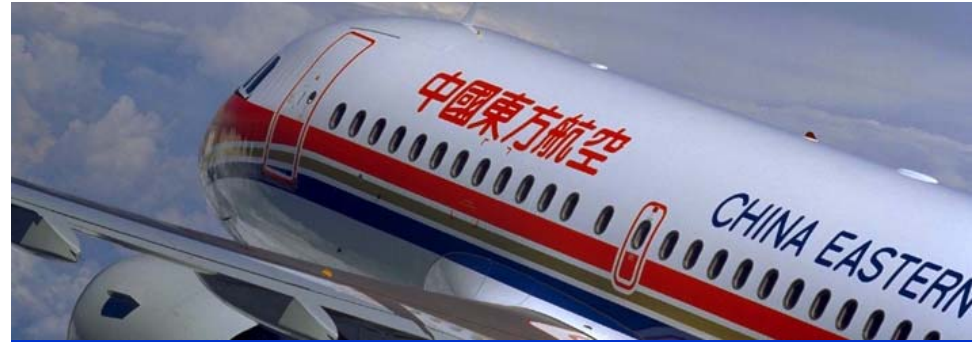
900 Aircraft

Retrofit Mandate Yields \$800M+ Opportunity

Airline Wins – \$2B Year To Date

Honeywell

- Buyer / Supplier Furnished Equipment
- Spares and Repairs
- Retrofits
- Airlines
 - E.g. Ryanair, Air Asia, Wizz Air, Etihad, Southwest, LAN, Air Canada



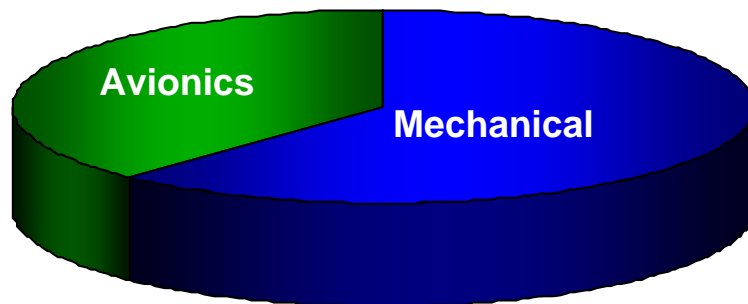
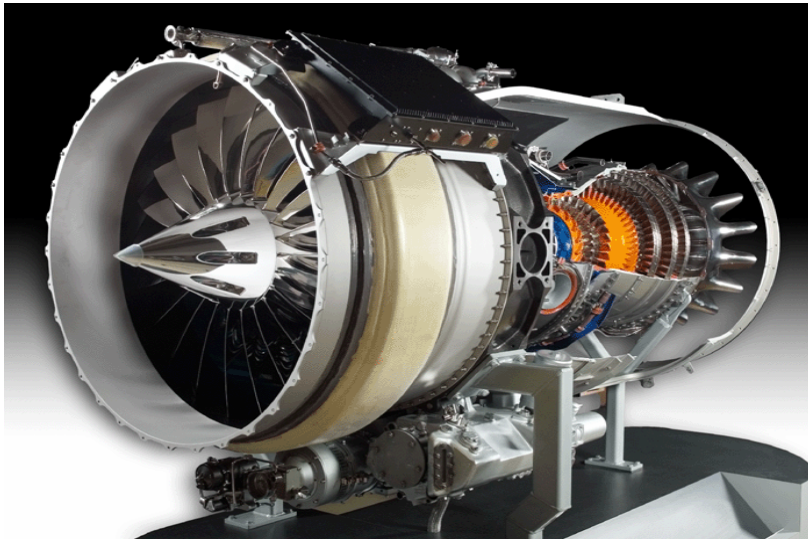
China Eastern APU Package

- Largest HON Asia Pacific Win in History
- Continues HON Global APU Retrofit Program
- First Major Airline in China Exclusively Equipped with HON APUs

Optimizing Customer Support For Growth

2008E Sales \$2.8B

Outlook and Strategy



- **60%+ of New Jet Sales Outside U.S.**
 - Compared with 30-40% Historically
 - >15K Jets Operating – Adding 1K+ Annually
 - Record Backlog of Over 5,000 Jets
- **Balanced Growth**
 - HTF7000
 - Primus Epic® → Primus Apex™ Re-use
 - RMUs and Spares
 - Focus on High Growth, Emerging Regions
- **Win Long-term Growth Platforms**
 - 2012+ Medium / Long Range Aircraft and Renewals
 - Low Risk, High Re-use
- **Win Near-Term Aftermarket Growth**
 - 12-18 Month Payoff

Long-Cycle Investment, Short-Cycle Growth

Embraer Legacy 450/500 Win

Honeywell

- **Embraer Selected Latest HTF7000 Turbofan Engine Model to Power two New Business Aircraft**
- **New “Green” Engine Technology will Reduce Emissions, Improve Fuel Efficiency**
- **Multi-Billion Dollar Value Over Program Life**
- **Largest Single-Source Contract Ever Awarded to Honeywell Aero**



Embraer Mid-Size Jet Legacy 500



Embraer Mid-Light Jet Legacy 450

Significant Win On High-Value Aircraft

Gulfstream G650 Win

Honeywell

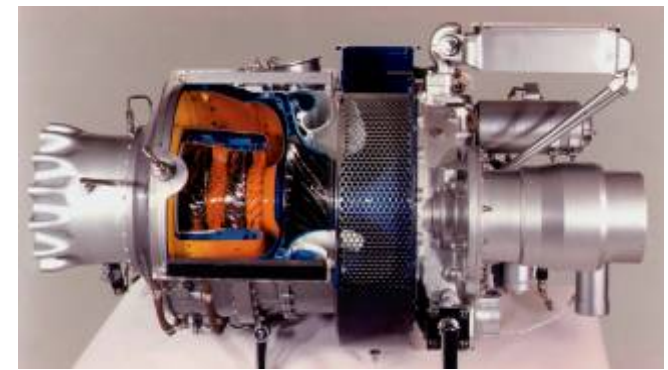
- **The Most Advanced Safety Systems in Modern Aviation**
 - Primus Epic® Integrated Avionics with Synthetic Vision
 - Runway Awareness and Advisory System, Enhanced Ground Proximity Warning System, 3-Dimensional Weather Radar
- **State-of-The-Art, Comfortable, Quiet Cabin Environment**
 - RE220 Auxiliary Power Unit
 - Environmental Control System
 - Cabin Pressure Control System
 - Air Turbine Starter
- **Estimated Value of \$3 Billion Over Life of Program**



Gulfstream 650 Business Jet



Primus Epic® Avionics with Synthetic Vision



RE220 Auxiliary Power Unit (APU)

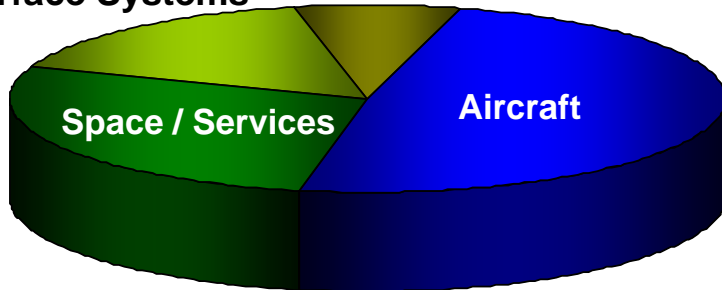
Builds On 40+ Year Partnership With Gulfstream

2008E Sales \$5.3B



Helicopters and
Surface Systems

Missiles



Outlook and Strategy

- **FY08 Base Budget up 10%, 8% in FY09**
 - Anticipate Supplementals Decline in '09-'10
- **Aligned with DoD Priorities**
 - Commercial Re-Use
 - Deliver Solutions for the Soldier
 - Grow Through RMU Programs
- **Invest in Logistics and Services**
 - Reset
 - Continued Focus on M&A
 - Anti-Terrorism Force Protection
- **Grow International Sector**
 - Attractive Opportunities

Diverse Business – Adding Capabilities

U.S. Army TIGER Program Extension

- **Honeywell Wins Additional Year for M1 Abrams Engine Program**
 - Improved Performance and Life Extension for AGT1500 Engine for U.S. Army (TIGER)
 - Contract Covers Supply Chain Management, Engineering Support and Engine Durability Improvements
 - Total Contract Value Now Exceeds \$1 Billion



Mission Ready Confidence From Army Customer

Portfolio Improvements

Dimensions International

- One of *Washington Technology's* "Big Impact Deals of 2007"
- The M&A (Mergers and Acquisitions) Advisor's 2007 "Professional Services Deal of the Year"
- Association for Corporate Growth National Capital's "Deal of the Year"

IAC



- Bolt-on acquisition
- Health and Usage Monitoring Systems
- Diagnosis and Vehicle Prognosis
- Helicopter, Fixed Wing, UAV and Ground Vehicles
- Lowers Overall Maintenance Costs

Consumable Solutions

- Sold to B/E Aerospace
- Non-Core Business
- Closed on July 18
- \$1.05 Billion deal:
 - \$900 Million Cash
 - Six Million B/E Shares
- Improves Cash/Lowers Inventory



VistaNav

- Exclusive Licensing Agreement
- Portable 3D Synthetic Vision
- Navigation and Electronic Flight Bag Solution
- Aligns with Leading Edge Technology
- Application for GA Market Segment

Enhancements To Performance

- **Depth / Breadth of Technology and Platforms**
- **Overall Favorable Market Conditions**
 - AT&R – OE Growth Outlook Good, Anticipated 2H Flight Hour Softness
 - B&GA – Continued Strong Global Demand
 - D&S – Near Term Growth and Sustained Funding Levels
- **Performance Culture Focused on Execution**

Strong Franchise Continuing To Execute

Honeywell