

Electrical Products Group

Dave Cote
Chairman and CEO

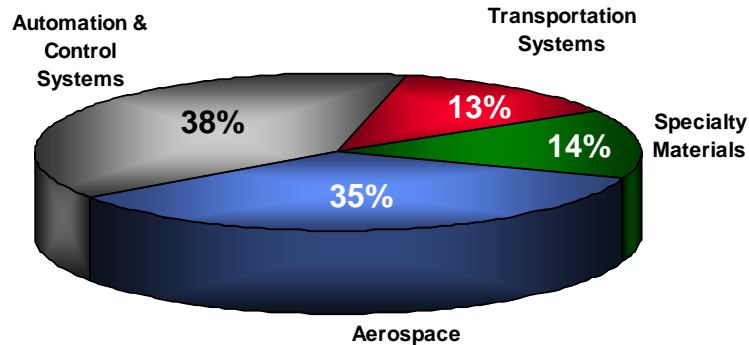
Longboat Key, Florida
May 18, 2009

Honeywell

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.

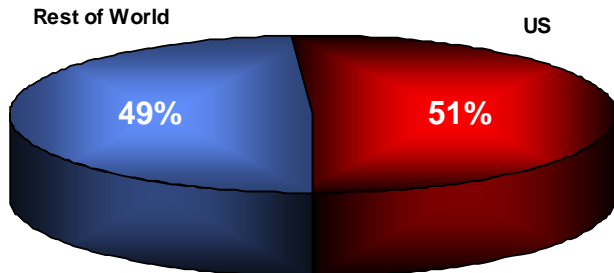
2008 Sales: \$36.6B



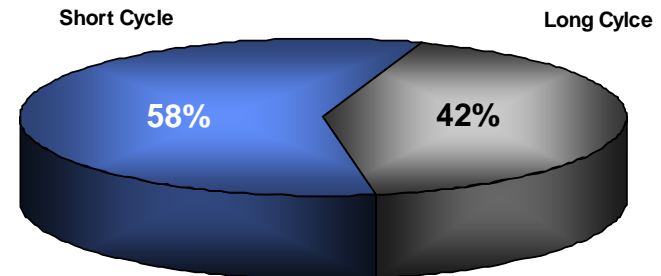
Recent Highlights

- **Multi-Year Platform Wins**
 - \$40B Aero, \$3B Turbo, \$0.4B Building Efficiency
- **Attractive Acquisitions**
 - Norcross, Metrologic, Callidus, IAC
- **Repositioning**
 - ~\$470 Million Actions Initiated Since 2008

Global Footprint



Portfolio Mix



Balanced, Global Portfolio

- **Delivering Results In Tough Environment**
 - Businesses Executing On Aggressive Cost Actions
 - Commercial Aerospace Aftermarket, Transportation Biggest Challenges
 - Project Savings Support 2H / FY Outlook
 - Organization Committed to Cost and Earnings Delivery
- **2010 Framework**
 - Preliminary View
- **Seed Planting Supports Outlook**
 - Executing Repositioning Projects
 - HOS, FT, VPD™ Benefits
 - Growth Investments

Aggressive Cost Actions, Investing For Future

1Q09 Financial Summary

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<i>(M)</i>	<u>1Q08</u>	<u>1Q09</u>	
Sales	\$8,895	\$7,570	<ul style="list-style-type: none"> • 15% Decline <ul style="list-style-type: none"> ◆ (11)% Organic ◆ 1% Acq. / Div. ◆ (5)% F/X
Segment Profit	\$1,249	\$876	<ul style="list-style-type: none"> • 30% Decline <ul style="list-style-type: none"> ◆ ACS +10 bps ◆ TS (1210) bps
<i>Margin %</i>	<i>14.0%</i>	<i>11.6%</i>	
Net Income	\$643	\$397	<ul style="list-style-type: none"> • 38% Decline <ul style="list-style-type: none"> ◆ Incl. \$44M Net Repo.
EPS	\$0.85	\$0.54	<ul style="list-style-type: none"> • 36% Decline
Free Cash Flow	\$571	\$232	<ul style="list-style-type: none"> • 58% Conversion

Good Performance In Tough Environment

2Q09 Preview

Honeywell

<i>(\$B)</i>	<u>Sales</u>	<u>Comments</u>
Aerospace	~2.6 – 2.8	<ul style="list-style-type: none">• Acq. / Div. -4% Estimated Impact• OE Deliveries Decline• ATR Flight Hours -5%
ACS	~3.0 – 3.2	<ul style="list-style-type: none">• FX -12%, Acq. +5% Estimated Impact• Contribution from Acquisitions• Organic Solutions Growth
Transportation	~0.7 – 0.8	<ul style="list-style-type: none">• FX -13% Estimated Impact• Continued Automotive Weakness
Specialty	~1.0 – 1.1	<ul style="list-style-type: none">• UOP Catalysts Decline, Negative Mix• Continued R&C, EM Weakness

2Q09 Sales ~\$7.4B - \$8.1B
EPS \$0.55 – \$0.65

Market Assumptions Summary

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Business	2009 Drivers	Current Update
AT&R	Flight Hours	(4)%
	OE Deliveries	0% to 5%
B&GA	TFE Flight Hours	(15)%
	OE Deliveries	(25)%+
Defense	DOD Budget	3%
ACS – Developed	US/EU Housing Sales	No Recovery
	US/EU Non-Res	Downturn
	Retrofit / Regulation	Stable
	Industrial Cap/Op Ex	Weakening
ACS – Emerging	New Construction	Res Soft; Non-Res Stable
Turbocharging	Europe Auto Sales	(15)% to (20)%
	Europe Diesel Penetration	(5) pts
	Small Engine Shift	(6) pts
UOP	Refining / Gas / Petrochem	Slowing

Biggest Changes: Commercial Aero, Europe Turbo

Major Cost Actions

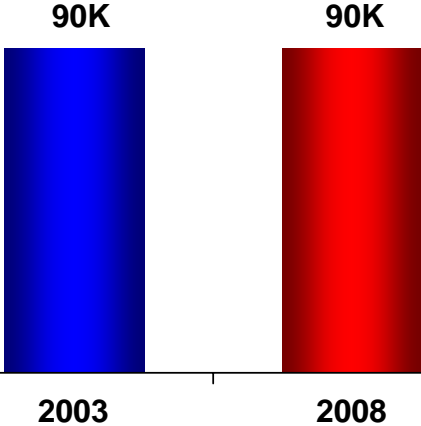
- **Census**
 - ~\$470M Repositioning Actions Since 2008, Hiring Freeze
- **Purchasing**
 - \$100M+ Benefit in 2H vs. 1H 2009; Capitalizing On Raws Declines
- **Furloughs**
 - \$100M+ Benefit in 2009; Maintaining Core Workforce
- **Functional Transformation**
 - \$100M+ Benefit in 2009; Better Service Quality At Lower Cost
- **Indirect**
 - Spend Down 19% in 1Q09; Controls Working

Organization Responding

Judiciously Managing Our Census

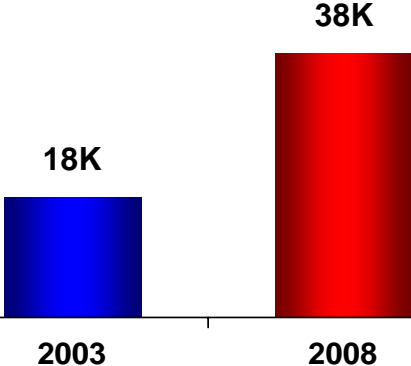
Developed Markets

Flat



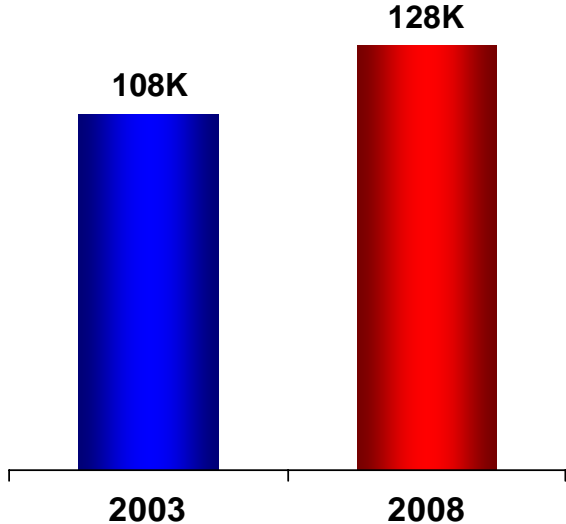
Emerging Markets

+117%



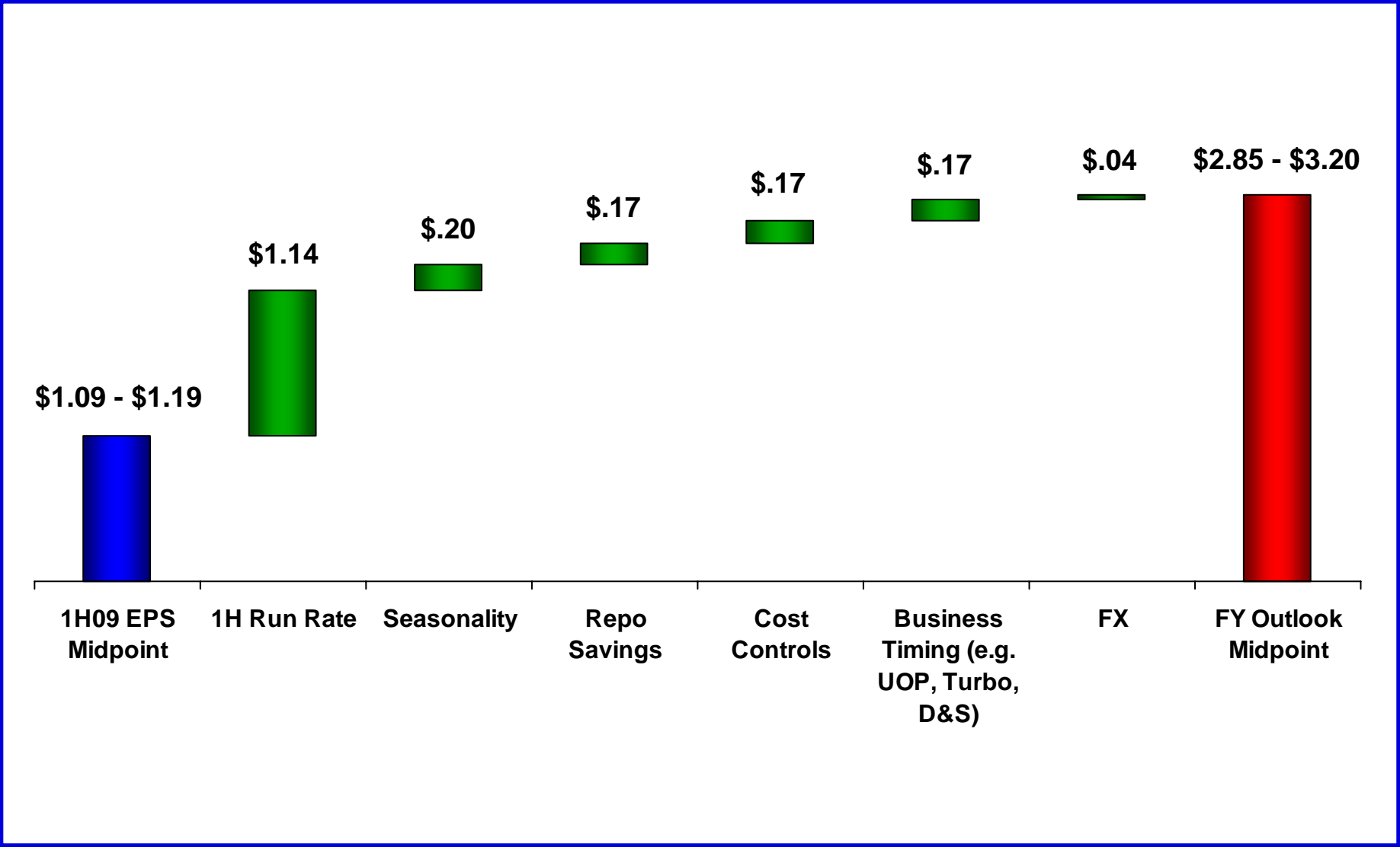
Total Census

+19%



08 vs. 03: Sales +58% Segment Profit +97% EPS +150%

2009 EPS Walk



Cost Actions Support 2H Performance

2010 Framework

Headwind

TBD

Tailwind



Pension

ACS Short-Cycle

Defense & Space

Commercial Aero OE

**Refining /
Petrochemical**

Restructuring Savings

Non-Res Construction

Commodities / Pricing

HOS/FT/VPD™

Emerging Markets

2009 Inventory Destocking

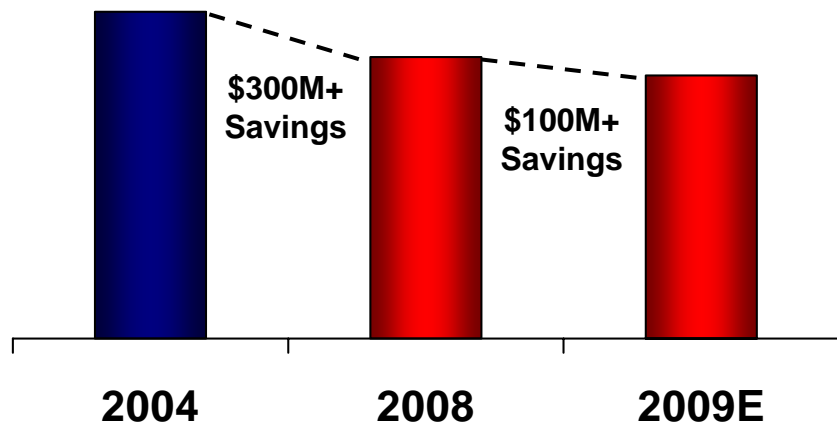
- Turbo Volumes
- ACS Distribution
- Commercial Aero AM

FX

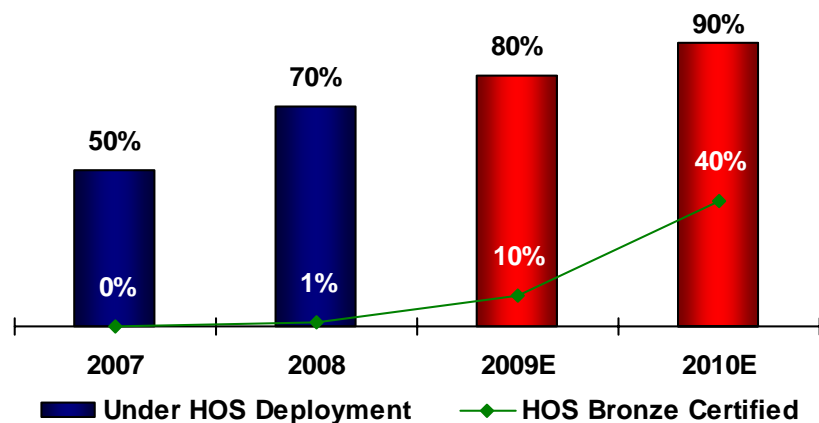
Stimulus Projects

Preliminary View Of 2010

Functional Costs



HOS Deployment



Functional Transformation Priorities

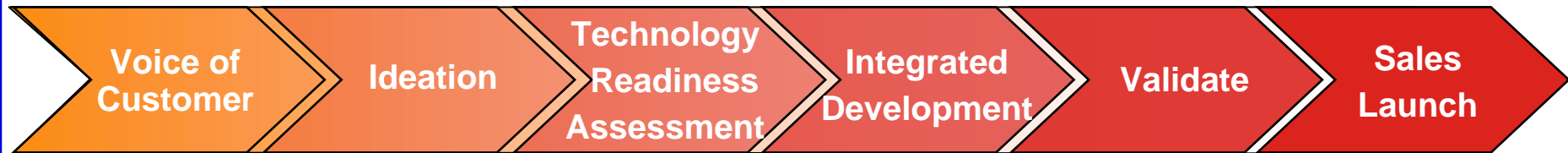
- Strategic Sourcing
- End-to-End Process Optimization
- Flawless ERP Deployment
- Facilities Rationalization

Bronze Certification Requirements

- >95% Delivery to Customer Request
- >15% Improvement in Inventory
- >25% Reduction in Defects
- Sustainable Cultural Change

Tangible Benefits Building Momentum

Velocity Product Development (VPD™)



2008 Scorecard

Aerospace

**\$40B New
Program Wins**

ACS

**400 New Product
Introductions**

Transportation

**\$3B+ New Engine
Platforms**

Specialty

**400+ US
Patents Filed**

Fueling Growth In Existing And New Markets

Aerospace

- Flight Efficiency / New ATM
- Helicopter Safety
- UAV's
- Defense Logistics

ACS

- Wireless Technology
- Gas Detection
- Energy Savings Performance
- Personal Protection Equipment

Transportation Systems

- 55%+ Win Rate
- Next Generation VNT™
- Diesel, Gas, Hybrid Applications
- Aerospace Technology Sharing

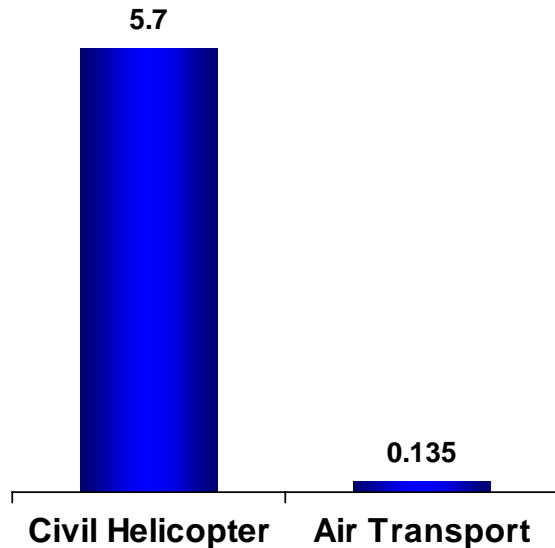
Specialty Materials

- Green Diesel
- Heavy Oil Hydrocracking
- Methanol-to-Olefins
- Low Global Warming Refrigerants

Investing For The Future

Helicopter Safety

Accident Rate Per 100,000 Flight Hours



42x Higher Accident Rate

NTSB Accident Database, US 2007

Honeywell Offerings



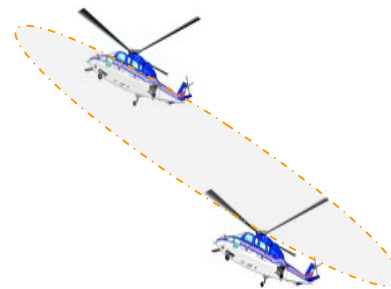
Enhanced Ground Proximity Warning System (EGPWS)



Health and Usage Monitoring System (HUMS)



Mission Management



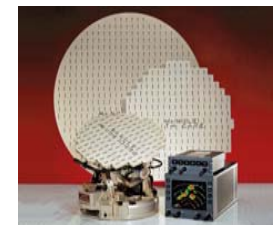
Traffic Collision Avoidance System (TCAS)



Portable Navigation



Recorders



Weather Radar

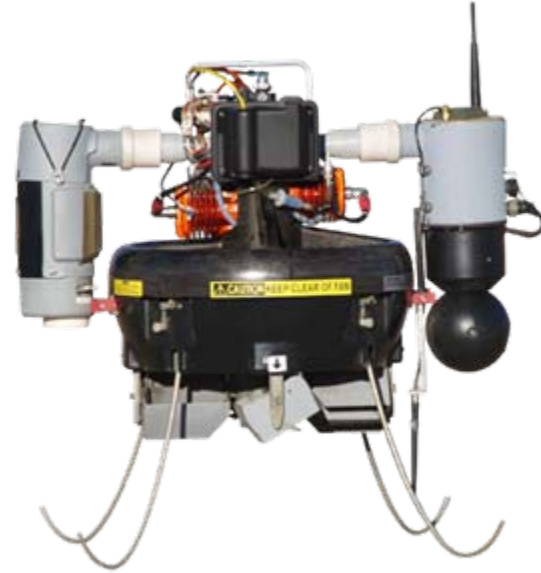
Only Company With Full Safety Suite

MQ-9 Reaper / Predator B



- Honeywell Engines Offer Lowest Fuel Burn, Longest Time Between Overhauls In Class
- 225 Additional Orders From USAF

T-Hawk Micro Air Vehicle



- 90%+ Less Fuel Than Helicopter
- Up to \$4M Savings per Vehicle Annually
- 25 Deployed in Iraq
- 96 Systems Ordered

Sweetspot Of Defense Priorities

Buildings

- **ECC World of Wireless**
- **Industry's First 'Reliable' Solution**
- **75% Savings On Installation**
- **Enables System Add-On Sales**



Industrial

- **HPS OneWireless**
- **Installed at 500+ Sites**
- **Full Solutions Offering, Not Just Sensors**
- **Single Secure, Scalable and Reliable Network**



Aerospace

- **Aero Zing**
- **Remote Engine Diagnostics – Proactive Trend Monitoring**
- **Improved Dispatch Availability and Operational Control**



Leveraging Wireless Leadership Across Portfolio

Energy Efficiency

Industrial



Advanced Process Controls
Save up to 10%



UOP Processes / Products
Save up to 15%



Wireless Sensors
Save up to 10%

Transportation



Turbochargers
Save 15% to 50%



Ecofining™
Lowers GHG by 70%



APU Upgrades / New ATM
Save 5% to 15%

Residential



Programmable Thermostats
Save 10% to 30%



Spray Foam Insulation
Saves 30% to 40%



Advanced Refrigerants
Save 5% to 10%

Commercial



Energy Performance Contracts
Save More Than 20%



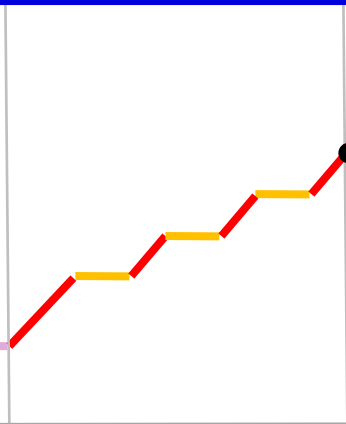
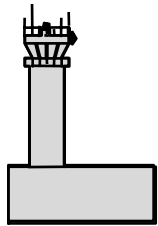
Programmable Thermostats
Save 15% to 20%



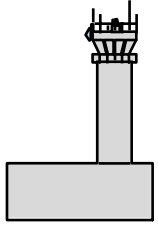
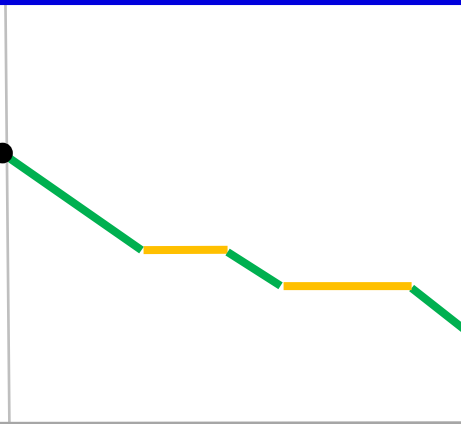
Spray Foam Insulation
Saves 25% to 30%

HON Products / Services Could Reduce US Energy Consumption By 15% to 20%

Enabling Efficient Flight



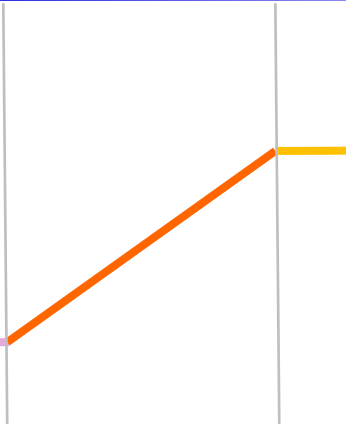
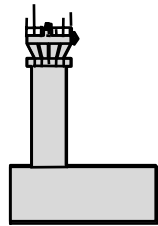
Traditional Flight Profile



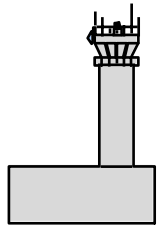
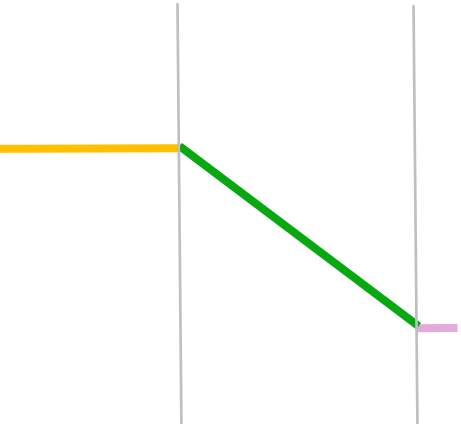
Fuel Use
737,
3 hour flight



2016 Gallons
\$3025, 21T CO₂



ASPIRE Flight Profile



Fuel Use
737,
3 hour flight

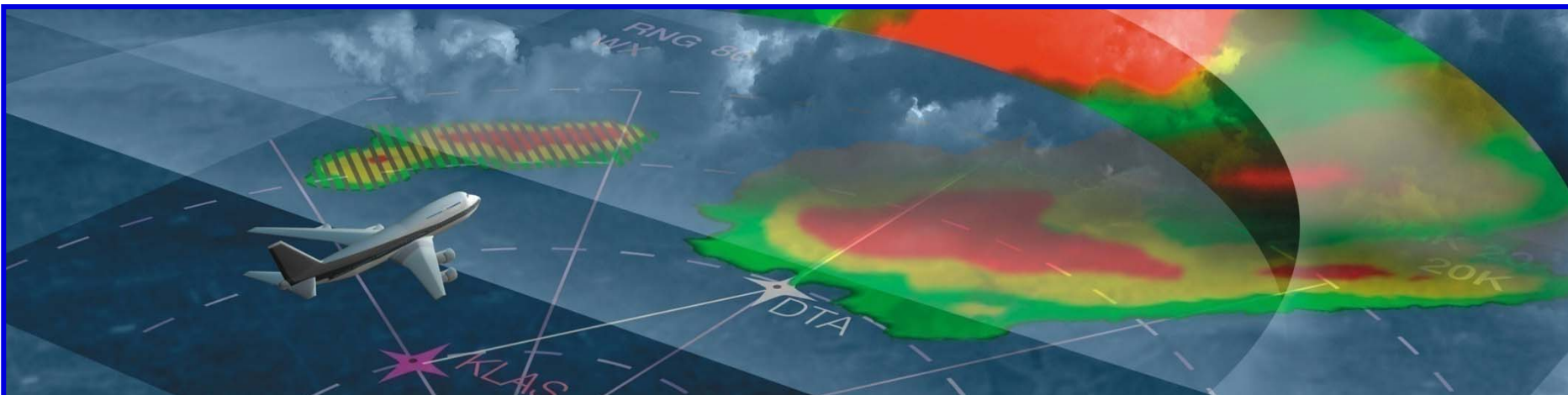


1903 Gallons
\$2855, 20T CO₂

Up To \$6B Savings And 40M Tons CO₂ Reduction Possible Annually

Honeywell Products Make This Work

Honeywell



NAVIGATION
20K+ UNITS INSTALLED

SMARTPATH™

WEATHER
RADAR
WITH FORWARD-LOOKING
WINDSHEAR DETECTION
10K+ UNITS INSTALLED

**FLIGHT
MANAGEMENT**
15K UNITS INSTALLED

EGPWS
35K UNITS INSTALLED

COMMUNICATIONS
100K+ UNITS INSTALLED

TCAS
30K UNITS INSTALLED

Full Suite Of Products, Technology Leadership

Energy Savings Performance Contracts

- Fort Bragg Example
- Reducing Energy Costs & Emissions
 - Total Energy Costs Down \$70+ Million, \$15 Million Annually
 - Carbon Dioxide Emissions Down More Than 650 Million Pounds

Ft. Bragg Energy Savings Removing 52,000 Cars From the Road Annually

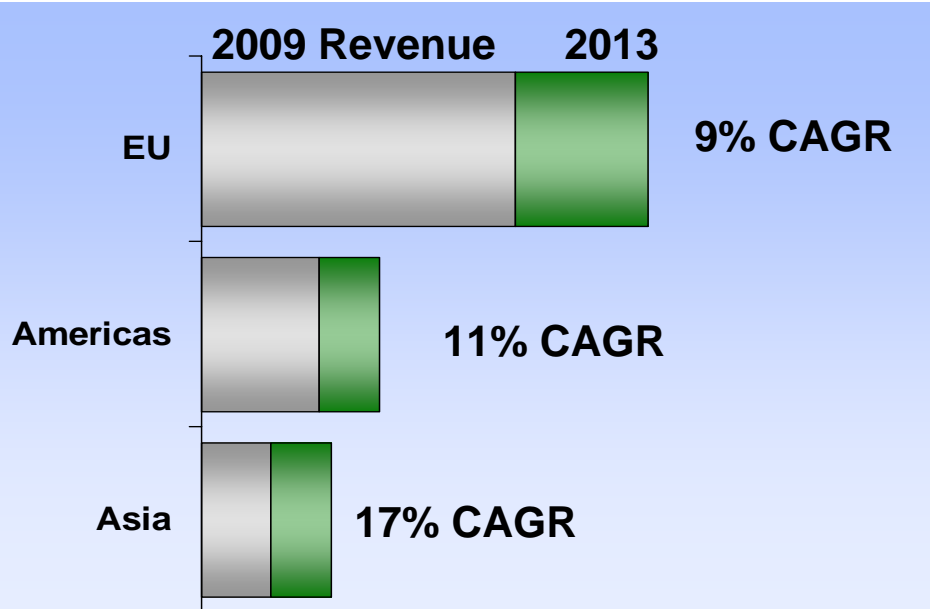


**ESPCs Reduce Energy
Use by 20%**

Global Leader In Energy Services

Turbo Platform Wins

New Business – Regions



Key Customers



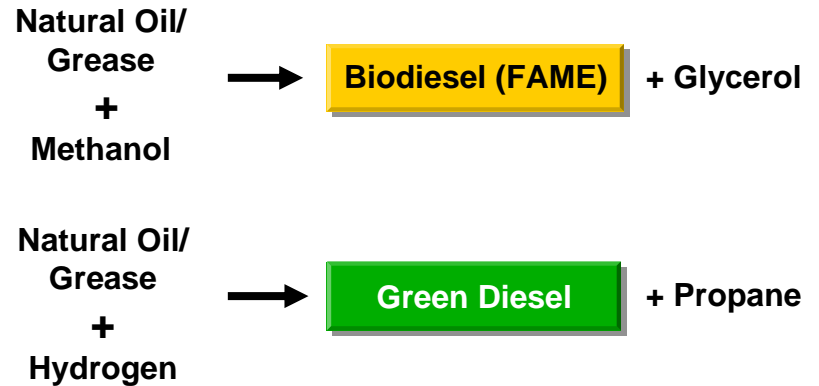
- \$3B+ New Business Wins in 2008 – Gas, Diesel, Hybrids
- Turbos Enable 30% Downsizing and 25% Lower Emissions
- HON Turbo Differentiation: Aero, UOP, S&C Synergies

Technology And Cost Leadership

Ecofining™ Green Diesel

- Superior technology that produces diesel, rather than an additive
- Uses First Generation and Second Generation (Non-Food) Feedstocks
- Uses existing refining infrastructure, can be transported via pipeline, and can be used in existing automotive fleet
- Two units licensed to refiners in Europe
- Excellent blending component, allowing refiners to expand diesel pool by mixing in “bottoms”
- Excellent results from carmaker tests

Process Comparison vs. Biodiesel



Performance Comparison

	Petrodiesel	Biodiesel	Green Diesel
NOx	Baseline	+10	-10 to 0
Cetane	40-55	50-65	75-90
Cold Flow Properties	Baseline	Poor	Excellent
Oxidative Stability	Baseline	Poor	Excellent

Expand Fuel Supplies, Better Life-Cycle Climate Performance, But With Drop-In Performance Or Better

- **Honeywell Executing in Tough Environment**
 - Delivered 1Q Results Including \$0.04 Repositioning
 - Businesses Responding Well
- **2009 Outlook Supported By Aggressive Cost Actions**
 - Projects Driving 2H Benefits
 - Organization Committed to Earnings Delivery
- **Benefits of Seed Planting Continue**
 - Repositioning, Key Initiatives, Growth Investments

Aggressively Managing Costs, Investing For Future

Appendix

*Reconciliation of non-GAAP Measures
to GAAP Measures*

Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margin

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<i>(\$M)</i>	1Q08	1Q09
Sales	\$8,895	\$7,570
Cost of Products and Services Sold	(6,672)	(5,756)
Selling, General and Administrative Expenses	(1,255)	(1,152)
Operating Income	\$968	\$662
Stock Based Compensation ⁽¹⁾	41	42
Repositioning and Other ^(1, 2)	213	117
Pension and OPEB Expense ⁽¹⁾	27	55
Segment Profit	\$1,249	\$876
Operating Income	\$968	\$662
÷ Sales	\$8,895	\$7,570
Operating Income Margin %	10.9%	8.7%
Segment Profit	\$1,249	\$876
÷ Sales	\$8,895	\$7,570
Segment Profit Margin %	14.0%	11.6%

(1) Included in cost of products and services sold and selling, general and administrative expenses
(2) Includes repositioning, asbestos, environmental expenses and equity income (beginning 1/1/2008)

Reconciliation of Free Cash Flow to Cash Provided by Operating Activities and Calculation of Cash Flow Conversion

<i>(\$M)</i>	<u>1Q08</u>	<u>1Q09</u>
Cash Provided by Operating Activities	\$721	\$341
Expenditures for Property, Plant and Equipment	(150)	(109)
Free Cash Flow	571	232
Cash Provided by Operating Activities	\$721	\$341
÷ Net Income	643	397
Operating Cash Flow Conversion %	<u>112%</u>	<u>86%</u>
Free Cash Flow	\$571	\$232
÷ Net Income	643	397
Free Cash Flow Conversion %	<u>89%</u>	<u>58%</u>

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