<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:00</td>
<td>Introduction</td>
<td>Dave Cote</td>
</tr>
<tr>
<td></td>
<td>Automation and Control Solutions</td>
<td>Roger Fradin</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session: ACS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Materials and Technologies</td>
<td>Andreas Kramvis</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session: PMT</td>
<td></td>
</tr>
<tr>
<td>11:25</td>
<td>Lunch Breakout</td>
<td></td>
</tr>
<tr>
<td>12:15</td>
<td>Transportation Systems</td>
<td>Alex Ismail</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session: TS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aerospace</td>
<td>Tim Mahoney, Carl Esposito</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session: Aero</td>
<td></td>
</tr>
<tr>
<td>1:20</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>1:35</td>
<td>High Growth Regions</td>
<td>Shane Tedjarati</td>
</tr>
<tr>
<td></td>
<td>Financial Review</td>
<td>Dave Anderson</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concluding Remarks</td>
<td>Dave Cote</td>
</tr>
<tr>
<td>~2:45</td>
<td>End</td>
<td></td>
</tr>
</tbody>
</table>
The materials to be presented at the Honeywell 2013 Investor Conference contain “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management’s assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.
Key Messages

• HON Has Outperformed
  - Top Tier Execution Evident In Results
  - Exceptional Shareholder Return

• We Will Continue To Outperform
  - Effective Business Model
  - Lots Of Runway
  - Restructuring Tailwinds

The Evolution Continues
What You’ll Hear Today

**Honeywell**

- **Excellent Growth Trajectory**
  - Seed Planting Paying Dividends

- **Robust Capital Allocation**
  - Funding High ROI Growth Investments
  - Paying A Competitive Dividend
  - Rich M&A Pipeline
  - Started Buybacks Last Year
  - U.S. Pension Contrib. Next 3 Yrs Unlikely

- **Innovation For Product And Process**
  - HOS: Honeywell Operating System
  - FT: Functional Transformation
  - VPD: Velocity Product Development

**Businesses**

- **Automation & Control Solutions**
  - Growth Drivers Across 3 Business Models
  - Margin Runway

- **Performance Materials & Technologies**
  - 3 Fundamental Business Models
  - UOP: Continued Strong Growth
  - Adv Mat: A Great Core HON Business

- **Aerospace**
  - Winning Big In The Market
  - Unique Electrical And Mechanical Offerings

- **Transportation Systems**
  - A HON Technology Business
  - Explosive Growth Opportunity
  - FM Transformation Ongoing; Still Work To Do

Exciting Time For Honeywell
HON Business Model

One Honeywell Culture

- 5 Initiatives / 12 Behaviors
- Management Resource Review
  - Rigorous Business Review Process
  - DMC Interviews Top 200 Roles
- Trick Is In The Doing
  - The Machinery Needs To Work
- Foundational Tools
  - Six Sigma
  - Cycle Time
  - ERP
- Seed Planting

Portfolio

Processes

- Great Positions In Good Industries
- Acquisitions Are Incremental
  - Bolt On Or Consistent Business Model
- Balance
  - Long / Short Cycle
  - Early / Mid / Late Cycle
- Globalization Opportunity

Applied To

• HOS: Honeywell Operating System
• VPD: Velocity Product Development
• FT: Functional Transformation
• OEF: Organizational Effectiveness

Consistent Business Model That Applies Effectively To Every Honeywell Business ... And Generates Results
The Trick Is In The Doing…

Growing Sales
(HON Sales)

$22.1B
2003

$37.7B
2012

Expanding Margins
(HON Segment Margins)

10.6%
2003

15.6%
2012

~55 bps
Per Yr

Returning Value
(Total Shareholder Return)

20% 75%
1 Yr

240%
10 Yr

6% CAGR

Deliver Exceptional Value For The Customer

Stay Focused On Cost

Value To Shareholders

... And Reflected In The Results
Growth vs. Peers

Sales

Op Margin*

EPS*

Peers: UTX, DHR, EMR, MMM

* HON Proforma, Excludes Pension Mark-to-Market Adjustment
Accelerating Growth

2001 to 2004*

(Index, YoY Growth)

Rebuilding HON Foundation

2004 to 2012

Transformed Business: Growing Faster Than End Markets

* Includes CPG

Honeywell Growth Trajectory Fundamentally Changed
Great Positions In Good Industries (GPGI)

Great Positions

- Differentiate With Technology
  - … But Not In Rapidly Changing Markets

- Highly Defensible Positions
  - Specialized Technology And Resources
  - Brand And Channel Strength

- Avoid Government Subsidy
  - Business Merits Must Stand On Their Own

- Opportunistic Bolt-On M&A
  - Acquire In Areas We Know / Understand
  - Disciplined Acquisition Process
  - No Must Haves

Enable Us To Grow Sales Faster Than The End Markets We Serve

Good Industries

- Globalization
- Safety & Security
- Energy Efficiency
- Energy Generation
- Customer Productivity

Strong End Markets That Provide A Tailwind For Growth

Tailwind For Growth
# HON Growth Drivers: Next 5 Years

<table>
<thead>
<tr>
<th>Business</th>
<th>Incremental Opportunity</th>
<th>Key Growth Drivers</th>
</tr>
</thead>
</table>
| Aero     | ~$3B                    | • Winning On The Right Platforms  
|          |                         | • Leveraging Connectivity Offerings Across Product Lines  
|          |                         | • Differentiating With Unique Mech. / Elec. Integration |
| ACS      | ~$4.5B                  | • Increased High Growth Region Penetration  
|          |                         | • Strong Pipeline Of New Product Introductions  
|          |                         | • Differentiating As Leading Player In Fragmented Mkts |
| PMT      | ~$2.5B                  | • Robust UOP Backlog, High ROI Capex Deployment  
|          |                         | • New HFO Applications And Expanded Adoption  
|          |                         | • Differentiating Through Step Change Innovations |
| TS       | ~$1B                    | • Increased Turbo Penetration In The U.S. And China  
|          |                         | • Winning An Outsized Portion Of Available Opportunities  
|          |                         | • Differentiating With Technology Leadership |

**Over $11B In High Margin Sales On The Horizon**
2012 vs. Prior Peak

(Organic Sales Growth vs. Peak)

- UOP
- Advanced Materials
- ESS
- Commercial AM
- HPS
- BSD
- D&S
- Commercial OE

~40% Of HON Sales

Aero
ACS
PMT
TS

* TS vs. 2007, All Other Businesses vs. 2008

Note: TS Excludes CPG

Potential Upside Driven By Recovery To Peak
GPGL: Good Industries Positioned For Growth

Diversity Of Opportunity ... In Great Spaces
Cycle Alignment

Outlook Assumes Continued Slow Growth Economy
Global Expansion

**HON HGR Sales**

(HON Sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>HGR</th>
<th>Other Developed</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$22.1B</td>
<td>~32%</td>
<td>~59%</td>
</tr>
<tr>
<td>2012</td>
<td>$37.7B</td>
<td>33%</td>
<td>46%</td>
</tr>
</tbody>
</table>

**Macro Tailwinds**

(Real GDP Growth, Base 2012 World GDP Of ~$55T)

$21.5T

- HGR’s Driving 60% Of GDP Increase Over The Next 10 Yrs
- Over 50% HGR GDP Expansion From China & India
- Expanding HGR Middle Class
- Increasing Demand For Tech
- Local Competitors Globalizing

Still Strong Spending Power, But Less Growth

Source: Global Insight

Non-U.S. Sales Up From 41 To 54%

75% Of World GDP Outside U.S.

HGR Opportunity Tailwind For Growth
Innovation Culture

Aerospace
- Mechanical Components
- Satcom/Connectivity Solutions

Automation and Control Solutions
- Connected Home, Smart Wi-Fi Thermostats, Attune Advisory Service
- Experion Collaboration Station

Performance Materials and Technologies
- Gas-to-Chemicals And Heavy Crude Upgrading Technologies
- Solstice™ LGWP Refrigerants And Blowing Agents

Transportation Systems
- Ball Bearing Turbochargers
- Air Bearing Technology

Lots Of New Products  Faster Growth  Higher Margins
Managing Costs

Focus Areas

- **Engage Suppliers**
  - Focus On Supplier Quality And Development
  - Outsource Non-Strategic Spend
  - Partnering To Improve Supplier Performance
  - Expand Sourcing In Emerging Markets

- **Manage Consumption And Census**
  - Value Engineering Devoted To Driving Projects That Reduce Cost
  - Mitigate Commodity Exposure Through Alternative Materials, Pass Through Pricing, Hedging
  - OEF Focus: Growing Sales While Holding Fixed Costs Flat

Impact

<table>
<thead>
<tr>
<th>% Of Sales, Bps Fav / (Unfav)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
</tr>
<tr>
<td>Direct Material</td>
</tr>
<tr>
<td>(10) Bps</td>
</tr>
<tr>
<td>Indirect Spend</td>
</tr>
<tr>
<td>+80 Bps</td>
</tr>
<tr>
<td>OEF</td>
</tr>
<tr>
<td>+90 Bps</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>Segment Margins</td>
</tr>
</tbody>
</table>

Disciplined Cost Management Helping Improve Margins
Census

Developed Markets

High Growth Regions

(Index, YoY Growth)

Continued Developed Region Productivity

“Beach Head” Established, Incremental Adds Primarily Customer Facing

Note: 2003 To 2009 Census Includes CPG

More Efficient, More Effective Global Organization
Organizational Alignment

Effective Leadership

- One HON Performance Culture
  - Common Processes And Tools
  - Getting The Fundamentals Right
  - Goal Deployment By Year End, Reviews By Mar 31
  - Salary and Bonus Differentiation Curves

- Limited Reorganizations
  - Minimizing Disruption To The Business

- Strong Cross SBG Linkages
  - “Glue-Building” Through Functional Councils, Senior Leadership Meeting, Process Enablers, Global Town Halls, And Awards

- Effective Succession Planning
  - Management Resource Review (MRR) Three Times Annually For Top 200 Leaders
  - CEO / HR Leader Interview Final Candidate For Top 200 Roles

Organized The Right Way

* Proforma Excludes Pension Mark-to-Market Adjustment
Driving Productivity

Honeywell Operating System

**Quicker Deployments**
- Launch To Bronze: 2007 - 34 months, 2012 - 15 months
- Bronze To Silver: 2008 - 26 months, 2012 - 14 months

**More Ideas**
- Improvement Ideas Implemented: ~10x increase

**Honeywell Operating System**

**Functional Transformation**

**Leveraging Common Systems**
- % Of 2012 Sales On ERP:
  - Aero: ~90%
  - ACS: ~50%
  - PMT: 100%
  - TS: 100%

**Total HON Results**
- FT Cost:
  - 2004: 9.5%
  - 2012: 6.2%
  - 2014E: ~5.5%

**HON Silver Site Example**

- FSD: Bronze Cert, Silver Cert
- Silver: Cumulative Productivity, $M
- Bronze: Pre HOS, Yr 1 - Yr 7

**Accelerating Productivity**

- FT = HOS Applied To Staff Functions

**Holding Fixed Costs ~Flat, Growing Sales**
Cash Deployment An Opportunity To Differentiate HON

**Free Cash Flow**

- **2003**: $2.2B
- **2013E**: $3.7B

*Free Cash Flow Conversion Excluding Cash Pension Contributions

**Deployment Priorities**

1. **Investing In High ROI CAPEX**
   - Driving Organic Growth

2. **Pay A Competitive Dividend**
   - Returning Cash To Shareholders

3. **Strategic M&A**
   - Strong Pipeline Of Potential Targets
   - Disciplined Valuation And Screening Process
   - Flawless Integration

4. **Opportunistic Share Buyback**
   - Holding Share Count ~ Flat To 4Q 2012

5. **Pension**
   - U.S. Contributions Next 3 Years Unlikely

**Balanced Cash Deployment**

*FCF Conversion Of ~125% Since 2003*
**Consistent Business Model**

- **Foundation Of Execution**
  - Focus On Basics → Go Slow To Go Fast
  - Make Sure The Machinery Works
  - Do What We Say We’re Going To Do
  - Achieve Two Seemingly Conflicting Things
  - Disciplined M&A
  - Trick Is In The Doing

- **One Honeywell Culture**
  - Functional Councils
  - Leadership Meetings
  - Common Tools And Enablers
  - Global Town Halls And Awards

---

**Evolving Growth Strategy**

- **Great Positions In Good Industries**
  - Diversity Of Opportunity
  - Adjacent, Bolt-On Acquisitions
  - Penetrating High Growth Regions

- **Continuous Innovation**
  - Differentiated Offerings That Are Valued
  - Right Products On Time, Every Time

- **Restructuring Tailwind**
  - Full Pipeline Of Projects

- **Robust Future**
  - Seed Planting, Look Beyond This Quarter
  - Big Process Enablers - Critical Mass

---

**Getting The Fundamentals Right**

---

**Investing In Innovation, Consistent Execution**

---

**Constantly Evaluating / Improving Growth Strategy**
Why HON Will Outperform

- **A Terrific Portfolio For Growth**
  - Great Positions In Good Industries = Growing Sales Faster Than Market, Peers

- **One Honeywell Culture Working Well**
  - Continue Top Tier Execution

- **Improved Internal Processes Driving Margin Expansion**
  - Tools / Enablers Evolving, Now Moving Fast

- **Lots Of Runway For Future Growth**
  - The More We Do, The More Opportunity We Uncover
Today’s Presenters

Automation and Control Solutions
Roger Fradin
President and CEO

Performance Materials and Technologies
Andreas C. Kramvis
President and CEO

Transportation Systems
Alex Ismail
President and CEO

Aerospace
Tim Mahoney
President and CEO

High Growth Regions
Shane Tedjarati
President and CEO

Financial Overview
Dave Anderson
Senior VP and CFO

Moderator, Q&A
Elena Doom
VP Investor Relations

Carl Esposito
VP Aerospace, Marketing and Product Management
Key Messages

• Well Established Track Record Of Strong Financial Performance
  - Organic Growth Outpacing Global GDP By ~1.5x
  - Accelerating Margin Expansion

• Growth Drivers Across Three Distinct Business Models
  - Highly Defensible Positions, Winning In The Market
  - Building Adjacencies From Nothing To $100M+
  - Core Process Initiatives Drive Continued Margin Expansion

• Seed Planting For Sustainable, Long-Term Growth Trajectory
  - Innovation Lifeblood Of Growth
  - HOS/FT/OEF - Accelerating Pace Of Improvement
  - Penetrating High-Growth Regions; Accretive Acquisitions

• HON Playbook Working And Evolving, Innovating And Executing
  - Significant Growth And Margin Runway Ahead
**Honeywell Automation And Control Solutions**

**Financials**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
<th>Segment Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$13.7</td>
<td>12.9%</td>
</tr>
<tr>
<td>2011</td>
<td>$15.5</td>
<td>13.4%</td>
</tr>
<tr>
<td>2012</td>
<td>$15.9</td>
<td>14.1%</td>
</tr>
<tr>
<td>2013E</td>
<td>$16.4 - 16.6</td>
<td>14.2 - 14.5%</td>
</tr>
</tbody>
</table>

**Disciplined Execution**

- Diversified, Balanced Portfolio
- Aligned To Key Global Macro Trends
- Organic Growth Outpacing Global GDP By ~1.5x
- Accelerating Margin Expansion*
- Strong Momentum, Winning In The Market

* Margin Rate ‘13E Excluding Intermec: 14.6-14.8%

**Business Model**

- HPS 20%
- BSD 29%
- ESS 51%

**Sector Mix**

- Industrial 37%
- Comm 31%
- Inst. & Infra. 17%
- Res 15%

**Geographic Mix**

- Americas 49%
- Asia 16%
- EMEA 35%

Note: 2012 Sales

**Strength And Breadth Of Portfolio Unmatched**
ACS Track Record

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>($B)</th>
<th>Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>7.5</td>
<td>~13% CAGR</td>
</tr>
<tr>
<td>2008</td>
<td>14.0</td>
<td>~3% CAGR</td>
</tr>
<tr>
<td>2012</td>
<td>15.9</td>
<td></td>
</tr>
</tbody>
</table>

Segment Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>($B)</th>
<th>Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>1.6</td>
<td>~8% CAGR</td>
</tr>
<tr>
<td>2012</td>
<td>2.2</td>
<td></td>
</tr>
</tbody>
</table>

Segment Margin (% of Sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Sales</th>
<th>Annual Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>11.3%</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>11.6%</td>
<td>+30 Bps</td>
</tr>
<tr>
<td>2012</td>
<td>14.1%</td>
<td>+250 Bps</td>
</tr>
</tbody>
</table>

Operational Execution Accelerating Margin Expansion
ACS Business Models

<table>
<thead>
<tr>
<th>ESS ~50%</th>
<th>HPS ~20%</th>
<th>BSD ~30%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy, Safety &amp; Security</td>
<td>Honeywell Process Solutions</td>
<td>Building Solutions &amp; Distribution</td>
</tr>
</tbody>
</table>

Growing Faster Than Served Markets, Continued Margin Expansion Runway

- Multi-Brand / Multi-Channel Product Businesses
- Large Installed Base
- Highly Defensible Positions
- Common Technology: Sensors, Wireless, Controls
- Integrated Supply Chain Excellence
- NPI, Geographic Expansion, Big Wins Drive Growth Above GDP

- End-to-End Technology And Solutions Provider – Project Execution, Service, Products
- Highly Defensible Position
- ACS Channel To The Industrial Market – Security, Fire, HVAC, PPE, Sensors, Gas Detection, Scanning & Mobility
- Strong UOP Partnership
- Well Positioned In Gas

Honeywell Building Solutions
- End-to-End Solutions Provider And Channel to Market
- >50% ROI
- Pull Through Of ~$200M ESS Products

Distribution – ADI
- Preeminent Security, Fire Distributor
- Pull Through Of ~$800M ESS Products
- 185 Global Branches
Energy Safety & Security (ESS)

**Financials**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
<th>Segment Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$5.9</td>
<td>17.7%</td>
</tr>
<tr>
<td>2010</td>
<td>$6.8</td>
<td>17.9%</td>
</tr>
<tr>
<td>2011</td>
<td>$8.0</td>
<td>18.6%</td>
</tr>
<tr>
<td>2012</td>
<td>$8.1</td>
<td>19.5%</td>
</tr>
</tbody>
</table>

**Accelerating Markets**
- Resi/Comm’l/Industrial Markets Yet To Fully Recover
- Globalization → HGR Opportunity
- Using Technology To Invent New Markets

**Maintaining Strong Win Rates**
- Launched >500 New Products 2012
- Share Gains In All Businesses
- Differentiating With Technology

**Critical Mass On Key Enablers**
- HOS – Improving Quality, Delivery, Inventory And Cost
- FT/ERP – Improved Information At Lower Cost
- VPD™ – NPI Scale & Speed

**Expanding Attractive Adjacencies**
- Scanning & Mobility
- Intelligent Building Controls
- Safety Products
- Gas Detection
- Wiring Devices

Note: 2012 Sales
## ESS: Great Positions In Good Industries

<table>
<thead>
<tr>
<th>Segment</th>
<th>Position</th>
<th>Market Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Comfort Controls</td>
<td>1</td>
<td>Energy Savings, Productivity, Connectivity</td>
</tr>
<tr>
<td>Building Controls</td>
<td>1</td>
<td>Energy Efficiency, Emissions Legislation, Safety</td>
</tr>
<tr>
<td>Residential Combustion</td>
<td>1</td>
<td>Energy Savings, Comfort, IAQ</td>
</tr>
<tr>
<td>Security</td>
<td>1</td>
<td>Security, Productivity, New Technology Adoption</td>
</tr>
<tr>
<td>Fire Systems</td>
<td>1</td>
<td>Safety, Codes And Regulations, Comm. Construction</td>
</tr>
<tr>
<td>Personal Protective Equipment</td>
<td>1</td>
<td>Safety, Codes And Regulations, Cost Of Incidents</td>
</tr>
<tr>
<td>Gas Detection</td>
<td>1</td>
<td>Safety, Codes And Regulations, Industrial Production</td>
</tr>
<tr>
<td>AIDC – Scanning And Mobility</td>
<td>2</td>
<td>Productivity, Security, New Technology Evolution</td>
</tr>
<tr>
<td>Sensing</td>
<td>3</td>
<td>Safety, Construction, Productivity, Healthcare</td>
</tr>
</tbody>
</table>
Building Our Great Positions With ESS

Innovation: 500+ New Product Introductions

• First Wifi-Based Thermostats
• Connected Home Offerings: LYNX 5100, Tuxedo Touch
• Industry’s First 4G Communicators
• 60 New Safety Products
• New Class of Enterprise Hybrid Devices: Dolphin 70e Black; First High-performance Hybrid In-counter Scanner – Stratos 2700

New Acquisitions

• Saia-Burgess Controls
• INNCOM
• Intermec (Pending)

Customer Wins

• Hyundai Eng. & Construction, Korea
• HON Safety Products: Shell, CB&I, Sino-Grain China
• Great Partnership With HON Aerospace
• SJM Casinos, Macau
• United States Postal Service
Innovation Fueling ACS Growth

NEW PRODUCTS = growth and profitability
Residential Water Heater Gas Valve: From Nothing To Leading Position

**Invented A New Market**

- From $0 To ~$100M In Five Years
- Differentiated Offering Based On Strong IP portfolio
- Unmet Customer Needs – Performance, Perception & Differentiation
- Portfolio For Complete Range Of Water Heater Applications
- Negotiated Long-Term Contracts With OEMs To Grow the Business

**A Significant Sales Generator**

- From Less Than 5% Of Industry Demand To Become The Leading Supplier
- Sales CAGR Of 67% With Flat To Down Industry Demand
- Proprietary Honeywell mVolt Technology

---

*HON’s Self-Powered Gas Valve Harvests Energy From Water Heater’s Pilot Flame To Fuel Electronics*

- Marked Notable Improvement In Appliance Performance Through Precise Temperature Control
- Superior Aesthetics, Accessibility And Diagnostics Generated Positive Consumer Reaction
Building Scale In Scanning & Mobility

From No Presence In 2007 To Leading Position Today

Why We Like AIDC

- $15B Segment With Strong Growth
- Synergistic Technologies And Products – Mobility, Scanning And Software
- Expansive Network Allows For Solid Growth In Multi-Channel Model
- Strong Presence In Complementary Verticals To ACS SBUs (e.g. Healthcare, Transportation And Logistics)

Our Progress

- From $0 To $1.5B Player, #2 In Industry
- Not Just Smart Acquisitions… Great Organic Growth, New Products And Customer Wins
  - 39 Products In 2012 And Growing; Intermec Will Help Expand New Product Cycle
  - Great Customer Wins And Competitive Takeaways: UPS, Starbucks, Deutsche Post

Great Position In Growing B2B Mobility Industry
Why We Like Intermec

**Honeywell**

**Scale In Mobility**

**Strength Of Channel**

**Product Lines & Technology**

**Addressed Industries & Customer Relationships**

**Global Presence**

- **Global Tracking**
- **Portable Scanning**
- **Fixed Scanning**
- **Transportation & Logistics**
- **In-store Retail**
- **Healthcare**
- **Russia**
- **India**
- **China**
- **Mid-East**
- **Mexico**
- **Brazil**

**Great Core Business; Complementary Areas Offer Opportunity**

**Great Core Business**

**Complementary Areas Offer Opportunity**

- **Printing**
- **Vocollect**
- **RFID**
- **Store Delivery**
- **Gov**

~300

~3,000
Process Solutions (HPS)

Financials

($B)

- Global Demand For Oil & Gas, Natural Resources
- Globalization → HGR Opportunity
- Double-digit Growth Adv. Solutions

End Markets

- Restructured To Better Align To Global Growth
- Backlog Margin Improving

Note: 2012 Sales

Lifecycle Platform With Growth And Margin Runway

- Oil & Gas Instruments
- Lifecycle Services
- Asset Optimization
- Wireless
# Building Our Great Positions With HPS

<table>
<thead>
<tr>
<th>Innovation</th>
<th>Customer Wins</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Experion PKS Orion</td>
<td>• $700M+ Orders From Strategic And Emerging Geographies</td>
</tr>
<tr>
<td>• Strong Traction With PlantCruise (East-for-East Solution)</td>
<td>• Jazan Refinery, Saudi Arabia, $50M</td>
</tr>
<tr>
<td>• Smartline Pressure Transmitter</td>
<td>• Qafco, Abu Dhabi, $40M</td>
</tr>
<tr>
<td>• Intuition Executive Enterprise Management Software</td>
<td>• Borouge 3, Dubai, $40M</td>
</tr>
</tbody>
</table>
Integrated Process Solutions Offering

Level 5
Corporate Planning and Logistics - ERP

Level 4
Business Applications (MES)

Level 3
Advanced Applications

Level 2
Continuous Process Control
System Platforms

Level 1
Field Instruments

Unique End-to-End Technology And Solution Capability
High Growth Region Process Control

PlantCruise By Experion – Low Cost Distributed Control System

- Initiated By China, Using Local And Global R&D And Marketing Expertise
- Ideation To Product In Half The Time
- Global Roll-Out: China, India, SE Asia, Brazil & Russia
- Penetration Through New Channels
- 2X Margin Rate Of Previous Offerings

$100M HPS Opportunity In Underserved Market

China India Global
Industrial Channel: Our Unique Position

Knowledge

Resources

Expertise

Technology
Building Solutions & Distribution (BSD)

**Financials**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
<th>Segment Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$4.2</td>
<td>5.4%</td>
</tr>
<tr>
<td>2010</td>
<td>$4.3</td>
<td>5.1%</td>
</tr>
<tr>
<td>2011</td>
<td>$4.5</td>
<td>5.4%</td>
</tr>
<tr>
<td>2012</td>
<td>$4.7</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

**Businesses**

- ADI
- HBS

- Energy Efficiency Retrofit / Smart Grid
- Security And IT Convergence
- Globalization → HGR Opportunity

- Huge Installed Base
- Critical Infrastructure Protection
- Differentiating With Energy Efficiency And Automated Demand Response

- Restructured To Better Align To Global Growth
- Service + Solutions Growth
- $1B of ESS Product Pull-through

- Attune Advisory Services
- Energy Management Dashboard
- Mini-BMS (East-For-East)

Note: 2012 Sales
# Building Our Great Positions With BSD

**Innovation**

- **Software As A Service**
  - Attune™ Advisory Services
- **Demand Response Technology**
  - New Connected Thermostats And Updates To Akuacom Software
- **Digital Video Manager**
- **Energized Focus On Global E-Commerce**

**Customer Wins**

- **$500M+ In Energy Savings Performance Contracts**
- **Largest Energy Program With Dept. Of Defense**: Tinker Air Force Base, OK, $80M
- **City Of Wilmington, DE, $35M**
- **Eastern Goldfields Regional Prison, Australia**
- **$250M In Critical Infrastructure Orders**
  - La Grande Mosque, Al Hosn Gas, Shah Gas, ESKOM, Chenani Nashri Tunnel, Sydney Airport, Ningbo Subway Line2, Petrobras
### Security: Critical Infrastructure Protection

**Market Drivers**
- Terrorism And Civil Unrest
- Regulatory Pressure
- Challenging Deployment Timelines; Complexity

**Honeywell Differentiators**
- Domain And Vertical Market Expertise
  - Industrial, Government Institutions, Public Events
- Leadership In Key Technologies
- Strong Integration And Project Management Capabilities
- Synergies With Fire, Gas, Safety, Building, And Process Controls

*From Nothing In 2003 To $250M In 2012*
ACS Core Strategies

• Great Positions In Good Industries

• Commercial Excellence / Growth Mindset

• Innovation Through Technology And NPI

• Globalization And High Growth Region Expansion

• Leverage Core Process Initiatives To Drive Margin Expansion

• Continue To Grow Through Strategic Acquisitions
Commercial Excellence

Pricing
- Value
- Transactional
- Pass-Through

Strategic Marketing
- Market Sizing
- Customer Segmentation And Targeting
- New Product Development
- Value Equation Calculation

Sales Compensation
- Target Setting
- Incentive Plan Alignment
- Business/Customer Profitability

Commercial Training
- Core Curriculum
- Marketing Excellence Masters
- Direct And Channel Sales Training

Communication
- Return On Marketing Investment
- Marketing Automation & Demand Generation

A Well Defined Set Of Processes
Innovation: Lifeblood For ACS Growth

New Products - #1 Driver Of Honeywell Growth And Profitability

- R&D Investment Up 90%
- Resources Up 125%
- Cycle Times Reduced 40%
- NPI Up ~3X

Accelerating Scale And Speed Of New Product Introductions
ACS Accelerating High Growth Regions

Key Initiatives

- Significant Investment In East-For-East And East-To-West New Products
- Recruiting Top Tier Sales, Marketing And Management Talent
- Increasing Local Channels And Partners

Primary HGR Sales

- 16% CAGR
- $2.1B to ~$4B

China: 13% of Total Sales in 2012, 20% in 2017
India: 17% of Total Sales in 2017
Other HGR: 42% of Total Growth by 2017 Coming From HGR

Highlights

- 16% Sales Growth In Primary High Growth Regions, Including China/India
- 17% Sales Growth In “Next 7” HGR
- 42% Of Total Growth By 2017 Coming From HGR

Local Organizations Leveraging Honeywell’s Global Scale
Great Progress On Enablers & Initiatives

**Cycle Time**
- Inventory Reduction
- Improved Delivery

**Velocity Product Development**
- 500+ NPI Per Year
- Accelerating Growth

**Honeywell Operating System**
- 29 “Silver” Sites
- Continuous Improvement Culture

**ERP (SAP)**
- >50% on SAP
- Improved Information & Decision Making

Driving OEF & Functional Transformation; Margin Expansion

Deploying The Right Resources At The Right Time
Honeywell Operating System Evolution

ACS HOS Deployment Evolution

2006:
First 13 FSD Launches

2007:
25 Sites In FSD
First HON Bronze

2008:
43 Sites In FSD
5 Bronze Sites

2009:
70 Sites In FSD
20 Bronze Sites

2010:
100 Sites In FSD
1st Silver Site
40 Bronze Sites

2012:
154 Sites In FSD
29 Silver Sites
61 Bronze Sites

2014:
100% Bronze - Factories

2016:
50% Silver Factories

HOS Launch To Silver Results

53% Improvement
8 Pt Improvement
28% Reduction
25% Improvement

Prior to HOS
BRZ
SIL
Prior to HOS
BRZ
SIL
Prior to HOS
BRZ
SIL
Prior to HOS
BRZ
SIL

Quality (PPM)
Delivery (OTTR)
Inventory (DOS)
HSE (SAT Audit)

HOS Ingrained In Culture; Accelerating Rate Of Improvement
# Growth Driver: Acquisitions

<table>
<thead>
<tr>
<th>Acquisitions</th>
<th>Position Before</th>
<th>Position Today</th>
<th>EV/EBITDA Headline</th>
<th>EV/EBITDA Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Controls</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildingcontrols</td>
<td>#1</td>
<td>#1</td>
<td>~12x</td>
<td>~5x</td>
</tr>
<tr>
<td><strong>Energy/Smart Grid</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akuacom, Tridium, E-Mon</td>
<td>New Market</td>
<td>#1</td>
<td>~15x</td>
<td>~2x</td>
</tr>
<tr>
<td><strong>Personal Protection</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>#1</td>
<td>~11x</td>
<td>~6x</td>
<td></td>
</tr>
<tr>
<td><strong>Gas Detection</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>#1</td>
<td>~12x</td>
<td>~4x</td>
<td></td>
</tr>
<tr>
<td><strong>Industrial Combustion</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>#2</td>
<td>~7x</td>
<td>~5x</td>
<td></td>
</tr>
<tr>
<td><strong>AIDC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>#2</td>
<td>~13x</td>
<td>~5x</td>
<td></td>
</tr>
</tbody>
</table>

**Building Great Positions In $50B High Growth Industries**
Margin Expansion

(Segment Margin, bps)

- Continued Use Of HON Playbook For Margin Expansion

Sales Growth Faster Than Industry
- New Product Introductions
- Inventing New Markets
- Focus On High Growth Regions
- Major Program Wins
- Expanded Product Pull-through With Installed Base

Margin Growth Faster Than Industry
- Volume Leverage
- HOS Maturity
- Acquisition Integration
- Commercial Excellence
- Functional Transformation / ERP
ACS: Evolving And Executing

- Diversified, Balanced Portfolio
- Aligned To Key Global Macro Trends
- Organic Growth Outpacing Global GDP By ~1.5x
- Accelerating Margin Rate Expansion
- Strong Momentum, Winning In The Market
Key Messages

• Transformed Business Will Sustain Growth

• Secured Customer Orders And New Opportunities Driving Investment

• Honeywell Initiatives Delivering Results

• Growth Opportunities Across Entire Portfolio

• New Product Pipeline Creating New Markets

Record Results, Stage Set For More Growth
Performance Materials and Technologies

Financials

($B)

- Sales
- Segment Margin %

2010: $4.7, 15.8%
2011: $5.7, 18.4%
2012: $6.2, 18.7%
2013E: $6.9 - $7.0, 18.7%-18.9%

2012 Highlights

- Record Results For Sales, Profit, Segment Margin, Cash Flow
- Record Backlog Across PMT
- Game-Changing Technologies, Penetrating New Markets
- Expanded Global Presence
- Thomas Russell Acquisition

Business Units

- Advanced Materials
- UOP

Geographic Mix

- EMEA
- Asia Pacific
- Latin America

Note: 2012 Sales

2012 Another Record Year
A Different Business Today

Reshaped The Portfolio
- Exited 11 Businesses
- Reduced Exposure To Volatile Raw Materials

Built The Foundation
- Stabilized The Business
- Acquired UOP

Delivered Results
- World-Class Operating Model
- Broadened Markets
- New Technologies / Products

Sales ($B)
- Red Segment Margin
- Orange Segment Profit

Year
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012

Segment Profit
- $56M
- $184M
- $721M
- $1.2B

Segment Margin
- 1.7%
- 2.8%
- 4.3%
- 5.3%
- 7.9%
- 12.3%
- 13.5%
- 13.7%
- 14.6%
- 15.8%
- 18.4%
- 18.7%

Sales ($B)
- $184M
- $721M
- $1.2B

Robust Platform For Future Growth
Differentiated Performance vs. Industry

PMT Outperforms In Downturn And Recovery

- Pre-Downturn: Portfolio Rebalance Drives Margin Expansion Much Faster Than Industry
- Downturn: Margins Expand While Peers Decline
- Recovery: Robust Growth, Strong Year-on-Year Returns

Honeywell PMT

Annual Segment Margin Percent

2005 2006 2007 2008 2009 2010 2011 2012
Key Metrics

Sales/Employee
Increasing Leverage Per Employee

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$K</td>
<td>483</td>
<td>562</td>
<td>627</td>
<td>636</td>
</tr>
</tbody>
</table>

Orders/Backlog
Robust Order Book; Continuing To Grow

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$M</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AM</td>
<td>2,187</td>
<td>2,719</td>
<td>3,809</td>
<td>4,955</td>
</tr>
<tr>
<td>UOP</td>
<td>837</td>
<td>1,000</td>
<td>1,925</td>
<td>2,150</td>
</tr>
</tbody>
</table>

ROI*
Increasing Working Capital Turns; Smart Capital Spend

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>12.5%</td>
<td>17.6%</td>
<td>20.7%</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

Segment Margin
+410 bps Margin; Continuing To Improve

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>14.6%</td>
<td>15.8%</td>
<td>18.4%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

Seg Profit/Employee
Growing Income Faster Than Census

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$K</td>
<td>70</td>
<td>89</td>
<td>115</td>
<td>119</td>
</tr>
</tbody>
</table>

* Internal Measure
Enduring Strategies Generating Growth

**Operational Excellence**
- HOS
- Increased Attainment
- Yield Improvements
- Debottlenecking
- Plant Strategic Plans
- Safety

**Business Models**
- Molecule Scale-Up
- Technology Leadership
- Application Development

**Globalization And Market Creation**
- High-Growth Region R&D
- Global Demand Capture
- Strong Governance And Processes

**Sales And Marketing Excellence**
- Sales Force Deployment
- Regionalization
- Commercial Excellence

**Long-Term Growth**
- Investments / Partnering
- Leveraging Technology Pipeline
- Project Execution

---

- **Operational Efficiency**
  - Improved Five Years In A Row
- **Capital Investments And HOS Boosting Capacity And Reliability**
  - 63 New Product Introductions In 2013
  - Robust New Product Pipeline With >$4B Potential Over Next Five Years
- **New Regional Application Labs In China, India And Middle East**
  - HGR Sales CAGR >9% Over Next Five Years
- **Expanding Sales Presence In HGRs; Will Rise 50% By 2017**
  - Customer Relationship Management Driving OI And Productivity
- **Capacity Additions To Support Demand**
  - Extending Technology Leadership In Core Areas, Entering New Markets

**Proven Business Model Drives Growth**
PMT Growth Levers

Solid Base
- Great Positions, Good Industries
- World-Class Technology, IP

Strong Core Process
- Rigorous Management Controls
- HOS, VPD, “Go-To-Market” Excellence

New Products
- $4.3B NPI Pipeline, Launches Up >250% Last 5 Years
- LGWP Materials, Gas-to-Chemicals

Accelerating Markets
- Strong End-Market Demand For UOP Technology, Advanced Materials
- Advanced Positions In HGRs

Creating New Markets
- Step-Change Technology Creating New Markets For PMT
- New Opportunities For Customers

Future Growth Secured
## PMT Positioned To Sustain Robust Growth

<table>
<thead>
<tr>
<th>Business</th>
<th>Incremental Opportunity</th>
<th>Key Growth Drivers</th>
</tr>
</thead>
</table>
| UOP               | ~$1.3B                  | • Record $2.8B Backlog, Strong NPI Pipeline  
                     |                         | • Strong Demand, Driven By HGRs  
                     |                         | • Broader Product Offerings: Equipment, Service                                        |
| Fluorine Products | ~$0.7B                  | • New Environmentally Friendlier Materials (HFOs) For Diverse Market Segments  
                     |                         | • Entering Large, New Markets                                                          |
| Specialty Products| ~$0.3B                  | • Strong NPI Pipeline, Step-Change Products  
                     |                         | • Strong Technology Position In Attractive markets                                       |
| Resins & Chemicals| ~$0.3B                  | • Upgrading Product Mix To Capture Higher Margins  
                     |                         | • Incremental Capacity Increases                                                        |

**Substantial Incremental Growth**
Customer Orders Driving Investment

Investing To Support Growth

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Major Projects</th>
<th>Customer Orders</th>
<th>Process Technology Know-How</th>
</tr>
</thead>
<tbody>
<tr>
<td>UOP</td>
<td>Refining Catalysts</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>Petrochem Catalysts</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>Adsorbents Expansion</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Fluorine Products</td>
<td>LGWP Materials</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Resins and Chemicals</td>
<td>Caprolactam Quality &amp; Yield</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Specialty Products</td>
<td>Capacity Expansions</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

- New Plants And Additional Capacity
- Debottlenecking For Incremental Gains
- Further Improving Reliability
- Leveraging Honeywell Operating System

Expanded Capacity In Line With Orders
Why UOP Growth Continues

Accelerating Markets

• Increasing Demand For Refining/Petrochemicals, Natural Gas Processing
• On The Ground In All HGRs That Are Driving Growth

Maintaining Strong Win Rates

• Recognized Technology Leader With Innovative Solutions
• Compelling Value Propositions To Deliver Customer Benefit
• Adding Sales And Support Closer To Customers

Expanded Scope Of Offerings

• Broadened Offerings To Capture More Value
• Equipment, Services, Front-End Engineering Design
• New Breakthrough Technologies Across The Entire Oil/Gas Chain

Installed Base Expanding

• UOP Technology Operating In Every Refinery In The World
• Growing Demand For Catalyst Reloads And Retrofits

Continued Double-Digit Growth, Strong Margins
Refining Sector Growth Drivers

**Refining Opportunity**

- **Changing Product Mix**
- **Regional Factors**
- **Capacity Replacement**
- **Environ. Reg.**
- **Base Oil Demand**

**Accelerating Markets**

- Refining Demand > Oil Demand
- Additional 9M Barrels/Day By 2017, Equivalent Of 36 New Refineries

**Maintaining Strong Win Rates**

- Technology To Drive More Yield With Lower Costs
- Proven Return On Capital

**Expanded Scope Of Offerings**

- Broader Equipment And Services Solutions
- New, Higher Performing Catalysts

**Installed Base Expanding**

- Growing Opportunities For Revamps, Catalysts To Upgrade, Improve Performance

---

**Gasoline & Diesel**

- **Fuel Mix Shifting To Diesel**
  - ~50 Hydrocracking Units Over The Next Five Years
  - **CAGR = 2.0%**
  - **CAGR = 0.6%**

**Global Demand, M BPD**

- 2005: 20
- 2010: 25
- 2015: 30
- 2020: 35
- 2025: 40

---

**Essential Technology, Great Position**
Heavier Crude, Diesel Growth

Refiners Using Heavier Crude….

- Global Heavy Crude Production

Source: © IHS Purvin & Gertz

…Working To Get More From It

- Valuable Light Products CAGR = 1.4%
- Residual Fuel Oil CAGR = - 0.6%

Solutions For Today’s Refining Challenges

- Heavier Crude Becoming Larger Percentage Of Oil Production
- Heavier Crude Cheaper, Margin Boost Opportunity For Refineries
- Expertise To Monetize Stranded Assets
- Technology To Deal With More Contaminated Crude
- New UOP Uniflex™ Delivers Industry-Leading Conversion (90%+) To Transportation Fuels
- Rising Percentage Of Heavy Crudes Drives Increased Opportunities With Installed Base
- Optimizing Existing Assets
Petrochemicals Market Growth

Para-xylene Demand

- Para-Xylene Demand Driven By China (11% CAGR) And ME (13% CAGR)
- Propylene Gap Big Opportunity For “On-Purpose” Production (10% Growth)

Propylene Supply/Demand

- Generating High Yields And Improving Product Quality
- Process Evaluation, Market Studies, Design, Engineering And Technical Services
- UOP Consistently Introducing New Adsorbents, Materials To Drive Yields In Existing Asset Base

Underlying Growth Trends In UOP Sweet Spot

Source: © IHS Global Inc
Natural Gas Growth Drivers

Extensive Offerings

- Demand Growth In Asia, ME And LA, Higher Contamination Levels
- Strong Demand For NGLs For Petrochemical Feedstocks

Accelerating Markets

- Broad Range Of Technologies, Equipment And Complete Solutions
- Expanded Sales And Technical Support On A Global Footprint

Maintaining Strong Win Rates

- Thomas Russell Acquisition Allows UOP To Offer Complete Solutions
- Big Opportunities To Growth New UOP Russell Globally

Expanded Scope Of Offerings

- Improvements To UOP Materials (Membranes, Adsorbents) Drive Upgrades To Installed Base
- Additional Gas Processing Capabilities

UOP Well Positioned For Gas Growth

Common Natural Gas Liquids (NGLs) Recovered From Gas Processing

- Ethane
- Propane
- Butanes

UOP Technologies And Materials For Petrochemical Production

- Ethylene
- Propylene
- Butadiene

Remove Impurities
- Dehydration
- Mercury Removal
- Acid Gas Removal

Separate Gas Components
- Sulfur Recovery
- NGL Recovery
- Fractionation

Raw Gas

UOP Well Positioned For Gas Growth
Fluorine Products Growth

Solstice™ LGWP Applications

Solstice LGWP Materials: Same Or Better Performance, Much Lower Environmental Impact

| Mobile A/C                  | • New Market Opportunity |
|                            | • 99.7% Reduction In GWP |
|                            | • Strong Order Book      |

| Aerosol/Insulation Panels | • Similar Performance To HFCs |
|                          | • Greener Drop-In Replacement |
|                          | • Already In Commercial Use |

| Foam Insulation/Solvents | • More Efficient Than HFCs, Alternatives |
|                         | • Whirlpool Fast Adopter Advantage |

| Stationary A/C Refrigeration | • >75% Reduction In GWP |
|                             | • Performs Well In Hot Climates |

Sales Growth

Re-Tooling The Business For Superior Growth With New Low-Global Warming Products

Sales Mix

- Solstice LGWP
- Base

Energy Efficiency, Environmental Performance Drivers
• Lowest-Cost Global Producer Of Caprolactam (Nylon Ingredient)
• Landed Cost To China > 20% Cheaper Than The Chinese Competition
• Unique Process, High Level Of Integration, Higher Yields Of Valuable Byproduct, Low-Cost Raw Materials
• Integrated Supply Chain: Frankford Investment Paid Back In Six Months
• R&D For Higher Quality, Improved Process And New Resin Applications
• Incrementally Increasing Capacity

Changing To Higher Value Product Mix
## Specialty Products Growth

<table>
<thead>
<tr>
<th>Aclar® Films For Pharma</th>
<th>Spectra® For Advanced Armor</th>
<th>Honeywell Titan™ Additives For Asphalt</th>
</tr>
</thead>
<tbody>
<tr>
<td>• HGR Growth ~20%</td>
<td>• Ballistic Armor For Law Enforcement, Military</td>
<td>• &gt;20M Miles Of Paved Road Globally</td>
</tr>
<tr>
<td>• Aclar Highest Moisture Barrier For Hottest, Most Humid Regions</td>
<td>• New Materials Provide 15% Better Ballistic Protection /15% Lighter</td>
<td>• Easier Asphalt Processing</td>
</tr>
<tr>
<td>• Smaller, More Secure Drug Packaging, Better Brand Integrity</td>
<td>• Helmets, Body Armor And Vehicle (Land, Air And Sea) Applications</td>
<td>• Lower Energy Usage, Emissions; Better Long-Term Road Performance</td>
</tr>
</tbody>
</table>

| 5 yr CAGR: ~11% | 5 yr CAGR: ~10% | 5 yr CAGR: ~45% |

## New Product Engine For New Markets
Honeywell Initiatives Deliver Results

HOS
- HOS Deployed At All 41 PMT Plants
- 80% Of Conversion Cost Now Either Bronze Or Silver

VPD™
- Game-Changing Technologies
- >$1B In Sales In 2013 From Products Launched Since 2010
- $4.3B NPI Pipeline

Sales & Marketing Excellence
- Commercial Excellence
- Expanding Sales/Service Globally, 50% In HGRs
- CRM Drives Productivity

Globalization
- HGR Sales Now 41% Of PMT Sales
- Regional Application Labs To Support Local Customers

Consistent Execution Of Core Processes
PMT Creating New Markets

**UOP**

- Plastics From Coal Or Gas, Rather Than Oil
- Getting More From Every Barrel Of Oil
- Plastics From Natural Gas Liquids
- Real Fuels From Biofeedstocks

**Advanced Materials**

- Cooling Homes, Cars Without Warming The Globe
- Protecting Soldiers With Lighter, Stronger Materials
- Reducing Costs Of Building Roads, While Making Them Better
- Protecting Medicines In The Most Humid Regions

More Growth Still To Come
Summary

• Proven Business Model

• Best-in-Class Financial Performance

• New Products, Globalization Creating New Markets

• Exceeding 2014 Targets

• Primed For Continued Growth
Key Messages

Performing Well Despite EU Macros

- Outpacing Industry Macros
- Industry Softness Offset By Global Turbo Launches
- Cost Leadership From Operational Excellence

A Honeywell Technology Business

- A Knowledge Based, High ROI Business
- Explosive Growth From Global Turbo Penetration
- Aerospace Technology

Positioned For Growth In 2014

- Business Wins Delivering Sales Growth
- Growing In Emerging Regions And All Segments
- Friction Materials Transformation
Outpacing Industry Macros

**TS Financials**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$3.2</td>
<td>11.1%</td>
</tr>
<tr>
<td>2011</td>
<td>$3.9</td>
<td>12.6%</td>
</tr>
<tr>
<td>2012</td>
<td>$3.6</td>
<td>12.1%</td>
</tr>
<tr>
<td>2013E</td>
<td>$3.6 - $3.7</td>
<td>12.4% - 12.7%</td>
</tr>
</tbody>
</table>

**Western EU Light Vehicle Sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (M Units)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>14.5</td>
</tr>
<tr>
<td>2011</td>
<td>14.4</td>
</tr>
<tr>
<td>2012</td>
<td>13.1</td>
</tr>
<tr>
<td>2013E</td>
<td>12.6</td>
</tr>
</tbody>
</table>

**Highlights**

- TS Sales Up 12% Since 2010, While Western EU Car Sales Down (10%)
- Industry Softness Offset By Global Turbo Launches
- Cost Leadership From Operational Excellence

Growing Faster Than Industry
Slide Redacted
Explosive Growth From Global Turbo Penetration

**Fuel Economy Regulation**

- **67 MPG** (EU)
- **55 MPG** (China)
- **54.5 MPG** (US)

**Turbo Penetration Outlook**

- **~60% Improvement** in 2020
- **~50% Improvement** in 2022
- **~100% Improvement** in 2025

**Sources:** EPA, NHTSA, USDOE, ECE

**Penetration on Registered Vehicles**

- **All Regions Mandating Strong Fleet-Average Fuel Economy Gains**
- **Global Turbo Penetration Growing From 30% In 2012 To ~70% In 2025**
- **Significant Upside Remains – $20B+ Industry Size At Maturity**
## Aerospace Technology – Knowledge Business

### Past
- **Garrett “Aero Turbo” (The Original)**
- **First Turbocharger**
- **Caterpillar D9 Tractor**

### Present
- **Auxiliary Power Unit (Boeing Apache AH-64)**
- **Ball Bearing Turbocharger**
- **Mercedes 3L V6 Engine**

### Future
- **Air Cycle Machine (Airbus A350)**
- **Air Bearing Turbocharger**
- **Fuel Cell Vehicles**
Slide Redacted
# Flawless Launches And Global Reach

<table>
<thead>
<tr>
<th>LV Diesel</th>
<th>LV Gas</th>
<th>On-Hwy</th>
<th>Off-Hwy</th>
</tr>
</thead>
<tbody>
<tr>
<td>VW/Audi 2.0/3.0L</td>
<td>PSA 1.2L</td>
<td>Volvo 5.1L/7.8L*</td>
<td>Perkins 4.4L</td>
</tr>
<tr>
<td>Fiat 1.3L/1.6L/2.0L</td>
<td>Renault 0.9L</td>
<td>Scania 9L Gas/13L</td>
<td>MTU 21.0L</td>
</tr>
<tr>
<td>Jeep 3.0L*</td>
<td>VW 1.8L/2L*</td>
<td>Hino 4.0L</td>
<td>MTU 21.0L/64.0L</td>
</tr>
<tr>
<td>GM 2.0L</td>
<td>Ford 2.3L</td>
<td></td>
<td>John Deere 4.5L</td>
</tr>
<tr>
<td>JMC 2.8L/3.0L</td>
<td>Chery 1.6L</td>
<td>CAMC 9.8L</td>
<td>WFD 7.0L*</td>
</tr>
<tr>
<td>GWM 2.0L</td>
<td>SAIC 2L</td>
<td>WFD 9.7L,11.6L</td>
<td>Perkins 6.6L</td>
</tr>
<tr>
<td>Nissan 3.0L</td>
<td>Nissan 1.6L</td>
<td>Hino 5.1L/5.3L</td>
<td>Isuzu 7.8L</td>
</tr>
<tr>
<td>Mazda 2.2L</td>
<td>Subaru 1.6L</td>
<td></td>
<td>Hino 5.1L</td>
</tr>
<tr>
<td>Hyundai 1.7L</td>
<td>GM 1.4L</td>
<td>Hino 5.1L/5.3L</td>
<td>Doosan 2.4L</td>
</tr>
<tr>
<td></td>
<td>Fiat 1.4L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hyundai 2.0 / 2.2L</td>
<td>BMW 1.6L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hyundai 1.1L</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honda 1.5L</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Featured Images

**100+ Launches In 2013**
Growing In “Emerging Regions”

NAFTA Turbo Industry

- Industry 14% CAGR
- HON >15% CAGR
- 2012: 1.3
- 2013: 1.6
- 2017: 2.5

China Turbo Industry

- Industry 15% CAGR
- HON >20% CAGR
- 2012: 0.9
- 2013: 1.0
- 2017: 1.8

- Growth To Meet Fuel Economy Targets
- Broad Portfolio Of Gas Launches

HON Growing Faster Than Industry In US And China

- Growth Driven By Turbo Gas Adoption
- Winning With Global And Domestic OEMs
Winning In Mid-Market Segment In China

E4E Products
- Tailored To Local Needs
- Local Product Ownership
- From 10% To 35% Of Sales By ‘17

End-To-End Capability
- 20-Years Of Local Presence
- Largest Global R&D Center
- 35 Launches Per Year

Operational Excellence
- All Sites HOS Silver In 2013
- World-Class LV and CV Plants
- 90%+ Local Supply Chain

• Serving Domestic And Global Customers Locally
• Innovation, Speed and Local Decision-Making

Becoming The Chinese Competitor
Growing In All Segments

- Winning Large And Downsized Engines
- Securing Top Customers In All Regions

**Gasoline Turbo Industry**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry 13% CAGR</th>
<th>HON &gt;20% CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>4.0</td>
<td></td>
</tr>
</tbody>
</table>

**Diesel Turbo Industry**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry 4% CAGR</th>
<th>HON 6% CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5.4</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>6.6</td>
<td></td>
</tr>
</tbody>
</table>

HON Growing Faster Than Industry In Gas And Diesel
Cost Leadership From Operational Excellence

HOS Implementation

<table>
<thead>
<tr>
<th>Year</th>
<th>HOS Deployed</th>
<th>Bronze Sites</th>
<th>Silver Sites</th>
<th>% Manufacturing Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>28%</td>
<td></td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>26%</td>
<td>34%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>16%</td>
<td>17%</td>
<td>67%</td>
<td></td>
</tr>
</tbody>
</table>

Quality (PPM)
- 75% Improvement
  - Before Bronze: Brown
  - Silver: Gray

Delivery (OTTR)
- Up 10pts
  - Before Bronze: Brown
  - Silver: Gray

Inventory (DOS)
- 30% Improvement
  - Before Bronze: Brown
  - Silver: Gray

Productivity
- 33% Improvement
  - Before Bronze: Brown
  - Silver: Gray

Long Term Competitive Advantage From HOS
Slide Redacted
Summary

• Honeywell Technology: High Growth And High Margin Business

• Explosive Growth From Global Turbo Penetration And Wins

• Cost Leadership From Operational Excellence

• Positioned For Growth Into 2014 And Beyond
Key Messages

• Winning Big In The Marketplace
  - $25B Wins In 2012; Record Backlog Last 3 Years
  - Very Large Installed Base For Upgrades

• Right Organization, Execution And Innovation Delivering Results
  - Transformed, Flexible Aerospace Structure
  - Enablers Reaching Critical Mass → More Margin Expansion Runway

• Formula To Continue Outperformance, Sustain Growth Outlook
  - New Focus Areas Providing Customer Value → Components, Connectivity Solutions
  - Significant High Growth Region (HGR) Wins; International Defense Key Focus Area
Aerospace Overview

Financials

2012 Highlights

• Large Air Transport Continued Growth
  - Original Equipment (OE) Growth Strong - 11% Growth
  - Flight Hour Growth Tempered Throughout 2012

• BGA Market Flat, HON Growing
  - Growth >20% Despite Flat OE Market
  - Strong BGA Aftermarket Growth Vs. Low Utilization

• Defense Weathering Modest Declines
  - HON D&S Down (-3%)
  - Partially Offset By International Growth

Business Split

Geographic Mix

Strong 2012, Well Positioned For Future
Winning Big …
### Big Wins – Last 3 Years

<table>
<thead>
<tr>
<th>ATR</th>
<th>BGA</th>
<th>D&amp;S</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$16B</strong> COMAC C919</td>
<td>~$6B Unannounced HTF 7000 Engine</td>
<td><strong>$1.5B</strong> U.S. Army TIGER</td>
</tr>
<tr>
<td>APU, Flight Controls, Wheels &amp; Brakes, Navigation, Components</td>
<td><strong>$3.6B</strong> Bombardier TFE Engine</td>
<td><strong>$0.9B</strong> U.S. Air DoD Logistics Services</td>
</tr>
<tr>
<td><strong>$4.0B</strong> Boeing 737MAX</td>
<td><strong>$3.7B</strong> Mechanical</td>
<td><strong>$0.7B</strong> Israeli Air Force M-346 Trainer</td>
</tr>
<tr>
<td>EBAS and Controllers</td>
<td><strong>$0.8B</strong> Dassault Integrated Cockpit</td>
<td><strong>$0.5B</strong> NASA Goddard Space Flight Center</td>
</tr>
<tr>
<td><strong>$2.8B</strong> Embraer G2</td>
<td><strong>$0.8B</strong> Cessna Mechanical</td>
<td><strong>$0.4B</strong> Unannounced Helo Systems</td>
</tr>
<tr>
<td>Avionics</td>
<td><strong>$3.6B</strong> Other AM And OE Programs</td>
<td><strong>$0.2B</strong> U.S. Army AGT1500 Abrams Engine</td>
</tr>
<tr>
<td><strong>$2.7B</strong> Components Wins</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$1.4B</strong> Airline Selectables</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>~$1B</strong> Unannounced Win</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

... And Many Others

### 2010-2012

- **$28B**
- **$19B**
- **$15B**

Winning Big In All Segments
## Strong Pipeline Of New High Impact Aircraft

**HONEYWELL’S PLATFORM POSITION**

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Avionics</th>
<th>Engines</th>
<th>APU's</th>
<th>ECS/CP</th>
<th>Components</th>
<th>Other</th>
<th>Honeywell Value</th>
<th>Competitor Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embraer 2nd Gen E-Jet</td>
<td></td>
<td>NA</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>~$3B</td>
<td>&lt;$1B</td>
</tr>
<tr>
<td>Boeing 737 Max</td>
<td></td>
<td>NA</td>
<td></td>
<td>TBD</td>
<td></td>
<td>TBD</td>
<td>~$4B</td>
<td>$2B (Displays)</td>
</tr>
<tr>
<td>Airbus A350</td>
<td></td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~$18B</td>
<td>$6-$9B (Avionics and Components)</td>
</tr>
<tr>
<td>COMAC C919</td>
<td></td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~$16B</td>
<td>&lt;$16B (Avionics, ECS and Other)</td>
</tr>
<tr>
<td>Gulfstream 650</td>
<td></td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~$3B</td>
<td>----</td>
</tr>
<tr>
<td>Embraer L500/450</td>
<td></td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~$24B</td>
<td>~$2B (Avionics)</td>
</tr>
<tr>
<td>Alenia Aermacchi M-346</td>
<td></td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~1.5B</td>
<td>~$0.5B</td>
</tr>
<tr>
<td>10 Unannounced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~$22B</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**Broad, Unmatched Wins**

---

Aerospace 94

Honeywell Investor Conference – March 6, 2013
Large Installed Base Upgrade Opportunity

Market Needs Create Upgrade Opportunities

<table>
<thead>
<tr>
<th>Efficiency</th>
<th>Safety</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Aircraft Routing</td>
<td>Improved Situational Awareness</td>
<td>Increased Dispatch Rate</td>
</tr>
<tr>
<td>Avoid Inclement Weather</td>
<td>Avoid Runway Excursions And Incursions</td>
<td>Reduction In Delays &amp; Cancellations</td>
</tr>
<tr>
<td>Reduced Fuel Burn</td>
<td>Incorporate Mandates</td>
<td>Enhanced Passenger Productivity</td>
</tr>
</tbody>
</table>

Driving Upgrade Growth

Upgrade Growth Trend (17% CAGR)

> $700M Short-Cycle Sales Target In 2013
Air Transport & Regional

ATR OE Outlook

- HON ATR OE Sales ($B)
- ATR OE Deliveries

HON Growth 5%

OE Deliveries +2%

2010 2011 2012 2013E 2017E

$1.4 $1.4 $1.6 $2.0 $2.5

ATR Aftermarket Outlook

- HON ATR AM Sales ($B)
- Global Flight Hours

Outpacing Market

2010 2011 2012 2013E 2017E

$2.4 $2.8 $2.9 $3.2 $3.5

- Production Rates Rising On Key HON Platforms (737, 777, A380)
- A350 EIS 2014, C919 EIS 2016
- $2.5B+ Airline Wins Annually

- A320 NEO, 737 Max, G2 E-Jet
- HGR Mix Expanding – Up 20 Pts
- Continued Demand For Services

- Safety And Efficiency Upgrades
- Cabin Connectivity
- Integrated Electric Taxi System

- Growth Supported By Record Production Rates
- Driven By Emerging High Growth Regions

Strong Win Rates Fuel Continued Growth
Business & General Aviation

BGA OE Outlook

- High HON Content On High Growth Platforms
- G650, G280 EIS 2012
- Falcon 2000S, Legacy 450/500 ’13/14

Well Positioned On Growing Fleets

Maintaining Strong Win Rates

Expanded Scope Of Offerings

Sales Growth Outpacing Utilization

- Unannounced HTF 7000 Engine
- TFE 731-40 Engine (BMB LJ 70-75)
- Mechanical Subsystems (Gulfstream)

- Broad Upgrade Pipeline Enhancing Growth
- Cabin Connectivity
- Mechanical Services Venues

- RMU On Highest Value And Growth Programs
- Growth Opportunities In Avionics Services
- HTF Strong Growth In Flight Hours

BGA Aftermarket Outlook

Outpacing Market

- HON BGA AM Sales ($B)
- Global Flight Hours

$1.0 $1.2 $1.4 $0.5 $0.7 $1.0 $1.0 $1.2 $1.4 $0.5 $0.7 $1.0


HON Growth 13% OE Deliveries +7%

Picking The Winners In The Marketplace
Defense & Space

Sales

($B)

2010: $5.4
2011: $5.3
2012: $5.1
2013E: (~3%)

Mix Profile

US Aftermarket: 25%
Space, Missiles & Munitions: 18%
Int’l Aftermarket: 18%
US OEM: 12%
Int’l OEM: 10%
Services: 17%

Aligning Resources to Achieve Growth
• Over $1B International Growth In 2012
• ~25% of Sales Outside U.S.
• Retrofits/Mods/Upgrades Sales

Expanded Scope of Offerings
• >40% Products Commercially Priced
• Broad-Based Service Offerings
• Leader In PBL / Incentive-Based Maintenance Models

Diversified and Well-Positioned
• Highly Diversified - 300+ Platforms
• <3% Of Sales On Any One Platform
• Balanced Product And Service Portfolio
• Low Exposure To War Spending (< 4%)

US Declines Anticipated
• D&S Indirect Spend Down (20%)
• Shared Aero Support Structure Provides Excellent Flexibility

Uniquely Positioned For Changing Landscape
Managing Current Defense Landscape

Plans Based On Cuts Totaling ~80% Of Sequestration Level Reductions

FY12 Presidential Budget Request
FY13 Presidential Budget Request
Honeywell Planning Level
Full Sequestration

Reference Point For Savings
$486B In DoD Cuts
$800B In DoD Cuts
$975B In DoD Cuts

DoD Budget
U.S. DoD Baseline Budget

HON Impact

D&S Returns To Growth In 2014

2012-2014 CAGR (1%)
2014-2017 CAGR ~2%

Full Sequestration Scenario Covered By Planning Contingency

Full Sequestration ($80M) Impact To 2013, Covered By Contingency
... Profitably
Aerospace Structure

• 3 Customer Facing Organizations
  - Single Point Of Contact For Customer
  - Aligned With Market Verticals

• Integrated Product Roadmaps Owned By M&PM
  - 84 Product Lines, 10 Product Families

• Proactive Cost Management
  - Aggressive Indirect Cost Reduction Since 2010

• Shared Support Structure
  - Engineering Resources Shared Across Projects, Businesses
  - Single Supply Chain Drives Sourcing And Mfg Efficiencies
  - Centralized Back-Office Functions (Finance, IT, HR)
  - Common Systems (SAP) Support Structure

Matrix Organization Provides Flexibility
Key Metrics

Sales / Employee

Sales / Employee ($K)

Long Cycle Backlog

Long Cycle Backlog ($B)

Short Cycle Sales

Short Cycle Sales ($B)

Seg Profit / Employee

Seg Profit / Employee ($K)

Segment Margin

Segment Margin

ROI*

ROI* (*)

Strong Value Creation

* Internal Measure
Aero Initiatives

VPD™

- Improving New Product Introductions - Speed, Efficiency, Productivity
- Over $300M In Productivity Through 2016
- Focusing On Core Product: 68% Reduction In New Part Introductions

Globalization

- International Defense Budgets Growing 3-4 %
  - Growth In Middle East, Asia, And India
  - Strong Service Opportunities In Middle East, Europe, Asia
- Growth In Commercial Helicopters

HOS

- Leveraging HON-Wide HOS Success To Accelerate Aero Results
- Built In Flexibility For Uncertain Environments
- Achieved 67% Of Manufacturing Costs Coverage At Silver/Bronze Maturity In 2012
- Silver/Bronze Sites Productivity > 50% vs. Early Maturity Sites
- Time To Bronze Maturity Reduced By 50%

% Aero Mfg Cost

- Silver: 6%
- Bronze: 61%
- Full Scale Dep.: 33%

Year End 2012
HOS: 2012 Performance

### Quality

<table>
<thead>
<tr>
<th></th>
<th>Full Scale Deployment</th>
<th>Bronze</th>
<th>Silver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days of Supply</td>
<td>63% Improvement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Inventory

<table>
<thead>
<tr>
<th></th>
<th>Full Scale Deployment</th>
<th>Bronze</th>
<th>Silver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days of Supply</td>
<td>28% Improvement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Delivery

<table>
<thead>
<tr>
<th></th>
<th>Full Scale Deployment</th>
<th>Bronze</th>
<th>Silver</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTTR</td>
<td>+15 pt Improvement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Productivity

<table>
<thead>
<tr>
<th></th>
<th>Full Scale Deployment</th>
<th>Bronze</th>
<th>Silver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Productivity %</td>
<td>+100 bps Improvement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HOS Delivering Results And Sustaining Our Future
Growth Continues
### HON Growth Drivers

<table>
<thead>
<tr>
<th>Business</th>
<th>Recent Wins*</th>
<th>Key Growth Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial OE Wins</td>
<td>~$18B</td>
<td>• Winning On The Right Platforms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Uniquely Broad Mechanical And Electrical Portfolio</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- New Developing Market (HGR) Platforms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Upgrades To Large Installed Base</td>
</tr>
<tr>
<td>Components</td>
<td>~$4B</td>
<td>• Differentiated Products and Technologies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Reducing Fuel Consumption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Shift From Pneumatics / Hydraulics To Electro-Mechanical</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- More Precise, Lower Size, Lower Weight Sensors</td>
</tr>
<tr>
<td>Connectivity</td>
<td>~$3B</td>
<td>• Capitalizing on EMS Acquisition and Technology</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Exclusive Inmarsat/GX Aviation Partnership</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Leading Broadband To Aircraft Evolution</td>
</tr>
<tr>
<td>International Defense</td>
<td>~$1B</td>
<td>• International Defense Budgets Growing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Historically Underserved</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- History Of Wins: Israeli M-346 Trainer F124 Engine</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- &gt; $200M in Unannounced International RMU Wins</td>
</tr>
</tbody>
</table>

*Lifetime Value*
Mechanical Components

Addressable Components Market

- $5B Addressable Sector Today: Pumps, Heat Exchangers, Actuators And Valves
- ~$1B Components Sales Today
  - Competitive Cost Structure = Attractive Margins
- $4B In Wins In 2011-2012
  - ~$2.7B Competitive Wins, ~$1.3B Renewals

Total Aero Components Sector

- ~$45B Components Sector
- Fragmented, Multi Tiered Industry
  - Opportunities To Expand In Adjacencies

Winning In Current Segment

Expanding Into Adjacencies

Components As New Focus Area Growth
## Connectivity

### Increasing Connectivity Demand

- **Fast Growing Segment for HON**
  - Passenger Need For Connectivity Is Fueling Growth Across All Segments
  - ~8K Aircraft By 2014, ~2x Today

### Connectivity/Satcom Industry Structure

| Satellite Operators | Satellite Producer | Aircraft Hardware Provider
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inmarsat</td>
<td>Boeing</td>
<td>Honeywell</td>
</tr>
<tr>
<td>Iridium</td>
<td>Astrium</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lockheed Martin</td>
<td></td>
</tr>
</tbody>
</table>

### Capitalizing on EMS

- **HON + EMS = Industry’s Strongest Satellite Communications Offering**
  - Broadest Product Range
  - Industry Leading Technology
  - Hardware and Services
  - HON “Smarts” Inside >75% Of Other’s Products
  - Largest Installed Base – Every ATR Broadband Solution

- **Ability To Combine Satcom With Other HON Products To Create New Offerings**

- **Exclusive Services Provider For Inmarsat In Business Aviation**

---

**Well Positioned For Growth In Hardware And Services**
International Defense

Winning Today

**Middle East/Turkey**
- F-16
- UAVs
- Trainers
- Missile RMUs

**Russia**
- Comm’l Helo

**Israel**
- M-346 Trainer
- Missile IMUs
- Avionics Upgrades

**South Korea**
- Helo Engines

**Indonesia**
- F-16
- Helo Safety Upgrades

**India**
- Jaguar Re-Engine
- HAL Platform Engines
  - Helicopter, Trainer
- Avionics Upgrades
- Health Monitoring

Long Term Opportunity

**International Defense Budget Growing**
- People In Region/Country
- OEM/Commands/Partners Are Channels
- Significant Product Refresh Opportunities

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>W Europe</td>
<td>300</td>
<td>360</td>
<td>420</td>
<td>480</td>
<td>540</td>
<td>600</td>
<td>660</td>
</tr>
<tr>
<td>Asia Pac</td>
<td>600</td>
<td>650</td>
<td>700</td>
<td>750</td>
<td>800</td>
<td>850</td>
<td>900</td>
</tr>
<tr>
<td>Mideast</td>
<td>240</td>
<td>280</td>
<td>320</td>
<td>360</td>
<td>400</td>
<td>440</td>
<td>480</td>
</tr>
<tr>
<td>India</td>
<td>120</td>
<td>160</td>
<td>200</td>
<td>240</td>
<td>280</td>
<td>320</td>
<td>360</td>
</tr>
<tr>
<td>Other</td>
<td>180</td>
<td>220</td>
<td>260</td>
<td>300</td>
<td>340</td>
<td>380</td>
<td>420</td>
</tr>
</tbody>
</table>

**CAGR**
- India: 7.6%
- Mideast: 5.1%
- Asia Pac: 3.4%
- W Europe: 1.2%
- Other: 4.9%

**HON Well Positioned In Defense Internationally**
Summary

• Delivered Strong Results 2012 And More To Come

• Growing On The Right Platforms; Well-Positioned In New Areas
  - People, Processes, Portfolio And Programs

• Organizational Structure And Capability Working Well

• Efficiency / Productivity / Transparency Growing… Lifeblood Of The Thinking Organization

• Delivering Unique Value To Our Customers Like No Other
Honeywell High Growth Regions

**Financials**

(Sales, $B)

- 2009: 5.1
- 2010: 6.1
- 2011: 7.2
- 2012: 7.9

- ~15% CAGR

**Macro Tailwinds**

(Real GDP)

- High Growth Regions: 6.0% CAGR
- Developed: 1.5% CAGR

**Growing Faster Than End Markets**

- HON HGR Sales
- Real GDP

**Sales Profile**

(HGR Sales, 2012)

- High Growth Regions: ~2.0% CAGR
- Developed: 1.5% CAGR

- China & India
- Other HGRs

- ACS
- PMT
- Aero
- TS

- Other
- Middle East
- Russia
- Brazil
- India
- Mexico
HGR Strategy Evolution

(2003-2012, 17% CAGR)

China
• On The Ground Presence
• China Leadership Building

China and India
• Become THE Chinese Competitor
• East-For-East, East-To-West Platform
• Establishing Playbook

Priority HGRs
• Global Energy & Resources
• Global Aerospace & Defense
• Follow The Growth
• Country Leadership In Place

Proven Playbook, Comprehensive HGR Strategy
Becoming THE Chinese Competitor

**HON Comprehensive Strategy**

- Significant Progress Made
  - Locally Empowered
  - Resource For Growth
  - Mid-Segment On Mega Trend
  - Detailed Metrics Reviewed Regularly
  - Prudent Approach With IP

**Chinese Competitors Rising**

*(Chinese Companies In Fortune 500)*

- Other
- Conglomerate
- Transporation
- Resource and Energy

<table>
<thead>
<tr>
<th>Year</th>
<th>Conglomerate</th>
<th>Transporation</th>
<th>Resource and Energy</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>16</td>
<td>4</td>
<td>2</td>
<td>73</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>5</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

**Targeting All Businesses To Be “THE Chinese Competitor”**

**HON More Competitive On Global Scale**
East-For-East Platform

Proven Platform

- Integrated R&D
- Identifying and Fulfilling Local Needs
- Competitive ISC
- Quality Platform
- Agile Scale-Up To Production
- Local Channels And Requirements
- HGR Distribution Network

Global Mid-Segment Demand

(Country Imports From China)

- Brazil: >50%
- Russia: >40%
- Cameras: ~30% ~25%
- Thermostats: ~12% ~5%
- Autos: ~12% ~5%

E4E: 25% Of China Sales*

HGR Imports From China

* Excluding Aero and UOP

Expanding E4E To Global Mid-Segment
Future E4E Innovation: Residential Security

Current Line

- **High End (20%)**
  - Home Gateway
    - $2-3K/Home
- **Mid Segment (60%)**
  - High-End Color Video Door Phone Network
    - $0.3-0.6K/Home
  - Simple Video Door Phones (Color)
    - $0.1-0.3K/Home
- **Mass Segment (20%)**
  - Residential Sys
    - <0.1K/Home

New E4E Line – IP Video Door Phone

- **Products Target: Mid-Segment**
- **Transition Into IP Digital Video And Mobile Integration**
- **Full Local VOC, Design And Manufacturing**
- **Priced Competitive vs. Leading Chinese Brands**
- ** Introduced In China And India**
- **300bps Margin Improvement**
- **Awarded Top 10 Brands For China Intercom In 2012**

Innovating Into The Mid Segment
Strong 2012 Wins

Russia and Central Asia
- ATR Russia - Irkut MC-21 >$800M
- PMT Russia - Rosneft ~$50M
- PMT Russia - Lukoil ~$30M
- PMT Russia - Antipinsky Refinery ~$20M

China
- ATR China - Chinese Airlines ~$185M
- TS China - PSA, Shanghai GM, VW ~$390M
- PMT China - 5 Oleflex/3 PSA/2 MTO, Hengyi ~$220M

Brazil
- PMT Brazil - Petrobras 4 Separex Units ~$95M

India
- TS India - TATA Motor ~$10M

Middle East and Israel
- D&S Israel – M-346 Programs ~$700M
- HPS ME - Unannounced Oil & Gas Wins >$100M

Multi-Year Wins Enable Future HGR Expansion

HGR Country Presidents
HGR - The World’s Largest Growth Engine

Population Growth

Fast HGR Middle Class Growth

(GLOBAL POPULATION, BILLION PEOPLE)

- Wealthy & DM Middle Class
- HGR Middle Class
- Bottom of the Pyramid

85% Of HGR Middle Class Earnings Less Than $10K Per Year

HGR Needs And Innovations Driving Growth

HGR’s Driving Population Growth And “Leapfrogging” Tech And Process

* Middle class = $10-100 / day / person expenditure 2005 PPP
Source: OECD, World Bank, UN, US Census Bureau

= new population by 2050
Each icon = 100 M population

High Growth Regions
118
Honeywell Investor Conference – March 6, 2013
**HON Macro Index Drives Focus**

**HON Growth Areas**

- Oil & Gas
- Refining & Chem.
- Construction
- Other Mining
- Aerospace

**2012 HON Macro**

- Middle East* (ex-Oman, Iraq)
- Brazil
- Russia
- Indonesia
- Mexico
- South Africa
- Turkey
- China
- India

**2012 - 2017 CAGR**

- GDP Real
- HON Macro

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Real</th>
<th>HON Macro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East*</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Brazil</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>Russia</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>6%</td>
<td>11%</td>
</tr>
<tr>
<td>Mexico</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>South Africa</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Turkey</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>China</td>
<td>7-8%</td>
<td>14%</td>
</tr>
<tr>
<td>India</td>
<td>6-8%</td>
<td>15%</td>
</tr>
</tbody>
</table>

* Including Saudi Arabia, UAE, Kuwait, Qatar

Source: Global Insight, OICA, Oxford Economics, ATR Input
HON Priority High Growth Regions (Real GDP)

**Includes:** Turkey, Georgia, Azerbaijan, Turkmenistan, Tajikistan, and Uzbekistan

**Includes:** Saudi Arabia, UAE, Kuwait, Qatar, Oman and Iraq

**Mexico**
- GDP: $1.0T
- Industrialization, Rising Middle Class

**Turkey & Central Asia**
- GDP*: $0.7T
- Regional Hub For CIS And North Africa

**Middle East**
- GDP**: $1.0T
- Oil & Gas, Aerospace

**Russia**
- GDP: $1.0T
- Oil & Gas, Aerospace

**India**
- GDP: $1.4T
- Rising Income, Defense

**Brazil**
- GDP: $1.1T
- Significant Middle Class, Aerospace, Natural Resources

**South Africa**
- GDP: $0.3T
- Hub For Sub-Saharan Africa

**China**
- GDP: $4.8T
- Largest Global Growth Driver

**Indonesia**
- GDP: $0.4T
- Natural Resources For The World

*~12.5T Real GDP*
*~3.6B People*

Source: Global Insight

Priority HGRs To Drive Growth
HGR Core Strategy

Core Growth Geographies

East For East (E4E) Product Platform

R&D → Manufacturing → Selling

Global Energy And Resources

Global Aerospace And Defense

Follow The Growth

One Honeywell

Integrated Strategy To Accelerate HGRs
Global Energy And Resources: Oil

Top Countries In Oil Production

- **US**: 2.9%
- **Canada**: 3.9%
- **Mexico**: 2.3%
- **Venezuela**: 5.2%
- **Columbia**: 7.2%
- **Brazil**: 8.6%
- **Norway** (3.7%)
- **Kazakhstan**: 4.4%
- **Russia**: 0.1%
- **China**: 0.9%
- **Iraq**: 12.1%
- **UAE**: 1.4%
- **Saudi Arabia**: 0.3%
- **Kuwait**: 3.3%
- **Angola**: 6.0%
- **Nigeria**: 4.1%

Bubble Size Indicates Oil Production Today
x% = Oil Production ’12-’17 CAGR

**HGR Additional 10M B/D, 3x Developed Countries In 2017**

Source: BP, Global Insight, BMI
High Growth Regions Cover ~75% of Major Natural Gas Resources

Remaining Recoverable Natural Gas Resources – Top Countries

Source: IEA, EIA, BP, Platts, Argus, ICIS
Global Aerospace & Defense

Priority HGRs Aligned With Aero Opportunities

- Russia (12%)
- Turkey (7%)
- Israel (5%)
- Saudi Arabia (4%)
- UAE (4%)
- South Korea (6%)
- India (9%)
- South Africa (7%)
- Brazil (4%)
- Colombia (4%)

Bubble Size Indicates 2012 Defense Budget; x% = ’12-’17 CAGR

Honeywell Investor Conference – March 6, 2013
Follow The Growth

Honeywell Investor Conference – March 6, 2013

Globalizing HGR Players
- ~90 Contractors In “Top 225 Global Contractors” Are Chinese, Turkish And Indian; 4x Sales Since 2007
- Top Chinese Contractors Increased Presence In HGRs:
  - >40% In Africa,
  - >20% In Asia,
  - ~15% In ME

HON Initiatives
- Leveraging Customer Relationship And Install Base To Pursue From China And Turkey
- Concept Proven – Initial Wins, $50-100M In Pipeline

Supported By Global Brand, Channel, Management And Execution

HON Well Positioned
### HGR Country Presidents

<table>
<thead>
<tr>
<th>Country Presidents</th>
<th>Strong In-Country Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>China, In Place</td>
<td>• Country Specific Responsibility To Accelerate Growth</td>
</tr>
<tr>
<td>India, In Place</td>
<td>• Leverage Local Business Experience To Drive Incremental Value</td>
</tr>
<tr>
<td>Russia, Middle East, and CIS, In Place</td>
<td>• Increase Country Market Penetration</td>
</tr>
<tr>
<td>Turkey &amp; Central Asia, In Place</td>
<td>• Win In Mid-Segment Markets</td>
</tr>
<tr>
<td>Brazil, Appointed</td>
<td>• Implement One-HON Country Strategy</td>
</tr>
<tr>
<td>Indonesia, In Place</td>
<td>• Develop In Country Capabilities While Improving Local Talent</td>
</tr>
<tr>
<td>Mexico, In Place</td>
<td>• Protect Honeywell Interests</td>
</tr>
</tbody>
</table>

**Senior Leaders On The Ground To Accelerate HGRs**
Resourcing Ahead For Growth

Sales Growth Expected To Continue

Limited Incremental Support Needed

Leveraging Existing Infrastructure And Investments

- Invested In Development Of China And India Organizations With Full Functional Support
- Mature HON Processes And Global Alignment
- Solid R&D, Manufacturing And Sales Force Foundation To Drive Incremental Growth

Drive Profitable Growth
Summary

• Effective HGR Strategies To Drive Above Market Growth
  - Double-digit CAGR Driven By Proven HON Playbook
  - “Becoming THE Chinese Competitor”
  - E4E Products Portfolio Provide Growth Drivers In HGR Mid-Segment
  - Priority Countries Significant Wins For Future Growth

• Strong Macro Tailwind And HGR Great Position
  - HGR Population Growth And Middle Class Expansion
  - HON Macro Index Above GDP Growth
  - HGR Well Aligned With Oil, Gas And Aero Potentials

• Execute Comprehensive Strategies To Accelerate Growth
  - HGR Strategy And Organization In Place To Support Future Growth
  - >50% Of HON Growth From HGRs
FINANCIAL REVIEW

DAVE ANDERSON
SENIOR VICE PRESIDENT AND CFO
Today’s Discussion

• HON Set High Expectations In 2012 And Delivered
  - Top-Tier Margin Expansion Driving Record Full Year EPS Up 11% To $4.48*
  - Finished 2012 With Record Backlog, Strong Pipeline Of New Wins

• Confident In 2013 Outlook
  - Executing On Attractive Opportunities, Despite Continued Macro Challenges
  - Conservatively Planning Costs, Staying Flexible, Ongoing Repo

• Seed Planting Continues For Future Growth
  - Continued Evolution Of Processes, Tools, And Enablers
  - Impressive Growth Opportunities, Execution Of Process → Upside

• Setting Up For Outperformance Again In 2014 And Beyond
  - Returning Cash To Shareholders
  - Top Tier Performance Yields Top Tier Returns

* Proforma Excludes Pension Mark-to-Market Adjustment
2012 Summary

($B, except per share amount)

Sales
- 2010: $32.4
- 2011: $36.5
- 2012: $37.7

Segment Margin
- 2010: 13.9%
- 2011: 14.7%
- 2012: 15.6%

EPS (Proforma)*
- 2010: $3.00
- 2011: $4.05
- 2012: $4.48

FCF**
- 2010: $4.2
- 2011: $3.8
- 2012: $3.7

* Proforma Excludes Pension Mark-to-Market Adjustment
** FCF and FCF Conversion Prior to Cash Pension Contributions; 2012 FCF Includes 11% Increase in CapEx vs. 2011

HON Delivered in Challenging 2012 Environment
Growing Faster Than End Markets

Meaningfully Exceeding GDP Growth In Every Region

HON Organic Sales Growth - HON Reported Sales Growth - GDP Growth

Americas

EMEA

Asia Pac

2009 2010 2011 2012

2009 2010 2011 2012

2009 2010 2011 2012

108 117 119 114

117 151 139

123 117

114

117 108
Segment Margin Expansion

Note: All Years Exclude CPG

Accelerating Margin Expansion

+270 bps, +45 bps/year

+230 bps, +75 bps/year
### Focused Cost Management

% Of Sales, Bps Fav / (Unfav)

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct Material</th>
<th>Indirect Spend</th>
<th>OEF</th>
<th>Depreciation</th>
<th>Segment Margins</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>40.6%</td>
<td>13.4%</td>
<td>28.7%</td>
<td>3.4%</td>
<td>13.9%</td>
</tr>
<tr>
<td>2011</td>
<td>41.4%</td>
<td>13.1%</td>
<td>27.9%</td>
<td>2.9%</td>
<td>14.7%</td>
</tr>
<tr>
<td>2012</td>
<td>41.5%</td>
<td>13.0%</td>
<td>27.1%</td>
<td>2.8%</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

#### Growing Sales Faster Than Fixed Costs

- Sales 2010: $32.4B
- Sales 2011: $36.5B
- Sales 2012: $37.7B

<table>
<thead>
<tr>
<th>Year</th>
<th>Direct Material</th>
<th>Indirect Spend</th>
<th>OEF</th>
<th>Depreciation</th>
<th>Segment Margins</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>(80) Bps</td>
<td>+30 Bps</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>(10) Bps</td>
<td>+10 Bps</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Organizational Effectiveness

OEF

Sales Up 16%

28.7% 27.9% 27.1%

2010 2011 2012

OEF Cost % of Sales

Repositioning

Cumulative Savings
Cumulative Gross Funding
In Process Repo at YE

Cumulative Savings

($M)

2009 2010 2011 2012

Holistic Approach To People Cost

Healthy Pipeline Of Project Savings

Driving Sustainable Productivity Improvements
2013 Outlook
2013 Macro Outlook

**World GDP**
(YoY Growth %)

- **2012**: Down (~40) bps, 2.6%
- **2013E**: ~ Flat, 2.6%

**Euro**
(USD: EUR)

- **2012**: Down (~8%), $1.28
- **2013E**: Down (~2%), $1.25

**EU Light Vehicle Prod**
(M Units)

- **2012**: Down (~0.9M Units), 19.2M
- **2013E**: Down (~0.6M Units), 18.6M

**ATR OE Deliveries**
(Units)

- **2012**: Up ~20%, ~1,575
- **2013E**: Up ~6%, ~1,670

**Flight Hours**
(YoY Growth %)

- **2012**: Down (~300) bps, 2.0%
- **2013E**: Up ~ 100 bps, 2.5 - 3.5%

**Capro Pricing**
($/MT)

- **2012**: Down (45%), $1,121
- **2013E**: Down (~9%), $1,019

Source: Global Insight

Planning For A Continued Challenging Macro Environment
### GDP By Region

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. GDP</td>
<td>1.8%</td>
<td>2.2%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Eurozone GDP</td>
<td>1.5%</td>
<td>(0.5)%</td>
<td>(0.3)%</td>
</tr>
<tr>
<td>China GDP</td>
<td>9.3%</td>
<td>7.8%</td>
<td>8.2%</td>
</tr>
<tr>
<td>India GDP</td>
<td>6.3%</td>
<td>5.1%</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

### Source: Global Insight

**Continued Slow Growth Macro Environment**
2013 End Market Trends

**Honeywell Outperforming Key End Markets**

**Aero**
- **Commercial AM**
  - Organic Sales Change: Up Mid SD
  - Growth Moderating, Difficult Comps
- **Commercial OE**
  - Organic Sales Change: Up Mid SD
  - Production Ramp-ups; Difficult Comps 1H13
- **Defense & Space**
  - Organic Sales Change: Down (~3%)
  - Likely Sequestration Scenario

**ACS**
- **Energy, Safety, and Security**
  - Organic Sales Change: Up Low SD
  - Res / Non-Res Modest Improvement
- **Process Solutions**
  - Organic Sales Change: Up Low SD
  - Strong Backlog Conversion, Project Delays
- **Building Solutions, And Dist.**
  - Organic Sales Change: Up Low SD
  - Challenging Investment Environment

**PMT**
- **Advanced Materials**
  - Organic Sales Change: Up Low SD
  - Easier 2H Comps
- **UOP**
  - Organic Sales Change: Up ~10%
  - Continuing To Build Backlog

**TS**
- **Passenger Vehicles**
  - Organic Sales Change: ~ Flat To Up Slightly
  - EU Headwinds Continue; 2H Comps Improve
- **Commercial Vehicles**
  - Organic Sales Change: ~ Flat To Up Slightly
  - Global Launches; 2H China Improvement

*Note: Organic Sales Change*
## 2013 Segment Outlook

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales Growth</th>
<th>Segment Margin Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aero</td>
<td>Up 1 - 3%</td>
<td>Up 50 - 70 bps</td>
</tr>
<tr>
<td></td>
<td>• Commercial Aftermarket Growth Recouples To Flight Hours&lt;br&gt;• Commercial OE Supported By Increased Deliveries&lt;br&gt;• Scenario Planning For Defense, Expect Modest Declines</td>
<td></td>
</tr>
<tr>
<td>ACS</td>
<td>Up 3 - 5%</td>
<td>Up 10 - 40 bps</td>
</tr>
<tr>
<td></td>
<td>• Better Short-Cycle Comps, Some Easing Of Macro Headwinds&lt;br&gt;• Slower Solutions Growth Supported By Backlogs&lt;br&gt;• Enablers Helping Drive Improved Productivity</td>
<td>Up 50 - 70 bps ex Intermec</td>
</tr>
<tr>
<td>PMT</td>
<td>Up 11 - 13%</td>
<td>~ Flat - Up 20 bps</td>
</tr>
<tr>
<td></td>
<td>• UOP + Thomas Russell Acquisition = Double Digit Growth&lt;br&gt;• New Products / Applications Help Drive Advanced Materials&lt;br&gt;• Increased Capex To Support Growth And Productivity</td>
<td></td>
</tr>
<tr>
<td>TS</td>
<td>~ Flat - Up 3%</td>
<td>Up 30 - 60 bps</td>
</tr>
<tr>
<td></td>
<td>• EU LV Production Flat To Down Slightly YoY, Easier Comps 2H&lt;br&gt;• Increased Turbo Penetration In U.S. And China&lt;br&gt;• New Product Launches Driving Growth</td>
<td></td>
</tr>
</tbody>
</table>
# 2013 Full Year Guidance

($B except per share amounts)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013E</th>
<th>V%</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$37.7</td>
<td>$39.0 - 39.5</td>
<td>4 - 5%</td>
<td>• Organic Up 1 - 3%</td>
</tr>
<tr>
<td><strong>Segment Profit</strong></td>
<td>$5.9</td>
<td>$6.2 - 6.4</td>
<td>5 - 9%</td>
<td>• Up 40 - 60 bps Ex-Acquisitions</td>
</tr>
<tr>
<td><strong>Segment Margin</strong></td>
<td>15.6%</td>
<td>15.8 - 16.1%</td>
<td>20 - 50 bps</td>
<td></td>
</tr>
<tr>
<td><strong>Net Income, Proforma</strong></td>
<td>$3.5</td>
<td>$3.8 - 4.0</td>
<td>7 - 12%</td>
<td>• Shares ~Flat To 4Q 2012</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$4.48</td>
<td>$4.75 - 4.95</td>
<td>6 - 11%</td>
<td>• Capex Investment</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$3.7</td>
<td>~$3.7</td>
<td>~ Flat</td>
<td></td>
</tr>
</tbody>
</table>

1. Proforma, V% Exclude Any Pension Mark-to-Market Adjustment
2. Free Cash Flow (Cash Flow from Operations Less Capital Expenditures) Prior to Any NARCO Related Payments and Cash Pension Contributions

## Balanced Outlook For 2013

**Low End**
- Lower Global GDP Growth
- High Growth Regions Moderate Further
- Unfavorable Mix – Commercial OE, Adv Mat
- Inflation / Productivity Worse
- Stronger Dollar – EUR < $1.25

**High End**
- Stronger Global GDP Growth
- High Growth Regions Overdrive
- Favorable Mix – ACS-ESS, UOP
- Inflation / Productivity Better
- Weaker Dollar – EUR > $1.25
## 1Q13 Update

<table>
<thead>
<tr>
<th>Sales Change</th>
<th>Comments</th>
</tr>
</thead>
</table>
| **Aerospace** | (2) - 0% | • Continued Modest Defense Ramp Downs  
• Moderating Aftermarket, Tougher Comps |
| **ACS**      | 0 - 2%  | • ESS End Markets Stable  
• Moderating Growth HPS, BSD |
| **PMT**      | 7 - 9%  | • UOP Shipment Timing, Acquisition Tailwind  
• Adv. Mat. Volume Headwinds |
| **Transportation** | (5) - (7%) | • EU Light Vehicle Production Down ~(10%)  
• Challenging 1H 2013 Comps |
| **Honeywell** | 0 - 2%  | • Total ~$9.3 – $9.5B |

**EPS $1.10 - $1.15, Up 6 - 11%**
Investing For Growth
RD&E Investment

### Major Growth Projects

- **Aero:** Satellite Communication, Wireless
  Adv RMUs (Safety, Efficiency, Passenger Comfort)
- **ACS:** Consumer Focused Products (ECC, HLS)
- **PMT:** Next Gen Hydrocracking Catalysts & Equipment
  HFO - Solstic Applications
- **TS:** Adv Gas Turbos, High Efficiency VNT

### 2013 Spend Profile

- **Aero**
- **ACS**
- **PMT**
- **TS**

**2011**

- RD&E Spending: 4.8%
- % of Sales: ~

**2012**

- RD&E Spending: 5.0%
- % of Sales: ~

**2013E**

- RD&E Spending: ~5.0%
- % of Sales: ~

More Products, More Efficiently
Capital Investment

Capital Spend

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Spend (B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$0.8</td>
</tr>
<tr>
<td>2012</td>
<td>$0.9</td>
</tr>
<tr>
<td>2013E</td>
<td>$1.2</td>
</tr>
</tbody>
</table>

Major Growth Projects

- PMT: UOP Oleflex Catalyst
- Aero: COMAC C-919
- PMT: UOP Hydroprocessing Catalysts
- PMT: Solstice Foam
- ACS: New Product Introductions
- TS: Footprint Optimization
- HON: HGR Expansion

2013 Spend Profile

Growth: PMT
Productivity: ACS
HS&E: TS
Maintenance: Other
Other: Corp

Investing In Profitable, High ROI Growth Projects
Capital Efficiency

(%) of Sales

ROI*

Fixed Assets (% of Sales)

* ROI Excludes Pension MTM Adjustment and Pension Asset/Liability
Cash Flow

Working Capital

- Working Capital
- Working Capital Turns*

<table>
<thead>
<tr>
<th>Year</th>
<th>Working Capital</th>
<th>Working Capital Turns</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013E</td>
<td></td>
<td>7.3</td>
</tr>
</tbody>
</table>

*13pt. Turns

Focused On Cycle Time Improvement

Cash Flow From Operations*

- Pension ~$1.0B
- Capex ~$1.2B
- Dividends ~$1.3B
- Share Buyback
- Net M&A, Other

<table>
<thead>
<tr>
<th>Year</th>
<th>~$4.6B</th>
<th>~$4.9B</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013E</td>
<td>~$1.2B</td>
<td></td>
</tr>
</tbody>
</table>

No Planned Pension Funding In 2013

*Cash Flow From Operations Shown Prior to Cash Pension Contributions and Any NARCO Related Payments
Pension Funded Status

*Based on 7.75% Fund Return, 4.06% Disc. Rate

U.S. Pension Contributions In Next 3 Years Unlikely
Returning Value To Shareholders

(Cash Dividend Per Share)

~2x


$0.75

$1.53

10-Year TSR*

~2.4x

240%

Dividend 75%

99%

Share Price 165%

99%

Dividend 37%

Share Price 62%

S&P 500

HON

* Total Shareholder Return From 1/1/2003 To 12/31/2012

Cash Deployment Contributing To Strong TSR
Long Term Outlook Update

On Track To 2014 Targets Despite Macro Headwinds

Sales

($B)

6 - 8% CAGR

Over $3.0B of Headwinds

- Lower Global Growth
  - GDP of ~3.2% vs. 3.5% planning assumption

- Unfavorable FX
  - Euro of ~1.30 vs. 1.35 Planning Assumption

$30.0 - 39.5

$41.0 - 45.0

$39.0 - 45.0

2009 2013E 2014T

Segment Margin

Over $0.5B of Tailwinds

- Acquisitions
  - M&A Ahead Of Plan

13.3% 15.8 - 16.1%

16.0 - 18.0%

2009 2013E 2014T

300 - 500 Bps

~50 Bps of Headwinds

- Lower Global Growth
  - Limiting Volume Leverage

- Acquisitions
  - Working On Execution Of Acquisition Integration Savings
### HON Growth Drivers: Next 5 Years

<table>
<thead>
<tr>
<th>Business</th>
<th>Incremental Opportunity</th>
<th>Key Growth Drivers</th>
</tr>
</thead>
</table>
| Aero     | ~$3B                    | • Winning On The Right Platforms  
|          |                         | • Leveraging Connectivity Offerings Across Product Lines  
|          |                         | • Differentiating With Unique Mech. / Elec. Integration |
| ACS      | ~$4.5B                  | • Increased High Growth Region Penetration  
|          |                         | • Strong Pipeline Of New Product Introductions  
|          |                         | • Differentiating As Leading Player In Fragmented Mkts |
| PMT      | ~$2.5B                  | • Robust UOP Backlog, High ROI Capex Deployment  
|          |                         | • New HFO Applications And Expanded Adoption  
|          |                         | • Differentiating Through Step Change Innovations |
| TS       | ~$1B                    | • Increased Turbo Penetration In The U.S. And China  
|          |                         | • Winning An Outsized Portion Of Available Opportunities  
|          |                         | • Differentiating With Technology Leadership |

**Over $11B In High Margin Sales On The Horizon**
<table>
<thead>
<tr>
<th>Key Areas</th>
<th>What’s To Like</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Track To LT Targets</td>
<td>• 2012 Performance, 2013 Plan → Path To 2014</td>
</tr>
<tr>
<td></td>
<td>• Investments In Seed Planting Support Future Growth</td>
</tr>
<tr>
<td>Robust Margin Leverage</td>
<td>• Maximizing Labor Cost Efficiency Through OEF</td>
</tr>
<tr>
<td></td>
<td>• Executing On Sustainable Productivity Actions</td>
</tr>
<tr>
<td>Restructuring Tailwind</td>
<td>• 2013 Incremental Savings ~$150M</td>
</tr>
<tr>
<td></td>
<td>• High IRR Projects, Long-Term Benefits</td>
</tr>
<tr>
<td>Strong Capital Deployment</td>
<td>• CAPEX To Fund High Growth / High Margin Projects</td>
</tr>
<tr>
<td></td>
<td>• Investing To Expand Capabilities In High Growth Regions</td>
</tr>
<tr>
<td>Returning Cash To Shareholders</td>
<td>• Committed To Grow Dividends - 10% Increase In 4Q 2012</td>
</tr>
<tr>
<td></td>
<td>• Smart Share Buyback : Keeping Share Count ~Flat To 4Q12</td>
</tr>
<tr>
<td>Acquisition Upside</td>
<td>• Disciplined Process, Portfolio Transformation Evident</td>
</tr>
<tr>
<td></td>
<td>• More Integration Savings And Sales Upside</td>
</tr>
</tbody>
</table>
Summary

• Delivering 2013 Despite Challenging Macro Environment

• Staying Flexible, Planning Costs Conservatively

• Focused On Execution, Committed To 2014 Targets

• Ongoing Investments In New Products, Markets Drive Growth

• Further Penetrating High Growth Markets

• Strong Cash Generation, Effective Deployment Driving Value

• Continued Outperformance Beyond 2014
Why HON Will Outperform

• A Terrific Portfolio For Growth
  - Great Positions In Good Industries = Growing Sales Faster Than Market, Peers

• One Honeywell Culture Working Well
  - Continue Top Tier Execution

• Improved Internal Processes Driving Margin Expansion
  - Tools / Enablers Evolving, Now Moving Fast

• Lots Of Runway For Future Growth
  - The More We Do, The More Opportunity We Uncover
Appendix

Reconciliation of non-GAAP Measures to GAAP Measures
Reconciliation Of Segment Profit To Operating Income Excluding Pension Mark-To-Market Adjustment And Calculation Of Segment Profit And Operating Income Margin Excluding Pension Mark-To-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Profit</td>
<td>$2.4</td>
<td>$2.8</td>
<td>$3.2</td>
</tr>
<tr>
<td>Stock Based Compensation (1)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Repositioning and Other (2, 3)</td>
<td>(0.2)</td>
<td>(0.7)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Pension Ongoing Expense (2)</td>
<td>(0.1)</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment (2)</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>OPEB Income (Expense) (2)</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$1.7</td>
<td>$1.8</td>
<td>$2.7</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment (2)</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Operating Income Excluding Pension Mark-to-Market Adjustment</td>
<td>$1.9</td>
<td>$1.9</td>
<td>$2.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Profit</td>
<td>$2.4</td>
<td>$2.8</td>
<td>$3.2</td>
</tr>
<tr>
<td>+ Sales</td>
<td>$22.1</td>
<td>$24.5</td>
<td>$26.5</td>
</tr>
<tr>
<td>Segment Profit Margin %</td>
<td>10.6%</td>
<td>11.4%</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$1.7</td>
<td>$1.8</td>
<td>$2.7</td>
</tr>
<tr>
<td>+ Sales</td>
<td>$22.1</td>
<td>$24.5</td>
<td>$26.5</td>
</tr>
<tr>
<td>Operating Income Margin %</td>
<td>7.9%</td>
<td>7.2%</td>
<td>10.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income Excluding Pension Mark-to-Market Adjustment</td>
<td>$1.9</td>
<td>$1.9</td>
<td>$2.7</td>
</tr>
<tr>
<td>+ Sales</td>
<td>$22.1</td>
<td>$24.5</td>
<td>$26.5</td>
</tr>
<tr>
<td>Operating Income Margin Excluding Pension Mark-to-Market Adjustment</td>
<td>8.4%</td>
<td>7.6%</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

(1) Stock Based Compensation included in Segment Profit.
(2) Included in cost of products and services sold and selling, general and administrative expenses.
(3) Includes repositioning, asbestos and environmental expenses.
Reconciliation Of Segment Profit To Operating Income Excluding Pension Mark-To-Market Adjustment And Calculation Of Segment Profit And Operating Income Margin Excluding Pension Mark-To-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Profit</td>
<td>$4.0</td>
<td>$4.6</td>
<td>$4.8</td>
<td>$4.0</td>
<td>$4.5</td>
<td>$5.4</td>
<td>$5.9</td>
</tr>
<tr>
<td>Stock Based Comp.</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Repositioning &amp; Oth.</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>(1.1)</td>
<td>(0.5)</td>
<td>(0.6)</td>
<td>(0.8)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>P. Ongoing Expense</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
<td>(0.3)</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>P. Mark-to-Market A.</td>
<td>0.0</td>
<td>0.0</td>
<td>(3.3)</td>
<td>(0.7)</td>
<td>(0.5)</td>
<td>(1.8)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Other Post. Income/</td>
<td>(0.1)</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>0.0</td>
<td>(0.0)</td>
<td>0.1</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Ongoing Expense</td>
<td>0.0</td>
<td>0.0</td>
<td>(3.3)</td>
<td>(0.7)</td>
<td>(0.5)</td>
<td>(1.8)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$3.3</td>
<td>$3.9</td>
<td>$0.3</td>
<td>$2.4</td>
<td>$3.0</td>
<td>$2.6</td>
<td>$4.2</td>
</tr>
<tr>
<td>P. Mark-to-Market A.</td>
<td>$0.0</td>
<td>$0.0</td>
<td>($3.3)</td>
<td>($0.7)</td>
<td>($0.5)</td>
<td>($1.8)</td>
<td>($1.0)</td>
</tr>
<tr>
<td>Operating Income Excluding P. Mark-to-Market A.</td>
<td>$3.3</td>
<td>$3.9</td>
<td>$3.6</td>
<td>$3.1</td>
<td>$3.5</td>
<td>$4.4</td>
<td>$5.1</td>
</tr>
</tbody>
</table>

(1) Included in cost of products and services sold and selling, general and administrative expenses.
(2) Includes repositioning, asbestos, environmental expenses and equity income adjustment (beginning 3/1/2008).
Reconciliation Of EPS To EPS, Excluding Pension Mark-to-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS, Previously Reported</td>
<td>$1.50</td>
<td>$1.45</td>
<td>$1.92</td>
</tr>
<tr>
<td>Effect of Pension Accounting Change</td>
<td>(0.11)</td>
<td>0.22</td>
<td>0.29</td>
</tr>
<tr>
<td>EPS</td>
<td>$1.39</td>
<td>$1.67</td>
<td>$2.21</td>
</tr>
<tr>
<td>Pension Mark-To-Market Adjustment</td>
<td>0.12</td>
<td>0.07</td>
<td>0.03</td>
</tr>
<tr>
<td>EPS, Excluding Pension Mark-to-Market Adjustment</td>
<td>$1.51</td>
<td>$1.74</td>
<td>$2.24</td>
</tr>
</tbody>
</table>

(1) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 33.5% 2003.
(2) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 30.0% 2004.
(3) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 32.3% 2005.
### Reconciliation Of EPS To EPS, Excluding Pension Mark-to-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2006 (1)</th>
<th>2007 (2)</th>
<th>2008 (3)</th>
<th>2009 (4)</th>
<th>2010 (5)</th>
<th>2011 (6)</th>
<th>2012 (7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>$2.77</td>
<td>$3.35</td>
<td>$1.08</td>
<td>$2.05</td>
<td>$2.59</td>
<td>$2.61</td>
<td>$3.69</td>
</tr>
<tr>
<td>Pension Mark-To-Market Adjustment</td>
<td>0.02</td>
<td>0.01</td>
<td>2.74</td>
<td>0.64</td>
<td>0.41</td>
<td>1.44</td>
<td>0.79</td>
</tr>
<tr>
<td>EPS, Excluding Pension Mark-to-Market Adjustment</td>
<td>$2.79</td>
<td>$3.36</td>
<td>$3.82</td>
<td>$2.69</td>
<td>$3.00</td>
<td>$4.05</td>
<td>$4.48</td>
</tr>
</tbody>
</table>

(1) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 28.6% 2006.
(2) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 30.8% 2007.
(3) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 38.2% 2008.
(4) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 34.4% 2009.
(5) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 32.3% 2010.
(6) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 36.9% 2011.
(7) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a blended tax rate of 35.0% 2012.
Reconciliation Of Cash Provided By Operating Activities To Free Cash Flow, Prior To Cash Pension Contributions And Calculation Of Cash Flow Conversion Percentage

<table>
<thead>
<tr>
<th>($B)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Provided by Operating Activities</td>
<td>$2.2</td>
<td>$2.3</td>
<td>$2.4</td>
<td>$3.2</td>
<td>$3.9</td>
</tr>
<tr>
<td>Expenditures for Property, Plant and Equipment</td>
<td>(0.7)</td>
<td>(0.7)</td>
<td>(0.6)</td>
<td>(0.7)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$1.5</td>
<td>$1.6</td>
<td>$1.8</td>
<td>$2.5</td>
<td>$3.1</td>
</tr>
<tr>
<td>Cash Pension Contributions</td>
<td>0.7</td>
<td>0.0</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Free Cash Flow, Prior to Cash Pension Contributions</td>
<td>$2.2</td>
<td>$1.6</td>
<td>$1.9</td>
<td>$2.7</td>
<td>$3.3</td>
</tr>
<tr>
<td>Net Income Attributable to Honeywell</td>
<td>$1.2</td>
<td>$1.4</td>
<td>$1.9</td>
<td>$2.3</td>
<td>$2.6</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment, net of tax (1)</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Net Income Attributable to Honeywell Excluding Pension Mark-to-Market Adjustment</td>
<td>$1.3</td>
<td>$1.5</td>
<td>$1.9</td>
<td>$2.3</td>
<td>$2.6</td>
</tr>
<tr>
<td>Cash Provided by Operating Activities</td>
<td>$2.2</td>
<td>$2.3</td>
<td>$2.4</td>
<td>$3.2</td>
<td>$3.9</td>
</tr>
<tr>
<td>÷ Net Income Attributable to Honeywell Excluding Pension Mark-to-Market Adjustment</td>
<td>1.2</td>
<td>$1.4</td>
<td>$1.9</td>
<td>$2.3</td>
<td>$2.6</td>
</tr>
<tr>
<td>Operating Cash Flow Conversion %</td>
<td>183%</td>
<td>156%</td>
<td>129%</td>
<td>140%</td>
<td>151%</td>
</tr>
<tr>
<td>Free Cash Flow, Prior to Cash Pension Contributions</td>
<td>$2.2</td>
<td>$1.6</td>
<td>$1.9</td>
<td>$2.7</td>
<td>$3.3</td>
</tr>
<tr>
<td>÷ Net Income Attributable to Honeywell Excluding Pension Mark-to-Market Adjustment</td>
<td>$1.3</td>
<td>$1.5</td>
<td>$1.9</td>
<td>$2.3</td>
<td>$2.6</td>
</tr>
<tr>
<td>Free Cash Flow Conversion %</td>
<td>170%</td>
<td>113%</td>
<td>96%</td>
<td>120%</td>
<td>129%</td>
</tr>
</tbody>
</table>

(1) Mark-to-market uses a blended tax rate of 33.5%, 30.0%, 32.3%, 28.6%, 30.8% 2003 through 2007, respectively.
## Reconciliation Of Cash Provided By Operating Activities To Free Cash Flow, Prior To Cash Pension Contributions And Calculation Of Cash Flow Conversion Percentage

<table>
<thead>
<tr>
<th>($B)</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Provided by Operating Activities</td>
<td>$3.8</td>
</tr>
<tr>
<td>Expenditures for Property, Plant and Equipment</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$2.9</td>
</tr>
<tr>
<td>Cash taxes relating to the sale of the</td>
<td></td>
</tr>
<tr>
<td>Consumables Solutions business</td>
<td>0.2</td>
</tr>
<tr>
<td>Free cash flow excluding cash taxes relating to the sale of the</td>
<td></td>
</tr>
<tr>
<td>Consumables Solutions business</td>
<td>$3.1</td>
</tr>
<tr>
<td>Cash Pension Contributions</td>
<td>0.1</td>
</tr>
<tr>
<td>Free Cash Flow, Prior to Cash Pension Contributions</td>
<td>$3.2</td>
</tr>
<tr>
<td>Net Income Attributable to Honeywell</td>
<td>$0.8</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment, net of tax (1)</td>
<td>2.0</td>
</tr>
<tr>
<td>Net Income Attributable to Honeywell Excluding Pension Mark-to-Market Adjustment</td>
<td>$2.8</td>
</tr>
<tr>
<td>Cash Provided by Operating Activities</td>
<td>$3.8</td>
</tr>
<tr>
<td>÷ Net Income Attributable to Honeywell</td>
<td>$0.8</td>
</tr>
<tr>
<td>Operating Cash Flow Conversion %</td>
<td>470%</td>
</tr>
<tr>
<td>Free Cash Flow, Prior to Cash Pension Contributions</td>
<td>$3.2</td>
</tr>
<tr>
<td>÷ Net Income Attributable to Honeywell</td>
<td>$2.8</td>
</tr>
<tr>
<td>Free Cash Flow Conversion %</td>
<td>110%</td>
</tr>
</tbody>
</table>

(1) Mark-to-market uses a blended tax rate of 38.2% for 2008.
### Reconciliation Of Cash Provided By Operating Activities To Free Cash Flow, Prior To Cash Pension Contributions And Calculation Of Cash Flow Conversion Percentage

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Provided by Operating Activities</strong></td>
<td>$3.9</td>
<td>$4.2</td>
<td>$2.8</td>
<td>$3.5</td>
</tr>
<tr>
<td><strong>Expenditures for Property, Plant and Equipment</strong></td>
<td>(0.6)</td>
<td>(0.6)</td>
<td>(0.8)</td>
<td>(0.9)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$3.3</td>
<td>$3.6</td>
<td>$2.0</td>
<td>$2.6</td>
</tr>
<tr>
<td><strong>Cash Pension Contributions</strong></td>
<td>0.3</td>
<td>0.6</td>
<td>1.8</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Free Cash Flow, Prior to Cash Pension Contributions</strong></td>
<td>$3.6</td>
<td>$4.2</td>
<td>$3.8</td>
<td>$3.7</td>
</tr>
<tr>
<td><strong>Net Income Attributable to Honeywell</strong></td>
<td>$1.5</td>
<td>$2.0</td>
<td>$2.1</td>
<td>$2.9</td>
</tr>
<tr>
<td><strong>Pension Mark-to-Market Adjustment, net of tax</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>0.5</td>
<td>0.3</td>
<td>1.1</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Net Income Attributable to Honeywell Excluding Pension Mark-to-Market Adjustment</strong></td>
<td>$2.0</td>
<td>$2.3</td>
<td>$3.2</td>
<td>$3.5</td>
</tr>
<tr>
<td><strong>Cash Provided by Operating Activities</strong></td>
<td>$3.9</td>
<td>$4.2</td>
<td>$2.8</td>
<td>$3.5</td>
</tr>
<tr>
<td><strong>÷ Net Income Attributable to Honeywell</strong></td>
<td>$1.5</td>
<td>$2.0</td>
<td>$2.1</td>
<td>$2.9</td>
</tr>
<tr>
<td><strong>Operating Cash Flow Conversion %</strong></td>
<td>255%</td>
<td>208%</td>
<td>137%</td>
<td>120%</td>
</tr>
<tr>
<td><strong>Free Cash Flow, Prior to Cash Pension Contributions</strong></td>
<td>$3.6</td>
<td>$4.2</td>
<td>$3.8</td>
<td>$3.7</td>
</tr>
<tr>
<td><strong>÷ Net Income Attributable to Honeywell</strong></td>
<td>$2.0</td>
<td>$2.3</td>
<td>$3.2</td>
<td>$3.5</td>
</tr>
<tr>
<td><strong>Excluding Pension Mark-to-Market Adjustment</strong></td>
<td>$2.0</td>
<td>$2.3</td>
<td>$3.2</td>
<td>$3.5</td>
</tr>
<tr>
<td><strong>Free Cash Flow Conversion %</strong></td>
<td>177%</td>
<td>180%</td>
<td>118%</td>
<td>103%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup>Mark-to-market uses a blended tax rate of 34.4%, 32.3%, 36.9% and 35.0% for 2009 through 2012, respectively.
## Discontinued Operations Reconciliation

<table>
<thead>
<tr>
<th>($B)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales - Total Honeywell</td>
<td>$23.1</td>
<td>$25.6</td>
<td>$27.7</td>
<td>$31.4</td>
</tr>
<tr>
<td>Sales - CPG</td>
<td>1.0</td>
<td>1.1</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Sales - Continuing Operations</td>
<td>$22.1</td>
<td>$24.5</td>
<td>$26.5</td>
<td>$30.3</td>
</tr>
</tbody>
</table>
HON Business Structure

- **Aero**: Aerospace
  - **ATR**: Air Transport & Regional
  - **BGA**: Business & General Aviation
  - **D&S**: Defense & Space
- **ACS**: Automation and Control Solutions
  - **ESS**: Energy, Safety & Security
  - **HPS**: Honeywell Process Solutions
  - **BSD**: Building Solutions & Distribution
- **PMT**: Performance Materials and Technologies
  - **Adv Mat**: Advanced Materials
- **TS**: Transportation Systems
  - **HTT**: Honeywell Turbo Technologies
  - **FM**: Friction Materials
- **HGR**: High Growth Regions

HON Business Cycle

- **Early Cycle** (~15% of HON Sales)
  - Sensing & Control (S&C) - ACS
  - Specialty Products (SP) - PMT
  - Electronic Materials (HEM) - PMT
  - Turbo Technologies - TS
  - Friction Materials - TS
- **Mid Cycle** (~50% of HON Sales)
  - Commercial Aftermarket (ATR/BGA) - Aero
  - Environmental & Combustion Controls (ECC) - ACS
  - Life Safety (HLS) - ACS
  - Security (HSG) - ACS
  - Scanning & Mobility (HSM) - ACS
  - Building Solutions (HBS) - ACS
  - Resins & Chemicals (R&C) - PMT
  - Fluorine Products (FP) - PMT
- **Late Cycle** (~35% of HON Sales)
  - Aero OE (ATR/BGA) - Aero
  - Defense & Space (D&S) - Aero
  - Process Solutions (HPS) - ACS
  - UOP - PMT

Tools / Enablers

- **HOS**: Honeywell Operating System
  - **FSD**: Full Scale Deployment
- **FT**: Functional Transformation
- **OEF**: Organizational Effectiveness
- **VPD**: Velocity Product Development

Peer Pension Comparison

- **3M**
- **Boeing**
- **Danaher**
- **Dow Chemical**
- **DuPont**
- **Emerson**
- **General Electric**
- **Illinois Tool Works**
- **Johnson Controls**
- **Rockwell Collins**
- **Siemens**
- **Tyco**
- **United Technologies**
BIOGRAPHIES
Dave Cote is Chairman and Chief Executive Officer of Honeywell, a $38 billion diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; turbochargers; and performance materials. He was elected president, CEO, and a member of Honeywell's Board in February 2002, and named chairman of the Board on July 1, 2002.

Cote's decade of leadership has seen Honeywell deliver strong growth in sales, earnings per share, segment profit, and cash flow. Honeywell has great positions in good industries. Honeywell’s growth is driven by technologies that address some of the world’s toughest challenges such as safety, security, clean energy generation, and energy efficiency. More than 50 percent of the company’s sales are outside the U.S. The company’s more than 130,000 employees, including 20,000 scientists and engineers, are focused on developing innovative products and solutions that help Honeywell’s customers – and their customers – improve performance and productivity.

Cote is a member of the steering committee of the Campaign to Fix Debt, a bi-partisan effort to build support for a comprehensive U.S. debt reduction plan. In 2011, Cote was named Vice Chair of the Business Roundtable (BRT) and Chairs the BRT’s Energy and Environment Committee. In 2010, Cote was named by President Barack Obama to serve on the bipartisan National Commission on Fiscal Responsibility and Reform also known as the Simpson-Bowles Commission. Cote was named co-chair of the U.S.-India CEO Forum by President Obama in 2009, and has served on the Forum since July 2005.

Cote received the Corporate Social Responsibility Award from the Foreign Policy Association in 2007, the Distinguished Achievement Award from B’nai B’rith International in 2011, and the Asia Society’s Global Leadership Award in 2012.

He is a graduate of the University of New Hampshire, where he earned a bachelor's degree in business administration. In 2009, Cote was made an honorary professor at the Beihang University of Aeronautics and Astronautics in Beijing, China, and in 2011, Cote received an honorary Doctor of Humane Letters from his alma mater.
Dave Anderson joined Honeywell as Senior Vice President and Chief Financial Officer in June 2003. A member of Honeywell’s senior leadership team, Mr. Anderson is responsible for the company’s Corporate Finance activities including tax, accounting, treasury, audit, investments, financial planning, acquisitions and real estate. He also plays a key role in communicating Honeywell’s key strategies and financial performance to Wall Street. Since joining Honeywell, Mr. Anderson has been integral to the reshaping of the company’s portfolio including supporting nearly $10 billion of acquisitions in higher growth, global markets. He has been recognized by Institutional Investor’s survey of buy-side analysts as one of America’s top CFO’s for the last six years.

Prior to joining Honeywell, Mr. Anderson was Senior Vice President and Chief Financial Officer of ITT where he had responsibility for financial management, information technology and corporate development. Prior to joining ITT, Mr. Anderson worked at Newport News Shipbuilding, the global leader in the design and construction of nuclear submarines and aircraft carriers, where he was Senior Vice President and Chief Financial Officer. In that role, he successfully led the effort to establish Newport News Shipbuilding as a NYSE-listed public company.

Previously, he also held senior financial positions with RJR Nabisco and The Quaker Oats Company.

Mr. Anderson is a graduate of Indiana University and received an MBA from the University of Chicago’s Booth School of Business. He serves as chairperson for Chicago Booth’s CFO Forum. He is also a member of the Board of Directors of American Electric Power (AEP), one of the nation’s largest generators of electricity and owner of the nation’s largest electricity transmission system.
Carl Esposito is Vice President of Marketing & Product Management (M&PM) with Honeywell Aerospace. An industry veteran and member of the Aerospace Leadership Team, Mr. Esposito provides industry and product insight to drive technology development that addresses global macro trends such as safety, security, energy efficiency, and globalization.

As the leader of M&PM, Mr. Esposito oversees how the organization creates and drives strategy through product portfolio integration and product line management. He is responsible for strategic planning, portfolio and product management, product marketing, and marketing communications across Aerospace.

Since joining Honeywell in 1990, Mr. Esposito’s tenure has included various leadership roles based in Germany, Switzerland and the U.S. Prior to his current role, Mr. Esposito was Vice President of M&PM for Avionics and Flight Control Systems. Previous roles included serving as Vice President of Business & General Aviation for the Europe, Middle East, Africa and India region; Vice President of the Gulfstream/Israeli Aircraft Industries business segment; and Vice President of OEM account management and sales.

Mr. Esposito has been quoted extensively in both trade and general media publications on topics including the current state of avionics, industry leading technologies like synthetic vision, aircraft safety products, as well as Air Traffic Modernization and NextGen flight environment matters that affect public policy. Mr. Esposito also serves on the FAA’s Next Generation Advisory Council, an advisory group comprised of executive-level representatives from all relevant industry and government stakeholders convened to advise the FAA on policy and related issues critical to NextGen planning, implementation and adoption of advanced air traffic management solutions. Carl also serves on the Board of Governors for the Flight Safety Foundation, an organization dedicated to improving aviation safety for the global aviation community.

Mr. Esposito earned both a Masters of Program Management and a Masters of Business Administration degree from the Keller Graduate School of Management. He also earned a bachelor’s degree in electrical engineering from Rensselaer Polytechnic Institute. Mr. Esposito is a Project Management Professional and a certified Six Sigma Green Belt. He obtained his private pilot’s license in 2001.
Roger Fradin is President and Chief Executive Officer of Honeywell Automation and Control Solutions, a global leader in manufacturing and applying sensing and control technologies that help create safer, more comfortable, more secure, and more productive environments. Prior to his current role, he served as president of Automation and Control Products within ACS.

Mr. Fradin joined Honeywell in February 2000 at the time of Honeywell’s acquisition of the Pittway Corporation as president and CEO of Security and Fire Solutions. Starting in 1976, he helped lead an entrepreneurial team that built Pittway into the world’s leading supplier of electronic security and fire alarm products.

Mr. Fradin received his M.B.A. and bachelor’s degrees from the Wharton School at the University of Pennsylvania, where he was also a member of the faculty. He has authored books and articles on management and strategy issues. Mr. Fradin is a member of the Board of Directors of Pitney Bowes Inc. and MSC Industrial Direct.
Alex Ismail is President and Chief Executive Officer of Honeywell Transportation Systems, a $3.6 billion global business and one of Honeywell’s four reported strategic business groups. Honeywell Transportation Systems is a global leader in the development and manufacturing of innovative automotive technologies including turbochargers and braking materials.

Mr. Ismail was named to this leadership role in April 2009 after more than a decade in Honeywell’s turbo business. While there Mr. Ismail served as President of Honeywell Turbo Technologies and also held leadership roles in sales, marketing and as General Manager for the global passenger vehicles segment.

Mr. Ismail joined Honeywell in 1997 in Honeywell’s aerospace business and has held various leadership positions in the US and in Europe. Prior to joining Honeywell, Mr. Ismail served for six years in the textile industry.

Mr. Ismail was named an Automotive News Eurostar award winner in 2010 and has been featured as an industry expert in dozens of publications including the Wall Street Journal, Reuters and Bloomberg/Business Week.

He holds a B.A in Finance from the University of Dauphine (France), and an MBA from the HEC School of Management in France. He is a certified Six Sigma Black Belt. Mr. Ismail is also an avid racecar driver and winner of the 2008 Morocco Classic Race.
Andreas C. Kramvis is President and Chief Executive Officer of Honeywell Performance Materials and Technologies, a position he has held since March 2008. Performance Materials and Technologies is one of Honeywell’s four strategic business groups, with 2012 sales of $6.2 billion.

Performance Materials and Technologies is a global leader in providing customers with high-performance products and solutions, including low global warming refrigerants, specialty films for healthcare and photovoltaic applications, and next-generation renewable energy solutions, including Honeywell Green Diesel™ and Honeywell Green Jet Fuel™.

Mr. Kramvis has managed companies with global scope across five different industries. He is the author of a book titled *Transforming the Corporation: Running a Business in the 21st Century*, which demonstrates how to systematically transform a business for high performance. Mr. Kramvis is a graduate of Cambridge University, where he studied engineering specializing in electronics, and he holds an M.B.A. from Manchester Business School.
Tim Mahoney is President and Chief Executive Officer of Honeywell Aerospace, one of Honeywell International’s largest business groups. Headquartered in Phoenix, Arizona, Honeywell Aerospace is a technology and services leader in three main sectors: Air Transport & Regional, Business & General Aviation, and Defense & Space.

Prior to becoming CEO of Honeywell Aerospace, Mr. Mahoney served four years on the company’s leadership team -- as President of the Business & General Aviation business, President of the Air Transport & Regional business, and most recently as Chief Technology Officer.

As Chief Technology Officer, Mr. Mahoney had global responsibilities for engineering, research and new product development, managing the company’s R&D programs and more than 12,000 employees. He led significant improvements in operational efficiency and engineering alignment with the company’s integrated process for delivering new products to the market.

Previously, in his role leading the Air Transport & Regional business unit that serves the OEM, airline and aftermarket segments of commercial aviation, Mr. Mahoney strengthened customer relationships and development program execution on major systems for new aircraft platforms.

A 30-year veteran of the aerospace industry, Mr. Mahoney worked for Sikorsky Aircraft, where he held a series of increasingly significant leadership roles before joining Honeywell.

Mr. Mahoney earned a Bachelor of Science degree in mechanical engineering from the University of South Florida. Later in his aerospace career, he graduated from the Defense Systems Management College and Harvard Business School’s highly regarded Program for Management Development.
Shane Tedjarati, President and CEO of Global High Growth Regions at Honeywell.

In this role, Tedjarati is responsible for driving Honeywell’s business expansion in high growth regions of the world including Asia, Africa, Latin America, the Middle East and Eastern Europe. Based in Shanghai, he reports directly to Honeywell Chairman and Chief Executive Officer.

Mr. Tedjarati has a proven track record of creating localized go-to-market strategies, fostering cross-business cooperation and nurturing business partnerships in high growth regions. Prior to this role, he was the President and CEO of Honeywell China and India, where he was instrumental in engineering Honeywell’s success story in these two countries, both of which have grown several fold and become major contributors to Honeywell’s worldwide growth.

Before coming to Honeywell, Mr. Tedjarati accumulated more than 20 years of consulting experience in various industries. He was the regional managing director for Deloitte Consulting (Greater China), where he worked with Chinese state-owned enterprises and multi-national corporations to help them formulate and execute strategies for sustainable growth in China and abroad.

Mr. Tedjarati is a co-founder of Aspen Institute’s Middle East and Asia Leadership Initiatives; special advisor to Chongqing and Wuhan Mayors; member of the advisory board of Antai College of Economics and Management Shanghai Jiao Tong University; and industry Co-Chair of China Leaders for Global Operations (CLGO), a dual master’s degree program by MIT and Shanghai Jiao Tong University. He is also a sought-after speaker in various high growth markets. He has authored many articles on business practices, and is currently working on a book regarding the social and cultural ramifications of the sweeping changes taking place in the Chinese society.

Mr. Tedjarati is an avid aviator. He enjoys flying throughout the world and is a licensed commercial pilot. He has lived in China for 20 years and speaks six languages.