



GABELLI AIRCRAFT SUPPLIERS CONFERENCE

Tim Mahoney, President & CEO Aerospace

Honeywell

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

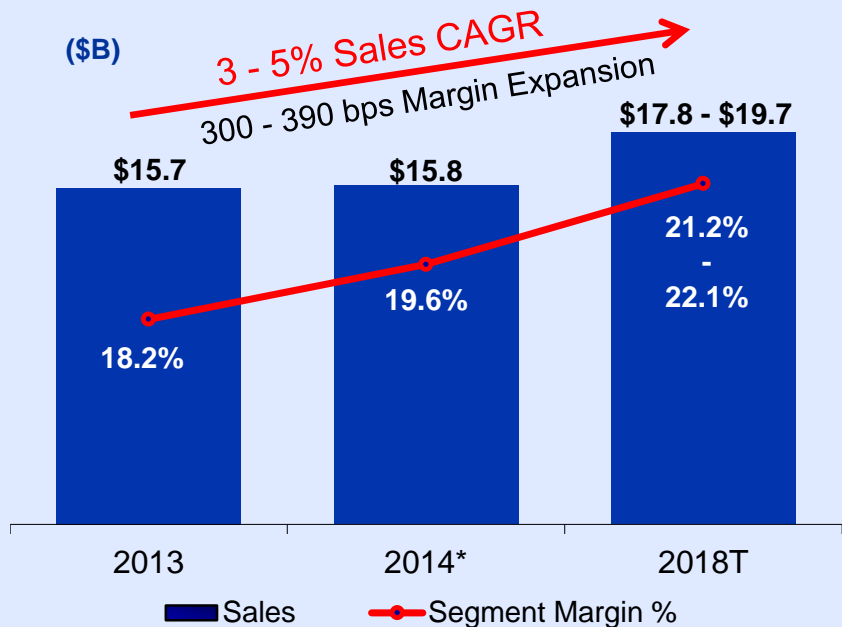
- Leading Technologies Across Portfolio
- Leading Aircraft Connectivity Revolution
- Upgrades Growth On Increasing Installed Base
- Jet Engine Technology Integrated Into Turbo



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

Aerospace Overview

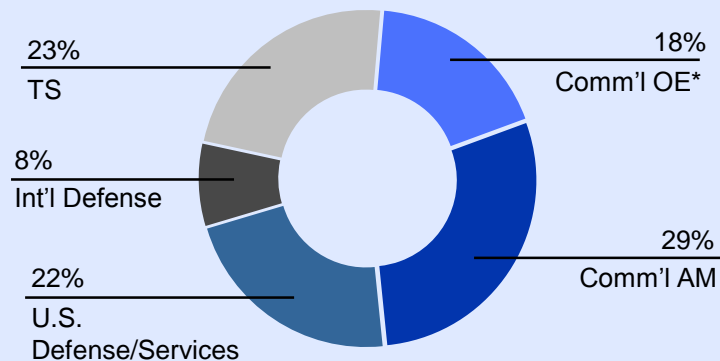
Financials



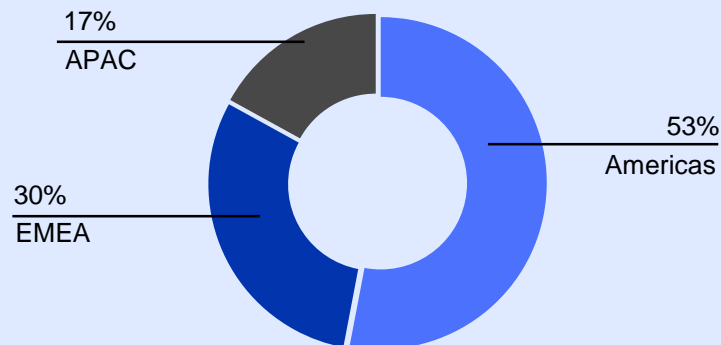
- **Sales:** Large Program Wins & Upgrades
- **Margin:** Accelerating Expansion, HOS
- **Innovation:** Technology Differentiation, VPD

*2014 Excludes OEM Incentives Of \$184M In 4Q14

Business Mix



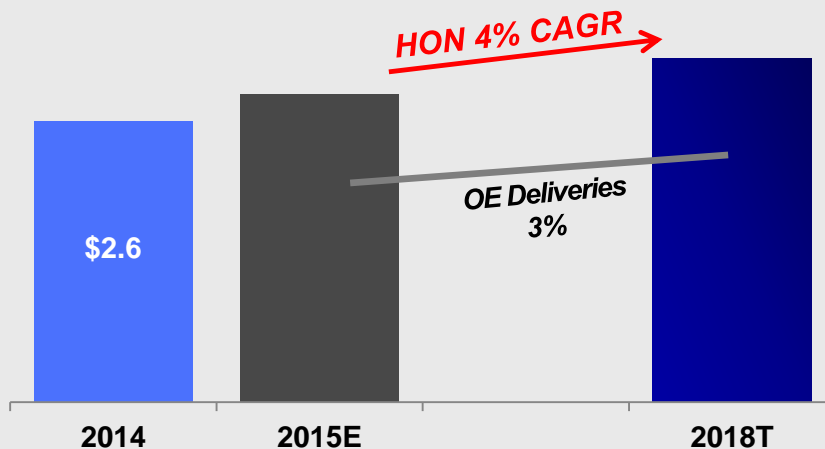
Sales By Region



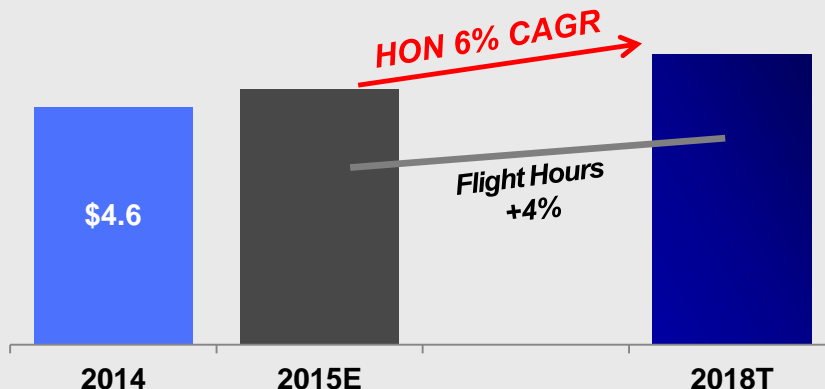
Continued Growth And Margin Expansion

Commercial Aerospace – End Markets

Commercial OE



Commercial Aftermarket



- **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**

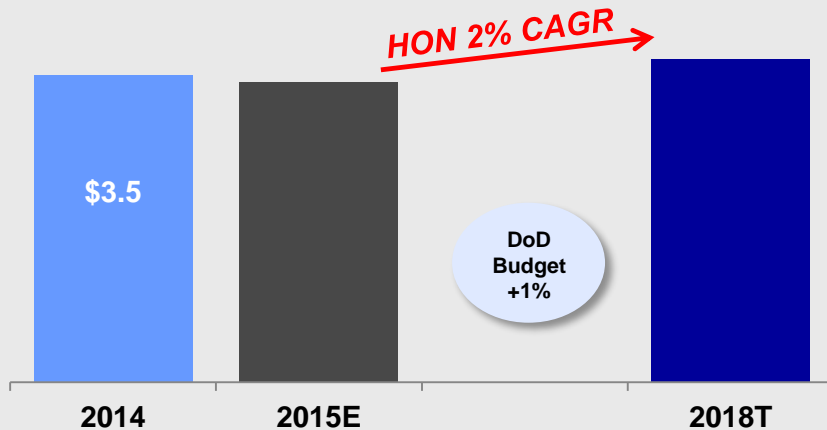
- Strong OE Positions In China (Comac C919), Russia (Irkut MS-21) And Brazil (Embraer E2)
- Airlines Growth + Selectable Wins + MRO

- **Expanded Scope Of Offerings**

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

Defense Returning To Growth

US Defense Outlook



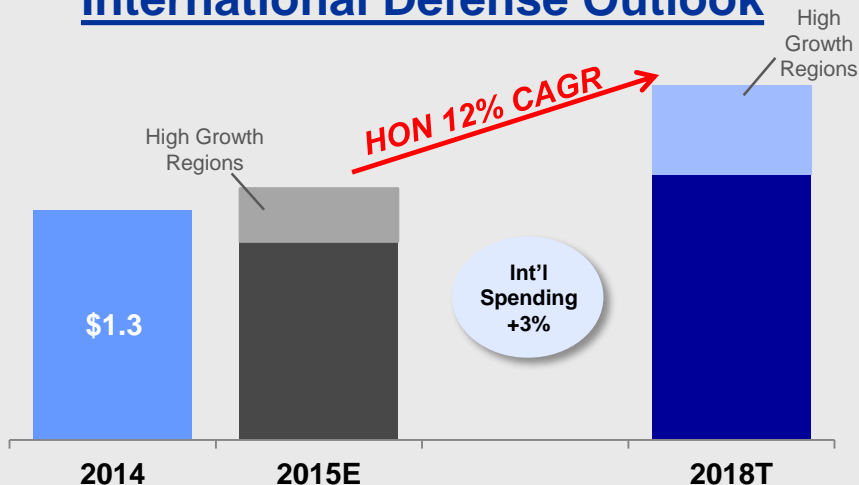
- **Well Positioned On Growing Fleets**

- 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

International Defense Outlook



- **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

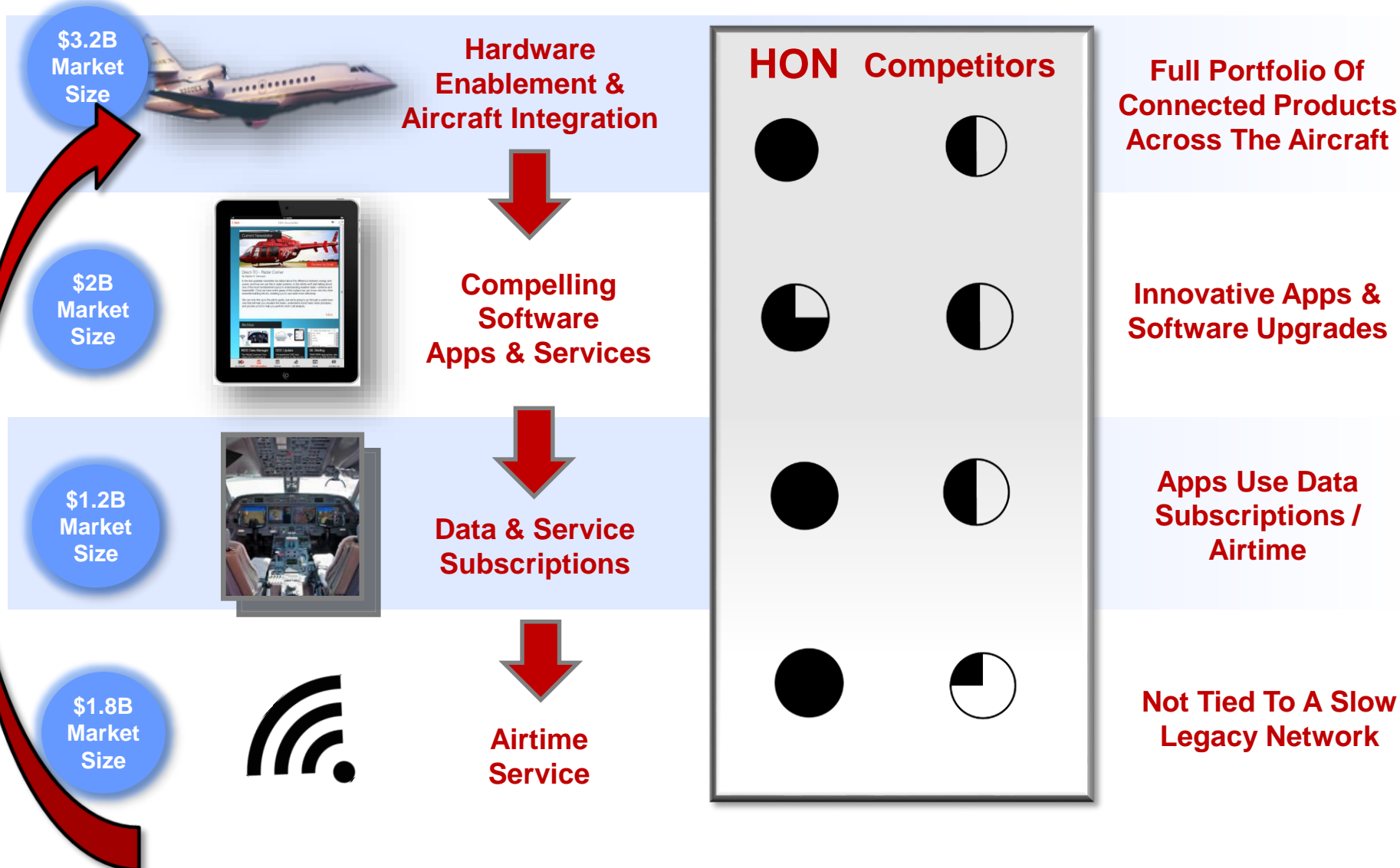
Honeywell Platform Position

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

 **Recently Announced**

- **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**

Growth: Leading The Connected Aircraft



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

Legacy Aerospace

Technology & Engineering Transfer

- Logistics, Production Scheduling
- Supplier Capability/Capacity Management
- “Should Cost” Best Practices
- Factory/Lean/HOS Optimization

Transportation Systems

- Advanced Bearing Design
- Electrification
- Power + Thermal Management
- Sensing Controls
- Software Development

Industrialization Excellence

Highlights | Next Steps

- Deepen And Accelerate Technology Transition To TS
- Establish Software Development And Business Models
- Apply And Scale Supply Chain Rate Readiness Process To Aero Supply Base

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**

Honeywell