

United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-8974

Honeywell International Inc.

(Exact name of registrant as specified in its charter)

Delaware

22-2640650

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

101 Columbia Road
Morris Township, New Jersey

07962

(Address of principal executive offices)

(Zip Code)

(973) 455-2000

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-Accelerated filer Smaller reporting company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

There were 743,849,249 shares of Common Stock outstanding at March 31, 2009.

Honeywell International Inc.
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Cautionary Statement about Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management's assumptions and assessments in the 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. These forward-looking statements should be considered in the light of the information included in this report and our other filings with the Securities and Exchange Commission, including, without limitation, the Risk Factors, as well as the description of trends and other factors in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in our Form 10-K for the year ended December 31, 2008.

PART I. FINANCIAL INFORMATION

The financial information as of March 31, 2009 should be read in conjunction with the financial statements for the year ended December 31, 2008 contained in our Form 10-K filed on February 13, 2009.

ITEM 1. FINANCIAL STATEMENTS

Honeywell International Inc.
Consolidated Statement of Operations
(Unaudited)

	Three Months Ended March 31,	
	2009	2008
(Dollars in millions, except per share amounts)		
Product sales	\$ 5,818	\$ 7,156
Service sales	1,752	1,739
Net sales	7,570	8,895
Costs, expenses and other		
Cost of products sold	4,608	5,507
Cost of services sold	1,148	1,165
	5,756	6,672
Selling, general and administrative expenses	1,152	1,255
Other (income) expense	2	(26)
Interest and other financial charges	117	115
	7,027	8,016
Income before taxes	543	879
Tax expense	144	232
Net income	399	647
Less: Net Income attributable to the noncontrolling interest	2	4
Net income attributable to Honeywell	\$ 397	\$ 643
Earnings per share of common stock-basic	\$ 0.54	\$ 0.87
Earnings per share of common stock-assuming dilution	\$ 0.54	\$ 0.85
Cash dividends per share of common stock	\$ 0.3025	\$ 0.275

The Notes to Financial Statements are an integral part of this statement.

Honeywell International Inc.
Consolidated Balance Sheet
(Unaudited)

	March 31, 2009	December 31, 2008
(Dollars in millions)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,052	\$ 2,065
Accounts, notes and other receivables	5,667	6,129
Inventories	3,797	3,848
Deferred income taxes	934	922
Other current assets	331	299
	12,781	13,263
Total current assets		
Investments and long-term receivables	622	670
Property, plant and equipment - net	4,777	4,934
Goodwill	10,141	10,185
Other intangible assets - net	2,183	2,267
Insurance recoveries for asbestos related liabilities	1,034	1,029
Deferred income taxes	1,842	2,135
Prepaid pension benefit cost	40	62
Other assets	937	945
	34,357	35,490
Total assets	\$ 34,357	\$ 35,490
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 3,144	\$ 3,773
Short-term borrowings	62	56
Commercial paper	500	1,431
Current maturities of long-term debt	1,630	1,023
Accrued liabilities	5,602	6,006
	10,938	12,289
Total current liabilities		
Long-term debt	6,266	5,865
Deferred income taxes	715	698
Postretirement benefit obligations other than pensions	1,782	1,799
Asbestos related liabilities	1,550	1,538
Other liabilities	5,605	6,032
SHAREOWNERS' EQUITY		
Capital - common stock issued	958	958
- additional paid-in capital	3,848	3,994
Common stock held in treasury, at cost	(9,766)	(10,206)
Accumulated other comprehensive income (loss)	(4,049)	(3,809)
Retained earnings	16,424	16,250
	7,415	7,187
Total Honeywell shareowners' equity		
Noncontrolling interest	86	82
	7,501	7,269
Total shareowners' equity		
Total liabilities and shareowners' equity	\$ 34,357	\$ 35,490

The Notes to Financial Statements are an integral part of this statement.

Honeywell International Inc.
Consolidated Statement of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2009	2008
	(Dollars in millions)	
Cash flows from operating activities:		
Net income attributable to Honeywell	\$ 397	\$ 643
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:		
Depreciation and amortization	234	217
Repositioning and other charges	111	197
Net payments for repositioning and other charges	(148)	(21)
Pension and other postretirement expense	55	27
Pension and other postretirement payments	(47)	(61)
Stock compensation expense	42	41
Deferred income taxes	272	108
Excess tax benefits from share based payment arrangements	—	(7)
Other	(142)	45
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts, notes and other receivables	461	(224)
Inventories	49	(289)
Other current assets	(31)	(35)
Accounts payable	(629)	135
Accrued liabilities	(283)	(55)
Net cash provided by operating activities	341	721
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(109)	(150)
Proceeds from disposals of property, plant and equipment	8	12
Decrease in investments	1	6
Cash paid for acquisitions, net of cash acquired	(20)	(55)
Other	(6)	(2)
Net cash used for investing activities	(126)	(189)
Cash flows from financing activities:		
Net decrease in commercial paper	(931)	(860)
Net increase/(decrease) in short-term borrowings	6	(3)
Proceeds from issuance of common stock	4	51
Proceeds from issuance of long-term debt	1,488	1,487
Payments of long-term debt	(493)	(225)
Excess tax benefits from share based payment arrangements	—	7
Repurchases of common stock	—	(441)
Cash dividends on common stock	(224)	(204)
Net cash used for financing activities	(150)	(188)
Effect of foreign exchange rate changes on cash and cash equivalents	(78)	61
Net (decrease)/increase in cash and cash equivalents	(13)	405
Cash and cash equivalents at beginning of period	2,065	1,829
Cash and cash equivalents at end of period	\$ 2,052	\$ 2,234

The Notes to Financial Statements are an integral part of this statement.

NOTE 1. Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of Honeywell International Inc. and its consolidated subsidiaries at March 31, 2009 and the results of operations for the three months ended March 31, 2009 and 2008 and cash flows for the three months ended March 31, 2009 and 2008. The results of operations for the three month period ended March 31, 2009 should not necessarily be taken as indicative of the results of operations that may be expected for the entire year.

We report our quarterly financial information using a calendar convention; that is, the first, second and third quarters are consistently reported as ending on March 31, June 30 and September 30, respectively. It has been our practice to establish actual quarterly closing dates using a predetermined "fiscal" calendar, which requires our businesses to close their books on a Saturday in order to minimize the potentially disruptive effects of quarterly closing on our business processes. The effects of this practice are generally not significant to reported results for any quarter and only exist within a reporting year. In the event that differences in actual closing dates are material to year-over-year comparisons of quarterly or year-to-date results, we will provide appropriate disclosures. Our actual closing dates for the three month periods ended March 31, 2009 and 2008 were April 4, 2009 and March 29, 2008, respectively.

We estimate that our sales in the first quarter of 2009 compared to the first quarter of 2008 include an approximate 4 percent benefit from additional reporting days in the current year period resulting from our normal quarterly closing procedures described above.

The financial information as of March 31, 2009 should be read in conjunction with the financial statements for the year ended December 31, 2008 contained in our Form 10-K filed on February 13, 2009.

Certain prior year amounts have been reclassified to conform to current year presentation.

NOTE 2. Recent Accounting Pronouncements

Recent Accounting Pronouncements – In September 2006, the FASB issued Statement of Financial Accounting Standard ("SFAS") No. 157, "Fair Value Measurements" (SFAS No. 157). SFAS No. 157 establishes a common definition for fair value to be applied to U.S. GAAP requiring use of fair value, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements. SFAS No. 157 is effective for financial assets and financial liabilities for fiscal years beginning after November 15, 2007. Issued in February 2008, FSP 157-1 "Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13" removed leasing transactions accounted for under Statement 13 and related guidance from the scope of SFAS No. 157. FSP 157-2 "Partial Deferral of the Effective Date of Statement 157" (FSP 157-2), deferred the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities to fiscal years beginning after November 15, 2008.

In October 2008, the FASB issued FSP 157-3 “Determining Fair Value of a Financial Asset in a Market That is Not Active” (FSP 157-3). FSP 157-3 clarified the application of SFAS No. 157 in an inactive market. It demonstrated how the fair value of a financial asset is determined when the market for that financial asset is inactive. FSP 157-3 was effective upon issuance, including prior periods for which financial statements had not been issued.

In April 2009, the FASB issued FSP FAS 157-4, “Determining Whether a Market Is Not Active and a Transaction Is Not Distressed” (FSP 157-4). FSP 157-4 provides additional guidance on factors to consider in estimating fair value when there has been a significant decrease in market activity for a financial asset. FSP 157-4 is effective for interim and annual periods ending after June 15, 2009. The implementation of this standard will not have a material impact on our consolidated financial position and results of operations.

The implementation of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities, effective January 1, 2009, did not have a material impact on our consolidated financial position and results of operations. See Note 10 for additional SFAS No. 157 information and disclosure for financial and nonfinancial assets and liabilities.

In December 2007, the FASB issued SFAS No. 141(revised 2007), “Business Combinations” (SFAS No. 141R). SFAS No. 141R provides revised guidance on how acquirors recognize and measure the consideration transferred, identifiable assets acquired, liabilities assumed, noncontrolling interests, and goodwill acquired in a business combination. SFAS No. 141R also expands required disclosures surrounding the nature and financial effects of business combinations. SFAS No. 141R is effective, on a prospective basis, for fiscal years beginning after December 15, 2008. Upon adoption, this standard did not have a material impact on our consolidated financial position and results of operations. However, if the Company enters into any business combinations after the adoption of SFAS No. 141R, a transaction may significantly impact the Company’s consolidated financial position and results of operations as compared to the Company’s recent acquisitions, accounted for under prior GAAP requirements, due to the changes described above.

In April 2009, the FASB issued FSP 141(R)-1, “Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies” (FSP 141R-1). FSP 141R-1 amends and clarifies SFAS No. 141R to address application issues associated with initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. FSP 141R-1 is effective for assets or liabilities arising from contingencies in business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The implementation of this standard will not have a material impact on our consolidated financial position and results of operations.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements” (SFAS No. 160). SFAS No. 160 establishes requirements for ownership interests in subsidiaries held by parties other than the Company (sometimes called “minority interests”) be clearly identified, presented, and disclosed in the consolidated statement of financial position within equity, but separate from the parent’s equity. All changes in the parent’s ownership interests are required to be accounted for consistently as equity transactions and any noncontrolling equity investments in unconsolidated subsidiaries must be measured initially at fair value. SFAS No. 160 is effective, on a prospective basis, for fiscal years beginning after December 15, 2008. However, presentation and disclosure requirements must be retrospectively applied to comparative financial statements. Upon adoption of SFAS No. 160 the Company

reclassified \$82 million of noncontrolling interest from other liabilities to noncontrolling interest as a separate component of shareholders equity and \$4 million of noncontrolling interest expense to net income attributable to noncontrolling interest in our consolidated balance sheet as of December 31, 2008 and statement of operations for the quarter ended March 31, 2008, respectively. See Note 11, Other Comprehensive Income/(Loss), for additional SFAS No. 160 disclosures regarding noncontrolling interest components of other comprehensive income. The implementation of this standard did not have a material impact on our consolidated financial position and results of operations.

In March 2008, the FASB issued SFAS No. 161, “Disclosures About Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133” (SFAS No. 161). SFAS No. 161 expands quarterly disclosure requirements in SFAS No. 133 about an entity’s derivative instruments and hedging activities. SFAS No. 161 is effective for fiscal years beginning after November 15, 2008. All derivatives are recorded on the balance sheet as assets or liabilities and measured at fair value. For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair values of both the derivatives and the hedged items are recorded in current earnings. For derivatives designated as cash flow hedges, the effective portion of the changes in fair value of the derivatives are recorded in Accumulated Other Comprehensive Income (Loss) and subsequently recognized in earnings when the hedged items impact earnings. Cash flows of such derivative financial instruments are classified consistent with the underlying hedged item. The implementation of this standard did not have a material impact on our consolidated financial position and results of operations. See Note 10 Financial Instruments, for additional SFAS No. 161 information and disclosures.

In November 2008, the FASB ratified EITF Issue No. 08-07, “Accounting for Defensive Intangible Assets” (EITF 08-7). EITF 08-7 provides guidance for accounting for defensive intangible assets subsequent to their acquisition in accordance with SFAS No. 141R and SFAS No. 157 including the estimated useful life that should be assigned to such assets. EITF 08-7 is effective for intangible assets acquired on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The implementation of this standard did not have a material impact on our consolidated financial position and results of operations.

In December 2008, the FASB issued FSP 132(R)-1, “Employers’ Disclosures about Postretirement Benefit Plan Assets” (FSP 132(R)-1). FSP 132(R)-1 provides guidance on an employer’s disclosures about plan assets of a defined benefit pension or other postretirement plan. FSP 132(R)-1 is effective for fiscal years ending after December 15, 2009. The implementation of this standard will not have a material impact on our consolidated financial position and results of operations.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments” (FSP FAS 115-2 and FAS 124-2). FSP FAS 115-2 and FAS 124-2 changes the method for determining whether an other-than-temporary impairment exists for debt securities and the amount of the impairment to be recorded in earnings. FSP FAS 115-2 and FAS 124-2 is effective for interim and annual periods ending after June 15, 2009. The implementation of this standard will not have a material impact on our consolidated financial position and results of operations.

In April 2009, the FASB issued FSP FAS 107-1, APB 28-1, “Interim Disclosures About Fair Value of Financial Instruments” (FSP FAS 107-1, APB 28-1). FSP FAS 107-1, APB 28-1 requires fair value disclosures in both interim as well as annual financial statements in order to provide more timely information about the effects of current market conditions on financial instruments. FSP FAS 107-1, APB 28-1 is effective for interim and annual periods ending after June 15, 2009. The implementation of this standard will not have a material impact on our consolidated financial position and results of operations.

NOTE 3. Repositioning and Other Charges

A summary of repositioning and other charges follows:

	Three Months Ended March 31,	
	2009	2008
Severance	\$ 62	\$ 88
Asset impairments	2	11
Exit costs	1	4
Adjustments	(21)	—
Total net repositioning charge	44	103
Asbestos related litigation charges, net of insurance	36	28
Probable and reasonably estimable environmental liabilities	31	66
Total net repositioning and other charges	\$ 111	\$ 197

The following table summarizes the pretax distribution of total net repositioning and other charges by income statement classification:

	Three Months Ended March 31,	
	2009	2008
Cost of products and services sold	\$ 94	\$ 171
Selling, general and administrative expenses	17	26
	\$ 111	\$ 197

The following table summarizes the pretax impact of total net repositioning and other charges by segment:

	Three Months Ended March 31,	
	2009	2008
Aerospace	\$ (2)	\$ 38
Automation and Control Solutions	23	35
Specialty Materials	4	—
Transportation Systems	51	56
Corporate	35	68
	\$ 111	\$ 197

In the first quarter of 2009, we recognized repositioning charges totaling \$65 million primarily for severance costs related to workforce reductions of 1,309 manufacturing and administrative positions across all of our segments. The workforce reductions were primarily related to the adverse market conditions currently being experienced by many of our businesses as well as cost savings actions taken in connection with our ongoing functional transformation initiative. Also, \$21 million of previously established accruals for severance, mainly at our Aerospace, Automation and Control Solutions and Transportation Systems segments, were returned to income in the first quarter of 2009 due to fewer employee separations than originally planned associated with prior severance programs and changes in the scope of previously announced repositioning actions.

In the first quarter of 2008, we recognized a net repositioning charge of \$103 million primarily for severance costs related to workforce reductions of 2,076 manufacturing and administrative positions principally in our Aerospace,

Automation and Control Solutions and Transportation Systems segments. The more significant actions comprising the repositioning charge included the transitioning of manufacturing work to more cost-effective locations, plant closures, outsourcing of non-core components, and our functional transformation initiative.

The following table summarizes the status of our total repositioning reserves:

	Severance Costs	Asset Impairments	Exit Costs	Total
Balance at December 31, 2008	\$ 365	\$ —	\$ 36	\$ 401
2009 charges	62	2	1	65
2009 usage	(57)	(2)	(2)	(61)
Adjustments	(21)	—	—	(21)
Balance at March 31, 2009	\$ 349	\$ —	\$ 35	\$ 384

Certain of our repositioning projects in our Aerospace, Automation and Control Solutions and Transportation Systems segments included exit or disposal activities, the costs related to which, will be recognized in future periods when the actual liability is incurred. The nature of these exit or disposal costs principally includes product recertification and requalification and employee training and travel. The following table summarizes by segment, expected, incurred and remaining exit and disposal costs related to 2008 repositioning actions which we were not able to recognize at the time the actions were initiated. The exit and disposal costs related to the repositioning actions in the first quarter of 2009 which we were not able to recognize at the time the actions were initiated were not significant.

	Aerospace	Automation and Control Solutions	Transportation Systems	Total
Expected exit and disposal costs	\$ 120	\$ 27	\$ 12	\$ 159
Costs incurred year ended December 31, 2008	(12)	—	(1)	(13)
Costs incurred three months ended March 31, 2009	(6)	(1)	(1)	(8)
Remaining exit and disposal costs at March 31, 2009	\$ 102	\$ 26	\$ 10	\$ 138

In the first quarter of 2009, we recognized a charge of \$31 million for environmental liabilities deemed probable and reasonably estimable in the quarter. We also recognized a charge of \$36 million primarily representing an update to our estimated liability for the resolution of Bendix related asbestos claims as of March 31, 2009, net of probable insurance recoveries. Environmental and Asbestos matters are discussed in detail in Note 14, Commitments and Contingencies.

In the first quarter of 2008, we recognized a charge of \$66 million for environmental liabilities deemed probable and reasonably estimable in the quarter. We also recognized a charge of \$28 million representing an update to our estimated liability for the resolution of Bendix related asbestos claims as of March 31, 2008, net of probable insurance recoveries.

NOTE 4. Other (income) expense.

	Three Months Ended March 31,	
	2009	2008
Equity (income)/loss of affiliated companies	\$ (6)	\$ (16)
Interest income	(12)	(25)
Foreign exchange	22	11
Other (net)	(2)	4
	<u>\$ 2</u>	<u>\$ (26)</u>

NOTE 5. Earnings Per Share

The details of the earnings per share calculations for the three months ended March 31, 2009 and 2008 are as follows:

	Three Months Ended March 31,			
	2009		2008	
	Basic	Assuming Dilution	Basic	Assuming Dilution
<u>Income</u>				
Net income attributable to Honeywell	\$ 397	\$ 397	\$ 643	\$ 643
<u>Average shares</u>				
Average shares outstanding	737.7	737.7	743.4	743.4
Dilutive securities issuable in connection with stock plans	—	1.6	—	9.5
Total average shares outstanding	<u>737.7</u>	<u>739.3</u>	<u>743.4</u>	<u>752.9</u>
<u>Earnings per share of common stock</u>				
Net income attributable to Honeywell	\$ 0.54	\$ 0.54	\$ 0.87	\$ 0.85

The diluted earnings per share calculations exclude the effect of stock options when the options' assumed proceeds exceed the average market price of the common shares during the period. For the three months ended March 31, 2009 and 2008, the number of stock options excluded from the computations were 41.2 and 7.4 million, respectively. These stock options were outstanding at the end of each of the respective periods.

NOTE 6. Accounts, Notes and Other Receivables

	March 31, 2009	December 31, 2008
Trade	\$ 5,429	\$ 5,893
Other	439	422
	<u>5,868</u>	<u>6,315</u>
Less - Allowance for doubtful accounts	(201)	(186)
	<u>\$ 5,667</u>	<u>\$ 6,129</u>

NOTE 7. Inventories

	March 31, 2009	December 31, 2008
Raw materials	\$ 1,421	\$ 1,644
Work in process	903	952
Finished products	1,648	1,415
	<u>3,972</u>	<u>4,011</u>
Less – Progress payments	(2)	(3)
– Reduction to LIFO cost basis	(173)	(160)
	<u>\$ 3,797</u>	<u>\$ 3,848</u>

NOTE 8. Goodwill and Other Intangible Assets - Net

The change in the carrying amount of goodwill for the three months ended March 31, 2009 by segment is as follows:

	Dec. 31, 2008	Acquisitions	Divestitures	Currency Translation Adjustment	Mar. 31, 2009
Aerospace	\$ 1,882	\$ —	\$ —	\$ (12)	\$ 1,870
Automation and Control Solutions	6,638	—	—	(18)	6,620
Specialty Materials	1,151	—	—	(7)	1,144
Transportation Systems	514	—	—	(7)	507
	<u>\$ 10,185</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (44)</u>	<u>\$ 10,141</u>

Other intangible assets are comprised of:

	March 31, 2009			December 31, 2008		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets with determinable lives:						
Patents and technology	\$ 1,023	\$ (514)	\$ 509	\$ 1,030	\$ (494)	\$ 536
Customer relationships	1,236	(198)	1,038	1,250	(175)	1,075
Trademarks	158	(53)	105	164	(50)	114
Other	500	(372)	128	501	(362)	139
	<u>2,917</u>	<u>(1,137)</u>	<u>1,780</u>	<u>2,945</u>	<u>(1,081)</u>	<u>1,864</u>
Trademarks with indefinite lives	403	—	403	403	—	403
	<u>\$ 3,320</u>	<u>\$ (1,137)</u>	<u>\$ 2,183</u>	<u>\$ 3,348</u>	<u>\$ (1,081)</u>	<u>\$ 2,267</u>

Amortization expense related to intangible assets for the three months ended March 31, 2009 and 2008 was \$61 and \$47 million, respectively.

We completed our annual impairment testing of goodwill and indefinite-lived intangibles as of March 31, 2009 and determined that there was no impairment as of that date.

NOTE 9. Long-term Debt and Credit Agreements

	March 31, 2009	December 31, 2008
Floating rate notes due 2009	\$ —	\$ 300
Floating rate notes due 2009	500	500
Zero coupon bonds and money multiplier notes 13.0%-14.26%, due 2009	100	100
Floating rate notes due 2009-2011	—	193
7.50% notes due 2010	1,000	1,000
6-1/8% notes due 2011	500	500
5.625% notes due 2012	400	400
4.25% notes due 2013	600	600
3.875% notes due 2014	600	—
5.40% notes due 2016	400	400
5.30% notes due 2017	400	400
5.30% notes due 2018	900	900
5.00% notes due 2019	900	—
Industrial development bond obligations, floating rate maturing at various dates through 2037	60	60
6-5/8% debentures due 2028	216	216
9.065% debentures due 2033	51	51
5.70% notes due 2036	550	550
5.70% notes due 2037	600	600
Other (including capitalized leases), 1.54%-13.31% maturing at various dates through 2017	119	118
	7,896	6,888
Less current portion	(1,630)	(1,023)
	\$ 6,266	\$ 5,865

The schedule of principal payments on long term debt is as follows:

	At March 31, 2009
2009	\$ 629
2010	1,022
2011	522
2012	401
2013	605
Thereafter	4,717
	7,896
Less-current portion	(1,630)
	\$ 6,266

In February 2009, the Company issued \$600 million 3.875% Senior Notes due 2014 and \$900 million 5.00% Senior Notes due 2019 (collectively, the "2009 Senior Notes"). The 2009 Senior Notes are senior unsecured and unsubordinated obligations of Honeywell and rank equally with all of Honeywell's existing and future senior unsecured debt and senior to all of Honeywell's subordinated debt. The offering resulted in gross proceeds of \$1.5 billion, offset by \$12 million in discount and issuance costs.

We sell interests in designated pools of trade accounts receivables to third parties. As of March 31, 2009, \$500 million of receivables in the designated pools had been sold to third parties. In April 2009, we modified the terms of the trade accounts receivable program to permit the repurchase of receivables from the third parties at our discretion. This modification will provide additional flexibility in the management of the receivable portfolio and will also require the receivables in the program remain on the Company balance sheet. As a result, prospectively from the date of the amendment, program receivables will be reflected as Accounts, notes and other receivables with a corresponding amount recorded as Short-term borrowings in the Consolidated Balance Sheet. This modification also results in the program costs being recognized as Interest and other financial charges in the Consolidated Statement of Operations on a prospective basis.

Credit and Market Risk—Financial instruments, including derivatives, expose us to counterparty credit risk for nonperformance and to market risk related to changes in interest and currency exchange rates and commodity prices. We manage our exposure to counterparty credit risk through specific minimum credit standards, diversification of counterparties, and procedures to monitor concentrations of credit risk. Our counterparties in derivative transactions are substantial investment and commercial banks with significant experience using such derivative instruments. We monitor the impact of market risk on the fair value and cash flows of our derivative and other financial instruments considering reasonably possible changes in interest rates, currency exchange rates and commodity prices and restrict the use of derivative financial instruments to hedging activities.

We continually monitor the creditworthiness of our customers to which we grant credit terms in the normal course of business. The terms and conditions of our credit sales are designed to mitigate or eliminate concentrations of credit risk with any single customer. Our sales are not materially dependent on a single customer or a small group of customers.

Foreign Currency Risk Management—We conduct our business on a multinational basis in a wide variety of foreign currencies. Our exposure to market risk for changes in foreign currency exchange rates arises from international financing activities between subsidiaries, foreign currency denominated monetary assets and liabilities and transactions arising from international trade. Our objective is to preserve the economic value of non-functional currency denominated cash flows. We attempt to hedge transaction exposures with natural offsets to the fullest extent possible and, once these opportunities have been exhausted, through foreign currency exchange forward and option contracts with third parties.

We hedge monetary assets and liabilities denominated in non-functional currencies. Prior to conversion into U.S. dollars, these assets and liabilities are remeasured at spot exchange rates in effect on the balance sheet date. The effects of changes in spot rates are recognized in earnings and included in Other (Income) Expense.

We partially hedge forecasted sales and purchases, which predominantly occur in the next twelve months and are denominated in non-functional currencies, with currency forward contracts. When a functional currency strengthens against nonfunctional currencies, the decline in value of forecasted non-functional currency cash inflows (sales) or increase in outflows (purchases) is partially offset by the recognition of gains (sales) and losses (purchases), respectively, in the value of the forward contracts designated as hedges. Conversely, when a functional currency weakens against non-functional currencies, the increase in value of forecasted nonfunctional currency cash inflows (sales) or decrease in outflows (purchases) is partially offset by the recognition of losses (sales) and gains (purchases), respectively, in the value of the forward contracts designated as hedges. Market value gains and losses on these contracts are recognized in earnings when the hedged transaction is recognized. Open foreign currency exchange forward contracts mature predominantly in the next twelve months. At March 31, 2009, we had contracts with notional amounts of \$3,947 million to exchange foreign currencies, principally the US dollar, Euro, British pound, Canadian dollar, Hong Kong dollar, Mexican peso, Swiss franc, Czech koruna, Chinese renminbi, Indian rupee and Japanese yen.

Commodity Price Risk Management—Our exposure to market risk for commodity prices can result in changes in our cost of production. We primarily mitigate our exposure to commodity price risk through the use of long-term, fixed-price contracts with our suppliers and formula price agreements with suppliers and customers. We also enter into forward commodity contracts with third parties

designated as hedges of anticipated purchases of several commodities. Forward commodity contracts are marked-to-market, with the resulting gains and losses recognized in earnings when the hedged transaction is recognized. At March 31, 2009, we had contracts with notional amounts of \$16 million related to forward commodity agreements, principally base metals and natural gas.

Interest Rate Risk Management—We use a combination of financial instruments, including long-term, medium-term and short-term financing, variable-rate commercial paper, and interest rate swaps to manage the interest rate mix of our total debt portfolio and related overall cost of borrowing. At March 31, 2009, we had no interest rate swap agreements.

Fair Value of Financial Instruments—SFAS No. 157, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). SFAS No. 157 classifies the inputs used to measure fair value into the following hierarchy:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Unadjusted quoted prices in active markets for similar assets or liabilities, or Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or Inputs other than quoted prices that are observable for the asset or liability
Level 3	Unobservable inputs for the asset or liability

The Company endeavors to utilize the best available information in measuring fair value. Nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company has determined that our financial assets and liabilities are level 2 in the fair value hierarchy. The following table sets forth the Company's financial assets and liabilities that were accounted for, at fair value on a recurring basis as of March 31, 2009:

	<u>March 31, 2009</u>
Assets:	
Foreign currency exchange contracts	\$ 15
Available for sale investments	\$ 29
Forward commodity contracts	\$ —
Liabilities:	
Foreign currency exchange contracts	\$ 41
Forward commodity contracts	\$ 3

As a result of our global operating and financing activities, the Company is exposed to market risks from changes in interest and foreign currency exchange rates and commodity prices, which may adversely affect our operating results and financial position. When deemed appropriate, we minimize our risks from interest and foreign currency exchange rate and commodity price fluctuations through the use of derivative financial instruments. Derivative financial instruments are used to manage risk and are not used for trading or other speculative purposes and we do not use leveraged derivative financial instruments. The foreign currency

exchange contracts and forward commodity contracts are valued using broker quotations, or market transactions in either the listed or over-the-counter markets. As such, these derivative instruments are classified within level 2. The Company also holds investments in marketable equity securities that are designated as available for sale and are valued using market transactions in over-the-counter markets. As such, these investments are classified within level 2.

As of March 31, 2009 the Company had \$2 million of nonfinancial assets, specifically property, plant and equipment, that were accounted for at fair value on a nonrecurring basis as part of repositioning occurring in the first quarter of 2009 (see Note 3, Repositioning and Other Charges). This property, plant and equipment was determined to have a zero fair value resulting in a loss of \$2 million, which was included in earnings for the period. The Company has determined that our nonfinancial assets and nonfinancial liabilities are level 3 in the fair value hierarchy.

The carrying value of cash and cash equivalents, trade accounts and notes receivables, payables, commercial paper and short-term borrowings contained in the Consolidated Balance Sheet approximates fair value. The Company holds investments in marketable equity securities that are designated as cost method investments and available for sale securities, as appropriate. Such investments are susceptible to market volatility and as a result are in unrealized loss positions as of March 31, 2009. The Company evaluated the near-term prospects of the investees in relation to the severity and duration of the impairments. Despite the unrealized loss position of certain investments of approximately \$90 million the Company concluded, as of March 31, 2009, that these investments were not other than temporarily impaired given the short duration of the unrealized loss position, the stable liquidity positions and financial condition of the investees, and the Company's intent and ability to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value.

The Company has the following derivative instruments located on the consolidated balance sheet and statement of operations, utilized for risk management purposes detailed above:

Derivative Instruments Designated as Hedging Instruments under SFAS No. 133	Fair Value of Derivative Instruments			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
<i>Foreign currency exchange contracts</i>	Accounts, notes, and other receivables	\$14	Accrued liabilities	\$38
<i>Commodity contracts</i>	Accounts, notes, and other receivables	\$—	Accrued liabilities	\$ 3
Derivative Instruments Not Designated as Hedging Instruments under SFAS No. 133				
<i>Foreign currency exchange contracts</i>	Accounts, notes, and other receivables	\$—	Accrued liabilities	\$ 3

Derivatives in SFAS No. 133 Cash Flow Hedge Relationships	Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from AOCI into Income (Effective Portion) on Derivative	Gain or (Loss) Reclassified from AOCI into Income on Derivative
<i>Foreign currency exchange contracts</i>	(\$24)	Product sales Cost of products sold	(\$2) (\$2)
<i>Commodity contracts</i>	(\$3)	Cost of products sold	(\$1)

Ineffective portions of commodity derivative instruments designated in SFAS No. 133 cash flow hedge relationships are \$0.2 million and are located in cost of products sold. Foreign currency exchange contracts in SFAS No. 133 cash flow hedge relationships qualify as critical matched terms hedge relationships and as a result have no associated ineffectiveness.

We also economically hedge our exposure to changes in foreign exchange rates principally with forward contracts. Forward contracts are marked-to-market with the resulting gains and losses similarly recognized in earnings offsetting the gains and losses on the non-functional currency denominated monetary assets and liabilities being hedged. The Company had the following derivatives utilized as economic hedges for foreign currency risk management purposes described above as of March 31, 2009:

Derivative Instruments Not Designated as Hedging Instruments under SFAS No. 133	Location of Gain or (Loss) Recognized in Income on Derivative	Gain or (Loss) Recognized in Income on Derivative
Foreign currency exchange contracts	Other (income) expense	(\$39)

NOTE 11. Comprehensive Income/(Loss)

Comprehensive income/(loss) consists of the following:

	Three Months Ended March 31,	
	2009	2008
Net income	\$ 397	\$ 647
Foreign exchange translation adjustments	(250)	244
Pension and postretirement benefit adjustments	26	13
Change in fair value of effective cash flow hedges	(22)	2
Change in fair value of available for sale investments	6	—
	157	906
Comprehensive Income attributable to noncontrolling interest(1)	(2)	(4)
Comprehensive Income/(Loss) attributable to Honeywell	\$ 155	\$ 902

(1) Comprehensive Income/(Loss) attributable to noncontrolling interest consisted predominately of net income.

Changes in Noncontrolling interest consist of the following:

December 31, 2008	\$	82
Comprehensive Income/(Loss) attributable to noncontrolling interest		2
Capital contribution by noncontrolling shareholders		2
		<hr/>
March 31, 2009	\$	86
		<hr/>

In the first quarter of 2009 there were no increases or decreases to Honeywell additional paid in capital for purchases or sales of existing noncontrolling interests.

NOTE 12. Segment Financial Data

Honeywell's senior management evaluates segment performance based on segment profit. Segment profit is measured as business unit income (loss) before taxes excluding general corporate unallocated expense, other income (expense), interest and other financial charges, pension and other postretirement benefits (expense), stock compensation expense, repositioning and other charges and accounting changes.

	Three Months Ended March 31,	
	2009	2008
Net Sales		
Aerospace	\$ 2,759	\$ 3,030
Automation and Control Solutions	3,001	3,180
Specialty Materials	1,054	1,409
Transportation Systems	756	1,276
Corporate	—	—
	<u>\$ 7,570</u>	<u>\$ 8,895</u>
Segment Profit		
Aerospace	\$ 488	\$ 563
Automation and Control Solutions	311	328
Specialty Materials	125	265
Transportation Systems	(3)	149
Corporate	(45)	(56)
	<u>876</u>	<u>1,249</u>
Other income (expense) (A)	(8)	10
Interest and other financial charges	(117)	(115)
Stock compensation expense (B)	(42)	(41)
Pension and other postretirement expense (B)	(55)	(27)
Repositioning and other charges (B)	(111)	(197)
	<u>\$ 543</u>	<u>\$ 879</u>

(A) Equity income/(loss) of affiliated companies is included in Segment Profit.

(B) Amounts included in cost of products and services sold and selling, general and administrative expenses.

Net periodic pension and other postretirement benefits costs for our significant defined benefit plans include the following components:

	Three Months Ended March 31,	
	2009	2008
Pension Benefits		
Service cost	\$ 57	\$ 67
Interest cost	242	262
Expected return on plan assets	(321)	(363)
Amortization of prior service cost	7	7
Recognition of actuarial losses	36	12
Settlements and curtailments	—	2
	\$ 21	\$ (13)
Other Postretirement Benefits		
Service cost	\$ 3	\$ 3
Interest cost	29	33
Amortization of prior service (credit)	(10)	(10)
Recognition of actuarial losses	8	9
	\$ 30	\$ 35

During the first quarter of 2009, we made a \$200 million voluntary contribution of Honeywell common stock to our U.S. pension plans to improve the funded status of our plans.

NOTE 14. Commitments and Contingencies

Environmental Matters

We are subject to various federal, state, local and foreign government requirements relating to the protection of the environment. We believe that, as a general matter, our policies, practices and procedures are properly designed to prevent unreasonable risk of environmental damage and personal injury and that our handling, manufacture, use and disposal of hazardous substances are in accordance with environmental and safety laws and regulations. However, mainly because of past operations and operations of predecessor companies, we, like other companies engaged in similar businesses, have incurred remedial response and voluntary cleanup costs for site contamination and are a party to lawsuits and claims associated with environmental and safety matters, including past production of products containing hazardous substances. Additional lawsuits, claims and costs involving environmental matters are likely to continue to arise in the future.

With respect to environmental matters involving site contamination, we continually conduct studies, individually or jointly with other potentially responsible parties, to determine the feasibility of various remedial techniques. It is our policy to record appropriate liabilities for environmental matters when remedial efforts or damage claim payments are probable and the costs can be reasonably estimated. Such liabilities are based on our best estimate of the undiscounted future costs required to complete the remedial work. The recorded liabilities are adjusted periodically as remediation efforts progress or as additional technical, regulatory or legal information becomes available. Given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of other potentially responsible parties, technology and information related to individual sites, we do not believe it is possible to develop an

estimate of the range of reasonably possible environmental loss in excess of our recorded liabilities. We expect to fund expenditures for these matters from operating cash flow. The timing of cash expenditures depends on a number of factors, including the timing of remedial investigations and feasibility studies, the timing of litigation and settlements of remediation liability, personal injury and property damage claims, regulatory approval of cleanup projects, remedial techniques to be utilized and agreements with other parties. The following table summarizes information concerning our recorded liabilities for environmental costs:

	Three Months Ended March 31, 2009	
Beginning of period	\$	946
Accruals for environmental matters deemed probable and reasonably estimable		34
Environmental liability payments		(60)
End of period	\$	920

Environmental liabilities are included in the following balance sheet accounts:

	March 31, 2009		December 31, 2008	
Accrued liabilities	\$	344	\$	343
Other liabilities		576		603
	\$	920	\$	946

Although we do not currently possess sufficient information to reasonably estimate the amounts of liabilities to be recorded upon future completion of studies, litigation or settlements, and neither the timing nor the amount of the ultimate costs associated with environmental matters can be determined, they could be material to our consolidated results of operations or operating cash flows in the periods recognized or paid. However, considering our past experience and existing reserves, we do not expect that these environmental matters will have a material adverse effect on our consolidated financial position.

New Jersey Chrome Sites—Provisions have been made in our financial statements for the estimated costs of the court-ordered excavation and transport for offsite disposal of approximately one million tons of chromium residue present at a predecessor Honeywell site located in Jersey City, New Jersey, known as Study Area 7. These expenditures have been and are expected to continue to be incurred evenly through the remedy's expected completion date in 2010. We do not expect implementation of this remedy to have a material adverse effect on our future consolidated results of operations, operating cash flows or financial position. Provision also has been made in our financial statements for the estimated costs of implementing related groundwater remedial plans approved by the Court, as well as sediment remedial plans, which also have been approved by the Court and are presently under review by the U.S. Environmental Protection Agency.

The above-referenced site is the most significant of the twenty-one sites located in Hudson County, New Jersey that are the subject of an Administrative Consent Order (ACO) entered into with the New Jersey Department of Environmental Protection (NJDEP) in 1993 (the "Honeywell ACO Sites"). Remedial investigations and activities consistent with the ACO have also been conducted and are underway at the other Honeywell ACO Sites. We have recorded reserves for the Honeywell ACO Sites where appropriate under the accounting policy described above.

On May 3, 2005, NJDEP filed a lawsuit in New Jersey Superior Court against Honeywell and two other companies seeking declaratory and injunctive relief, unspecified damages, and the reimbursement of unspecified total costs relating to sites in New Jersey allegedly contaminated with chrome ore processing residue. The claims against Honeywell relate to the activities of a predecessor company which ceased its New Jersey manufacturing operations in the mid-1950's. Honeywell and

the two other companies have agreed to settle this litigation with NJDEP, subject to Court approval. Under the settlement, Honeywell would pay \$5 million of NJDEP's past costs, as well as accept sole responsibility to remediate 24 of the 53 "Publicly Funded Sites" (i.e., those sites for which none of the three companies had previously accepted responsibility). Honeywell would also bear 50% of the costs at another 10 Publicly Funded Sites. We have recorded reserves for the Publicly Funded Sites where appropriate under the accounting policy described above.

Lawsuits were previously filed in federal court against Honeywell and other landowners by Jersey City and two of its municipal utility authorities, and separately by a citizens group seeking, the cleanup of chromium residue at several of the Honeywell ACO Sites under the federal Resource Conservation and Recovery Act (RCRA). Honeywell, Jersey City, the municipal utility authorities and the citizens group have agreed to settle claims relating to a group of properties known as Study Area 6 North, which settlement has been approved by the Court. These sites and other related sites have been classified by Jersey City as an area in need of redevelopment and Jersey City has approved a redevelopment plan and agreement regarding these sites. As part of this settlement, Honeywell has also agreed to release claims it may have had against Jersey City and its municipal utility authorities for contamination of river sediments and for the remediation of chrome residue at the Publicly Funded Sites that are sewer lines. Honeywell and the plaintiffs have reached a settlement for one group of properties (known as Study Area 6 South), and that settlement has been approved by the Court. The remedial actions regarding the settlements discussed above, which have also been approved by NJDEP, are consistent with our recorded reserves. Settlement negotiations are ongoing for the remaining sites (portions of what is known as Study Area 5) in the litigation.

Dundalk Marine Terminal, Baltimore—Chrome residue from legacy chrome plant operations in Baltimore was deposited as fill at the Dundalk Marine Terminal ("DMT"), which is owned and operated by the Maryland Port Administration ("MPA"). Honeywell and the MPA have been sharing costs to investigate and mitigate related environmental issues, and have entered into a cost sharing agreement under which Honeywell will bear 77 percent of the costs of developing and implementing permanent remedies for the DMT facility. The investigative phase is ongoing, after which the appropriate remedies will be identified and chosen. We have negotiated a Consent Decree with the MPA and Maryland Department of the Environment ("MDE") with respect to the investigation and remediation of the DMT facility. The Consent Decree is being challenged in federal court by BUILD, a Baltimore community group, together with a local church and two individuals (collectively "BUILD"). In October 2007, the Court dismissed with prejudice BUILD's state law claims and dismissed without prejudice BUILD's RCRA claims regarding neighborhoods near the DMT facility. In August 2008, the Court held a hearing on the Company's motion to dismiss BUILD's remaining claims on the grounds that MDE is diligently prosecuting the investigation and remediation of the DMT. We are awaiting the Court's decision. We do not believe that this matter will have a material adverse impact on our consolidated financial position or operating cash flows. Given the scope and complexity of this project, it is possible that the cost of remediation, when determinable, could have a material adverse impact on our results of operations in the periods recognized.

Onondaga Lake, Syracuse, NY—A predecessor company to Honeywell operated a chemical plant which is alleged to have contributed mercury and other contaminants to the Lake. In July 2005, the New York State Department of Environmental Conservation (the DEC) issued its Record of Decision (ROD) with respect to remediation of industrial contamination in the Lake. In January 2007, a Consent Decree was approved by the United States District Court for the Northern District of New York for the implementation of the combined dredging/capping remedy set forth in the ROD. We have accrued for our estimated cost of implementing the remedy set forth in the ROD based on current available information and analysis performed by our engineering consultants.

In December 2006, the United States Fish and Wildlife Service published notice of its intent to pursue natural resource damages related to the site. It is not possible to predict the outcome or timing of its assessments, which are typically lengthy processes lasting several years, or the amounts of or responsibility for these damages.

Honeywell is also conducting remedial investigations and activities at other sites in Syracuse, New York. We have recorded reserves for these investigations and activities where appropriate under the accounting policy described above.

Asbestos Matters

Like many other industrial companies, Honeywell is a defendant in personal injury actions related to asbestos. We did not mine or produce asbestos, nor did we make or sell insulation products or other construction materials that have been identified as the primary cause of asbestos related disease in the vast majority of claimants. Products containing asbestos previously manufactured by Honeywell or by previously owned subsidiaries primarily fall into two general categories: refractory products and friction products.

Refractory Products—Honeywell owned North American Refractories Company (NARCO) from 1979 to 1986. NARCO produced refractory products (high temperature bricks and cement) that were sold largely to the steel industry in the East and Midwest. Less than 2 percent of NARCO'S products contained asbestos.

When we sold the NARCO business in 1986, we agreed to indemnify NARCO with respect to personal injury claims for products that had been discontinued prior to the sale (as defined in the sale agreement). NARCO retained all liability for all other claims. On January 4, 2002, NARCO filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code.

As a result of the NARCO bankruptcy filing, all of the claims pending against NARCO are automatically stayed pending the reorganization of NARCO. In addition, the bankruptcy court enjoined both the filing and prosecution of NARCO-related asbestos claims against Honeywell. The stay has remained in effect continuously since January 4, 2002. In connection with NARCO's bankruptcy filing, we paid NARCO's parent company \$40 million and agreed to provide NARCO with up to \$20 million in financing. We also agreed to pay \$20 million to NARCO's parent company upon the filing of a plan of reorganization for NARCO acceptable to Honeywell (which amount was paid in December 2005 following the filing of NARCO's Third Amended Plan of Reorganization), and to pay NARCO's parent company \$40 million, and to forgive any outstanding NARCO indebtedness to Honeywell, upon the effective date of the plan of reorganization.

We believe that, as part of the NARCO plan of reorganization, a trust will be established for the benefit of all asbestos claimants, current and future, pursuant to Trust Distribution Procedures negotiated with the NARCO Asbestos Claimants Committee and the Court-appointed legal representative for future asbestos claimants. If the trust is put in place and approved by the Court as fair and equitable, Honeywell as well as NARCO will be entitled to a permanent channeling injunction barring all present and future individual actions in state or federal courts and requiring all asbestos related claims based on exposure to NARCO products to be made against the federally-supervised trust. Honeywell has reached agreement with the representative for future NARCO claimants and the Asbestos Claimants Committee to cap its annual contributions to the trust with respect to future claims at a level that would not have a material impact on Honeywell's operating cash flows.

In November 2007, the Bankruptcy Court entered an amended order confirming the NARCO Plan without modification and approving the 524(g) trust and channeling injunction in favor of NARCO and Honeywell. In December 2007, certain insurers filed an appeal of the Bankruptcy Court Order in the United States District Court for the Western District of Pennsylvania. The District Court affirmed the Bankruptcy Court Order in July 2008. In August 2008, insurers filed a notice of

appeal to the Third Circuit Court of Appeals. Oral arguments are scheduled for May 21, 2009. No assurances can be given as to the time frame or outcome of this appeal. We expect that the stay enjoining litigation against NARCO and Honeywell will remain in effect during the pendency of these proceedings.

Our consolidated financial statements reflect an estimated liability for settlement of pending and future NARCO-related asbestos claims as of March 31, 2009 and December 31, 2008 of \$1.1 billion. The estimated liability for pending claims is based on terms and conditions, including evidentiary requirements, in definitive agreements with approximately 260,000 current claimants, and an estimate of the unsettled claims pending as of the time NARCO filed for bankruptcy protection. Substantially all settlement payments with respect to current claims have been made. Approximately \$100 million of payments due pursuant to these settlements is due only upon establishment of the NARCO trust.

The estimated liability for future claims represents the estimated value of future asbestos related bodily injury claims expected to be asserted against NARCO through 2018 and the aforementioned obligations to NARCO's parent. In light of the uncertainties inherent in making long-term projections we do not believe that we have a reasonable basis for estimating asbestos claims beyond 2018 under SFAS No. 5, "Accounting for Contingencies". The estimate is based upon the disease criteria and payment values contained in the NARCO Trust Distribution Procedures negotiated with the NARCO Asbestos Claimants Committee and the NARCO future claimants' representative. Honeywell projected the probable number and value, including trust claim handling costs, of asbestos related future liabilities based upon experience of asbestos claims filing rates in the tort system and in certain operating asbestos trusts, and the claims experience in those forums. The valuation methodology also includes an analysis of the population likely to have been exposed to asbestos containing products, epidemiological studies to estimate the number of people likely to develop asbestos related diseases, NARCO claims filing history, the pending inventory of NARCO asbestos related claims and payment rates expected to be established by the NARCO trust. This methodology used to estimate the liability for future claims has been commonly accepted by numerous courts.

As of March 31, 2009 and December 31, 2008, our consolidated financial statements reflect an insurance receivable corresponding to the liability for settlement of pending and future NARCO-related asbestos claims of \$873 and \$877 million, respectively. This coverage reimburses Honeywell for portions of the costs incurred to settle NARCO related claims and court judgments as well as defense costs and is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. At March 31, 2009, a significant portion of this coverage is with insurance companies with whom we have agreements to pay full policy limits based on corresponding Honeywell claims costs. We conduct analyses to determine the amount of insurance that we estimate is probable of recovery in relation to payment of current and estimated future claims. While the substantial majority of our insurance carriers are solvent, some of our individual carriers are insolvent, which has been considered in our analysis of probable recoveries. We made judgments concerning insurance coverage that we believe are reasonable and consistent with our historical dealings with our insurers, our knowledge of any pertinent solvency issues surrounding insurers and various judicial determinations relevant to our insurance programs.

In the second quarter of 2006, Travelers Casualty and Insurance Company ("Travelers") filed a lawsuit against Honeywell and other insurance carriers in the Supreme Court of New York, County of New York, disputing obligations for NARCO-related asbestos claims under high excess insurance coverage issued by Travelers and other insurance carriers. Approximately \$340 million of coverage under these policies is included in our NARCO-related insurance receivable at March 31, 2009. Honeywell believes it is entitled to the coverage at issue and has filed counterclaims in the Superior Court of New Jersey seeking, among other things, declaratory relief with respect to this coverage. In the third quarter of 2007, Honeywell prevailed in the New York action on a critical choice of law issue

concerning the appropriate method of allocating NARCO-related asbestos liabilities to triggered policies. The trial court's ruling has been appealed and oral arguments are scheduled for May 14, 2009. Honeywell expects to prevail in this matter based upon (i) our understanding of relevant facts and applicable law, (ii) the terms of insurance policies at issue, (iii) our experience on matters of this nature, and (iv) the advice of counsel, and thus we believe that the amount due from Travelers and other insurance carriers (\$340 million at March 31, 2009) is probable of recovery. While Honeywell expects to prevail in this matter, an adverse outcome could have a material impact on our results of operations in the period recognized but would not be material to our consolidated financial position or operating cash flows.

Projecting future events is subject to many uncertainties that could cause the NARCO related asbestos liabilities or assets to be higher or lower than those projected and recorded. There is no assurance that the plan of reorganization will become final, that insurance recoveries will be timely or whether there will be any NARCO related asbestos claims beyond 2018. Given the inherent uncertainty in predicting future events, we review our estimates periodically, and update them based on our experience and other relevant factors. Similarly we will reevaluate our projections concerning our probable insurance recoveries in light of any changes to the projected liability or other developments that may impact insurance recoveries.

Friction Products—Honeywell's Bendix friction materials (Bendix) business manufactured automotive brake parts that contained chrysotile asbestos in an encapsulated form. Existing and potential claimants consist largely of individuals who allege exposure to asbestos from brakes from either performing or being in the vicinity of individuals who performed brake replacements.

From 1981 through March 31, 2009, we have resolved approximately 118,000 Bendix related asbestos claims. We had 127 trials resulting in favorable verdicts and 13 trials resulting in adverse verdicts. Two of these adverse verdicts were reversed on appeal, three claims were settled and the remaining have been or will be appealed. The following tables present information regarding Bendix related asbestos claims activity:

	Three Months Ended March 31, 2009	Year Ended December 31,	
		2008	2007
Claims Activity			
Claims Unresolved at the beginning of period	51,951	51,658	57,108
Claims Filed during the period	670	4,003	2,771
Claims Resolved during the period	(830)	(3,710)	(8,221)
Claims Unresolved at the end of period	51,791	51,951	51,658
Disease Distribution of Unresolved Claims			
	March 31, 2009	December 31,	
		2008	2007
Mesothelioma and Other Cancer Claims	5,736	5,575	5,011
Other Claims	46,055	46,376	46,647
Total Claims	51,791	51,951	51,658

Approximately 45 percent of the approximately 52,000 pending claims at March 31, 2009 are on the inactive, deferred, or similar dockets established in some jurisdictions for claimants who allege minimal or no impairment. The approximately 52,000 pending claims also include claims filed in jurisdictions such as Texas, Virginia, and Mississippi that historically allowed for consolidated filings. In these jurisdictions, plaintiffs were permitted to file complaints against a pre-determined master list of defendants, regardless of whether they have claims against each individual defendant. Many of these plaintiffs may not actually intend to assert claims against Honeywell. Based on state rules and prior experience in these jurisdictions, we anticipate that many of these claims will ultimately be dismissed.

Honeywell has experienced average resolution values per claim excluding legal costs as follows:

	Years Ended December 31,		
	2008	2007	2006
		(in whole dollars)	
Malignant claims	\$ 65,000	\$ 33,000	\$ 33,000
Nonmalignant claims	\$ 1,500	\$ 500	\$ 250

It is not possible to predict whether resolution values for Bendix related asbestos claims will increase, decrease or stabilize in the future.

Our consolidated financial statements reflect an estimated liability for resolution of pending and future Bendix related asbestos claims of \$588 and \$578 million at March 31, 2009 and December 31, 2008, respectively. The estimated liability for future claims represents the estimated value of future asbestos related bodily injury claims expected to be asserted against Bendix over the next five years. In light of the uncertainties inherent in making long-term projections, as well as certain factors unique to friction product asbestos claims, we do not believe that we have a reasonable basis for estimating asbestos claims beyond the next five years under SFAS No. 5, "Accounting for Contingencies". The estimate is based upon Bendix historical experience in the tort system for the three years ended December 31, 2008 with respect to claims filing and resolution values. The methodology used to estimate the liability for future claims has been commonly accepted by numerous courts. It is similar to that used to estimate the future NARCO related asbestos claims liability.

Honeywell currently has approximately \$1.9 billion of insurance coverage remaining with respect to pending and potential future Bendix related asbestos claims, of which \$165 and \$156 million are reflected as receivables in our consolidated balance sheet at March 31, 2009 and December 31, 2008, respectively. This coverage is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. Insurance receivables are recorded in the financial statements simultaneous with the recording of the liability for the estimated value of the underlying asbestos claims. The amount of the insurance receivable recorded is based on our ongoing analysis of the insurance that we estimate is probable of recovery. This determination is based on our analysis of the underlying insurance policies, our historical experience with our insurers, our ongoing review of the solvency of our insurers, our interpretation of judicial determinations relevant to our insurance programs, and our consideration of the impacts of any settlements reached with our insurers. Insurance receivables are also recorded when structured insurance settlements provide for future fixed payment streams that are not contingent upon future claims or other events. Such amounts are recorded at the net present value of the fixed payment stream.

On a cumulative historical basis, Honeywell has recorded insurance receivables equal to approximately 50 percent of the value of the underlying asbestos claims recorded. However, because there are gaps in our coverage due to insurance company insolvencies, certain uninsured periods, and insurance settlements, this rate is expected to decline for any future Bendix related asbestos liabilities that may be recorded. Future recoverability rates may also be impacted by numerous other factors, such as future insurance settlements, insolvencies and judicial determinations relevant to our coverage program, which are difficult to predict. Assuming continued defense and indemnity spending at current levels, we estimate that the cumulative recoverability rate could decline over the next five years to approximately 40 percent.

Honeywell believes it has sufficient insurance coverage and reserves to cover all pending Bendix related asbestos claims and Bendix related asbestos claims estimated to be filed within the next five years. Although it is impossible

to predict the outcome of either pending or future Bendix related asbestos claims, we do not believe that such claims would have a material adverse effect on our consolidated financial position in light of our insurance coverage and our prior experience in resolving such claims. If the rate and types of claims filed, the average resolution value of such claims and the period of time over which claim settlements are paid (collectively, the "Variable Claims Factors") do not substantially change, Honeywell would not expect future Bendix related asbestos claims to have a material adverse effect on our results of operations or operating cash flows in any fiscal year. No assurances can be given, however, that the Variable Claims Factors will not change.

The following tables summarize information concerning NARCO and Bendix asbestos related balances:

Asbestos Related Liabilities

	Three Months Ended March 31, 2009		
	Bendix	NARCO	Total
Beginning of period	\$ 578	\$ 1,131	\$ 1,709
Accrual for update to estimated liability	43	2	45
Asbestos related liability payments	(33)	—	(33)
End of period	<u>\$ 588</u>	<u>\$ 1,133</u>	<u>\$ 1,721</u>

Insurance Recoveries for Asbestos Related Liabilities

	Three Months Ended March 31, 2009		
	Bendix	NARCO	Total
Beginning of period	\$ 156	\$ 877	\$ 1,033
Probable insurance recoveries related to estimated liability	9	—	9
Insurance receipts for asbestos related liabilities	—	(4)	(4)
End of period	<u>\$ 165</u>	<u>\$ 873</u>	<u>\$ 1,038</u>

NARCO and Bendix asbestos related balances are included in the following balance sheet accounts:

	March 31, 2009	December 31, 2008
Other current assets	\$ 4	\$ 4
Insurance recoveries for asbestos related liabilities	1,034	1,029
	<u>\$ 1,038</u>	<u>\$ 1,033</u>
Accrued liabilities	\$ 171	\$ 171
Asbestos related liabilities	1,550	1,538
	<u>\$ 1,721</u>	<u>\$ 1,709</u>

Other Matters

We are subject to a number of other lawsuits, investigations and disputes (some of which involve substantial amounts claimed) arising out of the conduct of our business, including matters relating to commercial transactions, government contracts, product liability, prior acquisitions and divestitures, employee benefit plans, intellectual property, and health and safety matters. We recognize a liability for any contingency that is probable of occurrence and reasonably estimable. We continually assess the likelihood of adverse judgments of outcomes in these matters, as well as potential ranges of possible losses (taking into consideration any insurance recoveries), based on a careful analysis of each matter with the assistance of outside legal counsel and, if applicable, other experts. Included in these other matters are the following:

Allen, et al. v. Honeywell Retirement Earnings Plan—Pursuant to a settlement approved by the U.S. District Court for the District of Arizona in February 2008,

18 of 21 claims alleged by plaintiffs in this class action lawsuit were dismissed with prejudice in exchange for approximately \$35 million and the maximum aggregate liability for the remaining three claims (alleging that Honeywell impermissibly reduced the pension benefits of certain employees of a predecessor entity when the plan was amended in 1983 and failed to calculate benefits in accordance with the terms of the plan) was capped at \$500 million. Any amounts payable, including the settlement amount, have or will be paid from the Company's pension plan. We continue to expect to prevail on the remaining claims in light of applicable law and our substantial affirmative defenses, which have not yet been considered by the Court. Accordingly, we do not believe that a liability is probable of occurrence and reasonably estimable with respect to these claims and we have not recorded a provision for the remaining claims in our financial statements.

Quick Lube—On March 31, 2008, S&E Quick Lube, a filter distributor, filed suit in U.S. District Court for the District of Connecticut alleging that twelve filter manufacturers, including Honeywell, engaged in a conspiracy to fix prices, rig bids and allocate U.S. customers for aftermarket automotive filters. This suit is a purported class action on behalf of direct purchasers of filters from the defendants. Parallel purported class actions, including on behalf of indirect purchasers of filters, have been filed by other plaintiffs in a variety of jurisdictions in the United States and Canada. The U.S. cases have been consolidated into a single multi-district litigation in the Northern District of Illinois. We intend to vigorously defend the claims raised in these actions. The Antitrust Division of the Department of Justice (DOJ) is also investigating the allegations raised in these suits. We are fully cooperating with the DOJ investigation.

Given the uncertainty inherent in litigation and investigations (including the specific matters referenced above), we do not believe it is possible to develop estimates of reasonably possible loss in excess of current accruals for these matters. Considering our past experience and existing accruals, we do not expect the outcome of these matters, either individually or in the aggregate, to have a material adverse effect on our consolidated financial position. Because most contingencies are resolved over long periods of time, potential liabilities are subject to change due to new developments, changes in settlement strategy or the impact of evidentiary requirements, which could cause us to pay damage awards or settlements (or become subject to equitable remedies) that could have a material adverse effect on our results of operations or operating cash flows in the periods recognized or paid.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareowners
of Honeywell International Inc.:

We have reviewed the accompanying consolidated balance sheet of Honeywell International Inc. and its subsidiaries as of March 31, 2009, and the related consolidated statement of operations for each of the three-month periods ended March 31, 2009 and 2008 and the consolidated statement of cash flows for the three-month periods ended March 31, 2009 and 2008. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2008, and the related consolidated statements of operations, of shareowners' equity and of cash flows for the year then ended (not presented herein), and in our report dated February 12, 2009, we expressed an unqualified opinion on those consolidated financial statements. As discussed in Note 2 to the accompanying consolidated financial statements, the Company adopted FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements. The accompanying December 31, 2008 consolidated balance sheet reflects this change.

/s/ PricewaterhouseCoopers LLP
Florham Park, New Jersey
April 23, 2009

The "Report of Independent Registered Public Accounting Firm" included above is not a "report" or "part of a Registration Statement" prepared or certified by an independent accountant within the meanings of Sections 7 and 11 of the Securities Act of 1933, and the accountants' Section 11 liability does not extend to such report.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)
(Dollars in millions, except per share amounts)

The following MD&A is intended to help the reader understand the results of operations and financial condition of Honeywell International Inc. ("Honeywell") for the first quarter ended March 31, 2009. The financial information as of March 31, 2009 should be read in conjunction with the financial statements for the year ended December 31, 2008 contained in our Form 10-K filed on February 13, 2009.

A. RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2009 COMPARED WITH THREE MONTHS ENDED MARCH 31, 2008

Net Sales

	Three Months Ended March 31,	
	2009	2008
Net sales	\$ 7,570	\$ 8,895
% change compared with prior period	(15)%	

The decrease in net sales in the first quarter of 2009 compared with the first quarter of 2008 is attributable to the following:

Volume	(11)%
Foreign Exchange	(5)
Price	—
Acquisitions/Divestitures	1
	(15)%

We estimate that our sales in the first quarter of 2009 compared to the first quarter of 2008 include an approximate 4 percent benefit from additional reporting days in the current year period resulting from our normal quarterly closing procedures. See Note 1 to Financial Statements for further discussion. A discussion of net sales by segment can be found in the Review of Business Segments section of this MD&A.

Cost of Products and Services Sold

	Three Months Ended March 31,	
	2009	2008
Cost of products and services sold	\$ 5,756	\$ 6,672
Gross Margin percentage	24.0%	25.0%

Gross margin percentage decreased by 1.0 percentage point in the first quarter of 2009 compared with the first quarter of 2008 primarily due to lower margins in our Transportation Systems and Specialty Materials segments and higher pension and other postretirement expense, partially offset by lower repositioning charges and a benefit from reduced incentive compensation payments.

For further discussion of segment results see "Review of Business Segments".

Selling, General and Administrative Expenses

	Three Months Ended March 31,	
	2009	2008
Selling, general and administrative expenses	\$ 1,152	\$ 1,255
Percent of sales	15.2%	14.1%

Selling, general and administrative expenses as a percentage of sales increased by 1.1 percentage points in the first quarter of 2009 compared with the first quarter of 2008 primarily due to lower sales volumes, partially offset by the benefits of cost savings initiatives in each of our segments resulting in a \$103 million decrease in selling and general and administrative expense compared to the prior year period.

Other (Income) Expense

	Three Months Ended March 31,	
	2009	2008
Equity (income)/loss of affiliated companies	\$ (6)	\$ (16)
Interest income	(12)	(25)
Foreign exchange	22	11
Other (net)	(2)	4
	<u>\$ 2</u>	<u>\$ (26)</u>

Other expense of \$2 million in the first quarter of 2009 compared with Other income of \$26 the first quarter of 2008 is primarily due to lower interest income (primarily due to lower interest rates), lower income from equity method investments (mainly in our Specialty Material segment) and higher foreign exchange losses.

Interest and Other Financial Charges

	Three Months Ended March 31,	
	2009	2008
Interest and other financial charges	\$ 117	\$ 115
% change compared with prior period	2%	

Interest and other financial charges increased by \$2 million in the first quarter of 2009 compared with the first quarter of 2008, primarily due to higher debt balances, partially offset by lower borrowing costs.

Tax Expense

	Three Months Ended March 31,	
	2009	2008
Tax expense	\$ 144	\$ 232
Effective tax rate	26.5%	26.4%

The effective tax rate in the first quarter of 2009 increased 0.1 percent compared to the first quarter of 2008 due to a decreased impact of favorable settlements with the taxing authorities.

The effective tax rate was lower than the statutory rate of 35 percent due, in part, to foreign earnings taxed at lower tax rates and benefits from the domestic manufacturing deduction and research & development tax credits.

Net Income Attributable to Honeywell

	Three Months Ended March 31,	
	2009	2008
Net income attributable to Honeywell	\$ 397	\$ 643
Earnings per share of common stock – assuming dilution	\$ 0.54	\$ 0.85

Earnings per share of common stock – assuming dilution decreased by \$0.31 per share in the first quarter of 2009 compared with the first quarter of 2008 primarily due primarily to lower segment profit (most significantly in Transportation Systems and Specialty Materials) and higher pension and other postretirement expense, partially offset by decreased repositioning and environmental charges.

Review of Business Segments

	Three Months Ended March 31,	
	2009	2008
<u>Net Sales</u>		
Aerospace	\$ 2,759	\$ 3,030
Automation and Control Solutions	3,001	3,180
Specialty Materials	1,054	1,409
Transportation Systems	756	1,276
Corporate	—	—
	<u>\$ 7,570</u>	<u>\$ 8,895</u>
<u>Segment Profit</u>		
Aerospace	\$ 488	\$ 563
Automation and Control Solutions	311	328
Specialty Materials	125	265
Transportation Systems	(3)	149
Corporate	(45)	(56)
	<u>876</u>	<u>1,249</u>
Other income (expense) (A)	(8)	10
Interest and other financial charges	(117)	(115)
Stock compensation expense (B)	(42)	(41)
Pension and other postretirement expense (B)	(55)	(27)
Repositioning and other charges (B)	(111)	(197)
	<u>Income before taxes</u>	<u>\$ 543</u>
		<u>\$ 879</u>

(A) Equity income/(loss) of affiliated companies is included in Segment Profit.

(B) Amounts included in cost of products and services sold and selling, general and administrative expenses.

Aerospace

	Three Months Ended March 31,	
	2009	2008
Net sales	\$ 2,759	\$ 3,030
% change compared with prior period	(9)%	
Segment profit	\$ 488	\$ 563
% change compared with prior period	(13)%	

Aerospace sales by major customer end-markets for the first quarter ended March 31, 2009 and 2008 were as follows:

Customer End-Markets	Three Months Ended March 31,		
	% of Aerospace Sales	% Changes in Sales	
	2009	2008	2009 Versus 2008
Commercial:			
Air transport and regional original equipment	14%	17%	(24%)
Air transport and regional aftermarket	22	22	(11)
Business and general aviation original equipment	11	11	(14)
Business and general aviation aftermarket	8	10	(25)
Defense and Space	45	40	4
Total	100%	100%	(9%)

Aerospace sales decreased by 9 percent in the first quarter of 2009 compared with the first quarter of 2008 (including a partial offset due to the impact of additional reporting days in the current quarter). We continue to see softness in the commercial end-markets, partially offset by growth in defense and space. Further details regarding the decrease in sales by customer end-markets are as follows:

- Air transport and regional original equipment (OE) sales decreased by 24 percent driven primarily by the divestiture of the Consumer Solutions business. Excluding the divestiture, sales in the quarter to our OE customers were flat consistent with production rates.
- Air transport and regional aftermarket sales decreased by 11 percent primarily as a result of decreased sales of spare parts and lower maintenance activity driven by decreased flying hours of approximately 4.5% coupled with the impact of higher parked aircraft part utilization and changes in customer buying behavior to reduce inventory levels. The 2009 decline in flight hours is expected to be larger than previously anticipated.
- Business and general aviation OE sales decreased by 14 percent due to the expected decrease in new business jet deliveries with fewer additions to the fractional ownership and charter fleets. We expect to experience an increase in the rescheduling and cancellation of deliveries by OE customers over the remainder of 2009.

- Business and general aviation aftermarket sales decreased by 25 percent primarily due to decreased sales of spare parts and lower revenue associated with maintenance service agreements consistent with the expected decrease in business jet utilization.
- Defense and space sales increased by 4 percent, primarily due to higher sales of certain logistics services and helicopter OE sales, partially offset by reduced demand for missiles and surface systems.

Aerospace segment profit decreased by 13 percent in the first quarter of 2009 compared with the first quarter of 2008 primarily due to lower sales as a result of the factors discussed above and inflation partially offset by productivity (including a benefit from reduced incentive compensation payments) and increased prices.

Automation and Control Solutions

	Three Months Ended March 31,	
	2009	2008
Net sales	\$ 3,001	\$ 3,180
% change compared with prior period	(6)%	
Segment profit	\$ 311	\$ 328
% change compared with prior period	(5)%	

Automation and Control Solutions (“ACS”) sales decreased by 6 percent in the first quarter of 2009 compared with the first quarter of 2008, including an unfavorable impact of foreign exchange of 9 percent, and decreased sales volume (reflecting slower global economic growth) partially offset by a 7 percent growth from acquisitions and the impact of additional reporting days in the current quarter.

- Sales in our Products businesses decreased by 5 percent, including (i) lower volume of sales most significantly of security, sensing and control, and environmental and combustion control products and (ii) the unfavorable impact of foreign exchange. Softness in key product end-markets, including residential construction and transportation, were partially offset by the positive impact of acquisitions, most significantly Norcross Safety Products and Metrologic Instruments.
- Sales in our Solutions businesses decreased by 6 percent driven by the unfavorable impact of foreign exchange partially offset by volume increases, most notably due to strong conversion to sales from our energy project order backlog. Additionally, we are monitoring our long-cycle solutions businesses for signs of softening demand. Orders and backlog decreased in the first quarter primarily due to the unfavorable impact of foreign exchange and order delays.

ACS segment profit decreased by 5 percent in the first quarter of 2009 compared with the first quarter of 2008. This decrease is due principally to lower sales as a result of the factors discussed above and inflation, partially offset by price and productivity driven by cost savings initiatives.

Specialty Materials

	Three Months Ended March 31,	
	2009	2008
Net sales	\$ 1,054	\$ 1,409
% change compared with prior period	(25)%	
Segment profit	\$ 125	\$ 265
% change compared with prior period	(53)%	

Specialty Materials sales decreased by 25 percent in the first quarter of 2009 compared with the first quarter of 2008 driven by (i) a 27 percent decrease in our UOP business due to lower volume of catalyst sales and a decline in its projects business principally from lower demand in the refining and petrochemical industries and lower license revenue, (ii) a 35 percent decrease in our Resins and Chemicals business due to substantial price declines (most significantly the result of formula pricing arrangements), (iii) a 24 percent decrease in our specialty products business most significantly due to continued demand softness in the semi-conductor industry, and (iv) a 10 percent decrease in our fluorine products business primarily due to lower volume sales of refrigerants and insulating materials, partially offset by pricing increases. We expect these factors to continue during the second quarter of 2009.

Specialty Materials segment profit decreased by 53 percent in the first quarter of 2009 compared with the first quarter of 2008. This decrease is due principally to lower sales as a result of the factors discussed above, partially offset by lower raw material costs and the positive impact of cost savings initiatives.

Transportation Systems

	Three Months Ended March 31,	
	2009	2008
Net sales	\$ 756	\$ 1,276
% change compared with prior period	(41)%	
Segment profit	\$ (3)	\$ 149
% change compared with prior period	(102)%	

Transportation Systems sales decreased by 41 percent in the first quarter of 2009 compared with the first quarter of 2008, primarily due to lower volumes and the negative impact of foreign exchange.

- Turbo Technologies sales decreased by 53 percent primarily due to the ongoing challenging global automotive industry conditions, impacting sales to both our commercial and light vehicle engine manufacturing customers, and the unfavorable impact of foreign exchange. We continue to see a shift in consumer preference towards lower displacement engines (evidenced by a decline in diesel penetration rates in Western Europe), as well as the delay of platform launches.
- Consumer Products Group sales decreased by 3 percent primarily due to lower prices (primarily to pass through ethylene glycol cost decreases) and the unfavorable impact of foreign exchange.
- Friction Materials sales decreased by 35 percent primarily due to continued product volume sales declines driven by ongoing challenging global automotive industry conditions and the unfavorable impact of foreign exchange.

Transportation Systems segment profit decreased by 102 percent in the first quarter of 2009 compared with the first quarter of 2008 due principally to lower sales volume as a result of the factors discussed above partially offset by increased productivity driven by cost savings initiatives.

Repositioning and Other Charges

See Note 3 of Notes to Financial Statements for a discussion of repositioning and other charges incurred in the three months ended March 31, 2009 and 2008. Our repositioning actions are expected to generate incremental pretax savings of approximately \$200 million in 2009 compared with 2008 principally from planned workforce reductions. Cash expenditures for severance and other exit costs necessary to execute these actions were \$59 million in the first three months of 2009 and were funded through operating cash flows. Cash expenditures for severance and other costs necessary to execute the remaining actions will be approximately \$250 million in 2009 and will be funded through operating cash flows.

B. LIQUIDITY AND CAPITAL RESOURCES

Cash Flow Summary

Our cash flows from operating, investing and financing activities, as reflected in the Consolidated Statement of Cash Flows for the three months ended March 31, 2009 and 2008, are summarized as follows:

	<u>2009</u>	<u>2008</u>
Cash provided by (used for):		
Operating activities	\$ 341	\$ 721
Investing activities	(126)	(189)
Financing activities	(150)	(188)
Effect of exchange rate changes on cash	(78)	61
Net (decrease) increase in cash and cash equivalents	<u>\$ (13)</u>	<u>\$ 405</u>

Cash provided by operating activities decreased by \$380 million during the first three months of 2009 compared with the first three months of 2008 primarily due to decreased earnings, lower receipts from the sale of insurance receivables of \$82 million, partially offset by a decrease in working capital of \$259 million (lower accounts and other receivables and inventory, partially offset by lower accounts payable) and lower cash taxes of \$206 million.

Cash used for investing activities decreased by \$63 million during the first three months of 2009 compared with the first three months of 2008 due primarily to decreased expenditures for property, plant, and equipment of \$41 million and a \$35 million decrease in cash paid for acquisitions.

Cash used for financing activities decreased by \$38 million during the first three months of 2009 compared with the first three months of 2008 primarily due to a decrease in repurchases of common stock of \$441 million partially offset by a decrease in net proceeds from debt (including commercial paper) of \$329 million and a decrease in proceeds from issuance of common stock primarily related to stock option exercises of \$47 million.

Liquidity

The Company continues to manage its businesses to maximize operating cash flows as the primary source of liquidity. In addition to our available cash and operating cash flows, additional sources of liquidity include committed credit lines, short-term debt from the commercial paper market, long-term borrowings, access to the public debt and equity markets as well as the ability to sell trade accounts receivables. We continue to balance our cash and financing uses through investment in our existing core businesses, acquisition activity, share repurchases and dividends.

We continuously assess the relative strength of each business in our portfolio as to strategic fit, market position, profit and cash flow contribution in order to upgrade our combined portfolio and identify business units that will most benefit from increased investment. We identify acquisition candidates that will further our strategic plan and strengthen our existing core businesses. We also identify business units that do not fit into our long-term strategic plan based on their market position, relative profitability or growth potential. These business units are considered for potential divestiture, restructuring or other repositioning actions subject to regulatory constraints.

We plan to make voluntary contributions of Honeywell common stock to our U.S. pension plans in 2009 totaling approximately \$800 million to improve the funded status of our plans, of which \$200 million was contributed in the quarter ended March 31, 2009.

In February 2009, the Company issued \$600 million 3.875% Senior Notes due 2014 and \$900 million 5.00% Senior Notes due 2019 (collectively, the "2009 Senior Notes"). The 2009 Senior Notes are senior unsecured and unsubordinated obligations of Honeywell and rank equally with all of Honeywell's existing and future senior unsecured debt and senior to all of Honeywell's subordinated debt. The offering resulted in gross proceeds of \$1.5 billion, offset by \$12 million in discount and issuance costs. Proceeds from the Senior Notes were used to repay outstanding commercial paper.

Current global economic conditions or the current tightening of credit could adversely affect our customers' or suppliers' ability to obtain financing, particularly in our long cycle businesses and airline and automotive end markets. Customer or supplier bankruptcies, delays in their ability to obtain financing, or the unavailability of financing could adversely affect our cash flow or results of operations. To date we have not experienced material impacts from customer or supplier bankruptcy or liquidity issues. We continue to monitor and take measures to limit our exposures.

C. OTHER MATTERS

Litigation

We are subject to a number of lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of our business. See a discussion of environmental, asbestos and other litigation matters in Note 14 of Notes to Financial Statements.

Critical Accounting Policies

The financial information as of March 31, 2009 should be read in conjunction with the financial statements for the year ended December 31, 2008 contained in our Form 10-K filed on February 13, 2009.

For a discussion of the Company's critical accounting policies, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K filed on February 13, 2009.

Recent Accounting Pronouncements

See Note 2 of Notes to Financial Statements for a discussion of recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See our 2008 Annual Report on Form 10-K (Item 7A). As of March 31, 2009, there has been no material change in this information.

ITEM 4. CONTROLS AND PROCEDURES

Honeywell management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that such disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q to ensure information required to be disclosed in the reports that Honeywell files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that it is accumulated and communicated to our management, including our CEO, our CFO, and our Controller, as appropriate, to allow timely decisions regarding required disclosure. There have been no changes that have materially affected, or are reasonably likely to materially affect, Honeywell's internal control over financial reporting that have occurred during the period covered by this Quarterly Report on Form 10-Q.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

General Legal Matters

We are subject to a number of lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of our business. See a discussion of environmental, asbestos and other litigation matters in Note 14 of Notes to Financial Statements.

Environmental Matters Involving Potential Monetary Sanctions in Excess of \$100,000

As previously reported, three incidents occurred during 2003 at Honeywell's Baton Rouge, Louisiana chemical plant, including a release of chlorine, a release of antimony pentachloride (which resulted in an employee fatality), and an employee exposure to hydrofluoric acid. Also as previously reported, criminal allegations in these matters were resolved in a misdemeanor plea agreement with the United States Department of Justice and civil matters have been resolved with the Louisiana Department of Environmental Quality. The United States Department of Justice has now determined to seek civil penalties for these matters. Negotiations are underway to resolve these claims.

- (a) Exhibits. See the Exhibit Index on page 43 of this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 24, 2009

Honeywell International Inc.

By: /s/ Talia M. Griep _____

Talia M. Griep
Vice President and Controller
(on behalf of the Registrant
and as the Registrant's
Principal Accounting Officer)

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
2	Omitted (Inapplicable)
3	Omitted (Inapplicable)
4	Omitted (Inapplicable)
10.1*	2006 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Restricted Unit Agreement (filed herewith)
10.2*	2006 Stock Incentive Plan of Honeywell International Inc. and its Affiliates – Form of Stock Option Award Agreement (filed herewith)
11	Computation of Per Share Earnings (1)
12	Computation of Ratio of Earnings to Fixed Charges (filed herewith)
15	Independent Accountants' Acknowledgment Letter as to the incorporation of their report relating to unaudited interim financial statements (filed herewith)
18	Omitted (Inapplicable)
19	Omitted (Inapplicable)
22	Omitted (Inapplicable)
23	Omitted (Inapplicable)
24	Omitted (Inapplicable)
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
99	Omitted (Inapplicable)

* The Exhibits identified above with an asterisk (*) are management contracts or compensatory plans or arrangements.

(1) Data required by Statement of Financial Accounting Standards No. 128, "Earnings per Share", is provided in Note 5 to the consolidated financial statements in this report.

**2006 Stock Incentive Plan
of Honeywell International Inc. and its Affiliates**

RESTRICTED UNIT AGREEMENT

RESTRICTED UNIT AGREEMENT made in Morris Township, New Jersey, as of the [DAY] day of [MONTH, YEAR] (the "Date of Grant"), between Honeywell International Inc. (the "Company") and [EMPLOYEE NAME] (the "Employee").

1. **Grant of Award.** The Company has granted you [NUMBER] Restricted Units, subject to the provisions of this Agreement and the 2006 Stock Incentive Plan of Honeywell International Inc. and its Affiliates (the "Plan"). The Company will hold the Restricted Units in a bookkeeping account on your behalf until they become payable or are forfeited or cancelled.
2. **Payment Amount.** Each Restricted Unit [and Additional Restricted Unit] represents one (1) Share of Common Stock.
3. **Vesting.** Except in the event of your Termination of Employment due to Full Retirement, death or Disability, or the occurrence of a Change in Control, or as otherwise provided in this Agreement, the restrictions on the Restricted Units [and Additional Restricted Units] will lapse as follows: [VESTING PROVISIONS CONSISTENT WITH THE PLAN].

[Fractional Units will accumulate until all such Units equal at least 1.0. The fractional Units equal to 1.0 will vest on the vesting date described above. Any fractional Units remaining on the vesting date will vest and be paid in cash.]

Your vested right will be calculated on the earliest of (a) the relevant anniversary of the Award Date, (b) upon your Termination of Employment, other than by reason of your Full Retirement, death, Disability, or (c) upon your Termination of Employment due to your Full Retirement, death or Disability, or the occurrence of a Change in Control. No partial credit will be given for partial years of employment.

4. **Form and Timing of Payment.** Vested Restricted Units will be redeemed solely for Shares. [FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: Except as otherwise determined by the Management Development and Compensation Committee (the "Committee"), in its sole discretion, vested Additional Restricted Units will be redeemed solely for Shares.] [Subject to a deferral election made pursuant to Section 6,] payment on vested Restricted Units [and Additional Restricted Units] will be made as soon as practicable following the lapse of the restrictions on the Restricted Units [and Additional Restricted Units] but in no event later than two and one-half (2-1/2) months following the end of the calendar year in which the restrictions lapse. Any fractional Shares will be paid in cash. [FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: You cannot defer payment of the Restricted Units [or Additional Restricted Units]].
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5. [FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: **Dividend Equivalents.** Except as otherwise determined by the Committee, in its sole discretion, you will earn Dividend Equivalents in an amount equal to the value of any cash or stock dividends paid by the Company upon one Share of Common Stock for each unvested Restricted Unit or Additional Restricted Unit (as defined below) credited to your bookkeeping account on a dividend record date. In the case of cash dividends, the Company shall credit to your bookkeeping account, on each dividend payment date, an additional number of Restricted Units ("Additional Restricted Units") equal to (a) divided by (b), where (a) equals the total number of unvested Restricted Units and Additional Restricted Units, if any, subject to this Agreement on such date multiplied by the dollar amount of the cash dividend paid per Share of Common Stock on such date, and (b) equals the Fair Market Value of a Share on such date. If a dividend is paid to holders of Common Stock in Shares, the Company shall credit to you, on each dividend payment date, Additional Restricted Units equal to the total number of unvested Restricted Units and Additional Restricted Units subject to this Agreement on such date multiplied by the Share dividend paid per Share of Common Stock on such date. Additional Restricted Units are subject to the same restrictions, including but not limited to vesting (except with respect to certain Additional Restricted Units representing fractional Units), transferability and payment restrictions, that apply to the Restricted Units to which they relate.]
6. [FOLLOWING INCLUDED AT COMMITTEE'S DISCRETION: **Deferral of Payment.** If you would like to defer payment on the Restricted Units [and related Additional Restricted Units], you may do so in writing on the deferral form provided with this grant setting forth your desired payment schedule. The deferral will not be permitted if, within the determination of the Company, such deferral would result in a violation of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder. If the deferral is not permitted, then payment will be made as provided in Section 4. [All whole shares of Additional Restricted Units will be subject to the same deferral restrictions as the Restricted Units to which they relate.] Except as otherwise determined by the Committee, Dividend Equivalents credited on deferred Restricted Units [and deferred Additional Restricted Units] will be paid in cash as soon as practicable following the date such Dividend Equivalents are credited but in no event later than 2-1/2 months following the end of the year in which the Dividend Equivalents vest. You cannot defer payment of Dividend Equivalents (or earnings thereon) credited under this Section 6.]
7. **Termination of Employment.** Any Restricted Units [and Additional Restricted Units] that have not vested as of your Termination of Employment, other than by reason of your Full Retirement, death or Disability, or a Change in Control, will immediately be forfeited, and your rights with respect to these Restricted Units [and Additional Restricted Units] will end. For purposes of this Agreement, if your employment is terminated under circumstances that entitle you to severance benefits under a severance plan of the Company or an Affiliate in which you participate, "Termination of Employment" refers to the date immediately prior to the date

severance benefits become payable under the terms of the severance plan. If your employment is terminated under any other circumstances and you are not entitled to severance benefits under a severance plan of the Company or an Affiliate, "Termination of Employment" refers to the last day you actively perform services for the Company and its Affiliates.

- 8. Retirement, Death or Disability.** If your Termination of Employment occurs because of your death or Disability, any vesting restrictions on Restricted Units [and Additional Restricted Units] will lapse, and payment will be made in accordance with Section 4. If you are deceased, the Company will make a payment to your estate only after the Committee has determined that the payee is the duly appointed executor or administrator of your estate.

If your Termination of Employment occurs solely because of your Full Retirement, you will receive a pro-rata payment of unvested Restricted Units [and related Additional Restricted Units] equal to the product of (a) times (b), minus (c), where (a) equals the total number of Restricted Units set forth in Section 1 above [plus the total number of Additional Restricted Units (both vested and unvested) credited to you as of your Termination of Employment], (b) equals the ratio of your complete years of service as an employee of the Company or its Affiliates between the Date of Grant and your Termination of Employment, and the number of complete years of service required under this Agreement to be fully vested in all Restricted Units [and Additional Restricted Units], and (c) equals the number of Restricted Units [and Additional Restricted Units] that vested before your Termination of Employment.

Payment will be made in accordance with Section 4.

- 9. Change in Control.** In the event of a Change in Control, any restrictions on Restricted Units [and Additional Restricted Units] that have not lapsed or terminated as of the date of Change in Control will immediately lapse. No later than the earlier of 90 days after the date of Change in Control or two and one-half months after the end of the calendar year in which the Change in Control occurs, you will receive for the Restricted Units [and Additional Restricted Units] a single payment in cash equal to the product of the number of outstanding Restricted Units [and Additional Restricted Units] as of the date of the Change in Control (including any Restricted Units [and Additional Restricted Units] that vest pursuant to this Section 9) and a multiplication factor, as set forth in the Plan.
- 10. Withholdings.** The Company or your local employer shall have the power and the right to deduct or withhold, or require you to remit to the Company or to your local employer, prior to any issuance or delivery of Shares on Restricted Units, an amount sufficient to satisfy taxes imposed under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gain taxes, transfer taxes, and social security contributions, and National Insurance Contributions, that are required by law to be withheld as determined by the Company or your local employer.

- 11. Transfer of Award.** You may not transfer the Restricted Units, [Additional Restricted Units] or any interest in such Units except by will or the laws of descent and distribution or except as permitted by the Committee and as specified in the Plan. Any other attempt to dispose of your interest will be null and void.
- 12. Forfeiture of Awards.**
- (a) By accepting the Award, you expressly agree and acknowledge that the forfeiture provisions of subparagraph (b) will apply if, from the Date of Grant of these Restricted Units until the date that is twenty-four (24) months after your Termination of Employment, for any reason, you enter into an employment or consultation agreement or arrangement (including any arrangement for service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business in which the Company or any Affiliate is engaged if the business is competitive (in the sole judgment of the Committee) with the Company or an Affiliate and the Committee has not approved the agreement or arrangement in writing.
- (b) If the Committee determines, in its sole judgment, that you have engaged in an act that violates subparagraph (a) prior to the 24-month anniversary of your Termination of Employment, your outstanding Restricted Units [and Additional Restricted Units] will immediately be rescinded, and you will forfeit any rights you have with respect to these Restricted Units [and Additional Restricted Units] as of the date of the Committee's determination. In addition, you hereby agree and promise immediately to deliver to the Company, Shares equal in value to the amount of any Restricted Units [and Additional Restricted Units] you received payment for during the period beginning six (6) months prior to your Termination of Employment and ending on the date of the Committee's determination.
- 13. Restrictions on Payment of Shares.** Payment of Shares for your Restricted Units [and Additional Restricted Units] is subject to the conditions that, to the extent required at the time of exercise, (a) the Shares underlying the Restricted Units [and Additional Restricted Units] will be duly listed, upon official notice of redemption, upon the New York Stock Exchange, and (b) a Registration Statement under the Securities Act of 1933 with respect to the Shares will be effective. The Company will not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel for the Company.
- 14. Adjustments.** Any adjustments to the Restricted Units [and Additional Restricted Units] will be governed by Section 5.3 of the Plan.
- 15. Disposition of Securities.** By accepting the Award, you acknowledge that you have read and understand the Company's policy, and are aware of and understand your obligations under applicable securities laws in respect of trading in the Company's

securities. The Company will have the right to recover, or receive reimbursement for, any compensation or profit you realize on the disposition of Shares received for Restricted Units [or Additional Restricted Units] to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

16. Plan Terms Govern. The vesting and redemption of Restricted Units [or Additional Restricted Units], the disposition of any Shares received for Restricted Units [or Additional Restricted Units], the treatment of gain on the disposition of these Shares, and the treatment of Dividend Equivalents are subject to the provisions of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the Plan will control. By accepting the Award, you acknowledge that the Plan and the Plan prospectus, as in effect on the date of this Agreement, have been made available to you for your review.

17. Personal Data.

- (a) By entering into this Agreement, and as a condition of the grant of the Restricted Units, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.
- (b) You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company, details of all restricted units or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan (“Data”).
- (c) You further understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of restricted units or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.
- (d) You further understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of the your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan (“Data Recipients”).

- (e) You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.
- (f) You understand that you may show your opposition to the processing and transfer of your Data, and, may at any time, review the Data, request that any necessary amendments be made to it, or withdraw your consent herein in writing by contacting the Company. You further understand that withdrawing consent may affect your ability to participate in the Plan.

18. Discretionary Nature and Acceptance of Award. By accepting this Award, you agree to be bound by the terms of this Agreement and acknowledge that:

- (a) The Company (and not your local employer) is granting your Restricted Units [and Additional Restricted Units]. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
- (b) The Company may administer the Plan from outside your country of residence and United States law will govern all Restricted Units [and Additional Restricted Units] granted under the Plan.
- (c) Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
- (d) The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.
- (e) The grant of Restricted Units [and Additional Restricted Units] hereunder, and any future grant of Restricted Units [or Additional Restricted Units] under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Restricted Units, [the Additional Restricted Units] nor any future grant

by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.

- (f) The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- (g) Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

19. Limitations. Nothing in this Agreement or the Plan gives you any right to continue in the employ of the Company or any of its Affiliates or to interfere in any way with the right of the Company or any Affiliate to terminate your employment at any time. Payment of your Restricted Units [and Additional Restricted Units] is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of this Award or the account established on your behalf. You have no rights as a shareowner of the Company pursuant to the Restricted Units [or Additional Restricted Units] until Shares are actually delivered to you.

20. Incorporation of Other Agreements. This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Restricted Units. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Restricted Units [and the Additional Restricted Units].

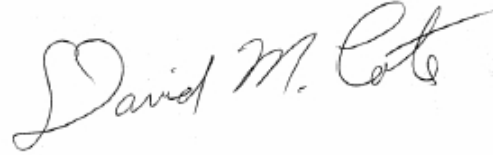
21. Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the other provisions of the Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.

22. Agreement Changes. The Company reserves the right to change the terms of this Agreement and the Plan without your consent to the extent necessary or desirable to comply with the requirements of Code section 409A, the Treasury regulations and other guidance thereunder.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by the facsimile signature of its Chairman of the Board and Chief Executive Officer as of the day and year first above written. By consenting to this Agreement, you agree to the following: (i) you have carefully read, fully understand and agree to all of the terms and

conditions described in this Agreement, the Plan and the Plan's prospectus; and (ii) you understand and agree that this Agreement and the Plan constitute the entire understanding between you and the Company regarding the Award, and that any prior agreements, commitments or negotiations concerning the Restricted Units are replaced and superseded. You must accept this Award by signing the Agreement below and, by signing this Agreement, you will be deemed to consent to the application of the terms and conditions set forth in this Agreement and the Plan. If you do not wish to accept this Award, you must contact Honeywell International Inc., Executive Compensation/AB-1D, 101 Columbia Road, Morristown, NJ 07962 in writing within thirty (30) days of the date of this Agreement.

Honeywell International Inc.



By: David M. Cote
Chairman of the Board and
Chief Executive Officer

I Accept:

Signature

Date

**2006 Stock Incentive Plan
of Honeywell International Inc. and its Affiliates**

STOCK OPTION AWARD AGREEMENT

STOCK OPTION AWARD AGREEMENT made in Morris Township, New Jersey, as of the [DAY] day of [MONTH, YEAR] (the "Date of Grant"), between Honeywell International Inc. (the "Company") and [EMPLOYEE NAME] (the "Employee").

- 1. Grant of Option.** The Company has granted you an Option to purchase [NUMBER] Shares of Common Stock, subject to the provisions of this Agreement and the 2006 Stock Incentive Plan for Employees of Honeywell International Inc. and its Affiliates (the "Plan"). This Option is a nonqualified Option.
 - 2. Exercise Price.** The purchase price of the Shares covered by the Option will be [DOLLAR AMOUNT] per Share.
 - 3. Vesting.** Except in the event of your death or Disability or a Change in Control, the Option will become exercisable in cumulative installments as follows: [VESTING PROVISIONS CONSISTENT WITH THE PLAN].
 - 4. Term of Option.** The Option must be exercised prior to the close of the New York Stock Exchange ("NYSE") on [EXPIRATION DATE], subject to earlier termination or cancellation as provided below. If the NYSE is not open for business on the expiration date specified, the Option will expire at the close of the NYSE on the business day immediately preceding [EXPIRATION DATE].
 - 5. Payment of Exercise Price.** You may pay the Exercise Price by cash, certified check, bank draft, wire transfer, postal or express money order, or any other alternative method specified in the Plan and expressly approved by the Committee. Notwithstanding the foregoing, you may not tender any form of payment that the Committee determines, in its sole and absolute discretion, could violate any law or regulation.
 - 6. Exercise of Option.** Subject to the terms and conditions of this Agreement, the Option may be exercised by contacting the Honeywell Stock Option Service Center, managed by Smith Barney, by telephone at 1-888-723-3391 or 1-212-615-7876, or on the internet at www.benefitaccess.com. If the Option is exercised after your death, the Company will deliver Shares only after the Committee has determined that the person exercising the Option is the duly appointed executor or administrator of your estate or the person to whom the Option has been transferred by your will or by the applicable laws of descent and distribution.
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7. Termination, Retirement, Disability or Death. The Option will vest and remain exercisable as follows:

Event	Vesting	Exercise
Death	Immediate vesting as of death.	Expires earlier of (i) original expiration date, or (ii) 3 years after death.
Disability	Immediate vesting as of incurrence of Disability.	Expires earlier of (i) original expiration date, or (ii) 3 years after Disability.
Full Retirement (Voluntary Termination of Employment on or after age 60 and 10 Years of Service)	Unvested Awards forfeited as of Full Retirement.	Expires earlier of (i) original expiration date, or (ii) 3 years after retirement. If you die prior to end of this 3-year period, expires earlier of (i) original expiration date, or (ii) 1 year after death.
Early Retirement (Termination of Employment because of retirement from active employment on or after age 55 and 10 Years of Service)	Unvested Awards forfeited as of Early Retirement.	Expires earlier of (i) original expiration date, or (ii) 3 years after retirement. If you die prior to end of this 3-year period, expires earlier of (i) original expiration date, or (ii) 1 year after death.
Voluntary termination	Unvested Awards forfeited as of Termination of Employment.	Expires earlier of (i) original expiration date, or (ii) 30 days after termination. If you die prior to end of this 30-day period, expires earlier of (i) original expiration date, or (ii) 1 year after death.
Involuntary termination not for Cause	Unvested Awards forfeited as of Termination of Employment.	Expires earlier of (i) original expiration date, or (ii) 1 year after termination. If you die prior to end of this 1-year period, expires earlier of (i) original expiration date, or (ii) 1 year after death.
Involuntary termination for Cause	Unvested Awards forfeited as of Termination of Employment.	Vested Awards immediately cancelled.

Except as expressly provided herein, all rights hereunder shall cease as of the date of your termination of employment with the Company and its Affiliates. You will forfeit the unvested portion of any award and all rights to continue vesting in awards shall cease as of the date of termination of employment. Further, you will not be entitled to receive additional awards hereunder after termination of employment. For purposes of this Agreement, if your employment is terminated under circumstances that entitle you to severance benefits under a severance plan of the Company or an Affiliate in which you participate, "Termination of Employment" refers to the date immediately prior to the date severance benefits become payable under the terms of the severance plan. If your employment is terminated under any other circumstances and you are not entitled to severance benefits under a severance plan of the Company or an Affiliate, "Termination of Employment" refers to the last day you actively perform services for the Company and its Affiliates.

- 8. Change in Control.** In the event of a Change in Control, any portion of the Option that has not vested as of the date of Change in Control will immediately become exercisable in full.
- 9. Withholdings.** The Company or your local employer shall have the power and the right to deduct or withhold, or require you to remit to the Company or your local employer, an amount sufficient to satisfy taxes imposed under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gain taxes, transfer taxes, and social security contributions, and National Insurance Contributions, that are required by law to be withheld with respect to the grant of the Option, any exercise of the your rights under this Agreement, the sale of Shares acquired from the exercise of the Option, and/or payment of dividends on Shares acquired pursuant to the Option.
- 10. Transfer of Option.** You may not transfer the Option or any interest in the Option except by will or the laws of descent and distribution or except as permitted by the Committee and as specified in the Plan.
- 11. Forfeiture of Award.**
 - (a) By accepting the Award, you expressly agree and acknowledge that the forfeiture provisions of subparagraph (b) will apply if, from the date of the grant of the Option until the date that is twenty-four (24) months after your Termination of Employment for any reason, you enter into an employment or consultation agreement or arrangement (including any arrangement for service as an agent, partner, stockholder, consultant, officer or director) with any entity or person engaged in a business in which the Company or any Affiliate is engaged if the business is competitive (in the sole judgment of the Committee) with the Company or an Affiliate and the Committee has not approved the agreement or arrangement in writing.
 - (b) If the Committee determines, in its sole judgment, that you have engaged in an act that violates subparagraph (a) prior to the 24-month anniversary of your Termination of Employment, any Option that you have not exercised (whether vested or unvested)

will immediately be rescinded, and you will forfeit any rights you have with respect to the Option as of the date of the Committee's determination. In addition, you hereby agree and promise immediately to deliver to the Company, Shares equal in value to the amount of any profit you realized upon an exercise of the Option during the period beginning six (6) months prior to your Termination of Employment and ending on the date of the Committee's determination.

12. Adjustments. Any adjustments to the Option will be governed by Section 5.3 of the Plan.

13. Restrictions on Exercise. Exercise of the Option is subject to the conditions that, to the extent required at the time of exercise, (a) the Shares covered by the Option will be duly listed, upon official notice of issuance, upon the NYSE, and (b) a Registration Statement under the Securities Act of 1933 with respect to the Shares will be effective. The Company will not be required to deliver any Common Stock until all applicable federal and state laws and regulations have been complied with and all legal matters in connection with the issuance and delivery of the Shares have been approved by counsel of the Company.

14. Disposition of Securities. By accepting the Award, you acknowledge that you have read and understand the Company's policy, and are aware of and understand your obligations under U.S. federal securities laws in respect of trading in the Company's securities, and you agree not to use the Company's "cashless exercise" program (or any successor program) at any time when you possess material nonpublic information with respect to the Company or when using the program would otherwise result in a violation of securities law. The Company will have the right to recover, or receive reimbursement for, any compensation or profit realized on the exercise of the Option or by the disposition of Shares received upon exercise of the Option to the extent that the Company has a right of recovery or reimbursement under applicable securities laws.

15. Plan Terms Govern. The exercise of the Option, the disposition of any Shares received upon exercise of the Option, and the treatment of any gain on the disposition of these Shares are subject to the terms of the Plan and any rules that the Committee may prescribe. The Plan document, as may be amended from time to time, is incorporated into this Agreement. Capitalized terms used in this Agreement have the meaning set forth in the Plan, unless otherwise stated in this Agreement. In the event of any conflict between the terms of the Plan and the terms of this Agreement, the Plan will control unless otherwise stated in this Agreement. By accepting the Award, you acknowledge receipt of the Plan and the prospectus, as in effect on the date of this Agreement.

16. Personal Data.

(a) By entering into this Agreement, and as a condition of the grant of the Option, you expressly consent to the collection, use, and transfer of personal data as described in this Section to the full extent permitted by and in full compliance with applicable law.

- (b) You understand that your local employer holds, by means of an automated data file, certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any shares or directorships held in the Company, details of all options or other entitlement to shares awarded, canceled, exercised, vested, unvested, or outstanding in your favor, for the purpose of managing and administering the Plan (“Data”).
- (c) You further understand that part or all of your Data may be also held by the Company or its Affiliates, pursuant to a transfer made in the past with your consent, in respect of any previous grant of options or awards, which was made for the same purposes of managing and administering of previous award/incentive plans, or for other purposes.
- (d) You further understand that your local employer will transfer Data to the Company or its Affiliates among themselves as necessary for the purposes of implementation, administration, and management of the your participation in the Plan, and that the Company or its Affiliates may transfer data among themselves, and/or each, in turn, further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan (“Data Recipients”).
- (e) You understand that the Company or its Affiliates, as well as the Data Recipients, are or may be located in your country of residence or elsewhere, such as the United States. You authorize the Company or its Affiliates, as well as the Data Recipients, to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf, to a broker or third party with whom the Shares may be deposited.
- (f) You understand that you may show your opposition to the processing and transfer of your Data, and, may at any time, review the Data, request that any necessary amendments be made to it, or withdraw your consent herein in writing by contacting the Company. You further understand that withdrawing consent may affect your ability to participate in the Plan.

17. Discretionary Nature and Acceptance of Award. By accepting this Award, you agree to be bound by the terms of this Agreement and acknowledge that:

- (a) The Company (and not your local employer) is granting your Option. Furthermore, this Agreement is not derived from any preexisting labor relationship between you and the Company, but rather from a mercantile relationship.
- (b) The Company may administer the Plan from outside your country of residence and United States law will govern all options granted under the Plan.

- (c) Benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments.
- (d) The benefits and rights provided under the Plan are not to be considered part of your salary or compensation under your employment with your local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. You waive any and all rights to compensation or damages as a result of the termination of employment with your local employer for any reason whatsoever insofar as those rights result, or may result, from the loss or diminution in value of such rights under the Plan or your ceasing to have any rights under, or ceasing to be entitled to any rights under, the Plan as a result of such termination.
- (e) The grant of the Option hereunder, and any future grant of an option under the Plan, is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Option nor any future grant by the Company will be deemed to create any obligation to make any future grants, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time and/or on an annual basis, to amend, suspend or terminate the Plan; provided, however, that no such amendment, suspension, or termination will adversely affect your rights hereunder.
- (f) The Plan will not be deemed to constitute, and will not be construed by you to constitute, part of the terms and conditions of employment. Neither the Company nor your local employer will incur any liability of any kind to you as a result of any change or amendment, or any cancellation, of the Plan at any time.
- (g) Participation in the Plan will not be deemed to constitute, and will not be deemed by you to constitute, an employment or labor relationship of any kind with the Company.

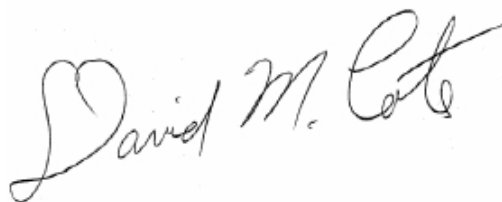
18. Limitations. Nothing in this Agreement or the Plan gives you any right to continue in the employ of the Company or any of its Affiliates or to interfere in any way with the right of the Company or any Affiliate to terminate your employment at any time. Payment of Shares is not secured by a trust, insurance contract or other funding medium, and you do not have any interest in any fund or specific asset of the Company by reason of the Option. You have no rights as a shareowner of the Company pursuant to the Option until Shares are actually delivered you.

19. Incorporation of Other Agreements. This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Option. This Agreement supersedes any prior agreements, commitments or negotiations concerning the Option.

- 20. Severability.** The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the other provisions of the Agreement, which will remain in full force and effect. Moreover, if any provision is found to be excessively broad in duration, scope or covered activity, the provision will be construed so as to be enforceable to the maximum extent compatible with applicable law.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by the facsimile signature of its Chairman of the Board and Chief Executive Officer as of the day and year first above written. By consenting to this Agreement, you agree to the following: (i) you have carefully read, fully understand and agree to all of the terms and conditions described in this Agreement, the Plan, the Plan's prospectus and all accompanying documentation; and (ii) you understand and agree that this Agreement and the Plan constitute the entire understanding between you and the Company regarding the Option, and that any prior agreements, commitments or negotiations concerning the Option are replaced and superseded. You will be deemed to consent to the application of the terms and conditions set forth in this Agreement and the Plan unless you contact Honeywell International Inc., Executive Compensation/AB-1D, 101 Columbia Road, Morristown, NJ 07962 in writing within thirty (30) days of the date of this Agreement.

Honeywell International Inc.

A handwritten signature in black ink that reads "David M. Cote". The signature is written in a cursive style with a large, looped initial "D".

By: David M. Cote
Chairman of the Board and
Chief Executive Officer

I Accept:

Participant's signature

HONEYWELL INTERNATIONAL INC.
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
Three Months Ended March 31, 2009
(Dollars in millions)

Determination of Earnings:	
Income before taxes	\$ 543
Add (Deduct):	
Amortization of capitalized interest	5
Fixed charges	140
Equity income, net of distributions	(7)

Total earnings, as defined	\$ 681

Fixed Charges:	
Rents(a)	\$ 23
Interest and other financial charges	117

Capitalized interest	3

Total fixed charges	\$ 143

Ratio of earnings to fixed charges	4.76

(a) Denotes the equivalent of an appropriate portion of rentals representative of the interest factor on all rentals other than for capitalized leases.

April 24, 2009

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Commissioners:

We are aware that our report dated April 23, 2009 on our review of interim financial information of Honeywell International Inc. (the "Company") for the three month periods ended March 31, 2009 and 2008 and included in the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2009 is incorporated by reference in its Registration Statements on Form S-3 (No. 033-55425, 333-22355, 333-101455 and 333-141013), Form S-8 (No. 033-09896, 033-51455, 033-55410, 033-58347, 333-57515, 333-57517, 333-57519, 333-83511, 333-49280, 333-57868, 333-105065, 333-108461, 333-136083, 333-136086, 333-146932 and 333-148995) and on Form S-4 (No. 333-82049).

Very truly yours,

/s/ PricewaterhouseCoopers LLP

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, David M. Cote, Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Honeywell International Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
-

- a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2009

By: /s/ David M. Cote

David M. Cote
Chief Executive Officer

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, David J. Anderson, Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Honeywell International Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
-

- a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 24, 2009

By: /s/ David J. Anderson

David J. Anderson
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ending March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David M. Cote, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ David M. Cote

David M. Cote
Chief Executive Officer
April 24, 2009

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ending March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David J. Anderson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ David J. Anderson

David J. Anderson
Chief Financial Officer
April 24, 2009
