

# Goldman Sachs Global Industrials Conference

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ACS President & CEO

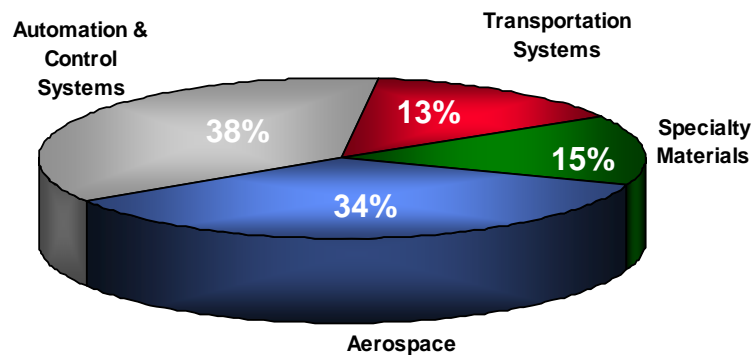
November 6, 2008

**Honeywell**

# Forward Looking Statements

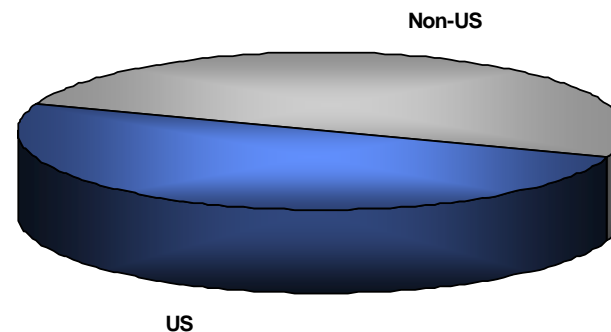
*This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or 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 economic and industry 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: \$37.2B\*



\*Represents 10/17/08 guidance

## 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*

# Favorable Macro Trends

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## Macro Trends

- Energy Costs
- Safety / Security
- Regulation / Codes

## HON Position

- Broad Content / Coverage
- Multi-Channel / Brand Strategy
- 25K Contracts (HBS)



- Convenience / Control
- Energy Efficiency
- Technology

- Premier Brands
- Product Breadth / Vitality
- Channel Access / Partners



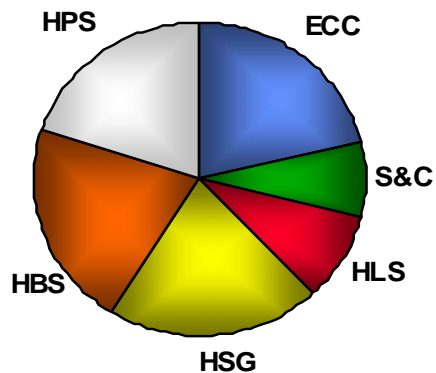
- Productivity
- Safety / Security
- Monitor / Control

- \$17B Installed Base (HPS)
- Advanced Solutions
- Product Breadth / Sensors

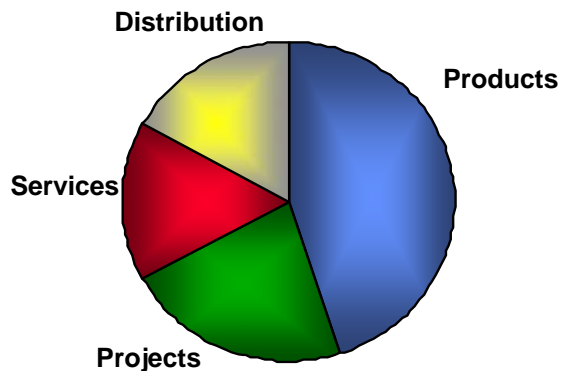
*Positioned To Capitalize On Key Trends*

# Strength Through Diversification

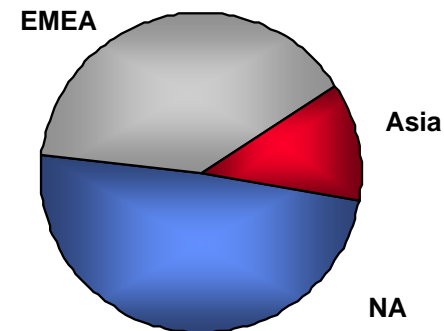
## By Business



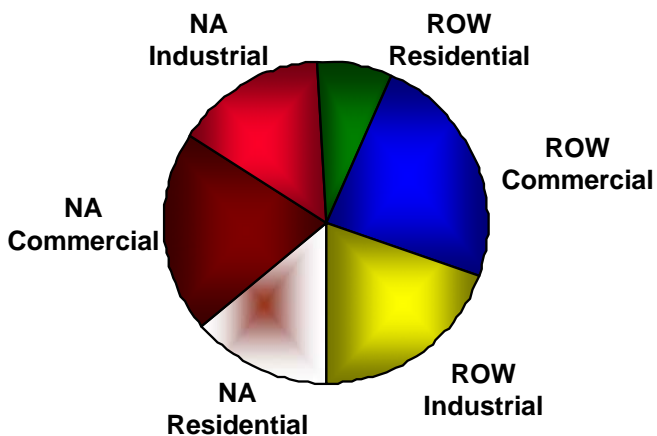
## By Channel



## By Geography

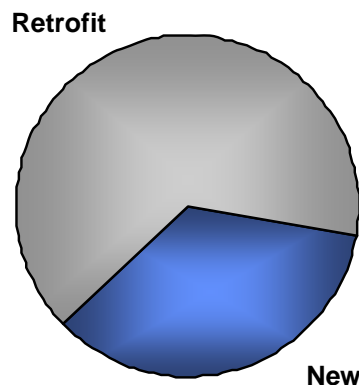


## By Vertical\*



\*Management Estimates

## By Sale\*



## Summary

- 60% Products / 40% Solutions
- Global Presence
- Multi-Channel Strength
- Significant Retrofit Business
- End-Market Diversification

*Well Balanced ACS Portfolio*

# Strong Presence Across Industry Landscape

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	<i>Products</i>					<i>Projects &amp; Services</i>	
	<i>Home Comfort Controls</i>	<i>Building Controls</i>	<i>Sensing</i>	<i>Security</i>	<i>Fire Systems</i>	<i>Process Solutions</i>	<i>Building Solutions</i>
<b>Honeywell</b>	✓	✓	✓	✓	✓	✓	✓
<b>Emerson</b>	✓					✓	
<b>GE</b>			✓	✓	✓		
<b>Johnson Controls</b>		✓					✓
<b>Schneider</b>		✓	✓	✓			✓
<b>Siemens</b>	✓	✓	✓	✓	✓	✓	✓
<b>Tyco</b>				✓	✓		
<b>UTC</b>	✓	✓		✓	✓		✓
<i>Industry Growth %</i>	2-4	2-4	3-5	5-6	5-6	6-7	4
<i>ACS 2007 Growth %</i>		9	2	15	18	17	18

*Extending Leadership In Key Segments*

# Investing For Growth: New Product Development **Honeywell**

## Reinvigorated New Product Development Process

- New Product Introductions Tripled Since 2002
- Vitality Index 30% in 2007
- 50% Increase in Development Capacity

## Delivering R&D Efficiency Through Common Processes

- Reduced New Product Cycle Time by 30%
- 2,000+ Engineers in Global Design Centers

## Improving Product Cost Through Value and Commodity Engineering

- Value Engineering / Component Engineering
- Commodity Engineering Leveraging ACS Scale

*Innovation A Key ACS Differentiator*

# Investing For Growth: Acquisitions

## Proven Acquisition Track Record

- Disciplined Global Process
- Aggressive Integration Focus

- ~40 ACS Acquisitions Since 2002
- Great Acquisition Platforms and Pipelines

## Strong Contributor to ACS Growth

- Complements Organic Profile
- Emerging Market Opportunities

- ~\$4B Revenues Acquired Since 2002
- Deals Executed in 13 Countries, Including India and China
- Adjacencies expanding addressable market
- 2008: Another Strong Deal Year

## Continue to Target Attractive Bolt-On Deals

- Strengthen Core
- Attractive Adjacencies

- **Core**
  - Controls (ECC + Novar + Maxon)
  - Distribution (ADI + Gardiner + Burtek)
- **Adjacencies**
  - Gas Detection (Zellweger + FT)
  - Wiring Devices and Lighting Controls (ED&S, ExOr, Lonon)
  - AIDC (Hand Held + Metrologic)
  - Personal Protection Equipment (Norcross)

*Acquisitions Core Competency*



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