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.
Today’s Discussion

- Honeywell Today – Global, Diversified Portfolio

- Transportation Systems – Strong Position In Growing Segments

- Favorable Macro Trends – Fuel Economy and Energy Efficiency

- One-HON Advantage – Portfolio Synergies and Innovation Legacy

- Long Term Outlook – Ahead of Expectations
Honeywell Today

2010 Sales: $33.4B

- Transportation Systems 41%
- Specialty Materials 32%
- Automation & Control Solutions 14%
- Aerospace 13%

Recent Highlights

- Performed Well In Downturn
  - Great Positions In Good Industries
- Disciplined Cost Focus
  - Resources More Effective
- Continued Seed Planting
  - Winning with New Products & Technologies

Global Footprint

- Rest of World 51%
- United States* 49%

* Excludes CPG

Portfolio Mix

- Short Cycle* 57%
- Long Cycle 43%

Balanced, Global Portfolio
**Top Stories**

- Win Rate and New Launches Supporting Growth Faster Than Industry
- Full Pipeline of New Products and Innovative Technologies
- Strengthening Cost and Technology Leadership – HOS, VPD™
- Key Focus: Deliver CPG Operational Performance Thru Closing

**Segment Margin Above Pre-Recession Levels**
### Transportation Systems – Q1 Performance

#### Financial Highlights

<table>
<thead>
<tr>
<th>($M)</th>
<th>1Q10</th>
<th>1Q11</th>
<th>V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$1,007</td>
<td>$1,202</td>
<td>19%</td>
</tr>
<tr>
<td>Segment Profit</td>
<td>96</td>
<td>144</td>
<td>50%</td>
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<tr>
<td>Margin</td>
<td>9.6%</td>
<td>12.0%</td>
<td>+240 bps</td>
</tr>
</tbody>
</table>

- Sales Up 19%
  - 19% Organic
  - Turbo Up 26%
    - New Platform Launches, Turbo Penetration
    - Higher PV/CV Production Volumes
  - CPG Down (1%)
    - Inclement Weather Impact

- Segment Profit Up $48M
  - 240 bps Margin Expansion
    - Volume
    - Productivity
    - Material Inflation

#### Business Highlights

- Turbo Share Gains On New Launches
- Improved Diesel Penetration
- Global OE Production Strong 1Q
- Restructuring Benefits
  - Japan Disruptions – Minor Impact 1Q/2Q

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**Robust Turbo Demand**
Turbo + Small Engine = Fuel Economy

- Turbo Enables Up to 35% Fuel Efficiency with Same HP
- Small Engine Fuel Economy – Large Engine Performance

Turbo Offers “No Compromise” Solution To Consumers
2011 Vehicle Production & Turbo Penetration

NAFTA

Europe

China

Japan

South America

South Korea

WORLD

2010
2011

2010
2011

2010
2011

2010
2011

2010
2011

Vehicle Production (M Units)

Source: Global Insight, Polk, PSR, Honeywell

Headwind

Impact TBD

Tailwind

Global Production Recovery & Turbo Acceleration

Honeywell Transportation Systems

Favorable Macro Trends

Tightening Fuel Legislation

Turbo Growth

Global New Vehicle Build (millions)

Source: Global Insight & Honeywell – Includes Light & Commercial Vehicles

Macro Trends

• More Stringent Emission Standards
• Demand for Fuel Efficiency
• Shift to Smaller Engines

Implications

• Legislation Favors Turbo Adoption
• Turbos Enable 20 - 40% Fuel Economy
• Turbos: Hybrid, CNG, Gas, Diesel

Turbo Volumes Growing 10% Per Year
The Honeywell Advantage

Aerospace Heritage

• High-Temp Material Development
• Advanced Bearing Technologies
• Proprietary Design Tools

Honeywell Portfolio

• UOP Diesel/Emissions Knowledge
• ACS Engine Controls Expertise
• Aero Predictive Reliability Capabilities

One Honeywell A Key Differentiator With Customers
Honeywell Turbo Vehicle Range

- From India 0.8L Tata Nano to CAT 100L Mining Truck
- All Segments, All Regions, All Fuels, All Customers

Inventing Turbo Industry Standards For All Vehicles
Honeywell Global Engineering Strength

**Customer Intimacy**
- Close-to-Customer Sites
- Global R&D and Lab Centers

**Global Engineering Efficiency**
- Platforms Re-use
  - Serving 500 Engines
- Scaleable Systems
  - for 1L to 100L Engines
- Standard Simulation
  - and Design Tools

**Honeywell Differentiators**
- Largest Global Customer Base – Unique Engineering Insight
- 100+ Million Turbos Shipped – Field Experience Drives Reliability
- Leading Technology Position Protected by Extensive IP

Unique Engineering Insight And Global Execution
**Honeywell Operating System**

**Key Initiatives**

- 100% Mfg Cost Addressed
- Quality and Cost Leadership
- Extend to Supplier and Labs

**Example: HOS Silver Results**

<table>
<thead>
<tr>
<th>Category</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality (PPM)</td>
<td>74% improvement</td>
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<tr>
<td>Delivery (OTTR)</td>
<td>Up 3 pts to 99%</td>
</tr>
<tr>
<td>Inventory (DOS)</td>
<td>Over 50% improvement</td>
</tr>
<tr>
<td>Productivity (YoY)</td>
<td>Over 40% improvement</td>
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**HOS A Significant Competitive Advantage**
Honeywell Emerging Region Advantage

**India**
- Local Product Dev. for Small Diesel
- Cost Innovation Exported Globally
- Honeywell Tech Center – 6,000 Engrs.

**China**
- Local Product Dev. for All Verticals
- Manufacturing Tech. & Material Science
- Honeywell Tech Center – 1,400 Engrs.

Honeywell Differentiators
- Local Companies Requiring Higher Technology – Demanding Consumers
- Unique Capability in End-to-End Development – Faster Product Cycles
- Best-in-Class R&D Facilities – Honeywell Technology Centers

Becoming The Local Turbo Competitor
Key Launches

**Small Gasoline**
- Chevrolet Cruze 1.4L
- Small Gasoline Turbo for U.S.

**Diesel Light Vehicles**
- Mercedes 3.0L Ball-Bearing
- Industry First U.S./EU

**China Passenger Cars**
- Chery G5/G6 2.0L
- Gasoline Turbo for China

**Off-Highway**
- CAT Tier 4i – 3.3L to 100L
- Global Off-Highway Vehicles

**On-Highway Trucks**
- Hino Medium-Duty 6.4L/7.7L
- Ball-Bearing – U.S./Asia-Pac

**New Friction Technology**
- Hybrid Materials for VW MQB
- Global Vehicle Launch

100+ New Launches Globally
Summary

• Industry Leader Through Technology – Past and Future

• Fuel-Efficiency Drives 10+ Year Roadmap and Growth

• Aerospace Synergies, Global Honeywell Capabilities

• Unique Engineering Insight and Launch Execution Capabilities

• Becoming the Local Turbo Competitor in China & India