Today’s Discussion

• Honeywell’s Transformation 2003 - 2011
  – Portfolio Management, Emerging Region Growth
  – Execution Of Key Initiatives, Significant Productivity

• 2011 Performance And 2012 Outlook
  – Delivered Top-Tier Performance In 2011
  – Prepared For Tougher 2012

• Compelling Investment Opportunity
  – Consistency Of Strategy, Execution, Value Creation
  – On Track To 2014 Sales, Margin And Cash Targets

Consistent Strategy, Focus On Outperformance
Honeywell’s Transformation

Has Become A Top Performing Multi-Industrial

From Laggard . . .
To Industry Leader

Allied Merger, GE Take-Over Attempt

Lost Money Two Consecutive Years

Building Performance Culture, Portfolio Management

Executing Strategies, Built Financial Track Record

Improved During Economic Downturn

Record Sales Growth, Margin, WCT, and FCF

- Dividend $1.49/Share*
- 10-Year TSR 135%
- Performance Better This Recession
- Preserved Industrial Base
- Seed Planting Investments
- Sales Mix Outside U.S. 41% → 54%


*Annualized Rate Based on 4Q 2011 Increase
2003 – 2011 Track Record

Sales  Segment Margin  Net Income (Proforma)*  FCF**


$22.1  $36.5  $10.6%  $14.7%  $1.3  $3.2  $2.2  $3.7

+7% CAGR  +50 bps/year  +12% CAGR  +7% CAGR

Significant Growth All Key Metrics

*Proforma Excludes Mark-to-Market Pension Adjustments; **FCF Prior to U.S. Cash Pension Contributions
Organic Sales Growth

Sales Growth ($B)
- 2003: $22.1
- 2009: $30.0
- 2011: $36.5

World GDP
- 2003: 3.9%
- 2009: 3.5%
- 2011: 4.2%

Organic Growth
- 2004: 7.8%
- 2005: 5.0%
- 2006: 6.2%
- 2007: 7.0%
- 2008: 1.8%
- 2009: -2.0% (Record)
- 2010: 6.9%
- 2011: 8.3%

Record Organic Growth In 2010–2011
Sales / Segment Profit Per Employee

**Sales / Employee ($K)**

- **2002***: 199
- **2009***: 238
- **2011**: 255

28% Growth, 3% CAGR

**Segment Profit / Employee ($K)**

- **2002***: 22
- **2009***: 32
- **2011**: 37

72% Growth, 6% CAGR

* Includes CPG

**Simple (But Powerful) Measures Of Productivity**
OEF Productivity

Full Time Headcount (K)

- 2008: 128, 30%
- 2011: 132, 63%
- 2012E: ~135, 62%

Labor Cost (OEF) As % Of Sales

- 2008: 30%
- 2011: 28%
- 2012E: ~27%

Emerging Regions
Developed Regions
RD&E – Investing In Growth

RD&E Effectiveness = New Product Leverage

RD&E % of sales

Credit Crisis / Recession
Segment Margin Expansion

Note: All Years Exclude CPG

Accelerating Margin Expansion

+270 bps, +45 bps/year
+140 bps, +70 bps/year
Investing In Growth – Capex

Capital Spend

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex</th>
<th>% of Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>114%</td>
<td></td>
</tr>
<tr>
<td>2012E</td>
<td>137%</td>
<td></td>
</tr>
</tbody>
</table>

2012 Spend Profile

Major Growth Projects
- PMT: LGWP Refrigerants
- ACS: New Product Introductions
- PMT: Photovoltaics
- TS: HTT Slovakia Plant
- Aero: COMAC C-919 Development
- TS: FM Romania Plant
- TS: FM Chongqing, China Plant
- PMT: Hopewell Factory Expansion
- ACS: HLS Nantong Glove Factory

Funding High Return Growth Projects
## 2012 Financial Guidance Summary

<table>
<thead>
<tr>
<th>Consolidated ($B except per share amounts)</th>
<th>2012 Financial Outlook</th>
<th>Growth 2012E vs. 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$37.8 - $38.9</td>
<td>4% - 7%</td>
</tr>
<tr>
<td>Segment Profit</td>
<td>$5.7 - $5.9</td>
<td>6% - 11%</td>
</tr>
<tr>
<td>Segment Margin</td>
<td>15.0% - 15.3%</td>
<td>30 bps - 60 bps</td>
</tr>
<tr>
<td><strong>EPS from Cont. Ops</strong> (1)</td>
<td>$4.25 - $4.50</td>
<td>12% - 19%</td>
</tr>
<tr>
<td><strong>EPS from Disc. Ops</strong></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>EPS (1)</td>
<td>$4.25 - $4.50</td>
<td>5% - 11%</td>
</tr>
<tr>
<td>Free Cash Flow (2)</td>
<td>~$3.5</td>
<td>~100% Conversion</td>
</tr>
</tbody>
</table>

1) Proforma, V% Compared to 2011 Proforma Excluding Any Mark-to-Market Pension Adjustments
2) Prior to Cash Contributions to Pension Plans and NARCO Trust in 2012

### Low End
- Lower Global GDP Growth
- Emerging Markets Moderate Further
- Unfavorable Mix – ACS Products, PMT
- Inflation / Productivity Worse
- Stronger Dollar – EUR < $1.30

### High End
- Stronger Global GDP Growth
- Emerging Markets Overdrive
- Favorable Mix – Commercial AM, UOP
- Inflation / Productivity Better
- Weaker Dollar – EUR > $1.30

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Reaffirming 2012 Outlook
HON Sales – Geographic Growth

(% Of HON Sales)

Geographic Mix

United States ~59%
Europe ~25%
ROW ~16%
United States ~46%
Europe ~26%
ROW ~28%

2003* 2012E

Emerging Market Growth Driving YOY Improvement

Organic Sales Growth

+0-3% +10-12%

Europe

ROW

2011 2012E 2011 2012E
+6-7% ex-D&S

*Includes CPG
2012 End Market Update

• What We Are Seeing
  – Commercial Aero Strength Continues – OE And AM
  – Moderate Declines In D&S, Program Ramp-downs And Completions
  – Industrial Strength Continues – UOP, HPS, Industrial Safety
  – Res / Non-Res Construction Still Soft; Emerging Regions Slower Growth
  – Europe Short-cycle Macros Weak – ESS, Turbo LV Production

• What We Are Expecting
  – Commercial Aero OE Accelerates → 2x Commercial Aftermarket Growth
  – D&S Outlook – Manageable Declines, Sales Stabilize In 2013
  – UOP, HPS, BSD Multi-Year Outlook Robust; Long Cycle BTB >1
  – Europe Macro Headwinds Continue, Easier Comps 2H12
  – China Growth Outlook Likely To Improve 2H12
### 1Q12 Update

#### Sales Change

<table>
<thead>
<tr>
<th>Category</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>7 - 9%</td>
</tr>
<tr>
<td>ACS</td>
<td>2 - 4%</td>
</tr>
<tr>
<td>PMT</td>
<td>12 - 15%</td>
</tr>
<tr>
<td>Transportation</td>
<td>~ Flat</td>
</tr>
<tr>
<td>Honeywell</td>
<td>4 - 6%</td>
</tr>
</tbody>
</table>

#### Comments

- **Aerospace**
  - Commercial Strength Continues
  - Defense Flat YoY, Down Sequentially
- **ACS**
  - Short Cycle Growth Moderates in ESS*
  - BSD*, Process Solutions Accelerate
- **PMT**
  - UOP Strength, Adv. Materials Moderates
  - ~8-9% M&A Impact (Phenol Plant)
- **Transportation**
  - EU LV Production Down ~(8%)
  - New Launches, Diesel Penetration Offset
- **Honeywell**
  - Total ~$9.0 - $9.2B

* ESS: Energy, Safety and Security (ACS Products Less ADI), HPS: Honeywell Process Solutions, BSD: Building Solutions and Distribution (Includes ADI)
Valuation Perspective
Valuation Metrics – 5 Years Ago

**2007 P/E Ratio**
- Range: 20, 17, 16
  - HON: 16
- Average: 17
- HON: 16

HON Lowest

**2007 FCF Multiple**
- Range: 23, 19, 15
  - HON: 14
- Average: 19
- HON: 15

HON 2nd Lowest

**2006 ROIC**
- Range: 37%, 21%, 19%
  - HON: 15%
- Average: 21%
- HON: 19%

HON 3rd Highest

**2007 PEG Ratio**
- Range: 3.8, 1.5, 1.0
  - HON: 0.9
- Average: 1.5
- HON: 1.0

HON 2nd Lowest

**Dividend Yield**
- Range: 2.9%, 1.5%, 2.1%
  - HON: 0.1%
- Average: 1.5%
- HON: 2.1%

HON 3rd Highest

**TSR**
- Compounded: Honeywell 107%, S&P 500 74%
  - 2006: 24, 16
  - 2005: 8, 5
  - 2004: 8, 11
  - 2003: 43, 29

Good Call Historically

Range, average calculated using eight multi-industry peers; Honeywell 2/23/2007 closing stock price: $47.69

*Total Shareholder Return*
5 Year Share Price Performance

Indexed (January 1, 2007 to December 31, 2011)

Significantly Outperformed S&P And Peers

<table>
<thead>
<tr>
<th>TSR - Cum. Growth</th>
<th>HON 37%</th>
<th>S&amp;P (-1%)</th>
<th>Peers 10%</th>
</tr>
</thead>
</table>

HON 120
Peers 99
S&P 89
Valuation Metrics – 2 Years Ago

2010 P/E Ratio

- Range: 20
- Average: 16
- HON: 17

2010 FCF Multiple

- Range: 16
- Average: 13
- HON: 11

2009 ROIC

- Range: 32%
- Average: 15%
- HON: 20%

Pension Adjusted HON 14x

HON 2nd Lowest

HON Highest

Dividend Yield

- Range: 3.0%
- Average: 2.0%
- HON: 3.0%

TSR*

<table>
<thead>
<tr>
<th>Year</th>
<th>Honeywell</th>
<th>S&amp;P 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>24</td>
<td>26</td>
</tr>
<tr>
<td>2008</td>
<td>(45)</td>
<td>(37)</td>
</tr>
<tr>
<td>2007</td>
<td>39</td>
<td>5</td>
</tr>
<tr>
<td>2006</td>
<td>24</td>
<td>16</td>
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<tr>
<td>2005</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>2004</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>2003</td>
<td>43</td>
<td>29</td>
</tr>
</tbody>
</table>

Good Call Historically

Good Performance And Undervalued = Upside

Range, average calculated using eight multi-industry peers; Honeywell 2/18/2010 closing stock price: $39.85

*Total Shareholder Return
2 Year Share Price Performance

Indexed (January 1, 2010 to December 31, 2011)

*Illustrative Market Cap Growth Based on HON 1/1/2010 Market Cap and Peer Group Avg Share Price Performance

$12B Increase In HON Market Cap
Valuation Metrics Today

2012 P/E Ratio

- **Range**: 16, 14, 13
- **Average**: 12, 10, 15
- **HON**: 17, 15, 12

HON 3rd Lowest

2012 PEG Ratio

- **Range**: 1.40, 1.20, 0.93
- **Average**: 0.98, 1.20, 0.93
- **HON**: 0.2%, 2.2%, 2.5%

HON 2nd Lowest

2012 FCF Multiple

- **Range**: 17, 15, 12
- **Average**: 10, 15, 12
- **HON**: 17, 15, 12

HON Above Average

2011 ROIC

- **Range**: 32, 16, 19
- **Average**: 4, 16, 19
- **HON**: 32, 16, 19

HON Outperformed

Compelling Investment Opportunity

- **HON Lowest**
- **HON Above Average**

Honeywell Investor Conference – March 7, 2012

Range, average calculated using eight multi-industry peers; Honeywell 2/29/2012 closing stock price: $59.57

*Total Shareholder Return 12/31/02 Through 2/29/2012

<table>
<thead>
<tr>
<th>Year</th>
<th>TSR* Honeywell</th>
<th>S&amp;P 500</th>
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<tbody>
<tr>
<td>2011</td>
<td>213%</td>
<td>87%</td>
</tr>
<tr>
<td>2010</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>2009</td>
<td>39</td>
<td>15</td>
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<tr>
<td>2008</td>
<td>24</td>
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<td>2007</td>
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<td>2006</td>
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<td>2005</td>
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<td>5</td>
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<td>2004</td>
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<td>11</td>
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<tr>
<td>2003</td>
<td>43</td>
<td>29</td>
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<tr>
<td>Key Areas</td>
<td>What’s To Like</td>
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<td>-------------------------------------------------------------------------------</td>
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<tr>
<td>Aero Leverage</td>
<td>• AM Strong, Complemented By Software Upgrades</td>
<td></td>
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<tr>
<td></td>
<td>• Winning on Growing Platforms – Upside Potential</td>
<td></td>
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<tr>
<td>Long Cycle Backlog</td>
<td>• Demand Drivers: Energy Infra., Generation, Efficiency</td>
<td></td>
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<tr>
<td></td>
<td>• Securing Major New Wins Across Portfolio</td>
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<tr>
<td>High Growth Region Momentum</td>
<td>• Growth Outpacing Regional GDP</td>
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<tr>
<td></td>
<td>• Expanding E4E, E2W to Other High Growth Countries</td>
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<tr>
<td>Restructuring Tailwind</td>
<td>• 2012 Incremental Savings ~$150M</td>
<td></td>
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<tr>
<td></td>
<td>• High IRR Projects, Long-Term Benefits</td>
<td></td>
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<tr>
<td>HOS Acceleration</td>
<td>• Bronze+ Site Deployment to Grow 50% in 2012</td>
<td></td>
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<tr>
<td></td>
<td>• 20-30% Average Conversion Cost Productivity</td>
<td></td>
</tr>
<tr>
<td>Acquisition Upside</td>
<td>• Disciplined Process, Portfolio Transformation Evident</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• More Integration Savings and Sales Upside</td>
<td></td>
</tr>
</tbody>
</table>
Long-Term Outlook

On Track To Achieve Long-Term Targets

### Sales

**Long Term Goal:** 6 - 8% CAGR

'09 -'12: 8 – 9% CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>($B)</td>
<td>$30.0</td>
<td>$32.4</td>
<td>$36.5</td>
<td>$37.8 - 38.9</td>
<td>$41.0 - 45.0</td>
<td></td>
</tr>
</tbody>
</table>

### Segment Margin

**Long Term Goal:** 300 - 500 bps

'09 -'12: 170 – 200 bps

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>13.3%</td>
<td>13.9%</td>
<td>14.7%</td>
<td>15.0 - 15.3%</td>
<td>16.0 - 18.0%</td>
<td></td>
</tr>
</tbody>
</table>
Honeywell Investment Thesis

• Consistency Of Strategy And Execution
  – Robust New Product Pipeline Driving Organic Growth
  – Aero OE / AM Momentum, Long-Cycle Demand Drivers

• Accelerated Penetration Of High Growth Markets
  – China / India Remain Core To Growth → E4E Strategy Working
  – HGRs Driving >50% Of Honeywell Growth Through 2014

• Path To 2014 Performance Targets
  – Focus On Growth Investments And Operating Discipline
  – Acceleration Of HOS, Restructuring Tailwind, M&A Integration Upside

• Strong Cash Generation / Effective Deployment
  – Ongoing Working Capital Improvement, Disciplined Investments
  – Attractive Returns To Shareholders – Dividends, Share Repurchases