BofAML GLOBAL INDUSTRIALS AND EU AUTOS CONFERENCE
Andreas Kramvis, Vice Chairman
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.
Today’s Discussion

• Track Record Of Meeting And Exceeding Expectations
  - Delivered Again In 2014
  - Confident In 2015 Outlook

• Businesses Well Positioned To Grow
  - Aero: Significant Wins Ramp, Inflection Point For Growth
  - ACS: Well Positioned In Improving Verticals
  - PMT: Growth Inflection From Capex Investments

• On Track To Achieve 2018 Targets
  - Seed Planting Benefits From Growth Investments
  - Key Process Initiatives Delivering Margin Expansion
  - Capital Deployment Upside

Continued Outperformance Across Portfolio
## Actual Performance Vs. External Guidance

**Organic Sales Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>Guidance</th>
<th>Actual</th>
<th>Met/Exceeded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1% - 4%</td>
<td>7%</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>2011</td>
<td>5% - 8%</td>
<td>8%</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>2012</td>
<td>4% - 6%</td>
<td>3%</td>
<td>✓</td>
</tr>
<tr>
<td>2013</td>
<td>1% - 3%</td>
<td>2%</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>2014</td>
<td>3% - 4%</td>
<td>3%</td>
<td>✓ ✓</td>
</tr>
</tbody>
</table>

**EPS (Ex-Pension MTM)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Guidance</th>
<th>Actual</th>
<th>Met/Exceeded</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>12% - 19%</td>
<td>12%</td>
<td>✓</td>
</tr>
<tr>
<td>2011</td>
<td>20% - 27%</td>
<td>35%</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>2012</td>
<td>5% - 11%</td>
<td>11%</td>
<td>✓</td>
</tr>
<tr>
<td>2013</td>
<td>6% - 10%</td>
<td>11%</td>
<td>✓ ✓</td>
</tr>
<tr>
<td>2014</td>
<td>8% - 12%</td>
<td>12%</td>
<td>✓ ✓</td>
</tr>
</tbody>
</table>

**Set Big Targets And Consistently Deliver**
5-Year TSR Performance

Total Shareholder Return

Indexed

Honeywell
Peer Average
S&P 500

187%
109%
105%

2010 2011 2012 2013 2014

Outperforming Peers And Market

Peer Average Calculated Using Eight Industry Peers (COL, DHR, EMR, GE, ITW, MMM, TYC, UTX)
HON Growth Factors: Next 5 Years

**Aerospace**
- Significant Platform Wins: 737MAX, 777X, C919
- Upgrades Expand Growing Installed Base
- Leading Aircraft Connectivity Revolution
- Global Turbo Penetration Up ~10 pts

**Automation And Control Solutions**
- Software Drives 4x Sales Growth Next 5 Years
- Double-Digit Growth In Connected Homes
- Strong Residential/Non-Res Tailwinds
- End-To-End Localization In HGRs

**Performance Materials And Technologies**
- Record Oil & Gas Backlog Secure
- 2016-17 Inflection As New Capacity Launches
- NPI Generates ~$3.2B Sales By 2018
- UOP/HPS Synergies Drive Incremental Sales

*Includes Firm Orders And Contractual Minimum Volumes

**Growth Momentum Continues Into 2016**
Aerospace: Growth Accelerates

Unprecedented Program Wins
- High Win Rate In All Businesses
- Unmatched $130B+ New Wins
- Strong High Growth Region 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 Continues

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

### 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>Boeing 737 MAX</td>
<td>$25B</td>
<td>$2B</td>
<td>2017</td>
</tr>
<tr>
<td>Embraer L500/450</td>
<td>$24B</td>
<td>$3B</td>
<td>‘14/’15</td>
</tr>
<tr>
<td>Airbus A350</td>
<td>$18B</td>
<td>$6-$9B</td>
<td>2014</td>
</tr>
<tr>
<td>Boeing 777X</td>
<td>$18B</td>
<td>$5-7B</td>
<td>2020</td>
</tr>
<tr>
<td>COMAC C919</td>
<td>$16B</td>
<td>&lt;$16B</td>
<td>2018</td>
</tr>
<tr>
<td>Gulfstream G500/600</td>
<td>$9B</td>
<td>Minimal</td>
<td>‘18/’19</td>
</tr>
<tr>
<td>Bombardier CL350</td>
<td>$6B</td>
<td>&lt;$2B</td>
<td>2014</td>
</tr>
<tr>
<td>Bombardier Lear 70/75</td>
<td>$4B</td>
<td>$0.5B</td>
<td>2013</td>
</tr>
<tr>
<td>Embraer E2</td>
<td>$3B</td>
<td>$2-3B</td>
<td>2018</td>
</tr>
<tr>
<td>Falcon F8X / F5X</td>
<td>$2B</td>
<td>$1B</td>
<td>’16/’17</td>
</tr>
<tr>
<td>5 Unannounced Wins</td>
<td>$12B</td>
<td>$1-2B</td>
<td>2017+</td>
</tr>
</tbody>
</table>

Over $130B In Wins – Beating The Competition
## Golden Age Of Turbos

### Turbo Market Growth
- Industry Wide Adoption
- Regulations Driving Turbo Pen
- Limited Oil Price Impact
- $20B+ Industry At Maturity
- Up 10pts To 43% By 2019
- Macro Puts And Takes

### Honeywell Advantage
- Aero Technology Advantage
- Global Engineering & Plants
- Operational Excellence
- ~100 Launches In 2015
- Engine Platform Enabler
- HOS And VPD™

### Accelerating Growth
- Business Wins Accelerating
- China And Americas Expansion
- Outpacing Industry In Gasoline
- >40% Win Rate
- 75% Of Total Sales Growth
- ~20% Sales CAGR

---

**Well Positioned For Growth In 2015 And Beyond**
ACS: Great Positions In Good Industries

### Great Positions

<table>
<thead>
<tr>
<th>Industry Position</th>
<th>Good Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Env. &amp; Combustion Controls</td>
<td>Non Residential, Institutional And Infrastructure</td>
</tr>
<tr>
<td>Security</td>
<td>Non Residential Manufacturing, Processing, Worker Safety And Productivity</td>
</tr>
<tr>
<td>Fire Safety</td>
<td>New And Retrofit Residential Markets</td>
</tr>
<tr>
<td>Building Solutions</td>
<td></td>
</tr>
<tr>
<td>Sensing &amp; Control</td>
<td></td>
</tr>
<tr>
<td>Industrial Safety</td>
<td></td>
</tr>
<tr>
<td>Scanning &amp; Mobility</td>
<td></td>
</tr>
</tbody>
</table>

### Automation And Control Solutions

- **$14.5B**
- 45% Buildings
- 35% Industrials
- 20% Homes

### Industry Position

- **ECC**: Env. & Combustion Controls
  - Building Automation, Room & Combustion Controls, Elec. Prod.
  - #1
- **HSG**: Security
  - Intrusion Detection, Access Control, CCTV
  - #1
- **HFS**: Fire Safety
  - Fire Alarms, Fire Controls, Life Care
  - #1
- **HBS**: Building Solutions
  - Installation, Service, Security, Energy, Smart Grid
  - #2
- **S&C**: Sensing & Control
  - Pressure Temp., Flow Sensors, Test & Measurement Equipment
  - #3
- **HIS**: Industrial Safety
  - Safety Products, PPE, Gas Detection
  - #1
- **HSM**: Scanning & Mobility
  - Scanning Engines, Mobility, Voice Solutions, Printers
  - #2

Well Aligned To Favorable End Markets
PMT: Investments Drive Future Growth

5% Organic Growth In 2014

- Strong Year End Backlog Position
- Solstice® LGWP Contracts Secured
- HPS Margin Turnaround Leads Peers
- HPS/UOP Synergies On Sales And NPI

Core Investments Deliver Strong Returns

- Capacity Expansions For Firm Demand
- Rich Pipeline Of Advanced Innovations
- HOS Gold Driving Breakthrough Growth

Winning In The New Oil Price Dynamic

- Limited Upstream Exposure
- Leverage Mid/Downstream Solutions
- R&C Pricing Headwinds, Income Protected

Growing Faster Than The Market

Record $9.2B* Backlog
$2.4B In OEM Long Term Agreements
HPS Margins Up 200+ Bps YoY
New Software Business Launched

~$1B New Sales In ‘17
$3.2B New Product Sales By ‘18
Potential $200M+ Profit Upside By ‘18

10-15% O&G Sales In Upstream
Proven Energy Cycle Playbook
R&C Margin Expansion

*Includes Firm Orders And Contractual Minimum Volumes
### 2018 Targets + M&A

**Sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>($B)</th>
<th>6 - 9% CAGR</th>
<th>4 - 6% Organic CAGR</th>
<th>+$5-8B From M&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$39.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$40.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015E</td>
<td>$40.5</td>
<td>16.3%</td>
<td>16.6%</td>
<td>$46 - $51</td>
</tr>
<tr>
<td>2018T</td>
<td>$41.1</td>
<td>17.6%</td>
<td>17.9%</td>
<td></td>
</tr>
</tbody>
</table>

**Segment Profit / Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>Segment Profit</th>
<th>Segment Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>16.3%</td>
<td>18.5%</td>
</tr>
<tr>
<td>2014</td>
<td>16.6%</td>
<td>18.5%</td>
</tr>
<tr>
<td>2015E</td>
<td>17.6%</td>
<td>17.9%</td>
</tr>
<tr>
<td>2018T</td>
<td>17.9%</td>
<td>20.0%</td>
</tr>
</tbody>
</table>

- **Sales Headwinds ~$1-2B Over 5-Year Plan**
  - Global GDP Growth, F/X
- **Key Inflection Points In 2016 And 2017**
- **HGR Momentum Continues**

- **HOS Gold Acceleration Across 74 Enterprises**
- **FT Drives Margin Expansion**
- **Growth From HOS Gold, HUE, HGR, Software**
- **Restructuring Benefits**

**Targeting Double-Digit Earnings Growth**
Key M&A Focus Areas Over 5-Year Plan

Aerospace
- Connectivity – Hardware And Services
- Differentiated Technologies – Cockpit Systems, Navigation
- Mechanical Components
- Turbo Technologies

Automation & Control Solutions
- Adjacencies To Leverage Growth Themes Of Connected Worker, Homes, Buildings And Industrial
- Targets Aligned To Multi-Brand/Channel Strategy
- Complementary Software And Data Analytics Capabilities
- Focus On ESS With Differentiated Technology

Performance Materials & Technologies
- Continue To Expand UOP Capabilities And Offerings
- Process Equipment For Hydrocarbon Supply Chain
- Build On HPS – Industrial Products (Valves, Pumps, Flow) And Software

Diverse Target Universe In Good End Markets
Why HON

• Making Big Commitments
• Meeting/Exceeding Commitments
• Strong 2015 Outlook
• Positive Early View On 2016
• On Track To Aggressive Long-Term Targets
• Capital Deployment Upside

Consistently Executed Strategy = Terrific Results
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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Profit</td>
<td>$6,351</td>
<td>$6,696</td>
</tr>
<tr>
<td>Stock Based Compensation (1)</td>
<td>(170)</td>
<td>(187)</td>
</tr>
<tr>
<td>Repositioning and Other (1, 2)</td>
<td>(699)</td>
<td>(634)</td>
</tr>
<tr>
<td>Pension Ongoing (Expense)/Income (1)</td>
<td>90</td>
<td>254</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment (1)</td>
<td>(51)</td>
<td>(249)</td>
</tr>
<tr>
<td>Other Postretirement Income/(Expense) (1)</td>
<td>(20)</td>
<td>(49)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$5,501</td>
<td>$5,831</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment (1)</td>
<td>(51)</td>
<td>(249)</td>
</tr>
<tr>
<td>Operating Income Excluding Pension Mark-to-Market Adjustment</td>
<td>$5,552</td>
<td>$6,080</td>
</tr>
</tbody>
</table>

Segment Profit

\[
\text{Segment Profit Margin \%} = \frac{\text{Segment Profit}}{\text{Sales}} \times 100
\]

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Profit</td>
<td>(16.3%)</td>
<td>(16.6%)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$5,501</td>
<td>$5,831</td>
</tr>
<tr>
<td>Operating Income Margin %</td>
<td>(14.1%)</td>
<td>(14.5%)</td>
</tr>
</tbody>
</table>

Operating Income Excluding Pension Mark-to-Market Adjustment

\[
\text{Operating Income Margin Excluding Pension Mark-to-Market Adjustment} = \frac{\text{Operating Income Excluding Pension Mark-to-Market Adjustment}}{\text{Sales}} \times 100
\]

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income Excluding Pension Mark-to-Market Adjustment</td>
<td>$5,552</td>
<td>$6,080</td>
</tr>
<tr>
<td>Operating Income Margin Excluding Pension Mark-to-Market Adjustment</td>
<td>(14.2%)</td>
<td>(15.1%)</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.
### Reconciliation Of EPS To EPS, Excluding Pension Mark-to-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2009(1)</th>
<th>2010(2)</th>
<th>2011(3)</th>
<th>2012(4)</th>
<th>2013(5)</th>
<th>2014(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>$2.05</td>
<td>$2.59</td>
<td>$2.61</td>
<td>$3.69</td>
<td>$4.92</td>
<td>$5.33</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment</td>
<td>0.64</td>
<td>0.41</td>
<td>1.44</td>
<td>0.79</td>
<td>0.05</td>
<td>0.23</td>
</tr>
<tr>
<td>EPS, Excluding Pension Mark-to-Market Adjustment</td>
<td>$2.69</td>
<td>$3.00</td>
<td>$4.05</td>
<td>$4.48</td>
<td>$4.97</td>
<td>$5.56</td>
</tr>
</tbody>
</table>

(1) Utilizes weighted average shares of 755.7 million. Mark-to-market uses a blended tax rate of 34.4% for 2009
(2) Utilizes weighted average shares of 780.9 million. Mark-to-market uses a blended tax rate of 32.3% for 2010
(3) Utilizes weighted average shares of 791.6 million. Mark-to-market uses a blended tax rate of 36.9% for 2011
(4) Utilizes weighted average shares of 791.9 million. Mark-to-market uses a blended tax rate of 35.0% for 2012
(5) Utilizes weighted average shares of 797.3 million. Mark-to-market uses a blended tax rate of 25.5% for 2013
(6) Utilizes weighted average shares of 795.2 million. Mark-to-market uses a blended tax rate of 28.1% for 2014