Morgan Stanley China Summit
Stephen Shang, President & CEO, China
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.
Honeywell Overview

$40.3B in sales

55% sales outside U.S.

- 1,250 sites
- 70 countries
- 127,000 employees
- Morristown, NJ, USA headquarters
- Fortune 100

Aerospace
$15.6B

Automation and Control Solutions
$14.5B

Performance Materials and Technologies
$10.2B

Data reflects FY14 Sales
Portfolio – Great Positions In Good Industries

Positioned In Good End Markets
5-Year TSR Performance

Total Shareholder Return

Honeywell
Peer Average
S&P 500

Outperforming Peers And Market

Peer Average Calculated Using Eight Industry Peers (COL, DHR, EMR, GE, ITW, MMM, TYC, UTX)
HGR Core Strategy

Priority High Growth Regions

East-For-East (E4E)
R&D → Manufacturing → Sales & Dist.

East-To-Rest (E2R)

Follow-The-Growth (FTG)

Energy & Efficiency
Cities & Buildings
Transportation & Infra.
Health & Safety
Defense & Security

One Honeywell & Integrated Solutions

Proven Strategy With Superior Execution
Honeywell China

$2.4B in sales for 2014

- 12,000+ Employees In 30+ Cities
- 2,000+ Scientists And Engineers
- Shanghai Became APAC HQ Since 2003

- HON’s First Sales Franchise In China Was Established In 1935
- HON’s UOP Recommended By Nixon For Bilateral Exchange In 1973
- Global R&D Center Established In Shanghai In 2004
- China The Largest Country For Sales Outside The U.S. In 2013
- Honeywell User Experience (HUE) Design Center Set Up In 2014
The “New Normal”

#1 New GDP Contributor

Incremental GDP, Nominal $B

- China
- US
- Germany
- Japan

Source: IMF

- 60+ Cities Growing Above National GDP
- Urbanizing 100M People By 2020

“Grey-jing”
PM2.5: >300 mg/m³

Beijing
PM2.5: ~50 mg/m³

“Air Action Plan” (大气十条)

“Water Action Plan” (水十条)

- $100B AIIB, $40B Silk Road Fund
- $160B Related Domestic Infra. Projects Planned

“New Normal” Creating New Opportunities
Core Technologies To Address Macro Trends

**Environment**
- Air / Water
- Reduce Carbon Emission
- Adsorbents

**Connected**
- IoT
- Indoor Location
- Cloud Service
- Big Data

**Smart**
- Smart Sensors
- Voice Control
- Wearable

---

Innovations To Win Mid-Segment
Becoming THE Chinese Competitor (BCC)

Delivering Real Benefits
Gen2 Micro Gas Turbo

- Localized Gasoline Platform Development
- Developed & Grew New Suppliers
- Increased Sales And Profit

Institutionalizing BCC

- Become Competitive In All Dimensions
- Systematic Training Being Deployed
- Raising The Bar Across The Organization

VOC In Tier3/4 Cities
Platform Design

50% Cycle Time Reduction
17% Cost Reduction

"Become THE Chinese Competitor"

BCC Becomes Part Of DNA
# HON Growth Drivers In China

## Highlights

<table>
<thead>
<tr>
<th>Aero</th>
<th>ACS</th>
<th>PMT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Executing Big Wins On C919</td>
<td>• &quot;Connected ACS&quot; Synergy</td>
<td>• UOP/HPS Synergy</td>
</tr>
<tr>
<td>• Consistent Growth In Flight Hours &amp; Services</td>
<td>• Accelerating E4E New Products</td>
<td>• New Capacity In ZJG, Taicang</td>
</tr>
<tr>
<td>• Strong Wins In Turbo</td>
<td>• Strengthening BCC</td>
<td>• New Applications Developed</td>
</tr>
<tr>
<td></td>
<td>• &quot;East To Rest&quot; (E2R)</td>
<td>• Independent Refineries</td>
</tr>
</tbody>
</table>

## Outlook

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Widebody Opportunity</td>
<td>• Geo Expansion, Verticals</td>
<td>• Gas Processing Opportunity</td>
</tr>
<tr>
<td>• Low Cost Carriers (LCC) Growth</td>
<td>• Air / Water Opportunities</td>
<td>• LGWP Adoption</td>
</tr>
<tr>
<td>• Air Traffic Mgmt (ATM) Upgrade</td>
<td>• Connected Home</td>
<td>• Refining Upgrade To Meet Fuel Quality Standard</td>
</tr>
<tr>
<td>• Gasoline Turbo Expansion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Aligned Strategy To Drive Growth**
Summary

• Driving Superior Performance

• “New Normal” Creating New Opportunities

• Core Technologies In Energy And Environment

• Building A New DNA For Globalization

• Well Positioned To Outperform

Consistently Executed Strategy = Terrific Results