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.
Honeywell Overview

Honeywell

2007 Sales ~$33.9B

Aerospace
Commercial / Defense
~$12.1B

Automation and Control Solutions
Leading Franchises
~$12.2B

Transportation Systems
Boosting Technology
~$4.9B

Specialty Materials
Transformed Business
~$4.7B

- Common Processes / Systems
- Disciplined Cash Deployment
- Performance Culture

Global Scope, Great Positions In Good Industries
Aerospace Overview

- Aerospace EMEA
- Customer & Product Support
- Business Innovation Center
- Marketing & Product Management
- Technology

- Finance
- Legal
- Information
- ERP
- Integrated Supply Chain

Revitalized Customer And Technology Focus
Industry Recognition Of Progress

Honeywell

- **3D Synthetic Vision IPFD Awarded Best New BA Product**
  - Presented by *Flight International*

- **R&D Magazine 100 Winner**
  - “One of the 100 Most Technologically Significant Products Introduced into the Marketplace…”
Financial Overview

• Continued Strong Financial Performance
  - Sales up 9% to ~$12.1B
  - Segment Margin up 80bps to ~17.8%

• Execution Focus
  - Continued High Win Rates
  - Quality / Delivery Improvements
  - Strong Technology Pipeline
  - Benefits from Reorganization
  - Strongly Aligned with Customer Priorities

Continued Strength And Execution In 2007
# Broad Foundation For Growth

## Commercial Platform Breadth

<table>
<thead>
<tr>
<th>Category</th>
<th>Platforms</th>
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</thead>
<tbody>
<tr>
<td><strong>Air Transport</strong></td>
<td>60+</td>
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<tr>
<td><strong>Regional Transport</strong></td>
<td>30+</td>
</tr>
<tr>
<td><strong>Business Jets</strong></td>
<td>~120</td>
</tr>
<tr>
<td><strong>General Aviation</strong></td>
<td>100+</td>
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<tr>
<td><strong>Helicopters</strong></td>
<td>20+</td>
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</tbody>
</table>

## Defense & Space Platform Breadth

<table>
<thead>
<tr>
<th>Category</th>
<th>Systems/Programs</th>
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<tbody>
<tr>
<td><strong>Aircraft</strong></td>
<td>60+</td>
</tr>
<tr>
<td><strong>Helicopters</strong></td>
<td>20+</td>
</tr>
<tr>
<td><strong>Surface Vehicles</strong></td>
<td>10+</td>
</tr>
<tr>
<td><strong>Missile Systems</strong></td>
<td>40+</td>
</tr>
<tr>
<td><strong>Space</strong></td>
<td>40+</td>
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*Installed Base: ~300,000 Aircraft Worldwide

*Installed Base: 25,000+ Vehicles Worldwide*

*Excludes missiles & missile systems*

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**Strong Base, Diverse Platforms, Products, Customers**
Major Trends Affecting Aerospace

**Industry Trends**

1. Flight Efficiency Through Improved ATM
2. Increased Aftermarket Outsourcing, Competition
3. Increased Competitive Intensity / Business Model Change
4. Growing Demand in Specific Regions
5. Defense Budget Shift from Investment to Overhaul and Maintenance

**Honeywell Aerospace Initiatives**

- Air Traffic Management Growth Role
- Safety Leader
- Winning Outsourced Work
- Spares, Storefronts, Logistics, Trading
- AT&R: Integration to Suppliers
- B&GA: Selective Pursuits
- Services and Upgrades, Product Suites
- Customer Support Sourcing in Asia/EMEA
- Expanding International D&S Business
- Affordable Upgrades / Platforms
- Logistics Opportunities

*Initiatives Aligned With Industry Trends*
Air Transport & Regional

2007E Sales $4.6B

Key Strategies

• Faster Core Aftermarket Growth
  - Mechanical Components / APU

• New Revenue Opportunities
  - Flight Efficiency
  - Safety Technologies / Systems

• Win High-Value Retrofits / Modifications / Upgrades (RMUs)

• Win Key Systems on New Platforms

• Advanced Systems Tailored for Future Narrow Body Renewals

Drive Aftermarket Growth, Investing For New Aircraft
AT&R Aircraft Deliveries - Strong Outlook

**AT&R Deliveries*\(^*\)

2003 – 2011E

- **CAGR** ~5%
- **CAGR** 14%

*Jets >70 seats

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2003-2006

- Strong International Demand
- Narrow Body Orders

2007-2011E

- 787, A380 Entry into Service
- A350, Others Scheduled for 2012+

* *Jets >70 seats

**Continued Strength Through 2010**
**AT&R Installed Base - Aftermarket Momentum**

**Worldwide Flight Hour Growth***

- **7.5% YOY, ~6% Including Regionals**
- **Asia-Pacific Leads Growth**
- **Utilization Above Pre 9-11 Levels**

*Jets >70 seats

**Worldwide Fleet Trends***

- **Narrow Body Share Growing**
- **Offsets Classic Aircraft Retires**
- **Asset Availability**

**Solid MRO Environment Ahead**
Growth - Air Traffic Management (ATM)

Honeywell Initiatives

• Accelerate ATM System Definition
  - Government Advocacy
  - Advanced Equipment Installs
  - Standards

• Strengthen / Expand Core Avionics
  - Air Data Communications
  - Traffic Upgrades
  - Flight Management Systems

• Identify Growth in ATC Sectors
  - Expand into Ground Systems
  - Commercial to Defense
  - International Opportunities

Adding Value In Advanced ATM Sector
Business & General Aviation

2007E Sales $2.5B

Key Strategies

• Win Key BA OEM Content
  - 4-10K Range Propulsion Engines
  - Avionics Re-Applications

• Drive Short-Cycle Growth
  - Avionics Upgrades and Options
  - Data, Software, Services

• Strengthen Execution
  - New Programs On-Time / On-Cost
  - World Class Customer Support

• Lead in Emerging Regions

• Bendix / King GA Re-Launch

Long-Cycle Investment Balanced With Short-Cycle Growth
Near Term Business Jet Delivery Outlook

Over 1,000 New Aircraft In 2007 – Heading To $20B/Yr

*Honeywell Business Jet Forecast, September 2007
Revitalized Bendix / King Brand

Business Aviation Technology in the General Aviation Cockpit

- Next-Generation Navigation and Communication
  - Multifunction Display
  - WAAS GPS
  - VOR and ILS Navigation
  - Comm Radio
- Primary Flight Display
- Total Solutions from BA to GA

Simplifying Flight, Increasing Situational Awareness
Defense & Space

2007E Sales $5.0B

Key Strategies

• Aligned with DoD Priorities
  - Focus on Core Growth
  - Lower Risk / Cost Solutions
  - Commercial Re-Use
  - Execute on Current Programs
  - Grow Through RMU Programs

• Invest in Logistics & Services
  - Dimensions International Acquisition
  - Reset

• Grow International Sector

• Seek Adjacent Growth
  - Anti-Terrorism Force Protection

Diverse Business – Adding Capabilities
Northrop Grumman X-47B UCAS Program

Down Selected by Navy in August, 2007 for Development

- Embedded GPS/INS (EGI)
- Auxiliary Power Generating System (APGS)
- Environmental Control System
- Air Turbine Starter (Engine Start)
- Growth Opportunity
- Radar Altimeters (2) with Antennas

$1.6M HON Content – Up To 150 Unit Program, EIS 2013
Dimensions International Acquisition

- Attractive Growth Platform
- Logistics Support Business for:
  - U.S. Army
  - U.S. Navy
  - U.S. Air Force
  - Intel Agencies
  - FAA
- 1,200 Employees
- FY2007 Revenue ~$175M
- Integration on Track

Expands Capabilities In $17B U.S. Reset Program
Focused Pursuits – New Role As Prime

- Joint Precision Approach and Landing System (JPALS)
- Crew Launch Vehicle (CLV) - Ares 1 Instrument Ring

Competing For Larger Role In High Value Programs
Operational Improvements

VPD™ Programs

- Gas Turbine Programs – 10K / A350 APU
  - Target 15% NRE / 30% Cycle Time Reductions
- Environmental Control Systems – A350
  - Target 10% NRE Reduction
- Software Development – Primus Epic / Apex
  - Target 15% NRE / 30% Cycle Time Reductions
- MEMs Success Story
  - Aligned 10 Functions Across 3 Sites
  - Positioned to Achieve 50% UPC Reduction
  - Increased Production from 600 to 10,000

HOS Results

- Full Scale Deployments at 9 Large Sites
- Demonstrating Excellent Results
- Improvements in Defects, Delivery and Safety
- Expecting Similar Improvements as Other Site Deployments Mature Over the Year
- Will Close 2007 with 12 Sites in Full Deployment

Keys To Sustaining Improved Performance
Operational Improvements

**ERP Execution**
- Improves Visibility to Data
- Easier for Customers to do Business with us
- Will Replace 1,500 Systems
- 8 Sites Added This Year; 40 so far on ERP

**Customer & Product Support**
- Building World-Class Support
- Predictive Solutions to Keep Aircraft Flying
- Intelligent Systems – We Know Who’s Calling, What They Need; we Re-use Proven Solutions
- Focused Resources on Growth Opportunities
- Increased Availability of Web Self-Service
- Optimize Global Workforce

Systems Aligning/Driving Better Customer Service
Summary

• Depth / Breadth of Technology and Platforms
• Continued Favorable Market Conditions
  - AT&R – Growth Outlook Good
    ◦ Strong Presence on All Platforms
    ◦ Installed Base / Aftermarket Growth
    ◦ Air Traffic Management Modernization Opportunities
  - B&GA – Continued Strong Demand
    ◦ Well Represented on High Value Platforms
    ◦ Significant Growth in Installed Base
  - D&S – Focused on DoD Priorities
    ◦ Space / Services Growth
    ◦ Rich Set of Opportunities - Reset / Logistics, International
• Revitalized Customer and Technology Focus

Continued Top Line Growth / Margin Expansion