

Oppenheimer 3rd Annual Industrials Conference

Roger Fradin
ACS President & CEO

October 2, 2008

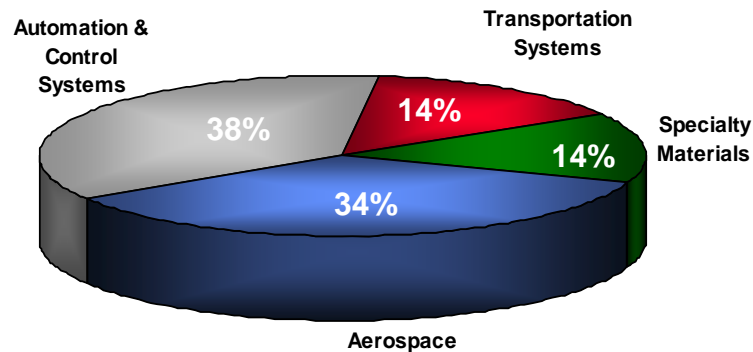
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Forward Looking Statements

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 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.

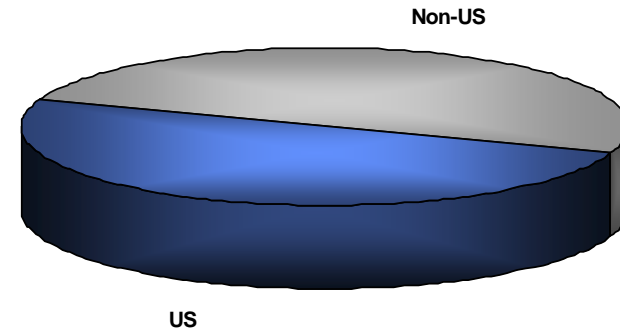
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2008E Sales: \$37.9B*



*Represents midpoint of 7/18/08 guidance range of \$37.6 - \$38.2B

Geographic Split



Key Strategies

- Great Positions In Good Industries
- Global Growth and Innovation
- HOS Implementation (Early Stage)
- FT / ERP Leverage

Cash Deployment Since 2003

- \$7B+ Acquisitions
 - New Platforms, Higher Growth
- \$8B+ Share Repurchases
- \$3B+ Dividends

Balanced, Global Portfolio

ACS Key Themes

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- **Leading Global Franchise**
 - Proven Financial Track Record
 - Favorable Macro Trends
 - Strength Through Diversification
 - Strong Presence Across Industry Landscape
- **Investing for Growth**
 - New Products
 - Acquisitions
 - Emerging Regions
- **Focus on Accelerated Earnings Growth**
 - Productivity Initiatives (FT / ERP, HOS)

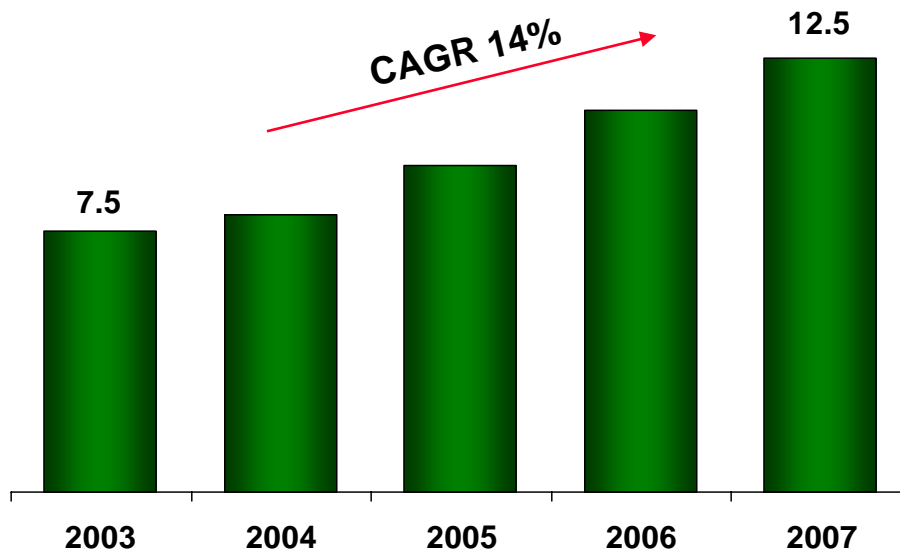
Strong Franchise, Investing For Growth

ACS Financial Overview

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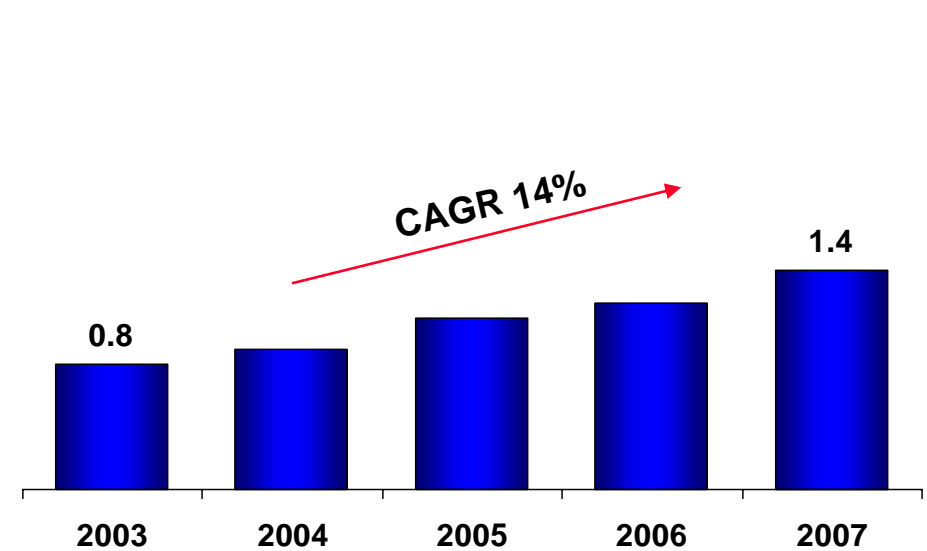
Sales

(\$B)



Segment Profit

(\$B)



- **Significant Portfolio Contribution 2003-2007**
 - 8% Organic Sales Growth, 14% Reported Sales Growth
 - \$0.6B Segment Profit Growth

ACS A Key Contributor To Honeywell Growth

Favorable Macro Trends

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Macro Trends

- Energy Costs
- Safety / Security
- Regulation / Codes

HON Position

- Broad Content / Coverage
- Multi-Channel / Brand Strategy
- 25K Contracts (HBS)



- Convenience / Control
- Energy Efficiency
- Technology

- Premier Brands
- Product Breadth / Vitality
- Channel Access / Partners



- Productivity
- Safety / Security
- Monitor / Control

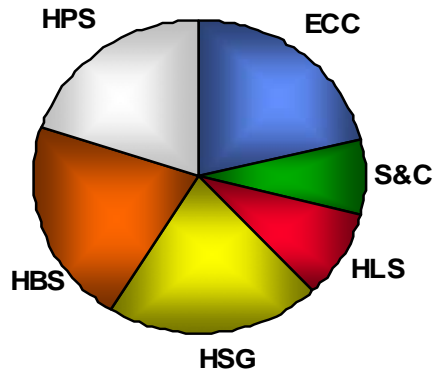
- \$17B Installed Base (HPS)
- Advanced Solutions
- Product Breadth / Sensors

Positioned To Capitalize On Key Trends

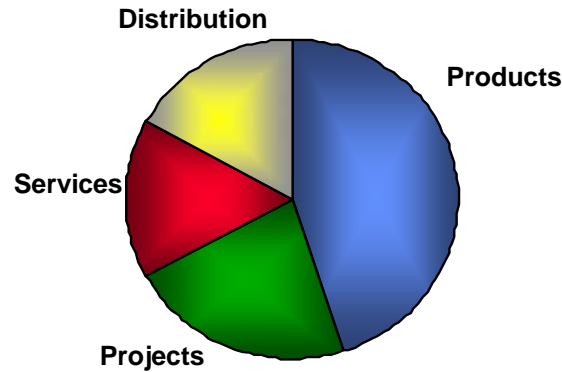
Strength Through Diversification

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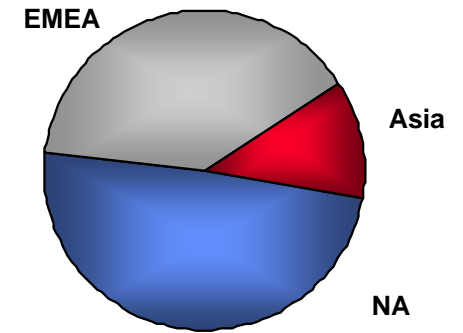
By Business



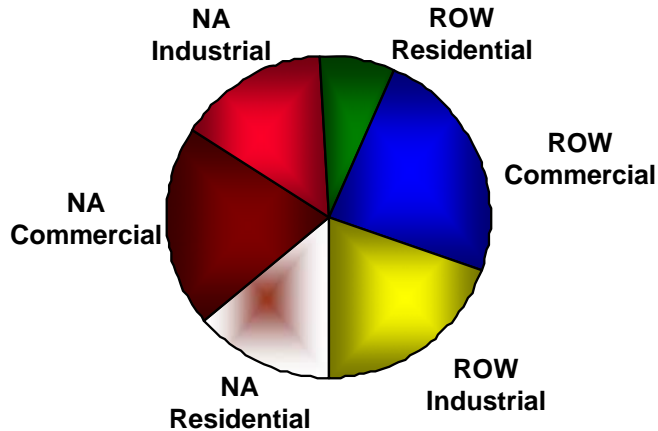
By Channel



By Geography

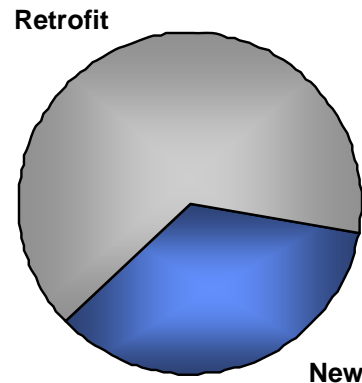


By Vertical*



*Management Estimates

By Sale*



Summary

- 60% Products / 40% Solutions
- Global Presence
- Multi-Channel Strength
- Significant Retrofit Business
- End-Market Diversification

Well Balanced ACS Portfolio

Strong Presence Across Industry Landscape

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	<i>Products</i>					<i>Projects & Services</i>	
	Home Comfort Controls	Building Controls	Sensing	Security	Fire Systems	Process Solutions	Building Solutions
Honeywell	✓	✓	✓	✓	✓	✓	✓
Emerson	✓					✓	
GE			✓	✓	✓		
Johnson Controls		✓					✓
Schneider		✓	✓	✓			✓
Siemens	✓	✓	✓	✓	✓	✓	✓
Tyco				✓	✓		
UTC	✓	✓		✓	✓		✓
<i>Industry Growth %</i>	2-4	2-4	3-5	5-6	5-6	6-7	4
<i>ACS 2007 Growth %</i>		9	2	15	18	17	18

Extending Leadership In Key Segments

Investing For Growth: New Product Development honeywell

Reinvigorated New Product Development Process

- New Product Introductions Tripled Since 2002
- Vitality Index 30% in 2007
- 50% Increase in Development Capacity

Delivering R&D Efficiency Through Common Processes

- Reduced New Product Cycle Time by 30%
- 2,000+ Engineers in Global Design Centers

Improving Product Cost Through Value and Commodity Engineering

- Value Engineering / Component Engineering
- Commodity Engineering Leveraging ACS Scale

Innovation A Key ACS Differentiator

Investing For Growth: Acquisitions

Proven Acquisition Track Record

- Disciplined Global Process
- Aggressive Integration Focus

- ~40 ACS Acquisitions Since 2002
- Great Acquisition Platforms and Pipelines

Strong Contributor to ACS Growth

- Complements Organic Profile
- Emerging Market Opportunities

- ~\$4B Revenues Acquired Since 2002
- Deals Executed in 13 Countries, Including India and China
- Adjacencies expanding addressable market
- 2008: Another Strong Deal Year

Continue to Target Attractive Bolt-On Deals

- Strengthen Core
- Attractive Adjacencies

- **Core**
 - Controls (ECC + Novar + Maxon)
 - Distribution (ADI + Gardiner + Burtek)
- **Adjacencies**
 - Gas Detection (Zellweger + FT)
 - Wiring Devices and Lighting Controls (ED&S, ExOr, Lonon)
 - AIDC (Hand Held + Metrologic)
 - Personal Protection Equipment (Norcross)

Acquisitions Core Competency

Growth – Gas Detection

Overview

- ~\$2B Industry, 7% CAGR, Fragmented
 - Fixed and Portable Products



- Key Trends / Needs
 - Demand for Portable / Personal Protection
 - Ease of Use - Smaller Size, Greater Uptime
 - Higher Reliability - Fewer False Alarms
 - Increasing Regulations Driving Growth

ACS Positioned to Win

- Leading Position
 - Zellweger + FT, \$0.4B Sales
- Synergies across ACS



Attractive New Growth Space For ACS

Growth – Data Collection

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Overview

- ~\$15B Industry, 10% CAGR, Fragmented
 - Scanning and Mobility Products

Scanning



Mobility



- Key Trends / Needs
 - Favorable Macro-Drivers Around Productivity, Asset Tracking / Security and Mobility
 - Short User Payback and Technology Adoption Driving Global Growth

ACS Positioned to Win

- Strong Platform Acquired
 - Hand Held + Metrologic, \$0.6B Sales
- Positions in all major scanning and mobile product categories: Laser, 1D & 2D Imaging, Fixed, Bioptics, OEM, services
- Strong in Transportation & Logistics, Retail & Healthcare verticals
- Attractive global footprint
- Core to ACS Customer Value Proposition
 - Innovation, Productivity, Safety and Security
- Complementary to existing technologies
 - Electronics, Wireless, Imaging
- Attractive Multi-Channel Model

Attractive New Growth Space For ACS

Growth – Personal Protection Equipment

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Overview

- ~\$18B Industry, 5%+ CAGR, Fragmented
 - GSP, Fire Service and Electrical Safety

General Safety Preparedness



Fire Service



- Key Trends / Needs
 - Favorable Macro-Drivers Around Worker Safety and Productivity
 - High Recurring Revenue Component
 - Regulated Environment – OSHA, NFPA, ANSI

ACS Positioned to Win

- Leading Position in Key Segments
 - Norcross, \$0.6B Sales
- Unique HON Gas, Personal Protection and Fire Detection Combination Offering
- Core to ACS Customer Value Proposition
 - Innovation, Productivity, Safety and Security
- Complementary to existing channels
 - Gas detection, Process Solutions
- Technology and Emerging Region Opportunities

Attractive New Growth Space For ACS

Growth – Industrial Combustion

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Overview

- ~\$1B Industry, 5%+ CAGR, Fragmented
 - Controls, Burners and Systems

Controls



Burners



- Key Trends / Needs
 - Favorable Macro-Drivers Around Safety, Efficiency and Emissions
 - Regulation
 - Maximum Up-Time, Reliability
 - Integrated Solutions

ACS Positioned to Win

- Leading Position
 - ECC Core + Maxon
- Complementary to leading ACS presence in Residential and Commercial Combustion
- Core to ACS Customer Value Proposition
 - Innovation, Productivity, Safety and Efficiency
- Well positioned to benefit from global industrialization and regulation
- Leveraging global ACS manufacturing and channel presence

Attractive New Growth Space For ACS

Investing For Growth: Emerging Regions

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Market Growth

ACS Growth YTD

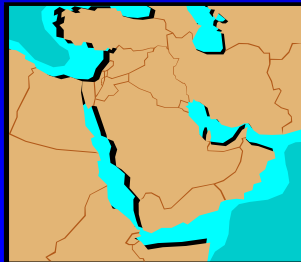
India



~8%

~15%

Middle East



10-15%

~25%

China



~9%

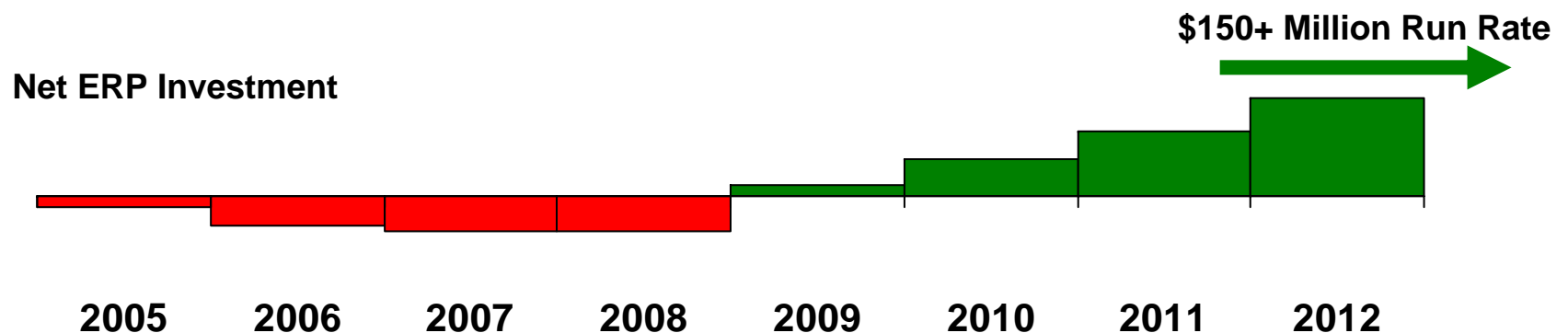
~40%

Investing To Outperform In Emerging Regions

Productivity Initiatives: ERP And FT

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- **Transformational Investment to Deliver World-Class Enterprise Backbone**
 - Standardizing Systems and Processes to Achieve World-Class G&A Productivity
 - Total ACS Estimated ERP Cost \$350+ Million (~\$55-\$65 Million Annually)
- **Focus on Flawless Execution Across Complex ACS Structure**
 - 240+ Sites, 400+ Entities, 90+ Legacy Systems, 100 Countries, 24K Users
- **Initial Roll-Out Successful**
 - 2007 UK Pilot: 1,200 Business Users, 21 Sites, \$0.6 Billion in Revenue
 - 2008: Adding 3,000 Business Users, \$1.7 Billion Revenue
- **Targeting \$150+ Million Run Rate Benefit When Fully Implemented**

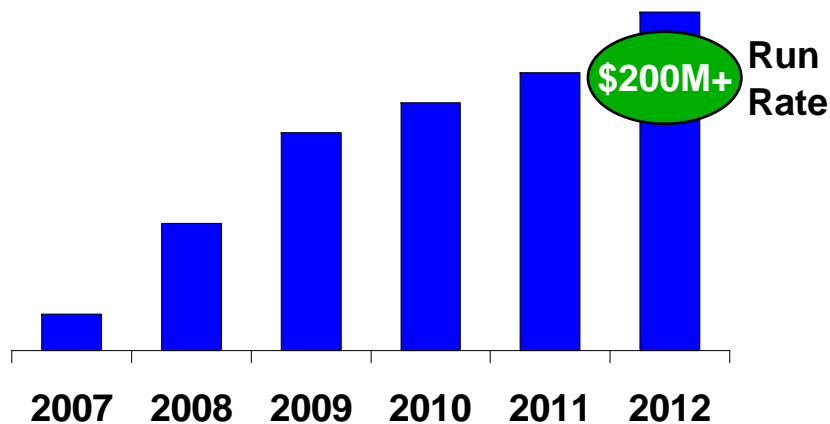


Investing To Deliver Cost And Service Benefits

Productivity Initiatives: HOS

Honeywell Operating System

Annual ACS HOS Enabled Savings (\$M)



- Broad-Based Initiative Driving Improved Safety, Quality, Delivery, Cost and Inventory
- Comprehensive Focus on Developing Common Operating System; Basis for Continuous Improvement

Progress

- 50% of Factory Cost under Full Scale HOS Development
- 75% of Factory Cost Target for 2008
- Expanding HOS to Non-Factory Sites

YoY Example Results – Mature Sites

- Quality Improvement of 34%
- Delivery Performance Improved 7 points
- Conversion Cost Productivity 7%
- Inventory Turns Improved 10%

Sustainable Improvement Focus

Summary

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- **Terrific Positions; Proven Portfolio Outpacing Industry Growth**
- **Favorable Trends Across the Board; Safety, Security and Energy Efficiency**
- **Investing for Growth; Innovation, Emerging Regions, Acquisitions**
- **Productivity Programs to Step-Up Earnings Growth**

Diversified, Global Portfolio Strength

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