Defense & Space Investor Day

Washington D.C.

November 19, 2012

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.

Business Overview

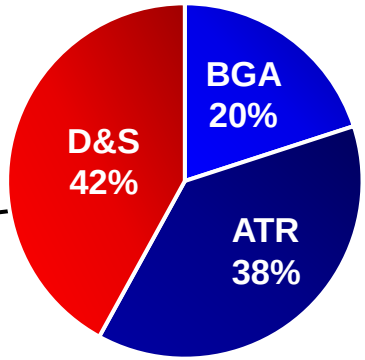
Honeywell

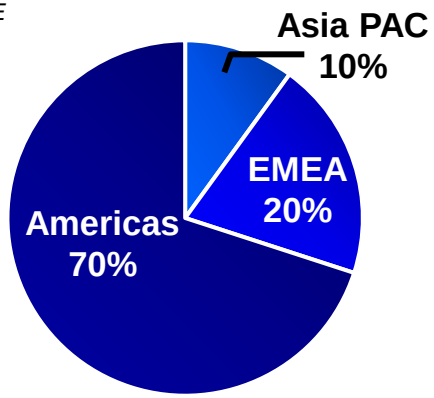
Honeywell 2012E Sales: $37.6B

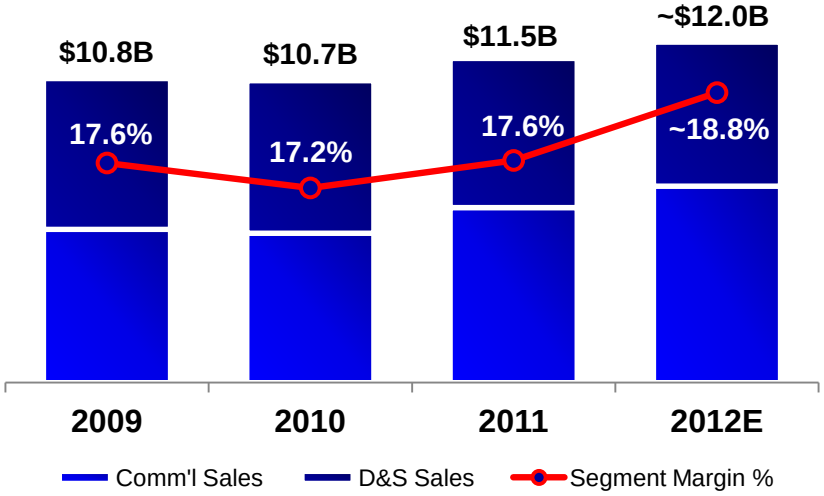
** Based On The Mid Point Of 3Q12 Earnings Release Guidance*

Aerospace Financials

** 2012E*





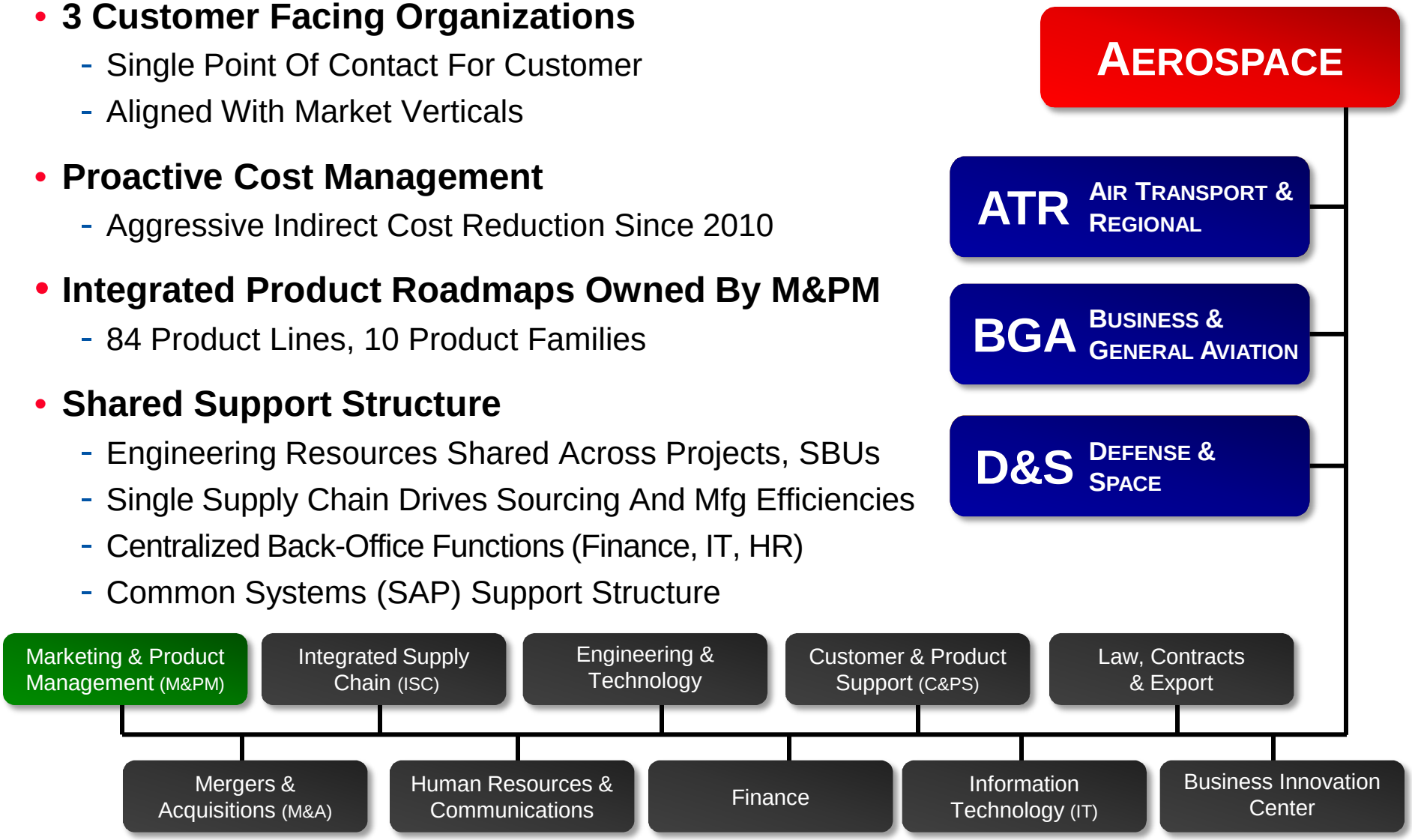


Aero Positioned For Growth And Margin Expansion

Aerospace Structure

Honeywell

- **3 Customer Facing Organizations**
  - Single Point Of Contact For Customer
  - Aligned With Market Verticals
- **Proactive Cost Management**
  - Aggressive Indirect Cost Reduction Since 2010
- **Integrated Product Roadmaps Owned By M&PM**
  - 84 Product Lines, 10 Product Families
- **Shared Support Structure**
  - Engineering Resources Shared Across Projects, SBUs
  - Single Supply Chain Drives Sourcing And Mfg Efficiencies
  - Centralized Back-Office Functions (Finance, IT, HR)
  - Common Systems (SAP) Support Structure



Matrix Organization Provides Flexibility

Defense & Space

Honeywell

D&S 2012E Sales: ~$5.1B

Why We Win

- **Technology Leadership**
  - Precision Navigation, Energy Efficient Propulsion, Safety Products
- **System Integration Capabilities**
  - Flight Controls, Environmental Controls, Mechanical Systems
- **Services And Support**
  - Logistics, Tech. Services, Cyber/Physical Security, Asset Management, Predictive Maintenance, Performance Based Logistics
- **Global Footprint And Customer Support**
- **Differentiated Processes: HOS®, VPD®**
  - Significant Productivity Benefits Achieved

Global Leader With Differentiated Technologies And Processes

Strong Platform Positions

Honeywell

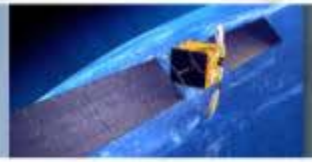
Conventional Defense & Space (Near-Peer Combatant Threats)

Fighter/Attack/ Trainer Aircraft
30+ Platforms

Human Space
10+ Platforms

Surface/Soldier Vehicles
15+ Platforms

Bomber Aircraft
3 platforms



DoD, Civil, and Commercial Space
30+ Platforms

Military Helicopters
20+ Platforms

Mobility/Tanker Aircraft
40+ platforms

Army, Navy and Air Force
60+ Platforms

Naval Platforms
10+ Platforms

Asymmetric Threats

Special Mission/UAV Aircraft
20+ Platforms

International: GROWING

International
20+ Platforms

Commercial-Related

Commercial Helicopters
20+ Platforms

Services

HTSI
Space, Networks, Comms, Logistics, Physical & Cyber Sec.

FM&T
Specialized Services & Solutions

Broad And Diverse Installed Base

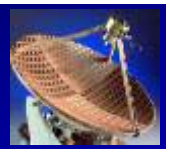
Expansive Portfolio

Honeywell

Crew Interface

- Commercial Crew Interface & Displays
- Commercial Software Products
- Flight Management Systems
- Military Crew Interface
- Navigation Database & RNP Services

Safety & Information Management



- Cabin Mgmt System
- Comm/Nav Radios
- DataLink/Data Mgmt & Recorders
- Long Range Communication
- Ground Proximity
- Radar
- Traffic Surveillance
- Integrated Surveillance
- SATCOM (Mil and Commercial) – Products And Services

Navigation Systems & Sensors

- Commercial Navigation Systems
- Defense & Space Navigation Systems
- Inertial Sensors – Accelerometers
- Inertial Sensors – Gyros
- Non-Inertial Sensors
- Magnetics & Personal Nav Systems
- Precision Landing Systems
- Radiation-Hardened Components
- Space Navigation
- Tactical Navigation Grade Systems

Propulsion

- AGT1500
- ALF502/LF507
- CFE738
- F124/F125
- HTF7000
- HTS900
- LTS101
- T55
- TFE731
- TPE331

Platform Systems / High Integrity Controls

- Integrated Avionics System
- Real-time Information In A Tactical Environment (RITE)
- Space Systems
- Electronic Eng Controls
- Flight Controls
- Space Pointing & Stabilization

Aero Services

- Vibration Monitoring/HUMS
- Zing™ Remote
- Maintenance Services Incl PBL
- Flight Support Services
- Logistics
- Physical And Cyber Security
- Technical Services
- Health, IT

Mechanical Sub Systems

- Air & Thermal Systems
- Auxiliary Power Units
- Electric Power
- EM Actuation
- Valves And Electro-Hydraulics

Mechanical Components

Wheels & Brakes

Lighting

Solutions Focused On Safety, Cost, And Efficiency

Current Defense Landscape

Honeywell

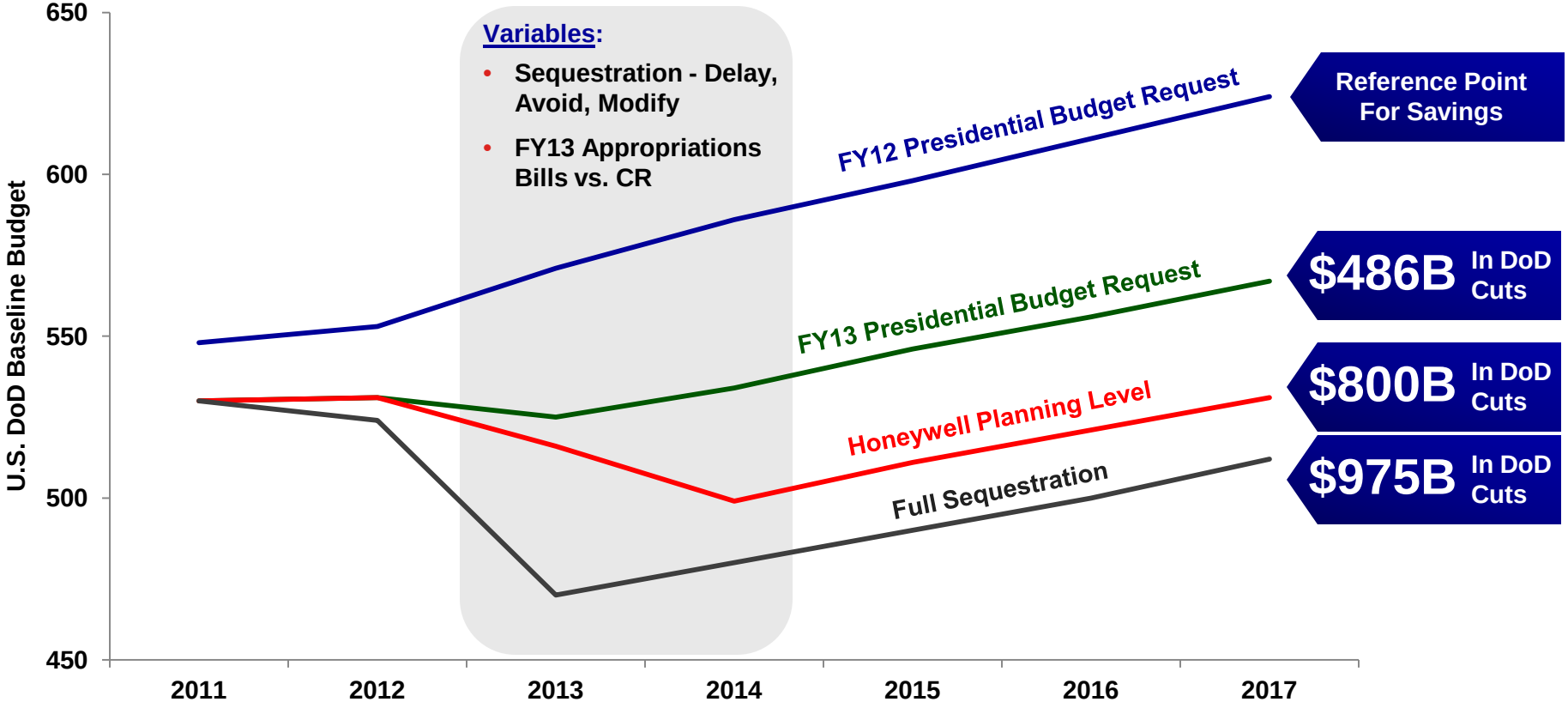
Key Drivers	What's To Like
Declining U.S. Budget	• Benefits Of Balanced Product And Services Portfolio • Low Exposure To War Spending (< 4% Of Revenue)
War Drawdown	• Highly Diversified Across 300+ Platforms • Attractive Installed Base → Less Than 3% Of Revenue On Any One Platform • Aligning Resources To Capture Growth Areas
Focus Shift From Iraq/Afghanistan To Pacific / ME Force Projection	• Broad-Based Service Offerings, Service Life Extensions • Retrofits/Mods/Upgrades Available Now → Safety, Efficiency, Availability • Positioned For Wins In High Growth Regions
DoD Cost Focus And Better Buying Power	• Leader In PBL And Related Fixed-Price, Incentive-Based Maintenance Models • Leverage Shared Aerospace Support Structure With Growing Commercial Business

Well-Positioned To Support Defense Customers In Lower Spend Environment

Current View Of DoD Budget Possibilities

Honeywell

Key Variables Are Timing And Programming Of Reductions



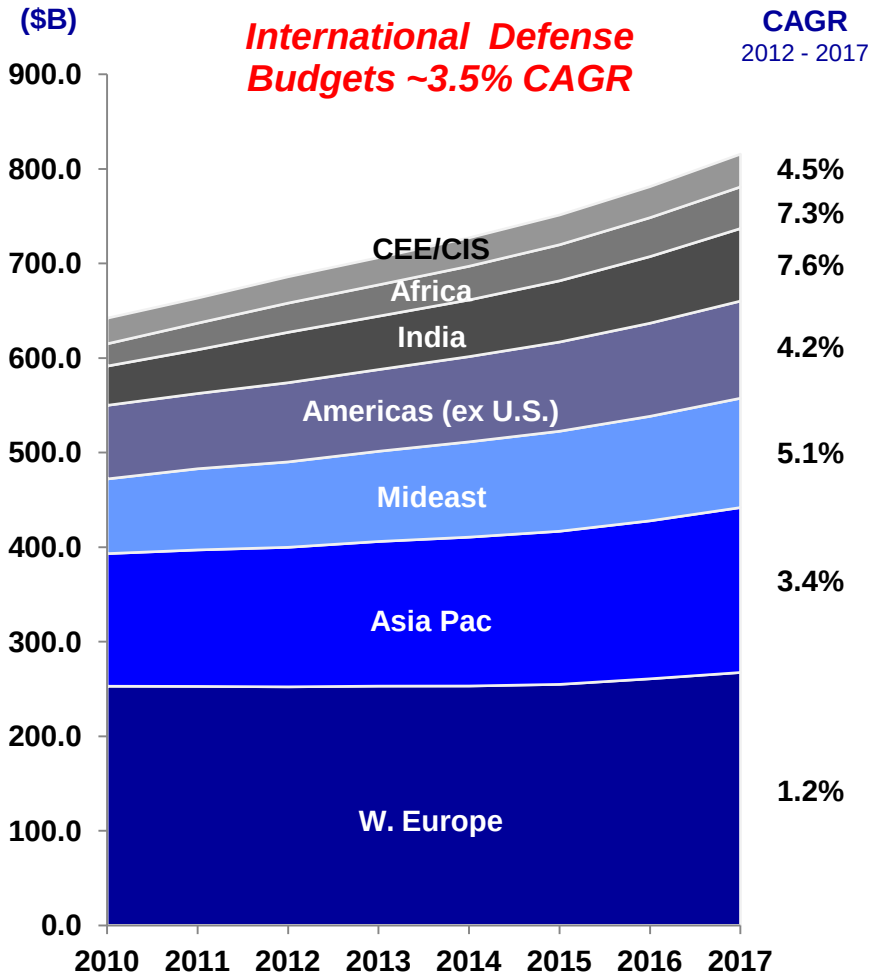
- **Honeywell Expecting Significant Cuts In 2013, Additional Cuts In 2014**
- **Plans Based On Cuts Totaling ~80% Of Sequestration Level Reductions**

Planning Conservatively In Uncertain Environment

International Budget Outlook

Honeywell

International Defense Budgets



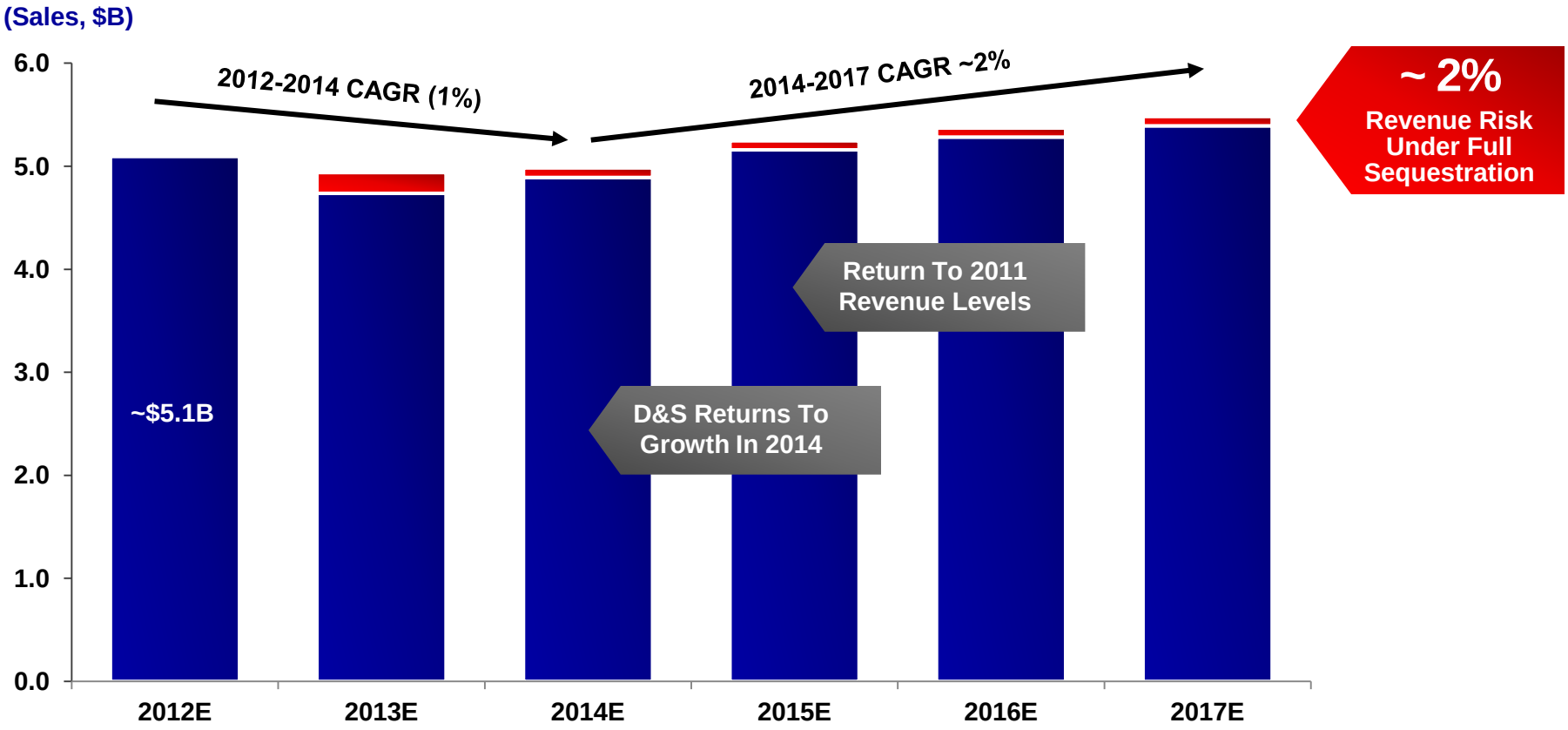
Honeywell Focus Areas

- **Emerging Europe / Asia Pac**
  - Retrofits/Mods/Upgrades - Avionics, SATCOM, Safety, Condition-Based-Maintenance
  - Inertials (Ground), Logistics (Afghan. Exit)
- **India**
  - Jaguar, Inertial Navigation (Ground, Flight), Helicopter And Turboprop Propulsion
  - Modernization, Indigenous Capability
- **Middle East**
  - MRO, Services, Platform RMUs, Physical And Cyber Security
- **Latin America**
  - MRO, Upgrades For Aging Fleets
  - Helicopter Safety, Indigenous Capability

Good Alignment Of Enduring Needs With HON Capabilities

Honeywell Defense & Space Outlook

Honeywell



- **D&S Backlog Trending Ahead Of Prior Year**
- **~85% Of 2013E Defense Revenue Not Subject To U.S. Sequestration Cuts**
  - Obligated By FY12 (Or Prior) Appropriations Or International

Limited Exposure Under Full Sequestration Scenario

2012 Wins And Highlights

Honeywell

- **Israeli Air Force M-346 Trainer**
  - Honeywell F124 Engine - Over $700M Program
- **U.S. Air Force Secondary Power Logistics Services**
  - Approximately $350M Over Next Seven Years
- **U.S. Navy Performance-Based Logistics**
  - Approximately $200M Over Five Years
- **USAF Enhanced GPS Inertial Navigation System**
  - Continuing To Build On Over 25K Units In Service Worldwide
- **FAA Security System Maintenance And Optimization**
  - Maintaining Security Systems At Over 1K Locations
- **Zing Health Usage Monitoring System (HUMS)**
  - Common Technology For Commercial & Military Applications
- **Over $200M Unannounced International Wins**
  - Strong Service Opportunities In Middle East, Europe, Asia

Continuing To Win, Domestically And Internationally

Summary

Honeywell

- **Strong Global Positions On Broad Range Of Enduring Platforms**
  - Technology Leadership, Differentiated Offerings And Customer Support
- **High Value RMU Products Available Now**
  - Meeting Customer Safety, Efficiency And Productivity Needs At Low Investment
- **Growing International Business Offsetting DoD Declines**
  - Over $1B In YTD International Business Wins
- **Value-Added Services Expansion Offsetting OCO Declines**
  - Performance Based Logistics, Physical/Cyber Security, Health/Logistics/Tech Services
- **Optimized Cost Base And Shared Support Structure**
  - Strong Operational Execution → HOS®, VPD®

Uniquely Positioned For Changing Landscape

Honeywell

Leader Profile

Mike Madsen
President
Defense & Space
Honeywell Aerospace

Mike Madsen was named president of Honeywell Aerospace's Defense & Space business in October 2010. This $5.1 billion business serves OEM, aftermarket, military, government agency and commercial helicopter segments internationally.

Previously Madsen was vice president of the Airlines Customer Business team within the Air Transport & Regional (AT&R) business. He advanced to that role in 2007 after serving as vice president for AT&R's Regional Aircraft and Aero Component business.

Madsen's career at Honeywell, which began more than 25 years ago, started as an engine performance engineer in the Systems Analysis and Performance group supporting the TFE731, ATF3 and CFE738 engines. Following this, he held a series of positions of increasing leadership responsibility in program management within Honeywell's Engines Systems and Accessories organization. Madsen led development activities on a wide range of products ranging from solar dynamic power systems to cryogenic valves, launch vehicle actuation systems and aircraft pneumatic components.

Madsen later served as a production program manager and product manager supporting Honeywell's aerospace components business, as well as the director of Program Management and Velocity Product Development for Honeywell's Business & General Aviation organization.

He earned his Bachelor of Science degree in aerospace engineering from Arizona State University in Tempe, Ariz., and his Masters of Business Administration from Duke University in Durham, North Carolina. He is also Black Belt certified.

Leader Profile

Honeywell

Beth Rossman

Vice President,
Global Government Relations

Elizabeth (Beth) Rossman is Vice President, Global Government Operations-Aerospace, for Honeywell International. She is based in Washington, DC.

In her current position, Beth leads a team whose primary goal is to support Honeywell business leaders throughout the defense, energy, space and aviation business segments, and to maintain and grow key customer relationships. Beth and her team work with the Departments of Defense, Energy, and Transportation, and the National Aeronautics and Space Administration, and the United States Congress and key Committees on a daily basis to ensure that key government customers and programs are supported.

Beth enjoyed a 20-year career with the Federal Government before joining Honeywell in 2005. In her last government position, Beth served as Associate Director of Legislative Affairs within the White House Office of Management and Budget (OMB). She advised the OMB Director and other senior White House policy officials on all aspects of the legislative process as it pertained to the President's Budget, including relevant authorization legislation and all appropriations measures. Beth represented Administration policy, on behalf of the OMB Director, to Members of Congress and their staff. She also managed the transmission of all Statements of Administration Policy (White House position statements on pending legislation) to the Congress.

Prior her service at OMB, Beth served at the Department of the Interior as Chief of the Formulation Branch of the Secretary's Budget Office, where she oversaw the development, justification and execution of the Department's $10 billion budget.

Beth holds a Master's Degree in Public Administration from the University of Pittsburgh's Graduate School of Public and International Affairs and a Bachelor of Arts Degree from the University of Maryland. Beth began her career with the Federal Government as a Presidential Management Intern.

Leader Profile

Honeywell

Dave Marinick

Director,
Marketing & Strategic Planning D&S

Dave Marinick is the Director of Marketing & Strategic Planning for the Defense & Space unit of Honeywell Aerospace. In this role Dave is responsible for strategic planning and various marketing-led efforts to support and grow the D&S business.

Prior to this, Dave was serving a dual role within Aerospace - leading the International Turbine Engine Company (ITEC) - a joint venture between Honeywell and the Aero Industry Development Corporation (AIDC) in Taiwan, and leading Honeywell's gas turbine engine joint venture with Rolls Royce, the Light Helicopter Turbine Engine Company (LHTEC). From 2008 to 2010 Dave led the Europe, Middle East, Africa & India (EMEAI) segment of Honeywell's Defense & Space Business unit. From 2005 to 2008 Dave was the Director of the Asia segment of the Military Aircraft business, and previously served as the Product Line Director for Honeywell's Marine & Industrial Power business.

Dave has been with Honeywell since 1988 and has held a variety of positions in both Business and Functional leadership. He holds a Bachelor of Science in Mechanical Engineering from the University of California at Berkeley, and professional certifications from the Thunderbird School of International Management, and the Wharton School of Business at the University of Pennsylvania. Dave previously served as a Director of the U.S. Taiwan Business Council in Washington D.C., and a delegate of the US-India Business Council Defense Trade Mission. Dave is Six Sigma Green Belt certified, and is a PMI certified Program Management Professional.