



Goldman Sachs Global Industrials Conference

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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.

3Q11 YTD Financial Summary

Honeywell

<i>(\$B except EPS)</i>	<u>3Q10 YTD</u>	<u>3Q11 YTD</u>	
Sales	\$23.6	\$27.1	<ul style="list-style-type: none"> • 15% Increase <ul style="list-style-type: none"> ◆ 9% Organic
Segment Profit	\$3.2	\$3.9	<ul style="list-style-type: none"> • 21% Increase <ul style="list-style-type: none"> ◆ <i>Margin Expansion All Segments</i>
<i>Margin %</i>	13.7%	14.5%	
Net Income	\$1.7	\$2.4	<ul style="list-style-type: none"> • 44% Increase
<i>Attributable to Honeywell</i>			
<i>EPS From Cont. Ops</i>	\$2.06	\$2.73	
<i>EPS From Disc. Ops</i>	\$0.07	\$0.26	
EPS	\$2.13	\$2.99	<ul style="list-style-type: none"> • 40% Increase
Free Cash Flow*	\$2.8	\$2.3	<ul style="list-style-type: none"> • 96% Conversion

*3Q YTD 2011 FCF and FCF Conversion Shown Excludes \$1.4B Cash Pension Contribution

Strong Operating Earnings Growth

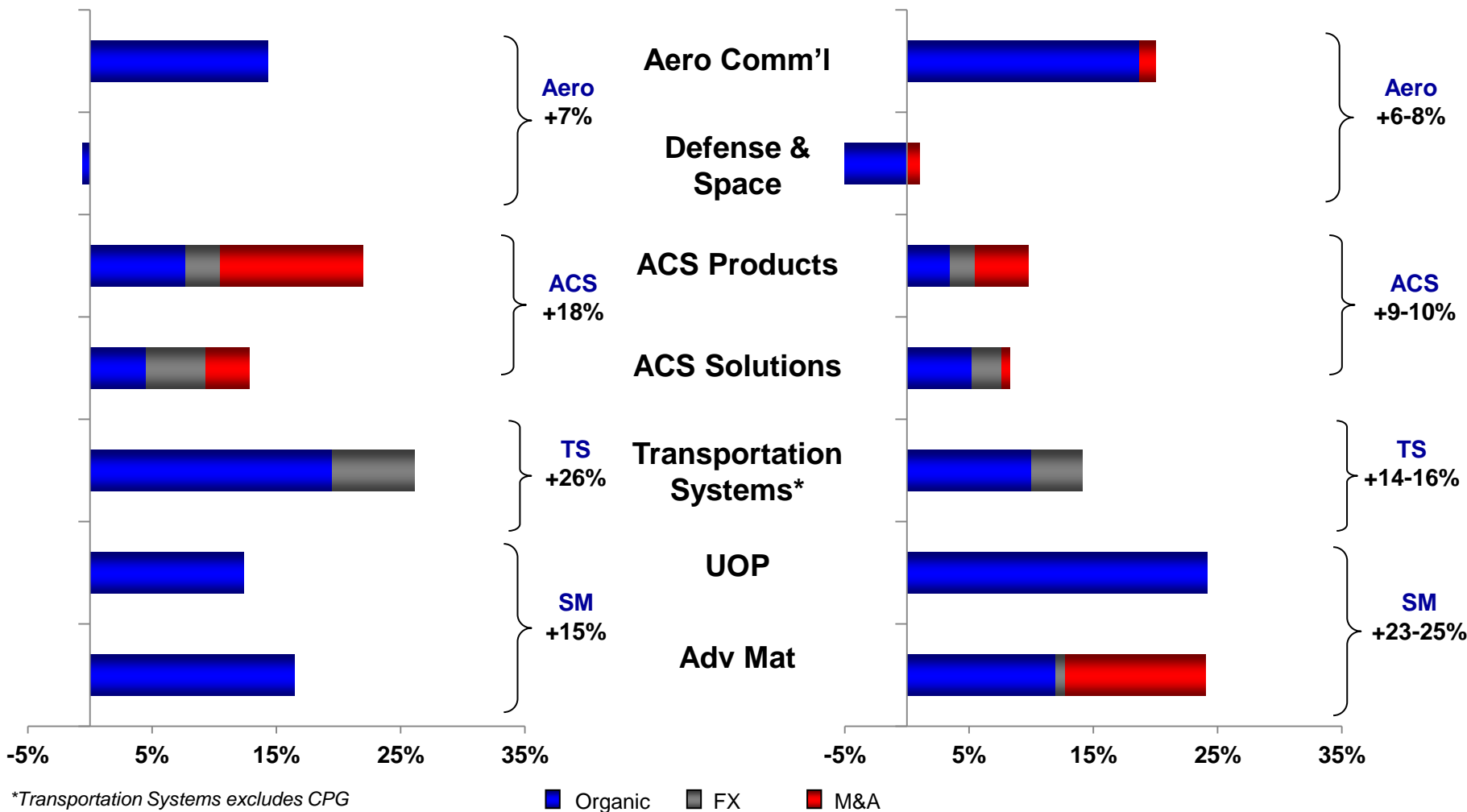
- **What We Are Seeing**
 - Commercial Spares and R&O Outpacing Flight Hours
 - Moderate Declines In D&S, Program Ramp-downs and Completions
 - Industrial Recovery Continues – PPE, Gas Detection, HPS, UOP
 - Res / Non-Res Construction Still Weak; Emerging Regions Slower Growth
 - Advanced Materials, Turbo Performing Well
- **What We Are Expecting**
 - Commercial AM Continues Strong; OE Cycle Accelerates
 - D&S Outlook Impacted By U.S. Defense Budget Shifts – Manageable Declines
 - ACS Solutions, UOP Multi-Year Outlook Robust; Long Cycle BTB >1
 - Advanced Materials Supply/Demand Stabilization
 - Turbo Growth At Slower Rate, New Launches Outpace Macros

***Favorable Trends Continue,
Planning For Slower Growth Environment***

1H To 2H 2011 Comparison - Segments

1H11 Sales Growth

2H11E Sales Growth



Good Growth Overall

2011 Financial Summary

Honeywell

<i>(\$B except EPS)</i>	<u>2010</u>	<u>2011E</u>	
Sales	\$32.4	\$36.5 - 36.7	~13% Increase ♦ ~8% Organic
Segment Profit	\$4.5	\$5.3 – 5.4	18 - 20% Increase
<i>Margin %</i>	<i>13.9%</i>	<i>14.5% - 14.6%</i>	♦ <i>Margin Expansion All Segments</i>
Net Income*	\$2.3	~\$3.2	35 - 37% Increase
<i>Attributable to Honeywell</i>			
<i>EPS From Cont. Ops</i>	<i>\$2.90</i>	<i>\$3.74 – 3.79</i>	
<i>EPS From Disc. Ops</i>	<i>\$0.10</i>	<i>~\$0.26</i>	
EPS*	\$3.00	\$4.00 - 4.05	33 - 35% Increase
Free Cash Flow**	\$3.6	~\$3.5	~110% Conversion

*Proforma, Excludes Any 4Q MTM Pension Adjustment

**2011 FCF and FCF Conversion Shown Excludes \$1.65B Cash Pension Contribution

Raised Revenue And Earnings Guidance

2012 Planning Framework

Honeywell

Headwinds

TBD

Tailwinds



Defense & Space

Industrial / Short Cycle

Commercial AM / OE

Fluorines Pricing

Non-Res Construction

Aero Launch Contributions

Aero R&D

Pricing

Emerging Markets

Eurozone Growth Rate

Commodities

Refining / Petrochem / Mining

Residential Retrofit

FX

ACS Long Cycle

Turbo Launches

Repositioning Benefits

Good Visibility To 2012 Tailwinds

What You Should Expect Long-Term

- **Robust New Product Pipeline Driving Organic Growth**
- **Accelerated Penetration of High Growth Markets**
- **Positive Price / Direct Materials Spread**
- **~25% Sales Conversion**
- **Smart Repositioning Funded Through BTL Gains**
- **Working Capital Turns Growth Offsets Sales Growth**
- **Effective Cash Deployment → Long-Term Value**

Delivering Top Tier Performance

Appendix
Reconciliation of non-GAAP Measures
to GAAP Measures

Reconciliation of Discontinued Operations

Honeywell

<i>(\$B)</i>	<u>FY 2010</u>
Sales - Total Honeywell	\$33.4
Sales - CPG	<u>1.0</u>
Sales - Continuing Operations	<u><u>\$32.4</u></u>
Segment Profit - Total Honeywell	\$4.6
Segment Profit - CPG	<u>0.1</u>
Segment Profit - Continuing Operations	<u><u>\$4.5</u></u>

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

Honeywell

(\$B)	<u>3Q10 YTD</u>	<u>3Q11 YTD</u>	<u>FY 2010</u>	<u>2011E</u>
Sales	\$23.6	\$27.1	\$32.4	\$36.5 - 36.7
Cost of Products and Services Sold	(17.8)	(20.1)	(24.8)	(27.0) - (27.2)
Selling, General and Administrative Expenses	(3.3)	(3.8)	(4.6)	(5.0) - (5.1)
Operating Income	<u>\$2.5</u>	<u>\$3.2</u>	<u>\$3.0</u>	<u>\$4.3 - 4.4</u>
Stock Based Compensation ⁽¹⁾	0.1	0.1	0.2	~0.2
Repositioning and Other ^(1, 2)	0.5	0.6	0.6	~0.8
Pension Expense-Ongoing ⁽¹⁾	0.1	0.1	0.2	~0.1
Pension Expense-Mark-to-Market ⁽¹⁾	0.0	0.0	0.5	TBD
OPEB (Income) Expense ⁽¹⁾	0.0	(0.1)	0.0	~(0.1)
Segment Profit	<u>\$3.2</u>	<u>\$3.9</u>	<u>\$4.5</u>	<u>\$5.3 - 5.4</u>
Operating Income	\$2.5	\$3.2	\$3.0	\$4.3 - 4.4
÷ Sales	23.6	27.1	32.4	\$36.5 - 36.7
Operating Income Margin %	<u>10.5%</u>	<u>11.6%</u>	<u>9.3%</u>	<u>11.8 - 12.0%</u>
Segment Profit	\$3.2	\$3.9	\$4.5	\$5.3 - 5.4
÷ Sales	23.6	27.1	32.4	\$36.5 - 36.7
Segment Profit Margin %	<u>13.7%</u>	<u>14.5%</u>	<u>13.9%</u>	<u>14.5 - 14.6%</u>

(1) Included in cost of products and services sold and selling, general and administrative expenses

(2) Includes repositioning, asbestos, environmental expenses and equity income

Reconciliation of Free Cash Flow to Cash Provided by Operating Activities, Excluding Pension Contributions and Calculation of Cash Flow Conversion, Excluding Pension Contributions



<i>(\$B)</i>	3Q10 YTD	3Q11 YTD
Cash Provided by Operating Activities	\$3.2	\$1.4
Expenditures for Property, Plant and Equipment	<u>(0.4)</u>	<u>(0.5)</u>
Free Cash Flow	\$2.8	\$0.9
Pension Cash Contributions	<u>0.0</u>	<u>1.4</u>
Free Cash Flow, Excluding Pension Cash Contributions	\$2.8	\$2.3
Cash Provided by Operating Activities	\$3.2	\$1.4
÷ Net Income Attributable to Honeywell	<u>1.7</u>	<u>2.4</u>
Operating Cash Flow Conversion %	<u><u>191%</u></u>	<u><u>57%</u></u>
Free Cash Flow, Excluding Pension Cash Contributions	\$2.8	\$2.3
÷ Net Income Attributable to Honeywell	1.7	2.4
Free Cash Flow Conversion %, Excluding Pension Cash Contributions	<u><u>170%</u></u>	<u><u>96%</u></u>

Reconciliation of Free Cash Flow to Cash Provided by Operating Activities

Honeywell

	<u>FY 2010</u>
(\$B)	
Cash Provided by Operating Activities	\$4.2
Expenditures for Property, Plant and Equipment	<u>(0.6)</u>
Free Cash Flow	<u><u>\$3.6</u></u>

Reconciliation of Free Cash Flow to Cash Provided by Operating Activities, Excluding Pension Cash Contributions and Calculation of Cash Flow Conversion, Excluding Mark-to-Market Pension Adjustment

Honeywell

<i>(\$M)</i>	2011E
Cash Provided by Operating Activities	~\$2,650
Expenditures for Property, Plant and Equipment	~(800)
Free Cash Flow	~\$1,850
Pension Cash Contributions	~1,650
Free Cash Flow, Excluding Pension Cash Contributions	<u>~\$3,500</u>
Cash Provided by Operating Activities	~\$2,650
÷ Net Income Attributable to Honeywell	
Excluding Mark-to-Market Pension Adjustment	~3,200
Operating Cash Flow Conversion %	<u>~81%</u>
Free Cash Flow, Excluding Pension Cash Contributions	~\$3,500
÷ Net Income Attributable to Honeywell	
Excluding Mark-to-Market Pension Adjustment	~3,200
Free Cash Flow Conversion % (Proforma)	<u>~110%</u>

Reconciliation of Net Income Attributable to Honeywell and EPS to Net Income Attributable to Honeywell and EPS, Excluding Mark-to-Market Pension Adjustment

Honeywell

<i>(\$B, except per share amount)</i>	<u>FY 2010 ⁽¹⁾</u>
Net Income Attributable to Honeywell	\$2.0
Mark-to-Market pension adjustment, net of tax	0.3
Net Income Attributable to Honeywell, Excluding Mark-to-Market Pension Adjustment	<u>\$2.3</u>
EPS - Continuing Operations - Assuming Dilution	\$2.49
EPS - CPG - Assuming Dilution	<u>0.10</u>
EPS - Total Honeywell - Assuming Dilution	\$2.59
Mark-to-Market Pension Adjustment	<u>0.41</u>
EPS - Total Honeywell - Assuming Dilution, Excluding Mark-to-Market Pension Adjustment	<u>\$3.00</u>

(1) EPS utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-Market uses a blended tax rate of 32.3%.