First Quarter 2012

Earnings Release

Forward Looking Statements

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.

Overview

Honeywell

- **1Q Strong Start To 2012**
  - **$9.3B Sales, 6% Organic Sales Growth – Robust Commercial Aero, UOP Growth**
  - **Strong Sales Conversion – 15.2% Segment Margin, Up 70 BPS**
  - **EPS Above Guidance – $1.04, Up 18% YOY**
- **Seed Planting Benefits Reflected In Growth And Productivity**
  - **New Products And Technologies Continue To Enhance Organic Growth**
  - **Emerging Regions Continue Strong Overall → China, ME, Other Asia**
  - **Key Process Initiatives Delivering Significant Benefits Across Portfolio**
- **Confident In 2012 Outlook**
  - **Order Rates Mixed – U.S. Solid, EU Weak, China Short Cycle Slow Start**
  - **Long Cycle Strength In UOP, Commercial Aero, HPS, BSD Driving Growth**
  - **Raising FY12 EPS* Guidance To $4.35 – 4.55, Up 9-14%** Over 2011 Cont. Ops**

**Proforma, Excludes Any Mark-to-Market Pension Adjustments; **Proforma (Ongoing Operations); V% Excludes Any Mark-to-Market Pension Adjustments and Excludes 3Q11 Repo and Other Actions Funded by CPG Gain (in Disc. Ops)*

Strong Quarterly Results, Higher FY Outlook

Financial Summary

Honeywell

($M)	1Q11	1Q12	
Sales	**$8,672**	**$9,307**	• **7% Increase** ◆ *6% Organic*
Segment Profit	**$1,260**	**$1,415**	• **12% Increase**
Margin %	*14.5%*	*15.2%*	◆ *70 Bps Margin Expansion*
Net Income	**$705**	**$823**	• **17% Increase**
Attributable to Honeywell			◆ *Favorable BTL and 26.5% ETR*
EPS From Cont. Ops	$0.86	$1.04	
EPS From Disc. Ops	$0.02	$0.00	
EPS	**$0.88**	**$1.04**	• **18% Increase**
Free Cash Flow*	**$446**	**$300**	• **36% Conversion**

**FCF and FCF Conversion Shown Prior to Cash Pension Contributions*

Growth Exceeded Expectations

Aerospace

Honeywell

($M)

	1Q11	1Q12	V
Sales	$2,696	$2,950	9%
Segment Profit	467	534	14%
Margin	*17.3%*	*18.1%*	*+80 bps*

Business Highlights

+ **New Commercial Wins**
+ **Commercial OE Replacement Cycle**
+ **Commercial AM Strength**
+ **EMS Integration**
– **Defense Program Ramp Downs**

Financial Highlights

- **Sales Up 9%**
  - Up 8% Organic
  - **Commercial OE Up 22%, 18% Organic**
    - Air Transport, BGA Shipments Strong
  - **Commercial Aftermarket Up 16%**
    - Spares Up 23%, Mechanical and Avionics
    - R&O Up 12%, Ahead of Utilization Rates
  - **Defense and Space Down (1%)**
    - Down (3%) Organic
    - Consistent with Expectations
- **Segment Profit Up 14%**
  - Margins Up 80 bps
    + Volume and Commercial Excellence
    + Productivity
    – RD&E (100 bps YoY)
    – Inflation

Commercial Strength Driving Growth

Automation And Control Solutions

Honeywell

($M)

	1Q11	1Q12	V
Sales	**$3,656**	**$3,788**	**4%**
Segment Profit	**459**	**491**	**7%**
Margin	*12.6%*	*13.0%*	*+40 bps*

Business Highlights

- \+ **Strong Conversion of Projects Backlog**
- \+ **Robust Americas Growth**
- \+ **Acquisition Integration Benefits**
- – **Europe, China Weak**
- – **Mild Winter, Tough Comps**

Financial Highlights

- **Sales Up 4%**
  - Up 3% Organic
  - M&A +2%
  - F/X (1%)
  - **ESS Up 2%, (1%) Organic**
    - ECC Down In All Regions
    - Security, Scanning & Mobility Strong
  - **HPS Up 8%, 9% Organic**
    - Growth In All Regions
  - **BSD Up 4%, 5% Organic**
    - U.S., Asia Growth Offsetting Weak Europe
- **Segment Profit Up 7%**
  - Margins Up 40 bps
    - \+ Productivity
    - – Inflation

Great Execution In Slower Growth Environment

Performance Materials And Technologies

Honeywell

($M)

	1Q11	1Q12	V
Sales	**$1,355**	**$1,615**	**19%**
Segment Profit	**284**	**319**	**12%**
Margin	*21.0%*	*19.8%*	*(120) bps*

Business Highlights

+ **UOP Order Flow, Strong Backlog**
+ **Strong Execution Resins & Chemicals**
+ **Plant Reliability**

– **Weak Short Cycle Demand**

– **Fluorines Price/Raws Headwinds**

Financial Highlights

- **Sales Up 19%, 12% Organic**
  - **UOP Up 40%**
    - Catalysts – Strong Start to Year
    - Licensing Uptick in 1Q
  - **Adv. Materials Up 10%, Flat Organic**
    - Asia, Europe Softness Overall
    - Resins & Chemicals – Operational Excellence
    - Fluorines – Refrigerant Prices Moderating
- **Segment Profit Up 12%**
  - Margins Down (120) bps
    + UOP, R&C Volume
    + Productivity
    – Phenol Plant Acquisition
    – Fluorines Price/Raws Spread

UOP Drives Very Strong Quarter

Transportation Systems

Honeywell

($M)

	1Q11	1Q12	V
Sales	$965	$954	(1%)
Segment Profit	118	120	2%
Margin	*12.2%*	*12.6%*	*+40 bps*

Excludes sales and segment profit from discontinued operations (CPG)

Business Highlights

+ Turbo New Launches
+ Global Turbo Penetration
+ Material And HOS Productivity
- EU LV Production Outlook
- China CV Continued Softness

Financial Highlights

- **Sales Down (1%)**
  - Up 1% Organic
  - F/X (2%)
  - **- Challenging Industry Macros**
    - EU LV Production Down (8%)
    - W. EU LV Diesel Penetration Up 2 Pts
    - New Launches Offset EU Production Decline
    - EU Aftermarket, China Softness
- **Segment Profit Up 2%**
  - 40 bps Margin Expansion
    - + Productivity

Good Performance In More Challenging Environment

2Q12 Preview

Honeywell

	Sales Change	Comments
Aerospace	6 - 8%	• Commercial Strength Continues • Modest Decline in Defense As Planned
ACS	2 - 4%	• Short Cycle Modest Improvement • Backlog Conversion Drives HPS, BSD
PMT	13 - 15%	• UOP Strength, Operational Excellence • ~5-7% Org, Short Cycle Growth Improves
Transportation	(7) - (9)%	• EU LV Production Down ~(9%) • New Launches +5%, F/X (7%)
Honeywell	4 - 6%	• Total ~$9.4 - $9.6B ◆ *F/X (3%)*

Continuing Ops EPS $1.09 – $1.13, Up 9-13%

2012 Financial Guidance Summary

Honeywell

Consolidated ($B except per share amounts)	2012 Financial Outlook	Growth 2012E vs. 2011
Sales	$ 38.0 - 38.6	4% - 6%
Segment Profit	$ 5.8 - 6.0	8% - 12%
Segment Margin	*15.3% - 15.5%*	*60 bps - 80 bps*
EPS from Cont. Ops (1)	$ 4.35 - $ 4.55	9% - 14%
EPS from Disc. Ops	-	
EPS (2)	$ 4.35 - $ 4.55	7% - 12%
Free Cash Flow (3)	~$ 3.5	~100% Conversion

1) Proforma (Ongoing Operations); V% Excludes Any Mark-to-Market Pension Adjustments and Excludes 3Q11 Repo and Other Actions Funded by CPG Gain (in Disc. Ops)

2) Proforma, V% Excludes Any Mark-to-Market Pension Adjustments

3) Free Cash Flow (Cash Flow from Operations Less Capital Expenditures) Prior to Any NARCO Related Payments and Cash Pension Contributions

Planning Assumptions

- **Aero** **- Commercial AM Moderates, D&S Down (6)-(8)% In 2H**
- **ACS** **- Improved 2H Outlook, New Products And Geographies**
- **PMT** **- Stronger 1H Catalyst Shipments, Tougher 2H Comps UOP**
- **TS** **- Weaker Europe LV / China CV Production, New Launches Offset**
- **HON** **- Strong Sales Conversion / Productivity / Seed Planting**

Raising Full Year EPS Guidance

Summary

Honeywell

- **1Q Results Reflect Good Growth And Strong Execution**
  - Continued Strength In Commercial Aero, UOP
  - Strong Operational Leverage And Earnings Growth
- **Order Rates Good Overall**
  - Short Cycle Mixed – Moderate Growth Expected
  - Robust Long Cycle Backlog – UOP, Commercial Aero, HPS, BSD
  - U.S., Emerging Regions Remain Solid; Eurozone Weak
- **Momentum Reflected In Raised 2012 Outlook**
  - Balanced View Of Global Macro Environment
  - Tougher Comps 2H – Commercial Aero AM, UOP
  - Continuing Investments In Future Growth And Productivity

Honeywell Executing Well, Delivering Results

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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($M)	1Q11	1Q12
Segment Profit	$1,260	$1,415
Stock Based Compensation [1]	(49)	(51)
Repositioning and Other [1, 2]	(142)	(132)
Pension Ongoing Expense [1]	(35)	(13)
OPEB Income (Expense) [1]	(18)	(23)
Operating Income	$1,016	$1,196
Segment Profit	$1,260	$1,415
÷ Sales	$8,672	$9,307
Segment Profit Margin %	14.5%	15.2%
Operating Income	$1,016	$1,196
÷ Sales	$8,672	$9,307
Operating Income Margin %	11.7%	12.9%

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

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

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

Honeywell

($B)	2011	2012E
Segment Profit	$5.4	$5.8 - 6.0
Stock Based Compensation [(1)]	(0.2)	~($0.2)
Repositioning and Other [(1, 2)]	(0.8)	~($0.4)
Pension Ongoing Expense [(1)]	(0.1)	~($0.1)
Pension Mark-to-Market Expense [(1)]	(1.8)	TBD
OPEB Income (Expense) [(1)]	0.1	~($0.1)
Operating Income	$2.6	$5.0 - 5.2
Segment Profit	$5.4	$5.8 - 6.0
÷ Sales	$36.5	$38.0 - 38.6
Segment Profit Margin %	14.7%	15.3 - 15.5%
Operating Income	$2.6	$5.0 - 5.2
÷ Sales	$36.5	$38.0 - 38.6
Operating Income Margin %	7.0%	13.2 - 13.5%

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

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

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

Honeywell

($M)	1Q11	1Q12
Cash Provided by Operating Activities	($443)	$196
Expenditures for Property, Plant and Equipment	(124)	(152)
Free Cash Flow	($567)	$44
Pension Cash Contributions	1,013	256
Free Cash Flow, prior to Pension Cash Contributions	$446	$300
Cash (Used for) / Provided by Operating Activities	($443)	$196
÷ Net Income Attributable to Honeywell	705	823
Operating Cash Flow Conversion %	N/A	24%
Free Cash Flow, prior to Pension Cash Contributions	$446	$300
÷ Net Income Attributable to Honeywell	705	823
Free Cash Flow Conversion, prior to Pension Cash Contributions %	63%	36%

Reconciliation of EPS to EPS, Excluding Mark-to-Market Pension Adjustment and 3Q11 Repositioning and Other Actions Funded By CPG Gain

Honeywell

	2011 (1)
EPS - Continuing Operations	$2.35
Mark-to-Market Pension Adjustment	$1.44
EPS - Continuing Operations, excluding Mark-to-Market Pension Adjustment	$3.79
3Q11 Repositioning and Other Actions Funded by CPG gain	$0.22
EPS - Continuing Operations, excluding Mark-to-Market Pension Adjustment and 3Q11 Repositioning and Other Actions Funded by CPG gain	$4.01

	2011 (1)
EPS	$2.61
Mark-to-Market Pension Adjustment	1.44
EPS, excluding Mark-to-Market Pension Adjustment	$4.05

(1) Utilizes weighted average shares outstanding of 7916 million and the effective tax rate for the period. Mark-to-market uses a tax rate of 36.9%.