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.
Honeywell ACS Overview

Financials

Recent Highlights
- ~450 New Product Introductions
- Sperian, Matrikon, Akuacom and E-Mon Acq.
- First Silver HOS Site – Trieste, Italy (HLS)
- ~100 Active Repositioning Projects
- Investing For Growth and Margin Expansion

Business Units

Geographic Mix

Strength And Breadth Of Portfolio Unmatched
2010 YTD Performance Relative To Competition

**Buildings**

Change in Sales (%)

- Siemens
- UTC
- HBS
- JCI
- Belimo

**PPE / Gas**

Change in OM % (bps)

- HON-Gas
- MSA
- HSP
- Drager
- 3M
- Tyco

**Security / Fire**

Change in OM % (bps)

- Tyco FPS
- HON-Fire
- Tyco Safety
- Siemens
- UTC
- HSG
- Schneider

**Process Control**

Change in OM % (bps)

- ABB
- Emerson
- Yokogawa
- Invensys
- HPS

**AIDC**

Change in OM % (bps)

- Datalogic
- Intermec
- Motorola
- Zebra

**Sensors**

Change in OM % (bps)

- Freescale
- Meggitt
- Spectris
- MSI
- Omron
- Sensata

**Note:** Reported #s exclude certain 1-time adjustments; Intended data period is 1H:2010. Change in Sales was calculated YOY; Change in OP margin is the basis points difference in operating margin % YOY.

If data were not available, the most recent available data for 6 month period was used.

**Competitor list:**
- Buildings: Belimo, JCI (Building Efficiency), Schneider Electric (Buildings), Siemens (Building Technologies), UTC (Carrier)
- PPE / Gas: 3M (Safety, Security & Protection Services), Drager (Safety), MSA, Tyco (Safety Products)
- Security / Fire: Schneider Electric (Buildings), Siemens (Building Technologies), Tyco (Fire Protection Services), Tyco (Safety Products), UTC (Fire & Security)
- Process Control: ABB (Process Automation), Emerson (Process Management), Invensys (Operations Management), Siemens (Industry Automation), Yokogawa (IAC)
- AIDC: Datalogic (sum of scanning and Mobility), Intermec, Motorola (Enterprise Mobility Solutions), Zebra
- Sensors: Freescale, Meggitt (Sensing Systems), MSI, Omron (Sum of Industrial Automation, Electronic Components and Automotive Electronics, Schneider Electric (Custom Sensors & Technologies), Sensata, Spectris (Test & Measurement)
## ACS Positions

<table>
<thead>
<tr>
<th>Market Growth</th>
<th>ACS % Sales*</th>
<th>ACS Positions</th>
<th>Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial New</td>
<td>15%</td>
<td>#1 Building Controls #1 Fire Systems #2 Building Solutions</td>
<td>• Energy Efficiency • Safety, Regulation • Installed Base • CO₂ Reduction</td>
</tr>
<tr>
<td>Commercial Retrofit</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential New</td>
<td>8%</td>
<td>#1 Home Comfort #1 Security #1 Res Combustion</td>
<td>• Energy Efficiency • New Products • Installed Base • Emerging Market Middle Class</td>
</tr>
<tr>
<td>Residential Retrofit</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Industrial</td>
<td>20%</td>
<td>#2 Process Solutions</td>
<td>• Process Optimization • Energy Efficiency • Legacy Migrations</td>
</tr>
<tr>
<td>General Industrial</td>
<td>17%</td>
<td>#3 Sensing #1 Personal Protection</td>
<td>• Regulation • New Products • Installed Base</td>
</tr>
<tr>
<td>Other (Retail, Infra., Inst.)</td>
<td>19%</td>
<td>#2 Scanning #4 Mobility</td>
<td>• New Products • Installed Base</td>
</tr>
</tbody>
</table>

*Management Estimates

---

**Strong Positions In Good Industries**

Automation and Control Solutions

Oppenheimer Conference – September 29, 2010
## Current Business Trends

<table>
<thead>
<tr>
<th>Segment</th>
<th>2H Trend</th>
<th>Drivers / Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECC</td>
<td>↑ High SD</td>
<td>NPI, energy efficiency / non-res outlook</td>
</tr>
<tr>
<td>S&amp;C</td>
<td>↑ Low DD</td>
<td>Industrial recovery, global penetration / transport</td>
</tr>
<tr>
<td>Life Safety</td>
<td>↑ Mid SD</td>
<td>Industrial recovery - gas, PPE / res, non-res</td>
</tr>
<tr>
<td>Security</td>
<td>↔ Low SD</td>
<td>Global penetration / res retrofit, comm’l construct</td>
</tr>
<tr>
<td>Scanning/Mobility</td>
<td>↑ Low DD</td>
<td>Transportation/logistics, healthcare / retail</td>
</tr>
<tr>
<td>Building Solns.</td>
<td>↑ Mid SD</td>
<td>Energy solns., high-end security/ comm’l construct</td>
</tr>
<tr>
<td>Process Solns.</td>
<td>↑ Low SD</td>
<td>Process optimization, global infrastructure / delays</td>
</tr>
</tbody>
</table>

_Diversified, Global Portfolio...Growing_
## M&A Track Record

### Acquisition

<table>
<thead>
<tr>
<th>Building Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intelligent Building Solutions</strong></td>
</tr>
<tr>
<td>- Fire, Security, Building Controls, Datacom &amp; Electrical</td>
</tr>
<tr>
<td>- Purchased for $1.1B, Net of Non-Core Divestitures in 2004</td>
</tr>
<tr>
<td>- Significant Synergies ~$130M</td>
</tr>
</tbody>
</table>

### Adjacent Space

<table>
<thead>
<tr>
<th>Gas Detection, Gas Sensing</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Petrochem, Semiconductor and Consumer Gas Focus</td>
</tr>
<tr>
<td>- Purchased for ~$785M, Net of Non-Core Divestitures in 2005/06</td>
</tr>
<tr>
<td>- Exceeding Sales and Profit Targets</td>
</tr>
</tbody>
</table>

### EV/EBITDA

<table>
<thead>
<tr>
<th>Headline Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>~12x</td>
</tr>
<tr>
<td>With Run-Rate Synergies</td>
</tr>
<tr>
<td>~5x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Headline Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>~12.2x</td>
</tr>
<tr>
<td>With Run-Rate Synergies</td>
</tr>
<tr>
<td>~4.3x</td>
</tr>
</tbody>
</table>

### Demonstrated New Acquisition Processes

- Intelligent Building Solutions
  - Fire, Security, Building Controls, Datacom & Electrical
  - Purchased for $1.1B, Net of Non-Core Divestitures in 2004
  - Significant Synergies ~$130M

- Gas Detection, Gas Sensing
  - Petrochem, Semiconductor and Consumer Gas Focus
  - Purchased for ~$785M, Net of Non-Core Divestitures in 2005/06
  - Exceeding Sales and Profit Targets
## M&A Track Record

### Acquisition

<table>
<thead>
<tr>
<th>Company</th>
<th>Headline Price</th>
<th>With Run-Rate Synergies</th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDC - Handheld Imaging and Laser Scanning</td>
<td>~12.7x</td>
<td>~5.3x</td>
<td></td>
</tr>
<tr>
<td>- Imaging Focus in Transport and Healthcare Verticals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Leader in Bar Code Scanning Sub-Segment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Purchased for $1.1B in 2007/08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- SG&amp;A Efficiencies, China Mfg</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIDC - Handheld Imaging and Laser Scanning</td>
<td>~10.3x</td>
<td>~4.8x</td>
<td></td>
</tr>
<tr>
<td>- Leader across a broad range of process industry verticals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Callidus Technologies, LLC</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>- Leader in ultra-low NOX emissions</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

### Adjacent Space

- Building Out Attractive Sub-Industries, Good Growth

- Combustion Controls & Systems (Gen. Industrial)
Great Fit With ACS Safety Products

**Strategic Rationale**

- Highly Attractive, Fragmented and Growing $20B Space
  - Regulated by Codes & Standards
- Extends HON Leading PPE Positions
  - Creates ~$2B Global Franchise with Premium Brands
- Complementary with Norcross/Gas Det.
- Robust Integration Process With Proven Acquisition Track Record
  - Significant Synergy Opportunities Expected
- Big Emerging Market Opportunity

**Business Overview**

- **Key Financials**
  - 2010E Sales ~$900M, ~$130M EBITDA
  - Purchase Price ~10.8x ’10E EBITDA, ~6x Synergy Adjusted
  - Attractive Sales and Margin Growth
  - EPS Accretive 2011
- **Premium Positions**
- **Geographies**

---

Oppenheimer Conference – September 29, 2010
## Life Safety With Sperian Combined Product Offering

<table>
<thead>
<tr>
<th></th>
<th>Eye &amp; Face</th>
<th>Head</th>
<th>Hearing</th>
<th>Respiratory</th>
<th>Fall Protection</th>
<th>Gloves</th>
<th>Clothing</th>
<th>Footwear</th>
<th>Firefighter Apparel</th>
<th>Electrical Safety PPE</th>
<th>Gas Detection</th>
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<tbody>
<tr>
<td><strong>Honeywell with Sperian</strong></td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
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<tr>
<td><strong>Competitor 1</strong></td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
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<td>✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td><strong>Competitor 2</strong></td>
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<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td></td>
<td>✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td><strong>Competitor 3</strong></td>
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<td>✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
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<td>✓ ✓ ✓ ✓ ✓</td>
</tr>
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<td><strong>Competitor 4</strong></td>
<td></td>
<td></td>
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<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
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<td>✓ ✓ ✓ ✓</td>
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<td></td>
<td>✓ ✓ ✓ ✓ ✓</td>
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<tr>
<td><strong>Competitor 5</strong></td>
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<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
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<td>✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td><strong>Competitor 6</strong></td>
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<td></td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓ ✓</td>
<td>✓ ✓ ✓</td>
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<td></td>
<td>✓ ✓ ✓ ✓ ✓</td>
</tr>
<tr>
<td><strong>Competitor 7</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓ ✓ ✓ ✓</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>✓ ✓ ✓ ✓ ✓</td>
</tr>
</tbody>
</table>

### Most Complete Head-to-Toe Offering In PPE
Building Our Industrial Channel

• HPS Gives ACS A Unique Growth Opportunity Via Industrial Channel

• RMG Acquisition - Global Leader in Natural Gas Measuring and Control Products, Services, and Integrated Solutions

• Growing Natural Gas Vertical Throughout Downturn and Leading Recovery

• Winning Significant Large Projects – Abu Dhabi Shah Gas, PetroChina Pipeline

• ACS Product Pull Through – PPE, Gas & Fire, Critical Infrastructure Protection, Scanning & Mobility, Combustion, OneWireless, and UOP
Significant Business Wins

**ECC**
- Bradford White & AOS
- Callidus: Paradip Refinery
- Top Home Improvement Retailers
- BDR Thermea (Baxi, Remeha)
- Ferroli

**Life Safety**
- Australia’s Clem Jones Tunnel
- Stanley Convergent Solutions
- JV with Tenggao Electronic Appliance Factory for Public Safety and Security

**Security**
- Norway-based Security Provider
- Exec Branch/US Gov’t Security
- Leading Russia-based Integrator
- Interface Security (NAR)
- GS Ilsan Siksa-Dong (High Rise Resi. Project, Korea)

**Big Competitive Take-aways**

**Winning Where The Growth Is**

**Continue To Be Partner Of Choice**
Significant Business Wins

**S&C**
- GE Avionics
- Honeywell ECC
- Alcon Surgical
- Korry Electronics

**Building Solutions**
- Yonkers PHA (US)
- City of Duncan (US)
- Gold Coast University Hospital (AUS)
- Large European Utility Security (EMEAI)

**Process Solutions**
- ExxonMobil LNG Project
- Global Shell Main Automation Contractor Agreement
- PetroChina Pipeline Project
- Shah Gas Development Project

**Winning With Innovative New Products**

**45% Energy Growth & Increasing High-End Security/CIP Penetration**

**Global Wins In Gas Chain And Renewables**
Significant Business Wins

Scanning & Mobility

- Russian Post, Focus 1690
- TJX, Dolphin 7850
- Grupo Modelo, Dolphin 9700

- UPS Win-Major Competitive Takeaway

“At the center of UPS’s wireless innovation is a handheld device…made by Honeywell.”

“UPS will deploy more than 100,000 of the Honeywell devices.”

-InfoWeek
Trieste HOS Achievements

**Trieste, Italy Plant**

**Production**

<table>
<thead>
<tr>
<th></th>
<th>'07 (Prior To HOS)</th>
<th>'08 (HOS Bronze)</th>
<th>'09 (HOS Silver)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$66M</td>
<td>$74M</td>
<td>$55M</td>
</tr>
</tbody>
</table>

**Site Results**

- **Defects (PPM)**
  - 93% Reduction
  - '07 (Prior To HOS): 234
  - '08 (HOS Bronze): 14
  - '09 (HOS Silver): 17

- **Delivery (OTTR)**
  - 5 pt Improvement
  - '07 (Prior To HOS): 94%
  - '08 (HOS Bronze): 97%
  - '09 (HOS Silver): 99%

- **Inventory (DOS)**
  - 7 Day Improvement
  - '07 (Prior To HOS): 26
  - '08 (HOS Bronze): 24
  - '09 (HOS Silver): 19

- **Conversion Cost (YoY RoC)**
  - +3 pt Improvement
  - '07 (Prior To HOS): 4%
  - '08 (HOS Bronze): 6%
  - '09 (HOS Silver): 7%

**Implementing HOS Improved Competitive Advantage**
R&D Aligned To Growth Themes

Energy Efficiency/Smart Grid
- RedLink Wireless
- Water Heater Controls
- Building Optimization
- Smart Grid Thermostats
- Commercial Demand Response
- Sustainability
- Energy Management Solutions

Safety/Security
- Gas Detectors
- Intelligent Fire Alarm Network
- Enhanced Safety Products
- TruStability Pressure Sensors
- Total Connect Applications
- Smart Home System

Wireless
- Wireless Sensors
- Next Generation Mobile Computing
- Ultra-Lightweight Mobile Computer
- Experion LS
- OneWireless Portfolio

Inventing New Markets, Enabled By Wireless
### Business Case For Energy Conservation

<table>
<thead>
<tr>
<th></th>
<th>Payback Period</th>
<th>Benefits Availability</th>
<th>Green?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>10-15 Years</td>
<td>2-3 Years</td>
<td>Not Optimal</td>
</tr>
<tr>
<td>Nuclear</td>
<td>20+ Years</td>
<td>5+ Years</td>
<td>OK</td>
</tr>
<tr>
<td>Renewables (e.g. Solar)</td>
<td>Exceeds Useful Life of Asset</td>
<td>Varies</td>
<td>Good</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>3-5 Years</td>
<td>Immediate</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

- Energy Efficiency Is the Cheapest Source of Clean Power
- Demand Response Is an Essential Prerequisite
- Honeywell Products Leverage Existing Infrastructure

**Efficiency Is The “First Fuel”**
Energy Efficiency Across ACS

- Innovative, Game-changing Products and Solutions
- Clinton Climate Initiative
- Energy Performance Contracts
- Smart Grid Wins
- Major Energy Savings and Emissions Reductions for Homes, Buildings, and Industrial Applications

60% of Products & Services Related to Energy Efficiency

Global Leader In Delivery Of Energy Efficiency
Robust ACS Smart Grid Offering

- Coverage across transmission, distribution, home/building and distributed generation
- Connecting key data nodes across the grid and controlling the loads

= New Offerings

Growing In Attractive New Markets
Summary

- Strong Portfolio Positioned to Outperform
- Demonstrated Ability to Beat Competition
- Clear Path to Continued Margin Growth
- Investing for Growth and Profitability
- Performing Well in Early Recovery

Significant Growth And Margin Runway