



Goldman Sachs Global Industrials

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Honeywell

Forward Looking Statements

Honeywell

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.

3Q YTD Financial Summary

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<i>(\$B)</i>	<u>3Q09 YTD</u>	<u>3Q10 YTD</u>	
Sales	\$22.8	\$24.3	<ul style="list-style-type: none"> • 7% Increase <ul style="list-style-type: none"> ◆ 6% Organic
Segment Profit	\$2.9	\$3.3	<ul style="list-style-type: none"> • 16% Increase <ul style="list-style-type: none"> ◆ Absorbing Labor Headwinds
<i>Margin %</i>	12.6%	13.7%	
Net Income	\$1.5	\$1.4	<ul style="list-style-type: none"> • (7%) Decrease <ul style="list-style-type: none"> ◆ 17% Increase Ex-Pension
<i>Attributable to Honeywell</i>			
EPS	\$1.94	\$1.74	<ul style="list-style-type: none"> • (10%) Decrease <ul style="list-style-type: none"> ◆ Sperian Dilution (\$0.04)* ◆ Higher Tax Rate (\$0.09)
<i>EPS, Ex-Pension</i>	\$2.02	\$2.28	
Free Cash Flow	\$2.3	\$2.8	<ul style="list-style-type: none"> • 207% Conversion <ul style="list-style-type: none"> ◆ 159% Ex Non-Cash Pension

* Includes Acquisition Costs of \$25M, Repositioning Costs of \$18M and Purchase Accounting of \$7M

Strong Operating Earnings And Cash Flow

End Market Update

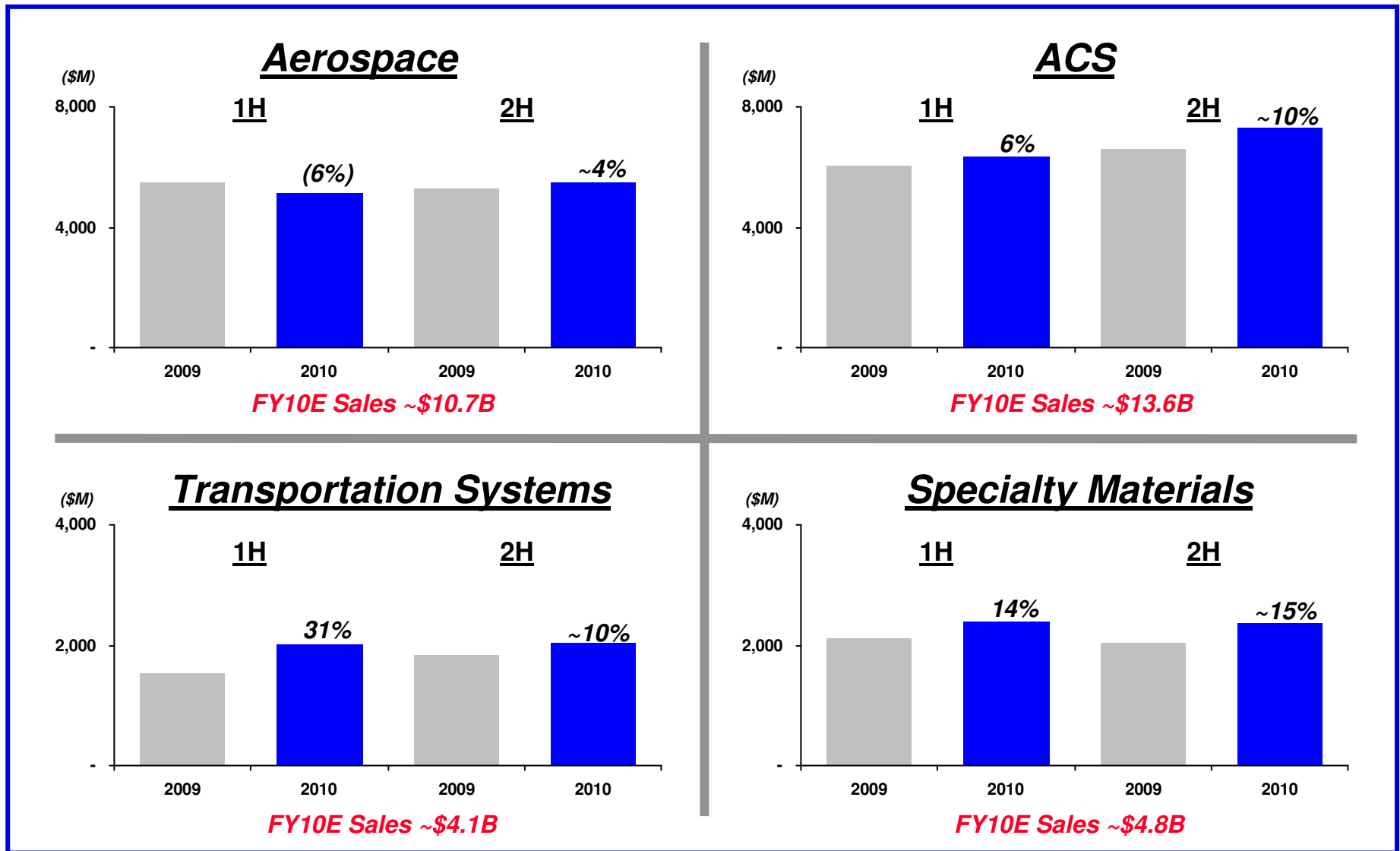
Honeywell

- **What We Are Seeing**
 - Commercial Spares Outpacing Flight Hours; R&O Picking Up
 - D&S Stable, Some Project Delays
 - ACS Short-Cycle Industrial Recovery Continues
 - Developed Res./ Non-Res. Construction Still Slow; Emerging Regions Strong
 - TS and SM Favorable To Expectations
- **What We Are Expecting**
 - ATR Aftermarket Continue To Outpace Flight Hours
 - D&S Outlook Softened By U.S. Defense Budget Shifts
 - ACS/SM Short-Cycle Growth To Moderate; Long Cycle Book To Bill >1
 - Converting Strong Solutions Backlog
 - Turbo Continues To Outpace Macro Production Levels

Outlook Ahead Of Prior Expectations

2010 Sales Outlook

Honeywell



1H Strength, 2H Momentum

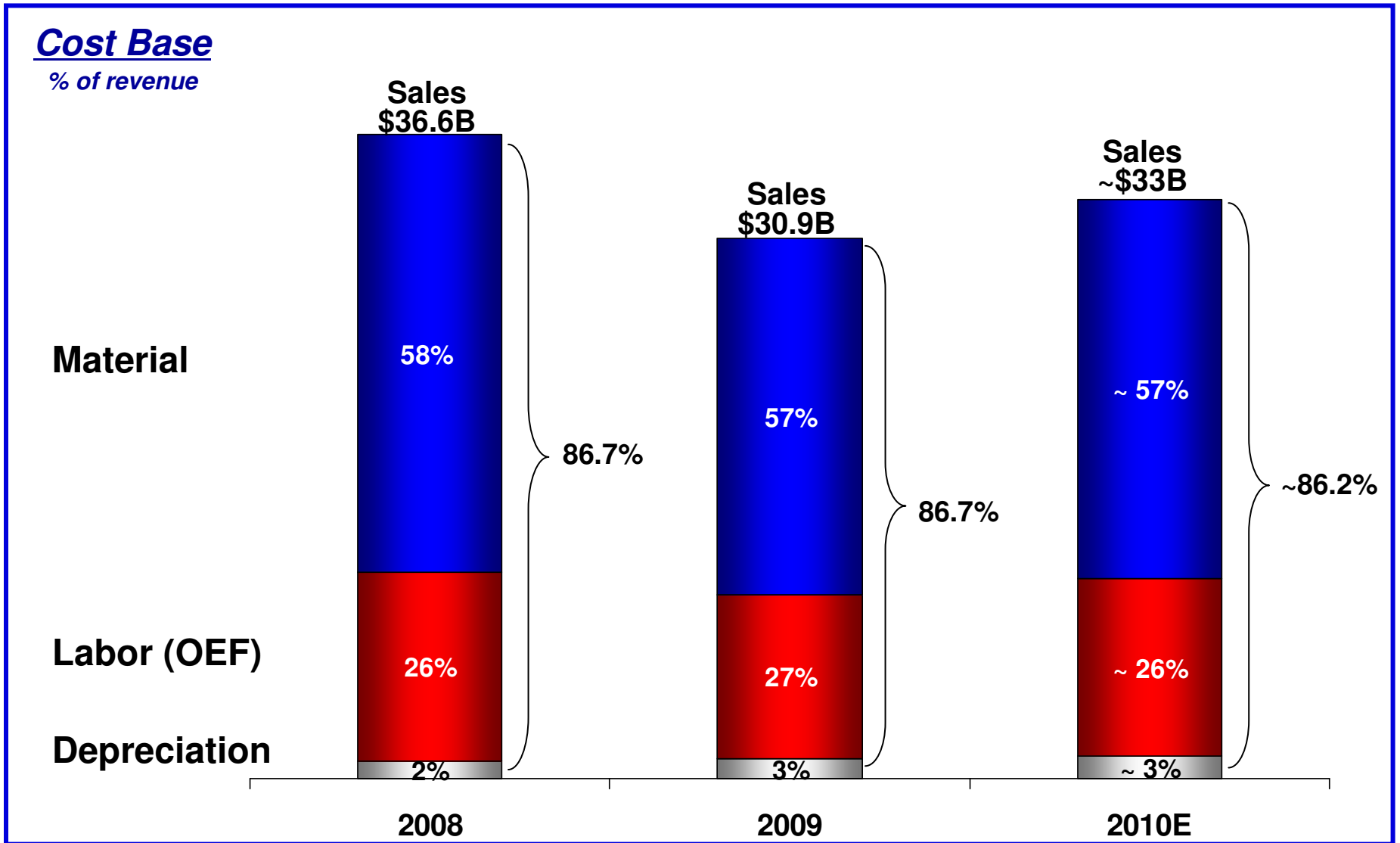
2010 Financial Summary

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<i>(\$B)</i>	<u>FY09</u>	<u>FY10E</u>	
Sales	\$30.9	~\$33.0	• ~7% Increase
Segment Profit	\$4.1	~\$4.6	• ~12% Increase
<i>Margin %</i>	13.3%	13.6% - 14.0%	
Net Income	\$2.2	~\$2.0	• ~(9%) Decline
<i>Attributable to Honeywell</i>			
EPS	\$2.85	~\$2.52	• ~(12%) Decline
<i>EPS Ex-Pension</i>	\$2.95	\$3.26	◆ ~11% Increase Ex-Pension
Free Cash Flow	\$3.3	~\$3.5	• ~175% Conversion

Raised Revenue, Earnings And Cash Guidance

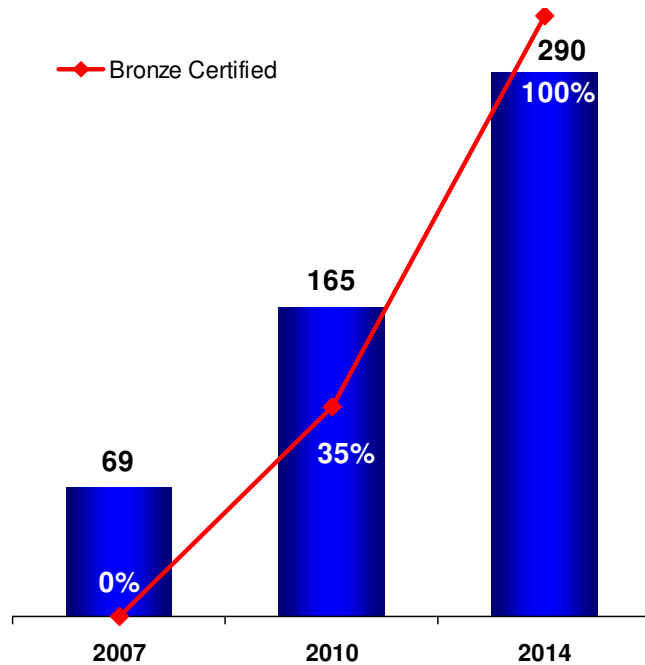
Managing Our Cost Base



Held Segment Profit % In 2009, Expanding Margins In 2010

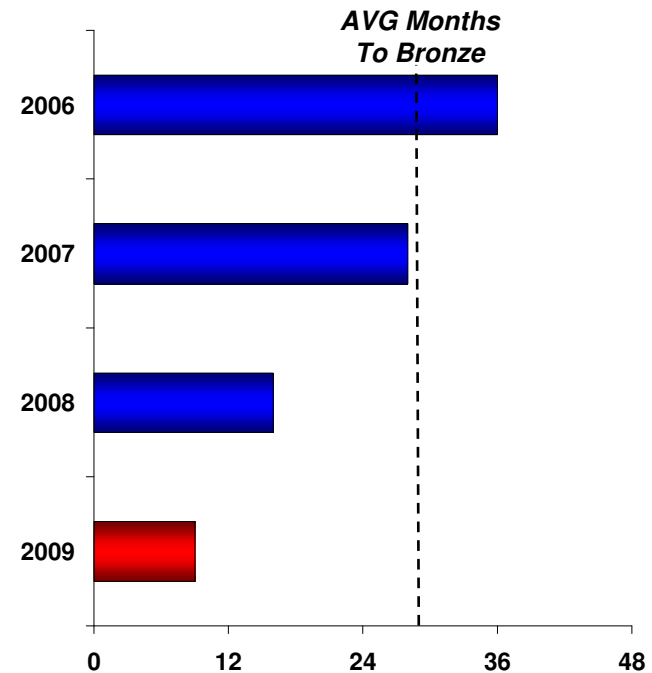
HOS Acceleration

HOS Productivity Savings



- Bronze Sites Delivering ~25% Productivity Boost
- 20% Reduction in Days of Supply
- 7 Point Improvement in Delivery

HOS Deployment Duration



- Strong Foundation at New Sites
- All Start by 2011, Bronze by 2013
- First Silver Certifications in 2010 (Trieste - HLS, Atessa - Turbo)

Key Contributor To Margin Expansion And Cash Flow

Seed Planting

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Aerospace

- Flight Efficiency / New ATM
- Helicopter Safety
- COMAC C919
- Defense Logistics

ACS

- Wireless Technology
- Gas Detection
- Energy Savings Performance
- Personal Protection Equipment

Transportation Systems

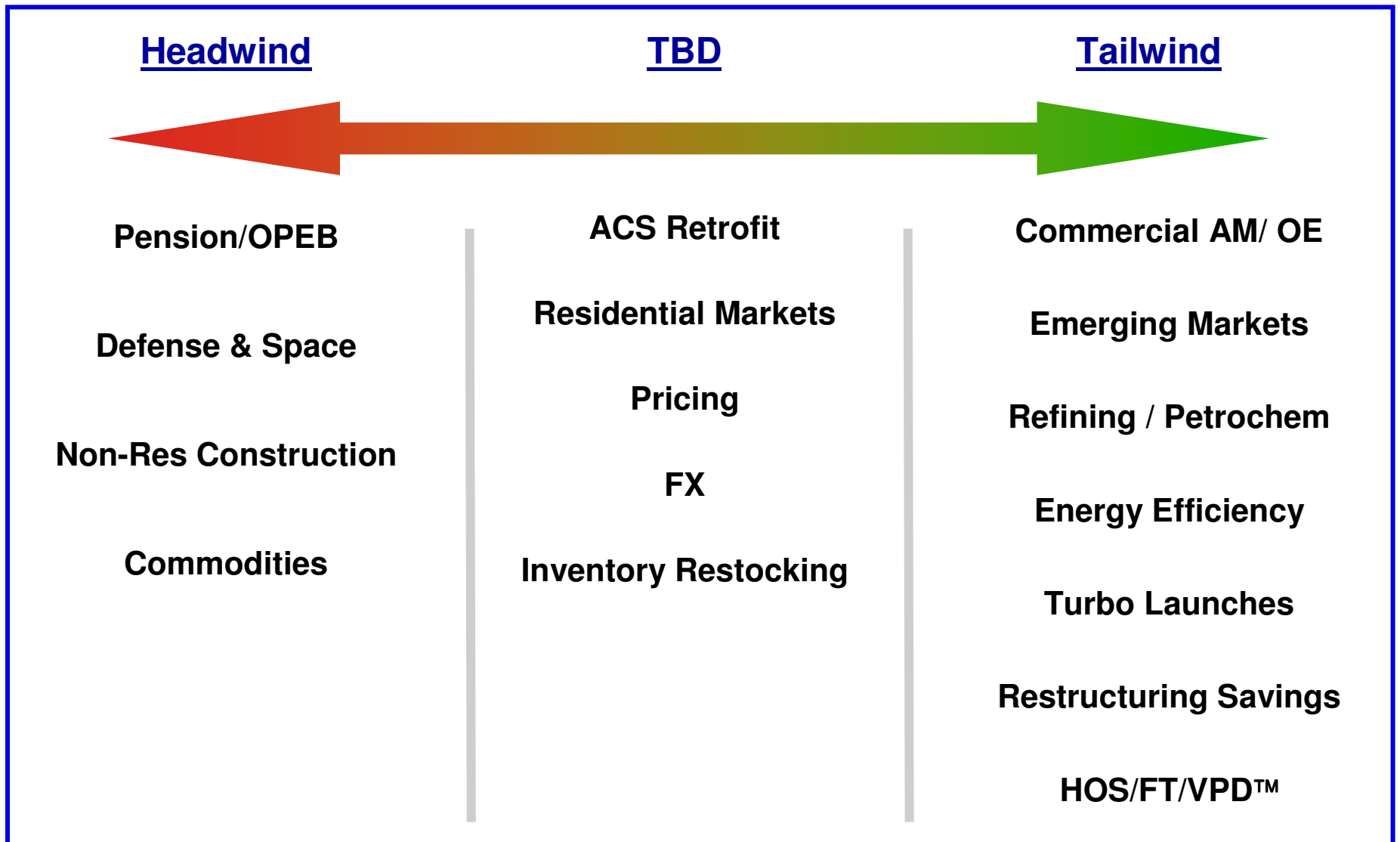
- 45%+ Win Rate Last 3 Years
- Next Generation VNT™
- Diesel, Gas, Hybrid Applications
- Aerospace Technology Sharing

Specialty Materials

- Low Global Warming Refrigerants
- Heavy Oil Hydrocracking
- Methanol-to-Olefins
- Green Diesel

Investing For The Future

2011 Framework



Targeting Double Digit Operating Earnings Growth

Appendix
Reconciliation of non-GAAP Measures
to GAAP Measures

Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margin

Honeywell

(\$B)	YTD 09	YTD 10	2009	2010E
Sales	\$22.8	\$24.3	\$30.9	~33.0
Cost of Products and Services Sold	(17.2)	(18.7)	(23.2)	~(25.1)
Selling, General and Administrative Expenses	(3.3)	(3.5)	(4.3)	~(4.8)
Operating Income	\$2.3	\$2.1	\$3.4	~3.1
Stock Based Compensation ⁽¹⁾	0.1	0.1	0.1	~0.2
Repositioning and Other ^(1, 2)	0.4	0.5	0.5	~0.6
Pension and OPEB Expense ⁽¹⁾	0.1	0.6	0.1	~0.8
Segment Profit	\$2.9	\$3.3	\$4.1	~\$4.6
Operating Income	\$2.3	\$2.1	\$3.4	~3.1
÷ Sales	\$22.8	\$24.3	\$30.9	~33.0
Operating Income Margin %	10.2%	8.7%	11.0%	9.1% - 9.5%
Segment Profit	\$2.9	\$3.3	\$4.1	~\$4.6
÷ Sales	\$22.8	\$24.3	\$30.9	~33.0
Segment Profit Margin %	12.6%	13.7%	13.3%	13.6 - 14.0%

(1) Included in cost of products and services sold and selling, general and administrative expenses

(2) Includes repositioning, asbestos, environmental expenses and equity income

YTD includes first nine months of calendar year

Reconciliation of Free Cash Flow to Cash Provided by Operating Activities and Calculation of Cash Flow Conversion

Honeywell

<i>(\$M)</i>	YTD 09	YTD 10
Cash Provided by Operating Activities	<u>\$2,615</u>	<u>\$3,158</u>
Expenditures for Property, Plant and Equipment	<u>(352)</u>	<u>(351)</u>
Free Cash Flow	<u>\$2,263</u>	<u>\$2,807</u>
Cash Provided by Operating Activities	<u>\$2,615</u>	<u>\$3,158</u>
÷ Net Income Attributable to Honeywell	<u>\$1,455</u>	<u>\$1,353</u>
Operating Cash Flow Conversion %	<u>180%</u>	<u>233%</u>
Free Cash Flow	<u>\$2,263</u>	<u>\$2,807</u>
÷ Net Income Attributable to Honeywell	<u>\$1,455</u>	<u>\$1,353</u>
Free Cash Flow Conversion %	<u>156%</u>	<u>207%</u>

YTD includes first nine months of calendar year

Calculation of Cash Flow Conversion, Excluding Pension Expense

Honeywell

<i>(\$M)</i>	YTD 09	YTD 10
Net Income Attributable to Honeywell	<u>\$1,455</u>	<u>\$1,353</u>
Pension Expense, net of tax	<u>63</u>	<u>415</u>
Net Income Attributable to Honeywell, Excluding Pension	<u>\$1,518</u>	<u>\$1,768</u>
Free Cash Flow	<u>\$2,263</u>	<u>\$2,807</u>
÷ Net Income Attributable to Honeywell, Excluding Pension	<u>\$1,518</u>	<u>\$1,768</u>
Free Cash Flow Conversion %, Excluding Pension	<u>149%</u>	<u>159%</u>

YTD includes first nine months of calendar year

Reconciliation of Free Cash Flow to Cash Provided by Operating Activities and Calculation of Cash Flow Conversion

Honeywell

(\$B)

	2009	2010E
Cash Provided by Operating Activities	3.9	~4.1
Expenditures for Property, Plant and Equipment	(0.6)	~(0.6)
Free Cash Flow	<u>3.3</u>	<u>~3.5</u>
Cash Provided by Operating Activities	3.9	~4.1
÷ Net Income Attributable to Honeywell	2.2	~2.0
Operating Cash Flow Conversion %	<u>183%</u>	<u>~205%</u>
Free Cash Flow	3.3	~3.5
÷ Net Income Attributable to Honeywell	2.2	~2.0
Free Cash Flow Conversion %	<u>155%</u>	<u>~175%</u>

Reconciliation of EPS to EPS, Excluding Pension

Honeywell

	<u>2009 YTD⁽¹⁾</u>	<u>2010 YTD⁽¹⁾</u>	<u>2009⁽¹⁾</u>	<u>2010E⁽²⁾</u>
EPS	\$1.94	\$1.74	\$2.85	~\$2.52
Pension Expense	~0.09	0.54	0.10	~\$0.74
EPS, Excluding Pension	<u>\$2.02</u>	<u>\$2.28</u>	<u>\$2.95</u>	<u>~\$3.26</u>

(1) Utilizes weighted average shares outstanding and the effective tax rate for the period.

(2) Assumes weighted average shares outstanding of 780 million and a 26.5% effective tax rate for 2010 guidance.

YTD includes first nine months of calendar year