Honeywell

2014 Outlook

December 17, 2013

Forward Looking Statements

This report contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management's assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

Overview

Honeywell

- **Reaffirming 2013 Guidance**
  - Sales Of $38.8-39.0B, Up 1-2% Organic; EPS* Of $4.90-$4.95, Up 9-11% YoY
  - Strong Sales Conversion; Segment Margin Up 60-70 Bps To 16.2-16.3%
  - Short Cycle Improvement, Long Cycle Maintaining Robust Backlog
- **Ongoing Seed Planting Driving Performance**
  - Investing In New Products And Technologies, And HGRs To Enhance Organic Growth
  - Traction On Key Process Initiatives → Evolution Continues
  - High ROI Capex To Fund Future Growth
- **Balanced View Of 2014**
  - Continued Slow Global Growth Environment; Positive Trends In Some End Markets
  - Continued Segment Margin Increase → On Track To Mid Point Of 2014 Margin Target
  - Maintaining Flexibility, Clear Path To Double Digit Earnings Growth*

** Proforma, V% Excludes Any Pension Mark-To-Market Adjustment*

Continued Outperformance Across Portfolio

2013 Summary

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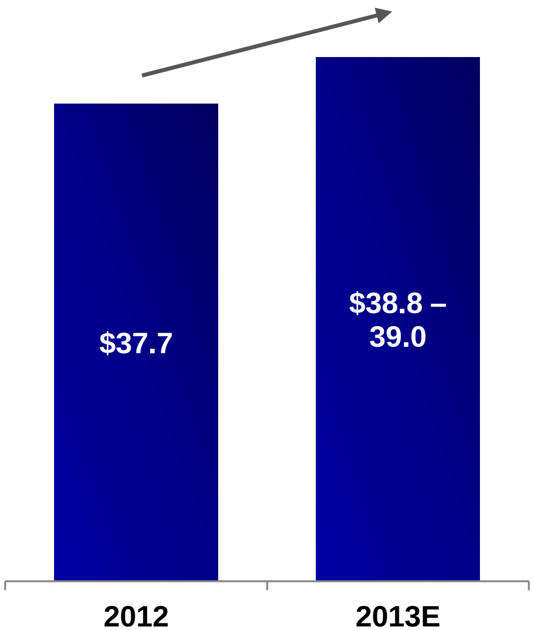
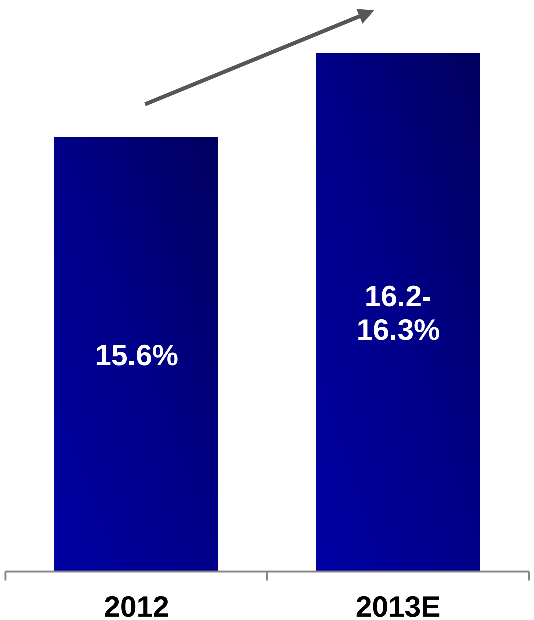
Sales	Segment Margin	EPS*

($B)

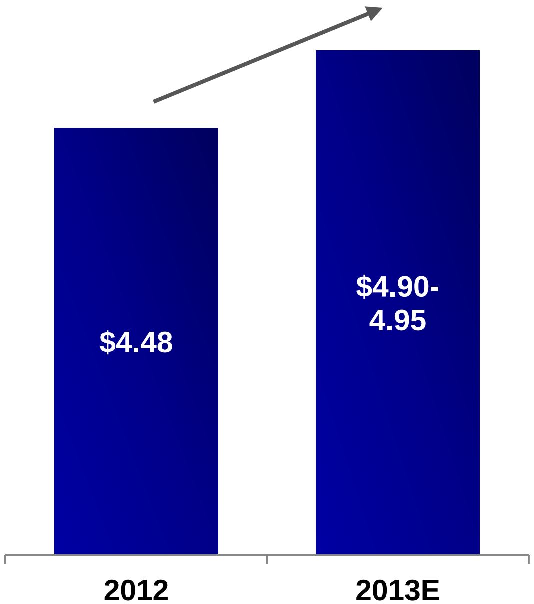
Up 3 - 4% Reported
Up 1 - 2% Organic



Up 60 - 70 Bps
Up ~80 Bps Ex M&A



Up 9 - 11%



NPI, HGR Penetration Offsetting Slow Macros

Record Margin Performance

Another Year Of Double Digit EPS Growth

** Proforma, V% Excludes Any Pension Mark-To-Market Adjustment*

Another Strong Year

2013 Performance

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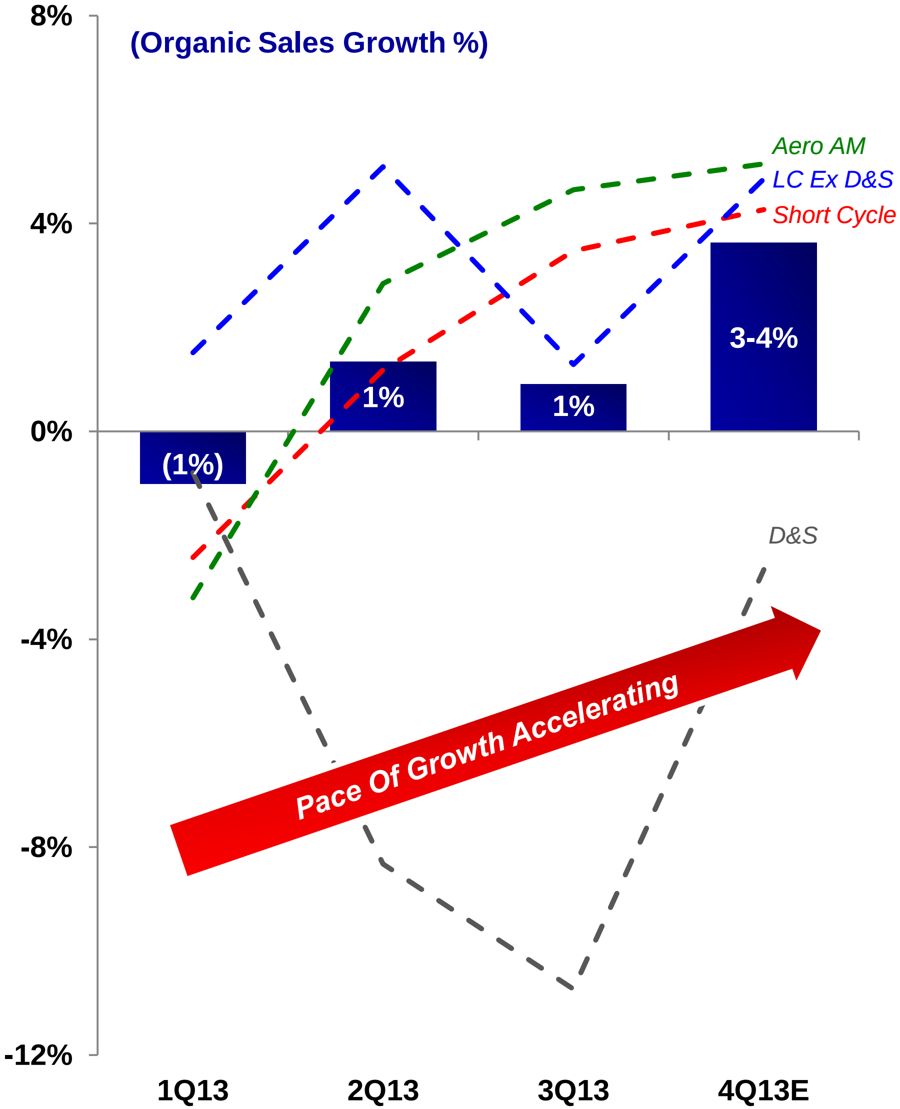

Momentum

- **Aero AM**: Improving Trends Overall, RMU Strength
- **ACS Products**: Short Cycle, Especially Residential
- **UOP And HPS**: Strong Backlogs
- **Turbo**: New Platforms, Gas Penetration, Regulations

Challenges

- **D&S**: Sequestration
- **ACS**: HBS Projects And Energy
- **PMT**: Advanced Materials End Markets

Slow Start To 2013, But Encouraging Exit Rates

2013 - 2014 GDP Forecast

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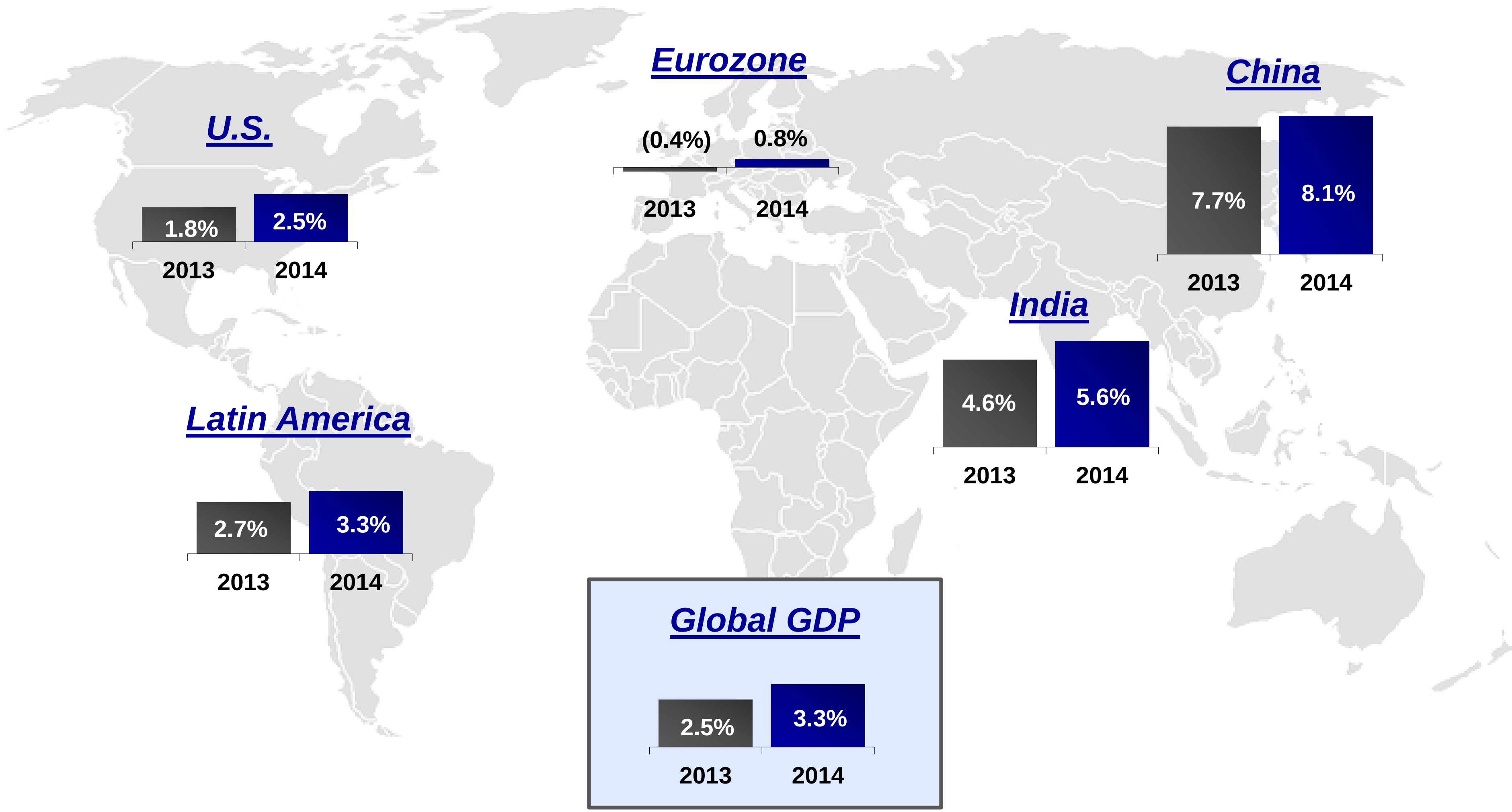
(Projected Real YoY Growth)



Source: Global Insight

Expecting Modest YoY GDP Acceleration

2013 - 2014 Industry Drivers

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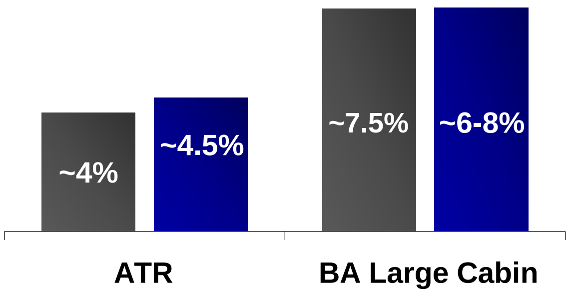
Aero Flight Hours

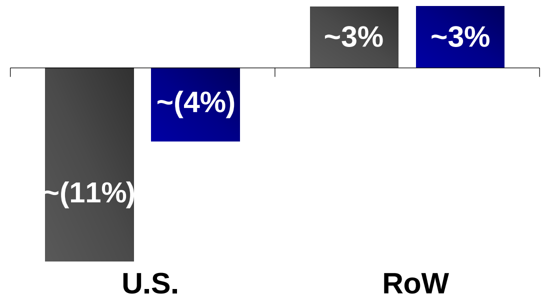
(Global YoY Growth)



Source: Company Estimates

Defense Spending

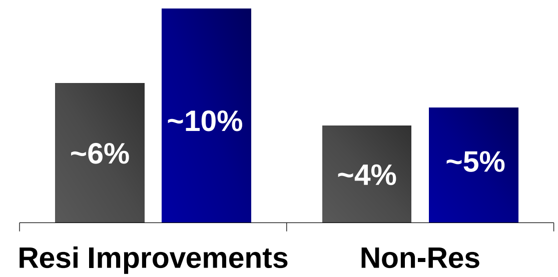
(YoY Growth)



Source: Company Estimates

Construction Spend

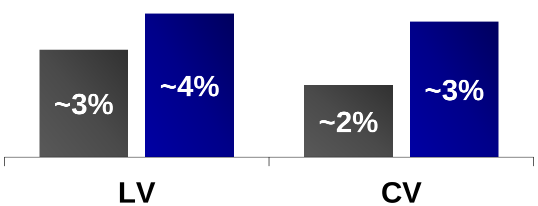
(Nominal U.S. YoY Growth)



Source: Global Insight

Vehicle Production

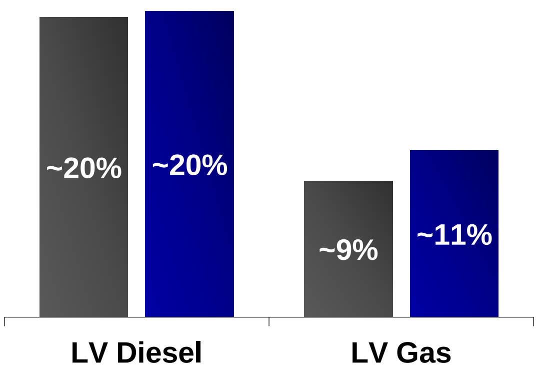
(Global YoY Growth)



Source: Global Insight and Company Estimates

Turbo Penetration

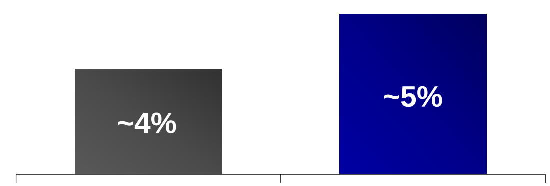
(Global Penetration %)



Source: Global Insight and Company Estimates

U.S. Capital Spending

(Nominal YoY Growth)



Source: Global Insight

Key: ***2013E*** ***2014E***

Some Positive Trends Emerging

Honeywell Portfolio: 2014 Sales Outlook

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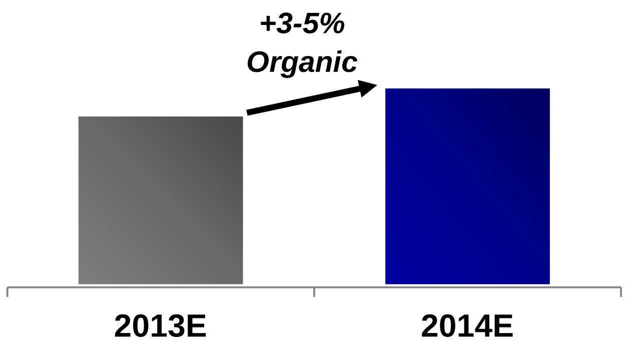
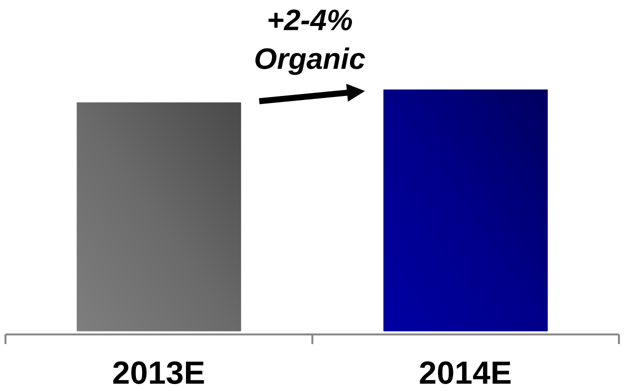
Short Cycle

~45%
of HON



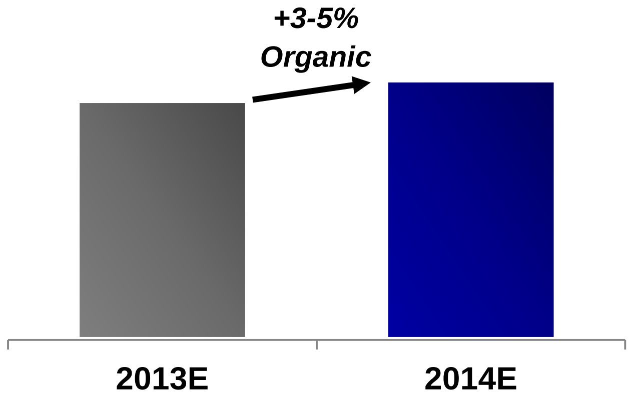
Long Cycle Ex Defense

~35%
of HON



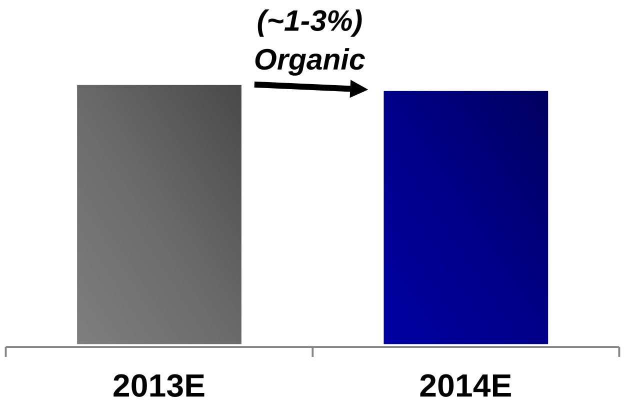
Commercial Aero Aftermarket

~10%
of HON



Defense & Space

~10%
of HON



U.S. Def
~8%
of HON

Portfolio Diversity Supports Balanced Outlook

Key Productivity Drivers

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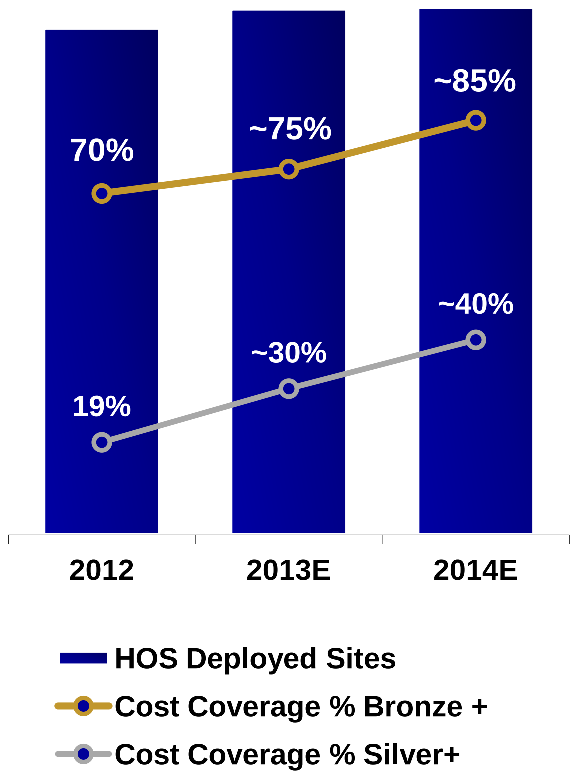
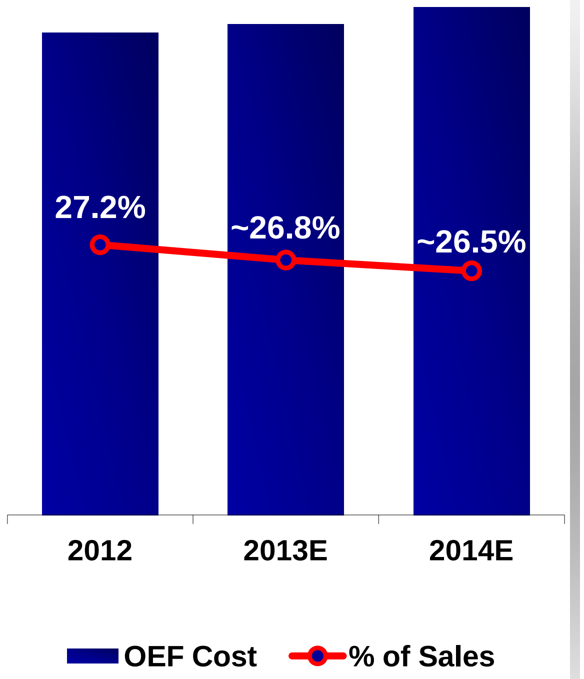
HOS Deployment



Key Productivity Driver

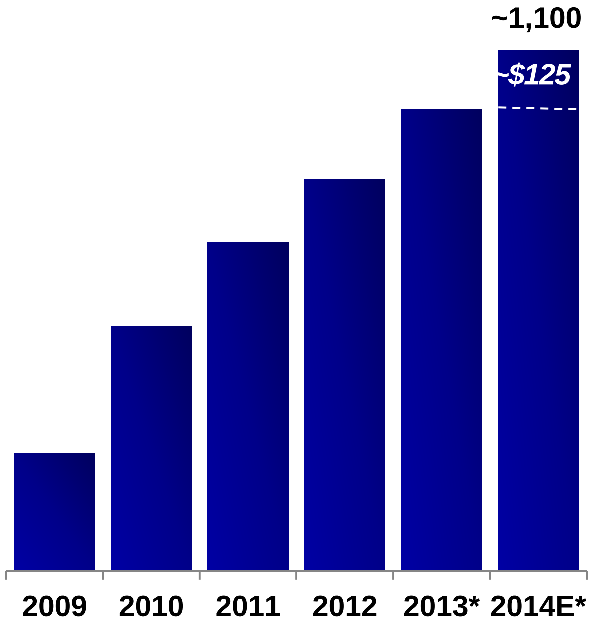
OEF / FT



Flexibility In Uncertain Environment

Restructuring

(Cumulative Savings, $M)



** Based On Projects Funded Through 3Q13*

Proactive Funding To Support Future Margin Expansion

Key Metrics Highlight Cost, Efficiency, Competitiveness

2014 Segment Outlook

Honeywell

Segment	Sales Growth	Segment Margin Growth
Aero	**~ Flat - Up 2%**	**Up 40 - 70 bps**

- Commercial Aftermarket Growth In Line With Utilization
- Commercial OE Lapping Strong Comps, Growth At Slower Pace
- Continued U.S. Defense Declines Partially Offset By International Growth

Segment	Sales Growth	Segment Margin Growth
ACS	**Up 5 - 7%**	**Up 30 - 60 bps** *Up 70 - 100 bps Ex-M&A*

- Short-Cycle Growth Led By NPI, Resi Strength, Non-Res Pick Up
- Global Industrial Improvement To Benefit HPS, S&C And Safety Products
- Completed M&A Boosts Growth By ~3-4%; Continued HGR Penetration

Segment	Sales Growth	Segment Margin Growth
PMT	**Up 4 - 6%**	**Up 20 - 50 bps**

- Strong Backlog Supports UOP And Advanced Materials Growth
- Increased Volume, New Product Introductions, Continued Productivity
- Elevated Capex Continues On High ROI Projects

Segment	Sales Growth	Segment Margin Growth
TS	**Up 3 - 5%**	**Up 110 - 140 bps**

- Modest EU LV Production Growth Off All-Time Lows
- Increased Global Turbo Penetration; New Product Launches
- Volume Leverage Offsetting Pricing Headwinds, Friction Operational Improvement

Strong Margin Expansion Continues

Note: Sales And Segment Margin Growth Based On Midpoint Of 2013 Guidance

2014 Financial Guidance Summary

Honeywell

($B except per share amounts)	2013E	2014E	V%[1]	Comments
Sales	**$38.8 - 39.0**	**$40.3 - 40.7**	**4 - 5%**	• ***Organic Up 3 - 4%***
Segment Profit	**~$6.3**	**$6.7 - 6.9**	**6 - 9%**	
Segment Margin	*16.2 - 16.3%*	*16.6 - 16.9%*	*30 - 60 bps*	• ***Up 50 - 80 bps ex-M&A***
Net Income, Proforma [2] ***Attributable to Honeywell***	**~$3.9**	**$4.2 - 4.4**	**8 - 12%**	
EPS, Proforma [2]	**$4.90 - 4.95**	**$5.35 - 5.55**	**8 - 12%**	
Free Cash Flow [3]	**~$3.7**	**$3.8 - 4.0**	**4 - 9%**	• ***Capex Investment***

1) *Change Based On Midpoint Of 2013 Guidance*
2) *Proforma, V% Excludes Any Pension Mark-to-Market Adjustment, Assumes 26.5% ETR In Both Years*
3) *Free Cash Flow (Cash Flow from Operations Less Capital Expenditures) Prior to Any NARCO Trust Establishment Payments and Cash Pension Contributions*

Planning Assumptions

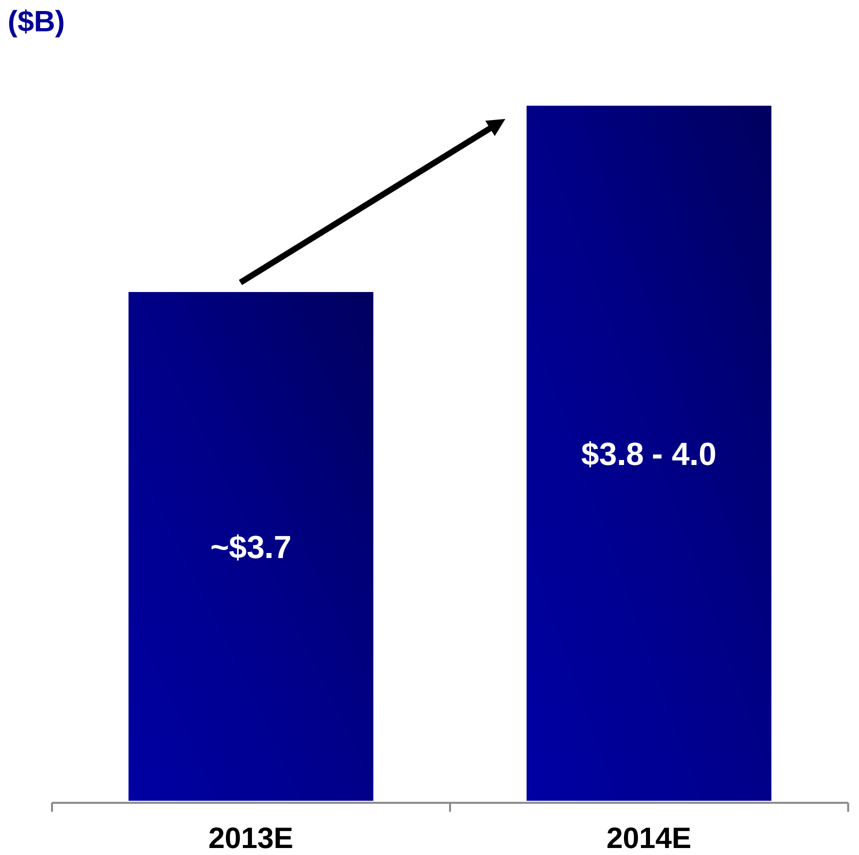
- **Restructuring To Offset Incremental Pension / OPEB Favorability**
- **Expecting Full Year 2014 Tax Rate Of 26.5%**
- **Holding Share Count ~ Flat To 2013 Levels**
- **Planning Euro F/X Rate At ~1.30 At The Mid Point**

Balanced Outlook For 2014

Cash

Honeywell

Free Cash Flow*



FCF Up 4 - 9% In 2014

Deployment Priorities

Reinvest

- **Investing In High ROI CAPEX**
  - Capex Of ~$1.2B In 2014, Up ~30%
  - Driving Organic Growth
- **Strategic M&A**
  - Continued Pipeline Of Potential Targets
  - Disciplined Valuation And Screening Process
  - Flawless Integration

Return To Shareholders

- **Pay A Competitive Dividend**
- **Opportunistic Share Buyback**
  - Holding Share Count ~ Flat

Balanced Cash Deployment

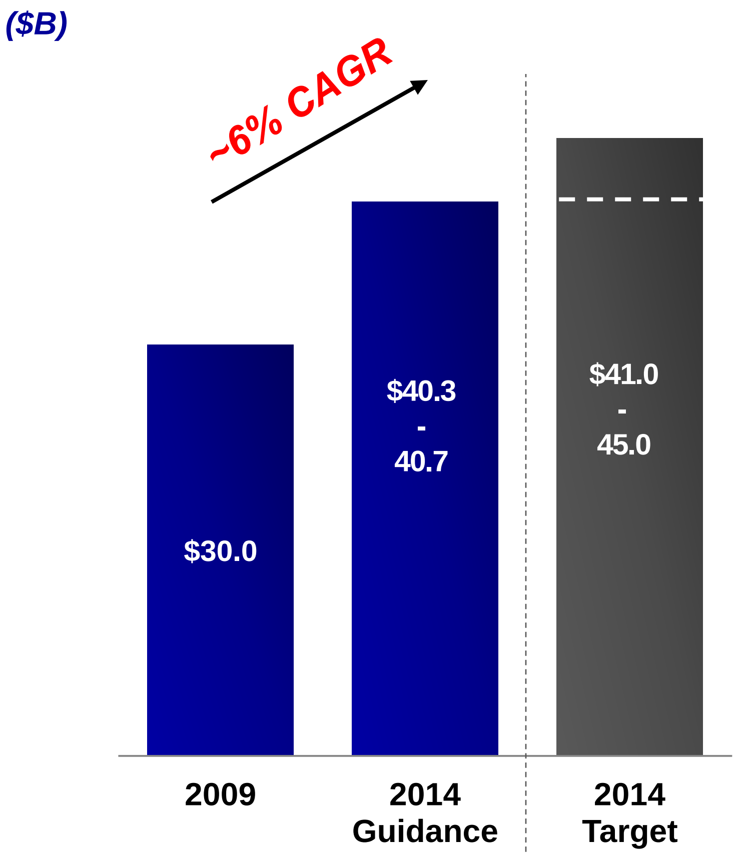
** FCF Shown Prior to Any NARCO Trust Establishment Payments and Cash Pension Contributions*

Thoughtful And Disciplined Cash Deployment

2014 Guidance Vs. Targets

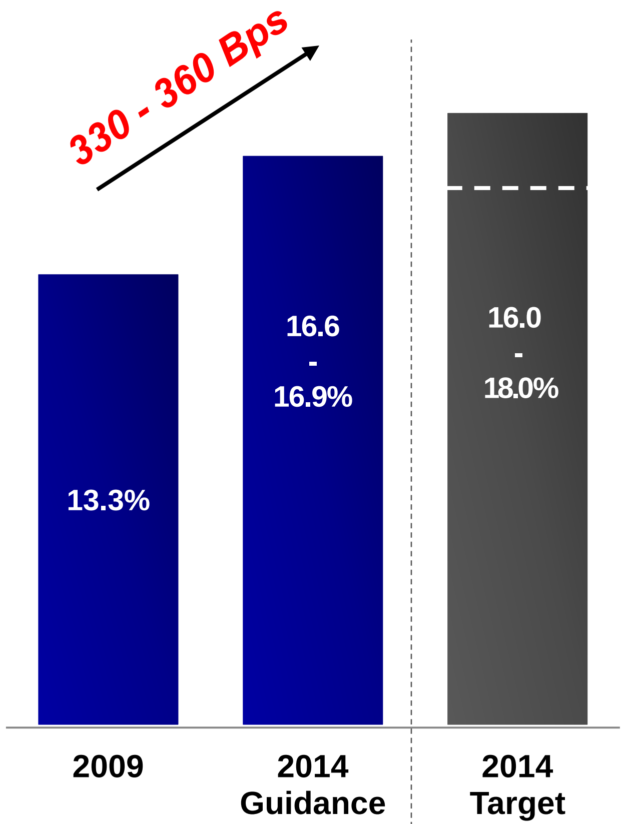
Honeywell

Sales



Weaker Than Expected Macro Growth Partially Offset By M&A

Segment Margin



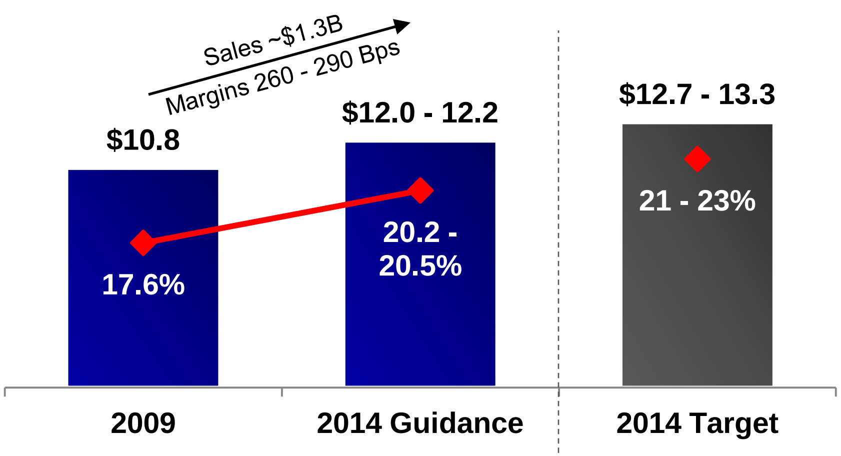
Commercial Excellence, NPI, Productivity Driving Margin Expansion

On Track To 2014 Targets Despite Macro Headwinds

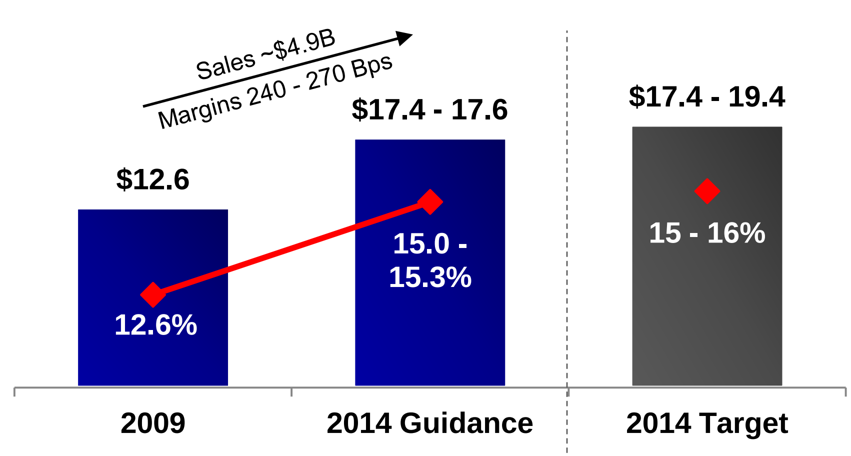
2014 Target Achievement By SBG

Honeywell

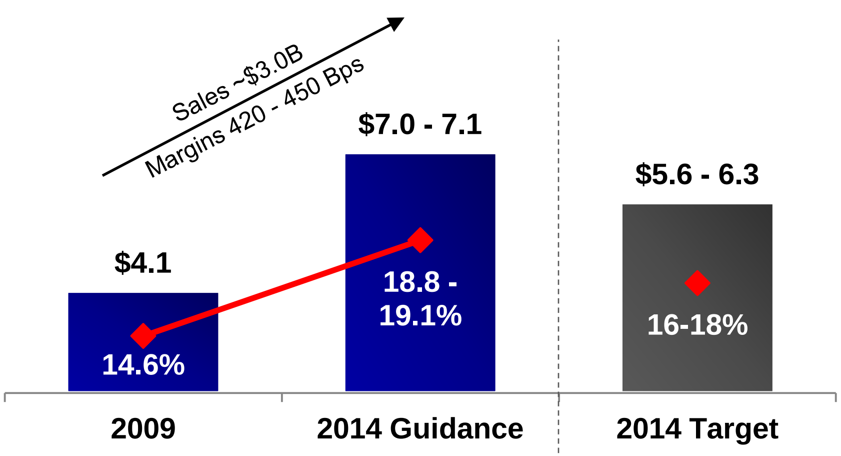
Aero



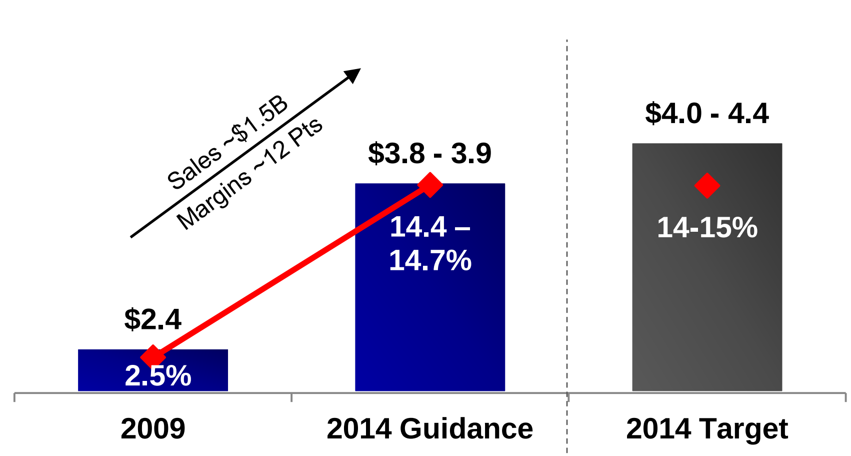
ACS



PMT



TS



Big Improvements Across The Board

Summary

Honeywell

- **4Q 2013: Finishing Another Strong Year Despite Weak Macros**
  - Tracking Towards Mid-Point Of Guidance Range
  - Excellent Execution Into Year End, Positioning For Continued Growth In 2014
- **Staying Flexible Given Uncertain Macro Environment**
  - Funding Significant Restructuring Projects, Execution Underway
  - Tight Cost Discipline While Continuing To Invest In Future Growth
- **Foundation In Place For Strong 2014 Performance**
  - End-Market Trends And Capex Support Short Cycle Acceleration
  - Acquisition Integration, Restructuring Benefits Support Productivity

Achieving Long Term Targets

Appendix

Reconciliation of non-GAAP Measures to GAAP Measures

Reconciliation Of Segment Profit To Operating Income And Calculation Of Segment Profit And Operating Income Margins

Honeywell

($M)	2009	2012
Aerospace	$1,893	$2,279
Automation and Control Solutions	1,588	2,232
Performance Materials and Technologies	605	1,154
Transportation Systems	61	432
Corporate	(156)	(218)
Segment Profit	$3,991	$5,879
Stock Based Compensation (1)	(117)	(170)
Repositioning and Other (1, 2)	(493)	(488)
Pension Ongoing (Expense) Income (1)	(287)	(36)
Pension Mark-to-Market Adjustment (1)	(741)	(957)
OPEB (Expense) Income (1)	15	(72)
Operating Income	$2,368	$4,156
Pension Mark-to-Market Adjustment (1)	(741)	(957)
Operating Income Excluding Pension Mark-to-Market Adjustment	$3,109	$5,113
Segment Profit	$3,991	$5,879
÷ Sales	29,951	$37,665
Segment Profit Margin %	13.3%	15.6%
Operating Income	$2,368	$4,156
÷ Sales	29,951	$37,665
Operating Income Margin %	7.9%	11.0%
Operating Income Excluding Pension Mark-to-Market Adjustment	$3,109	$5,113
÷ Sales	$29,951	$37,665
Operating Income Margin Excluding Pension Mark-to-Market Adjustment	10.4%	13.6%

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

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

Reconciliation Of Segment Profit To Operating Income And Calculation Of Segment Profit And Operating Income Margins

Honeywell

($B)	2013E
Segment Profit	~$6.3
Stock Based Compensation (1)	~(0.2)
Repositioning and Other (1, 2)	~(0.5)
Pension Ongoing (Expense) Income (1)	~0.1
Pension Mark-to-Market Adjustment (1)	TBD
OPEB Expense (1, 3)	~(0.0)
Operating Income	~$5.7
Pension Mark-to-Market Adjustment (1)	TBD
Operating Income Excluding Pension Mark-to-Market Adjustment	~$5.7
Segment Profit	~$6.3
÷ Sales	$38.8 - 39.0
Segment Profit Margin %	16.2 - 16.3%
Segment Profit Excluding Mergers and Acquisitions	$6.2 - 6.3
÷ Sales Excluding Mergers and Acquisitions	$37.9 - 38.1
Segment Profit Margin % Excluding Mergers and Acquisitions	~16.4%
Operating Income	~$5.7
÷ Sales	$38.8 - 39.0
Operating Income Margin %	14.7 - 14.8%

(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.

(3) Amounts smaller than $50M are rounded down to zero.

Reconciliation Of Cash Provided By Operating Activities To Free Cash Flow

Honeywell

($B)	**2013E**
Cash Provided by Operating Activities	**~$4.4**
Expenditures for Property, Plant and Equipment	**~(1.0)**
	~$3.4
Cash Pension Contributions	**~0.2**
NARCO Trust Establishment Payments	**~0.2**
Free Cash Flow	**~$3.7**

Reconciliation Of EPS To EPS, Excluding Pension Mark-to-Market Adjustment

Honeywell

	2012 (1)
EPS	$3.69
Pension Mark-to-Market Adjustment	0.79
EPS, Excluding Pension Mark-to-Market Adjustment	$4.48

(1) Utilizes weighted average shares of 791.9 million. Mark-to-market uses a blended tax rate of 35.0%.

Calculation Of EPS At Tax Rate Of 26.5%

Honeywell

($B except per share amounts)	2013E (1)
Income Before Taxes	~$5.4
Pension Mark-to-Market Adjustment	TBD
Income Before Taxes Excluding Pension Mark-to-Market Adjustment	~$5.4
Taxes at 26.5%	~1.4
Net Income at 26.5% tax rate	~$3.9
Less: Net income attributable to the noncontrolling interest (2)	~0.0
Net Income Attributable to Honeywell at 26.5% tax rate	~$3.9
EPS at 26.5% tax rate	$4.90 - 4.95

(1) Utilizes weighted average shares of 798.0 million.

(2) Amounts smaller than $50M are rounded down to zero.