GABELLI AIRCRAFT SUPPLIERS CONFERENCE

Tim Mahoney, President & CEO Aerospace
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.
Aero Key Messages

Unprecedented Program Wins
- High Win Rate In All Businesses
- Unmatched $130B+ New Wins
- Strong HGR Penetration

More Favorable Macros
- Dramatic Replacement Cycle, Flight Hour Growth
- Well Positioned On Higher Growth Platforms
- HGR Market Growth Reinforced By Low Fuel Price
- Defense Returns To Growth In 2015
- Global Turbo Penetration

Differentiated Technology
- Leading Technologies Across Portfolio
- Leading Aircraft Connectivity Revolution
- Upgrades Growth On Increasing Installed Base
- Jet Engine Technology Integrated Into Turbo

Unique And Unrivalled Portfolio And Technologies. No Other Company Can Provide Similar Solutions.
**Aerospace Overview**

**Financials**

- **Sales CAGR:** 3 - 5%
- **Margin Expansion:** 300 - 390 bps

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
<th>Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$15.7</td>
<td>18.2%</td>
</tr>
<tr>
<td>2014*</td>
<td>$15.8</td>
<td>19.6%</td>
</tr>
<tr>
<td>2018T</td>
<td>$17.8 - $19.7</td>
<td>21.2% - 22.1%</td>
</tr>
</tbody>
</table>

**Business Mix**

- **TS:** 23%
- **Int'l Defense:** 8%
- **Comm'l OE*:** 29%
- **Comm'l AM:** 18%
- **U.S. Defense/Services:** 22%

**Sales By Region**

- **Americas:** 53%
- **EMEA:** 30%
- **APAC:** 17%

*Sales: Large Program Wins & Upgrades*

*Margin: Accelerating Expansion, HOS*

*Innovation: Technology Differentiation, VPD*

*2014 Excludes OEM Incentives Of $184M In 4Q14*
Commercial Aerospace – End Markets

### Commercial OE

- **Well Positioned On Growing Fleets**
  - Key Fleet Growth – Airbus, Boeing, Gulfstream, Dassault
  - Airbus A350, Gulfstream G280, Embraer Legacy 500/450

- **Maintaining Strong Win Rates**
  - Boeing 737 MAX/777X, Gulfstream G500/600, Dassault F5X/F8X
  - $2.5B+ Airline Aftermarket Retention

- **High Growth Region Expansion**
  - Strong OE Positions In China (Comac C919), Russia (Irkut MS-21) And Brazil (Embraer E2)
  - Airlines Growth + Selectable Wins + MRO

- **Expanded Scope Of Offerings**
  - Safety/Efficiency – Software Upgrades, Mandates
  - Aircraft Connectivity – Aerowave, Jetwave
  - Electric Green Taxi System
  - Value Added Services – Mechanical And Avionics

### Commercial Aftermarket

- **HON 6% CAGR**
- **Flight Hours +4%**

- $4.6
- 2014
- 2015E
- 2018T
Defense Returning To Growth

**US Defense Outlook**

- **HON 2% CAGR**
- 2014: $3.5
- 2015E: $3.5
- 2018T: $3.5
- **DoD Budget +1%**

**International Defense Outlook**

- **HON 12% CAGR**
- 2014: $1.3
- 2015E: $1.3
- 2018T: $1.3
- **Int’l Spending +3%**

**Well Positioned On Growing Fleets**
- F-35, F18, Unmanned Aerial Systems And Tanker
- Attack And Utility Helicopters
- Tactical Missiles & Munitions

**Strong Installed Base / Service Offerings**
- Leader In Incentive-Based Maintenance Models
- Balanced Product MRO / Service Portfolio
- Favorable Commercially Priced Offerings
- Highly Diversified: On 300+ Platforms

**Sales Growth Outpacing Budget**
- Strong International Positions: M346 Trainer, Missile Programs In South Korea And Turkey
- Direct International Sales ~35% Of Total By 2018

**Expanded Scope Of Offerings**
- Winning Upgrade & Modernization Opportunities
- Increased Presence In Light Attack/Trainer Sector
- Growing HON Infrastructure And Security Services
# Honeywell Platform Position

<table>
<thead>
<tr>
<th>Aircraft In Development/ Ramp-up</th>
<th>Total HON Value Mechanical/Avionics/Software/Services</th>
<th>Competitor Value</th>
<th>Entry Into Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Boeing 737 MAX</strong></td>
<td>$25B</td>
<td>$2B</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Embraer L500/450</strong></td>
<td>$24B</td>
<td>$3B</td>
<td>‘14/’15</td>
</tr>
<tr>
<td><strong>Airbus A350</strong></td>
<td>$18B</td>
<td>$6-$9B</td>
<td>2014</td>
</tr>
<tr>
<td><strong>Boeing 777X</strong></td>
<td>$18B</td>
<td>$5-7B</td>
<td>2020</td>
</tr>
<tr>
<td><strong>COMAC C919</strong></td>
<td>$16B</td>
<td>&lt;$16B</td>
<td>2018</td>
</tr>
<tr>
<td><strong>Gulfstream G500/600</strong></td>
<td>$9B</td>
<td>Minimal</td>
<td>‘18/’19</td>
</tr>
<tr>
<td><strong>Bombardier CL350</strong></td>
<td>$6B</td>
<td>&lt;$2B</td>
<td>2014</td>
</tr>
<tr>
<td><strong>Bombardier Lear 70/75</strong></td>
<td>$4B</td>
<td>$0.5B</td>
<td>2013</td>
</tr>
<tr>
<td><strong>Embraer E2</strong></td>
<td>$3B</td>
<td>$2-3B</td>
<td>2018</td>
</tr>
<tr>
<td><strong>Irkut MC-21</strong></td>
<td>$2B</td>
<td>&lt;$2B</td>
<td>2016</td>
</tr>
<tr>
<td><strong>Falcon F8X / F5X</strong></td>
<td>$2B</td>
<td>$1B</td>
<td>’16/’18</td>
</tr>
<tr>
<td><strong>5 Unannounced Wins</strong></td>
<td>$12B</td>
<td>$1-2B</td>
<td>2017+</td>
</tr>
</tbody>
</table>

- **Winning On The Right Platforms With The Right Products: Avionics, Mechanical, Software and Services**
- **Maximizing Short + Long Term Growth Based On Portfolio**
- **High Win Rate in All Businesses – Biz Jets, Air Transport and Defense**
- **Picking the Winners: Key Fleet Growth**
- **HGR Success**

Recently Announced
Growth: Leading The Connected Aircraft

**Hardware Enablement & Aircraft Integration**

- $3.2B Market Size

**Compelling Software Apps & Services**

- $2B Market Size

**Data & Service Subscriptions**

- $1.2B Market Size

**Airtime Service**

- $1.8B Market Size

**HON**

- Full Portfolio Of Connected Products Across The Aircraft

**Competitors**

- Innovative Apps & Software Upgrades

- Apps Use Data Subscriptions / Airtime

- Not Tied To A Slow Legacy Network

HON Uniquely Positioned Across Entire Connectivity Value Chain
Software Growth Engine

- **Honeywell’s Large Growing Installed Base**
  - By 2023: 24,000+ APUs (+7K), 32,000+ Engines (+6K), 8,000+ Cockpits (+4K)

- **Core Software Productization**
  - Reuse / Reapplication / Architecture
  - 6,700+ Software Engineers
  - CMMI Level 5
  - Portable (iPad) And Embedded On Aircraft

- **Pipeline of Safety & Efficiency Upgrades**
  - Synthetic Vision, NextGen, Engine Trend Monitoring

- **Connectivity + Services**
  - Data Subscriptions Feed Software
  - Faster Deployment / Sales
  - Enables Innovative Service Offerings
  - Keeping Ahead: OneWeb MOU Agreement – Aviation Satcom And Services: Next Generation Global High Speed Satellite Network

Today ~$350M To ~$520M By 2018… 14% CAGR
**Aero And TS Unification**

<table>
<thead>
<tr>
<th>Legacy Aerospace</th>
<th>Transportation Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology &amp; Engineering Transfer</td>
<td>• Advanced Bearing Design</td>
</tr>
<tr>
<td></td>
<td>• Electrification</td>
</tr>
<tr>
<td></td>
<td>• Power + Thermal Management</td>
</tr>
<tr>
<td></td>
<td>• Sensing Controls</td>
</tr>
<tr>
<td></td>
<td>• Software Development</td>
</tr>
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<table>
<thead>
<tr>
<th>Highlights</th>
<th>Next Steps</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>• Deepen And Accelerate Technology Transition To TS</td>
</tr>
<tr>
<td></td>
<td>• Establish Software Development And Business Models</td>
</tr>
<tr>
<td></td>
<td>• Apply And Scale Supply Chain Rate Readiness Process To Aero Supply Base</td>
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</table>
What’s New In Aerospace

**Connectivity**
- Launched 3rd GX Satellite Enabling Global Broadband Coverage
  - HON Uniquely Positioned, Sets Stage For Connectivity Evolution

**Winning On The Right Platforms**
- A350 Production Ramp-Up Continues
- Embraer Legacy 500 And 450 Certified
- Gulfstream G500 Flight Tests Underway

**Defense & Space Win**
- D&S Awarded National Security Campus Management And Operations Contract
Summary

*Confidence In Our 5-Year Plan…*

- Large Program Wins
- More Favorable Macros
- Differentiated Technology
- High Growth Region Penetration