J.P. Morgan HVAC Conference

Joe Puishys
President, Environmental Control & Combustion

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.
Honeywell’s Businesses

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

$33.4 Billion in 2010 Sales
# Automation And Control Solutions

**What We Do…**

- Safety
- Security
- Comfort
- Convenience
- Productivity
- Energy Efficiency
- Homes
- Buildings
- Industrial

*Positioned To Capitalize On Key Trends*
## Well Positioned For Growth

<table>
<thead>
<tr>
<th>Market Trend</th>
<th>ACS % Sales</th>
<th>ACS Positions</th>
<th>HON Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial New</td>
<td>13%</td>
<td>#1 Building Controls #1 Fire Systems #3 Building Solutions</td>
<td>• Energy Efficiency • Safety, Regulation • Installed Base • CO₂ Reduction • EMR Growth</td>
</tr>
<tr>
<td>Commercial Retrofit</td>
<td>13%</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 New</td>
<td>8%</td>
<td>#2 Process Solutions</td>
<td>• Process Optimization • Energy Efficiency • Legacy Migrations</td>
</tr>
<tr>
<td>Residential Retrofit</td>
<td>9%</td>
<td>#1 Sensing(2) #1 Personal Protection</td>
<td>• Regulation • New Products • Installed Base</td>
</tr>
<tr>
<td>Process Industrial</td>
<td>21%</td>
<td>#2 Scanning #4 Mobility #3 Building Solutions</td>
<td>• Energy Efficiency • New Products • PPP/LT Op Contracts • Installed Base</td>
</tr>
<tr>
<td>General Industrial</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (Retail, Infra., Inst.)</td>
<td>19%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Management Estimates Based On 2010 Revenue (2) Excluding Automotive (Recent Divestiture)

**End Markets Improving; Benefiting From Great Positions In Good Industries**
ECC Profile And Products

~$3B Revenue

15,000 Employees

Strengths:

- Large Installed Base
  - 150M Homes/+10M Bldgs
- Strong Brands & Awareness
- Extensive & Diverse Distribution
- Broad Portfolio
- 25%+ Vitality Index
- Quantitative Sales Force Deployment
- Large and Loyal Customer Base
- Multiple Technologies & Strong IP
- Electronics Excellence, HOS, VPD

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Controls</td>
<td>Building Automation Systems</td>
<td>Res. Furnaces/Boilers</td>
<td>Residential</td>
<td>Wiring Devices</td>
</tr>
<tr>
<td>Zoning</td>
<td>Field Devices</td>
<td>Industrial</td>
<td>Res. Filtration</td>
<td>Lighting &amp; Lighting Control</td>
</tr>
<tr>
<td>Indoor Air Quality</td>
<td>Software</td>
<td>Commercial Boilers</td>
<td>Indust/OEM's</td>
<td>Cable Management</td>
</tr>
</tbody>
</table>

Understanding Customer Needs, Technology Leadership, Winning In Energy, Geographic Expansion, Expanding Our Segments, Smart Acquisitions
Honeywell ECC Business

Global Revenue

~10% CAGR

Business Units

Sector Mix

Geographic Mix

2009
2010
2011E

J.P. Morgan HVAC Conference – June 6, 2011
## ECC – A Transformation

<table>
<thead>
<tr>
<th></th>
<th>Then</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineers</td>
<td>350</td>
<td>1,200</td>
</tr>
<tr>
<td>Vitality Index</td>
<td>7%</td>
<td>25%+</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Growth</td>
<td>Flat</td>
<td>8-10%</td>
</tr>
<tr>
<td>NPI/VPD™</td>
<td>No Momentum</td>
<td>8X NPI CT 30%↓</td>
</tr>
<tr>
<td>Revenue</td>
<td>$1B</td>
<td>~$3B</td>
</tr>
</tbody>
</table>
Favorable Macro Trends

- Energy Costs
- Green Movement
- Legislation
- Comfort / Convenience and Health
- Maintenance Costs

*Well Positioned For Future Growth*
Easy-To-Use Home Comfort Controls

• Heating & Cooling
• Ventilation
• Humidification
• Dehumidification
• Air filtration
• Water controls
• Zoning

Compelling Customer Value Proposition
Energy-Efficient Building Controls

- Building Management Systems
- Building Controls
- Lighting Controls
- Controllers
- Sensors
- Switches
Combustion Controls

- Safety Controls
  - Shut Off Valves
- Burners
  - Forced and Natural Draft
  - Convention and Low NOx
  - Radiant Wall
- Specialty Burners
  - Ultra Low NOx
  - Low BTU Gas Burners
Lighting Controls

- Occupancy Sensors
- Power Electronics
- Controllers
- Networked Lighting
- BAS Integrated Lighting Control Network

LED Lighting...A New Growth Engine
Energy Efficiency in ECC

• Innovative, Game-Changing Products and Solutions
• Smart Grid
• Solutions For:
  – 150 Million Homes
  – 10 Million Buildings
  – 5,000 Industrial Facilities
  – Hundreds of Utilities
• Major Environmental Impact

~60% of Revenue Related to Energy Efficiency

Global Leader In Delivery Of Energy Efficiency
Honeywell is Connecting Utilities and All of Their Customer Types Through:

- Energy Efficiency
- Automated Demand Response
- Remote Monitoring
- Micro Grids

100+ Utilities
10 Million Buildings
Thousands of Industrial Facilities
150 Million Homes
## Economics Of Electricity

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>Payback Period</th>
<th>Benefits Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>10-15 Years</td>
<td>2-3 Years</td>
</tr>
<tr>
<td>Nuclear</td>
<td>20+ Years</td>
<td>5+ Years</td>
</tr>
<tr>
<td>Renewables (e.g. Solar)</td>
<td>Exceeds Useful Life of Asset</td>
<td>Varies</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>3-5 Years</td>
<td>Immediate</td>
</tr>
</tbody>
</table>

- Energy Efficiency & Conservation are the Cheapest Sources of Power
- Honeywell Products Leverage Existing Infrastructure in Homes, Buildings and Industrial Plants to Manage Peak and Base-load Demand

**Efficiency And Curtailment Are The Best Options**
Smart Grid Benefits Available Today

• Honeywell Technologies and Services are Enabling Energy Management in Residential, Commercial and Industrial
  – 1 GW Residential Control / 6 GW Commercial Control
  – Massive Operational Savings
  – Many Projects Funded Through Guaranteed Savings

• Technologies Exist Today to Make Smart Grids a Reality

• Wide Deployment of These Technologies Will Have Significant Business Impact
ECC Emerging Regions As A Growth Driver

Emerging Regions Growth Trend

- Sustained Strong Growth
- Scaling Local Market NPI
- Strengthened Leadership Team
- Significant Growth Investment
  - Technology
  - JVs
  - Sales Coverage

Country | CAGR
---|---
China | 17%
India | 31%
Middle East | 10%
Other | 25%
Total ER | 19%

19% CAGR ('06 – '14)

Bringing Global Resources To Local Markets
ECC London – Growth Platform

Process Improvement & Organization Restructuring
- Reorganization of Sales Force
- Strengthening of Pricing Process
- Optimization of Product Portfolio

Introduced HON Operating Processes
- HOS
- Six Sigma
- Manufacturing Process Upgrade

HON HSE
Improved Living Standards of Workers

$20M LED Wins With Wal-Mart in 2010 and Could Amount to $100M in 2015

Walmart Shekou Store
Annual Electricity Consumption, MWH

36% Saving On Energy Bill
291 Tons Less CO₂ Emission in One Outlet

- Fast Reaction To Market Needs - Completed Design, Testing & Production Within 6 Months

- Key Success Factors
  - Global Platform: Brand, Quality, Assurance
  - Local Organizational Competency: Customer Understanding, Sales Network, Gov’t Relationship, Product Development
  - Local Knowledge: Industry Expertise and Sourcing Capability

Platform For Large Opportunity In Energy Efficiency
Trends – What We Are Seeing Now

• Residential and Commercial New Construction Remains Flat

• Convergence Happening Faster in Key Segments

• Convergence of PC/Mobile/User Interfaces

• Systems are More and More Prevalent

• Continued Concern About Energy
ECC: Positioned For Growth

- **Aligned** to Key Macro Trends
- Demonstrated Ability to **Compete Effectively**
- Leading with **New Product Innovation**
- Investing for **Growth and Profitability**
- Positioned to **Outperform** in a Stable Economy