## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:00</td>
<td>Introduction</td>
<td>Dave Cote</td>
</tr>
<tr>
<td></td>
<td>HOS Gold</td>
<td>Andreas Kramvis</td>
</tr>
<tr>
<td></td>
<td>Growth Through Acquisitions</td>
<td>Roger Fradin</td>
</tr>
<tr>
<td></td>
<td>High Growth Regions</td>
<td>Shane Tedjarati</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session</td>
<td></td>
</tr>
<tr>
<td>11:25</td>
<td>Technology Demos #1</td>
<td></td>
</tr>
<tr>
<td>11:45</td>
<td>Aerospace</td>
<td>Tim Mahoney, Terrence Hahn</td>
</tr>
<tr>
<td></td>
<td>Automation and Control Solutions</td>
<td>Alex Ismail</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session</td>
<td></td>
</tr>
<tr>
<td>1:00</td>
<td>Lunch Break and Technology Demos #2</td>
<td></td>
</tr>
<tr>
<td>1:45</td>
<td>Performance Materials and Technologies</td>
<td>Darius Adamczyk, Ken Gayer</td>
</tr>
<tr>
<td></td>
<td>Financial Review</td>
<td>Tom Szlosek</td>
</tr>
<tr>
<td></td>
<td>Q&amp;A Session</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concluding Remarks</td>
<td>Dave Cote</td>
</tr>
<tr>
<td>~3:00</td>
<td>End</td>
<td></td>
</tr>
</tbody>
</table>
The materials to be presented at the Honeywell 2015 Investor Conference contain “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:** $15.6 - $15.7
- **Margin:** 17.4% - 20.5%
- **Innovation:** Technology Differentiation, VPD

**Business Mix**

- **TS:** 23%
- **Comm’l OE*:** 18%
- **Int’l Defense:** 8%
- **Comm’l AM:** 29%
- **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

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**Continued Growth And Margin Expansion**
Aerospace 2018 Targets

**Sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$15.7</td>
</tr>
<tr>
<td>2014*</td>
<td>$15.8</td>
</tr>
<tr>
<td>2015E</td>
<td>$15.4 -</td>
</tr>
<tr>
<td></td>
<td>$15.7</td>
</tr>
<tr>
<td>2018T</td>
<td>$17.8</td>
</tr>
</tbody>
</table>

3 - 5% CAGR
Adding $2 - $4B Of Sales

**Segment Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>18.2%</td>
</tr>
<tr>
<td>2014*</td>
<td>19.6%</td>
</tr>
<tr>
<td>2015E</td>
<td>20.2%</td>
</tr>
<tr>
<td>2018T</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

300 - 390 Bps
+60 - 80 Bps Per Year

**Key Drivers:**

- Picking The Winners
- Large Program Wins In All Businesses
- Differentiated Products And Services
- HGR Success

**Key Drivers:**

- Value Added Offerings
- Software And Services
- Honeywell Enablers – HOS Gold
- Repositioning / Fixed Costs / Efficiencies

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

Significant Ramp, Continued Margin Expansion
Aero Industry Business Review
Growth Accelerates

**Revenue Growth**

- **$15.4 - 15.7B**
  - Software & Services
  - Turbo
  - Avionics
  - Mechanical

**5 - 8% CAGR**

**Software & Services**
- Software Upgrades/Subscriptions
- Connectivity Services/Upgrades
- Gov’t Services Expansion

**Avionics**
- Cockpit Systems Growth
- Connectivity Hardware
- Navigation Systems Growth
- Global Mandates

**Mechanical**
- Leading Auxiliary Power Unit Position and Growth
- Double Digit HTF7000 Engine CAGR

**Turbo**
- Gasoline Turbo Growth

**2015E**
**2018T**

**$17.8 - 19.7B**

Software & Services
Turbo
Avionics
Mechanical

Growth Accelerates Across The Portfolio
Commercial Aerospace – End Markets

**Commercial OE**

- **Well Positioned On Growing Fleets**
  - Key Fleet Growth – Airbus, Boeing, Gulfstream, Dassault
  - Narrow Body Rate Increases, Driving Sales
  - Airbus A350, Gulfstream G280, Embraer Legacy 500/450, Successful Ramp Up

- **Maintaining Strong Win Rates**
  - Boeing 737 MAX/777X, Gulfstream G500/600, Dassault F5X/F8X
  - Airlines Selections For Production Installs

**Commercial Aftermarket**

- **Strong Installed Base/Service Offerings**
  - Impressive $2.5B Airlines Aftermarket Retention
  - Conventional Support: Spares/R&O/Material Support
  - High Value Upgrades/Enhancements

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

*Strong Win Rates Accelerating Growth*
Defense Returning To Growth

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

**International Defense Outlook**
- **HON 12% CAGR**
  - 2014: $1.3
  - 2015E: Int’l Spending +3%
  - 2018T: High Growth Regions

- **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>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><strong>5 Unannounced Wins</strong></td>
<td><strong>$12B</strong></td>
<td><strong>$1-2B</strong></td>
<td>2017+</td>
</tr>
</tbody>
</table>

- **Over $130B In Wins – Beating The Competition**

- 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 Trajectory
Enterprise Growth: Cockpit Leadership

- HON Winning >70% Of New Growth
- HON Growth >2.5x Competitor
  - 90% More Cockpits Delivered
  - 20% Higher Average Bizjet Cockpit Value
  - ~5x More Upgrades/Services
- HON Growth Drivers
  - Picking the Winning Platforms
  - Delivering And Capturing More Customer Value
  - Robust Pipeline Of Upgrades & Services
- Individual HON Products Highly Sought After To “Complete” Avionics Systems
  - Flight Management Systems: Standard On All In-Production Wide Body Aircraft
  - Inertial Reference Systems – Precision Navigation – Commercial/Defense
  - Satellite Communications Connectivity

2015: HON Cockpits Out-Install Top 3 Suppliers Combined
# Enterprise Growth: Mechanical Leadership

## Propulsion Engines (Served Sectors)
- Won All Medium-Large Business Jet Competitions Since 2001
- ~15% HTF7000 Fleet CAGR 2015-2018
- Largest Business Jet Installed Base*

## Auxiliary Power Units (Air Transport)
- Annual Shipments >2X Competition
- Won 7 Of 9 Platforms With EIS Through 2020
- Largest Installed Base In Industry

### Mechanical Systems

<table>
<thead>
<tr>
<th>Product Groups</th>
<th>Growth</th>
<th>New Platforms</th>
</tr>
</thead>
</table>
| **Propulsion Engines** | ![1% Industry 7% HON](5 Year Market CAGR) | - Gulfstream G280
- Bombardier CL300/350
- Embraer L500/450
- Alenia Aermacchi M-346
- Textron Scorpion
- Unannounced Wins
- Re-engine Programs

| **Auxiliary Power Units** | ![4% Industry 5% HON](5 Year Market CAGR) | - Airbus A350
- COMAC C-919
- A320 NEO
- Boeing 737 MAX
- Boeing 777X
- Irkut MC-21
- Bombardier C-Series

* Light Through VLR Class

### Installed Base +3K Engines
- 12% Increase

### Installed Base +3K APU’s
- 19% Increase

---

**Large Installed Base, New Wins, Upgrades**
Growth Through Upgrades And Mandates

Installed Base Driving Upgrades Growth Organically

Upgrades Sales

Upgrades Growth Trend (12% CAGR)

2009  1%
2015E  13%
2018T  20%

Global Safety And Efficiency Mandates Drive Sales Through 2020

- HON Leading Supplier Across Mandate Landscape
- Benefiting Air Transport, Business and General Aviation

<table>
<thead>
<tr>
<th>SURVEILLANCE</th>
<th>EFFICIENCY</th>
<th>SAFETY</th>
<th>PRODUCTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radios - ADS-B</td>
<td>Flt Mgmt - FANS</td>
<td>Collision Avoidance – TCAS</td>
<td>Data Link - CPDLC</td>
</tr>
<tr>
<td>$1.2B*</td>
<td>$225M*</td>
<td>$230M*</td>
<td>$500M*</td>
</tr>
</tbody>
</table>

*Represents Potential Honeywell Share
Growth: Leading The Connected Aircraft

- **Hardware Enablement & Aircraft Integration**
- **Compelling Software Apps & Services**
- **Data & Service Subscriptions**
- **Airtime Service**

**HON**

**Competitors**

- Full Portfolio Of Connected Products Across The Aircraft
- 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

*Software Expertise + Innovation + Installed Base = Growth*
Growth Through HUE

Before

- Text Based Interface
- Difficult To Upgrade
- Limited Use Of Graphics

After

- iPad-Like Interaction
- Fully Integrated Touchscreen Controller For Cockpit And Aircraft Systems
- Critical to $3B Avionics Program Win
- Easy Upgrades And Platform For Growth

Driving Growth Through HUE

PILOT

Product: $79M Rev
Service: $3M Rev

MAINTAINER

Product: $4.5M Rev
Service: $2.5M Rev

PASSSENGER

Service: $2M Rev

Simpler And More Intuitive Interface
High Growth Regions

**HGR Sales**

-$\sim$15% CAGR

-$\sim$3.6B

-$\sim$2.3B

2015E  |  2018T

**Key Growth Drivers**

- **Global OEM Wins**
  - Becoming THE Chinese Competitor
  - Building On C919 And Other Wins
  - Local Sourcing, Engineering & Market Access
  - Russian Platform Wins: Irkut MS-21
  - Brazilian Platform Wins: Embraer E2

- **HGRs Drive Growth**
  - China: Turbo Penetration, OEM Platforms, ATR Airlines
  - Russia / Brazil: ATR Airlines, Comm’l Helos
  - Middle East/Turkey: ATR Hub, Airlines, D&S And Indigenous Capability

- **Security Concerns Increase Defense Needs**
  - Indian Army Missile Launcher And Satellite Navigation
  - South Korean Defense Build-Up
  - Israeli OE & IMOD Strong Demand

**HGR Penetration Continues Across Portfolio**
HON Operating System – HOS Gold
Honeywell Advantage | HOS Gold

HOS Gold Operating System:

- Comprehensive Management Operating System
- Market Driven Performance
- General Manager Ownership
- Strategy Deployment
- Breakthrough Thinking And Achievement
- Thoughtfulness / Speed / Agility – Key Attributes

Outcomes

- Exceptional / Breakthrough Growth
- Improved + Sustained Operating Performance
- Superior Efficiency And Productivity

HOS Gold – Key Drivers

- HOS Gold Organization In Place – Driving Breakthrough Objectives… Right And Fast
- Focus On Strategic Critical Few… Best In Class Growth, Profit And Cash Conversion
- Lean Management And Execution For Continuous Improvement In Productivity

Global Growth And Productivity
## 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

### 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

---

**Aerospace Technology Delivered With Automotive Quality**
Honeywell Advantage | Technology

Aerospace Innovation
- Gulfstream G280 Jet Engine
- Boeing 737 APU
- Apache AH-64 APU
- Titanium Compressor
- Turbine Aerodynamics
- High-Speed Ball-Bearing
- Gas Flow Modelling
- High Temperature Materials
- High Speed Rotors

Leading Performance
- Aerodynamic Performance
- Rapid Transient Acceleration
- Lifetime Reliability

Customer Value
- Ford 2.3L Gasoline
- BMW 2.0L Diesel
- IVECO 9.0L Diesel
- Fuel Economy
- Driving Performance
- Productivity

Redefining Limits
Integrated Package
~100 Launches/Year

Honeywell Investor Conference – March 4, 2015
TRANSPORTATION SYSTEMS
Terrence Hahn, President & CEO

Honeywell
# 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**
## Fuel Economy Requirements

<table>
<thead>
<tr>
<th>Region</th>
<th>MPG</th>
<th>Improvement by Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>57</td>
<td>~27%'^'^ by 2021</td>
</tr>
<tr>
<td>China</td>
<td>48</td>
<td>~41% by 2020</td>
</tr>
<tr>
<td>USA</td>
<td>56</td>
<td>~61% by 2025</td>
</tr>
<tr>
<td>Mexico</td>
<td>39</td>
<td>~11% by 2016</td>
</tr>
<tr>
<td>Japan</td>
<td>46</td>
<td>~3% by 2020</td>
</tr>
<tr>
<td>South Korea</td>
<td>57</td>
<td>~54% by 2020</td>
</tr>
<tr>
<td>India</td>
<td>49</td>
<td>~17% by 2021</td>
</tr>
<tr>
<td>Brazil</td>
<td>41</td>
<td>~11% by 2017</td>
</tr>
</tbody>
</table>

Sources: ICCT Fuel Economy Standards – November 2014 Light Vehicles Only
'^'^ Under Study - Not Enacted Yet
'^'^'^'^ Improvement Percentages In Fuel Economy In Each Region Are Relative To A 2013 Baseline, Except For Japan & India (2012), S. Korea & Mexico (2011)

## Fuel Economy Benefit vs Vehicle On-Cost

<table>
<thead>
<tr>
<th>Technology</th>
<th>MPG Increase vs Standard Gasoline Engine</th>
<th>On-Cost per Percent MPG Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Stop</td>
<td>5%</td>
<td>$38</td>
</tr>
<tr>
<td>Turbo Diesel</td>
<td>54%</td>
<td>$56</td>
</tr>
<tr>
<td>Turbo Gasoline</td>
<td>23%</td>
<td>$60</td>
</tr>
<tr>
<td>Cylinder De-Activation</td>
<td>5%</td>
<td>$76</td>
</tr>
<tr>
<td>Mild Hybrid</td>
<td>18%</td>
<td>$79</td>
</tr>
<tr>
<td>Full Hybrid</td>
<td>35%</td>
<td>$85</td>
</tr>
<tr>
<td>Compressed Natural Gas</td>
<td>33%</td>
<td>$135</td>
</tr>
<tr>
<td>Plug-In Hybrid</td>
<td>43%</td>
<td>$187</td>
</tr>
</tbody>
</table>

Source: BCG – Sept 2013
Outpacing Market Growth

- Wins in all regions
- Global manufacturing footprint
- Pipeline of advanced technology

Source: Company estimate for OEM channel only, assuming constant currency

Clean Diesel Today

European Passenger Vehicle Emissions (NEDC Cycle)

- Dramatic reductions in tailpipe emissions
- Diesel at parity with gasoline on test cycle
- Technology available for real driving compliance

Sources: Euro Norms CO, NOx and PM
*Renault Clio 1.2L 75hp / 0.9L Turbo 90hp / 1.5 Diesel 83hp
Global Turbo Penetration

- Annual Increase Of 1 To 2% In Turbo Penetration

Global Turbo Market Penetration By OEM

- Pioneer OEMs Already At >68% Turbo Penetration
- Annual Increase Of 1 To 2% In Turbo Penetration

$20B+ Industry At Maturity
Forecasted Turbo Market Penetration By Region

Global Industry

CHINA
- 2014: 23%
- 2019: 41%

NORTH AMERICA
- 2014: 67%
- 2019: 69%

EUROPE
- 2014: 46%
- 2019: 48%

INDIA
- 2014: 18%
- 2019: 23%

JAPAN
- 2014: 42%
- 2019: 45%

SOUTH KOREA
- 2014: 17%
- 2019: 24%

SOUTH AMERICA

Source: Honeywell Forecast

Global Scale, Local Reach
Accelerating Growth

Business Wins Accelerating

> 40% Win Rate

China And Americas Penetration Growth

75% Of Total Sales Growth

Outpacing Industry In Gasoline

~20% Sales CAGR*

* Source: Company estimate for OEM channel only, assuming constant currency.
Summary

**Turbo Market Growth**
- Industry Wide Adoption
- Regulations Driving Turbo Pen
- Limited Oil Price Impact

**Honeywell Advantage**
- Aero Technology Advantage
- Global Engineering & Plants
- Operational Excellence

**Accelerating Growth**
- Business Wins Accelerating
- China And Americas Expansion
- Outpacing Industry In Gasoline

Long Term Growth Via Differentiated Strategy
Business Performance Optimization
Aerospace Margin Expansion

Segment Margin

300 - 390 Bps
+60 - 80 Bps Per Year

2013
18.2%

2014*
19.6%

Growth
• Platform
  • Wins
  • HGR
  • Connectivity
  • HUE

HON Enablers
• HOS Gold
• VPD
• OEF/FT

Repositioning
• Footprint
• IT Infrastructure
• Core / Non-Core

2018T
21.2%
- 22.1%

*2014 Excludes OEM incentives of $184M in 4Q14

Multiple Levers To Drive Margin Expansion
Summary

✓ Favorable Macros

✓ Broad, Connected Portfolio With Technology Differentiation

✓ Large Program Wins

✓ Margin Expansion

✓ Innovating In Exciting New Areas
AUTOMATION & CONTROL SOLUTIONS
Alex Ismail, President & CEO

Honeywell
**Key Messages**

**Favorable End Markets**
- Portfolio Aligned With Favorable Macro Trends
- Non-Res Tailwinds, Resi Retrofit And Smart Homes
- High Growth Regions Expansion And Runway

**Positioned To Outperform**
- Global Leader Across Portfolio, Multi Channel
- Accelerating NPI Growth Leveraging HUE
- Technology, Connectivity, Solutions And Software

**Runway For Margin Expansion**
- Sales Growth And Continued Fixed Cost Leverage
- Factory HOS Going From 50% To 100% Silver
- End To End HGR Localization, Cost Leadership

**Additional Upside**
- Connected ACS: Synergies Between Businesses
- HOS Gold Driving Breakthrough Objectives
- Robust M&A Pipeline And Adjacencies

**Well-Positioned For Strong Sales And Margin Growth**
ACS Business Overview

- Balanced Portfolio
- Leadership Positions
- Technology Differentiation
- Multi Brand/Channel

$14.5B Sales
15.2% Segment Margin

Energy, Safety And Security

- 8% Security
- 13% Fire Safety
- 17% Scanning & Mobility
- 67% Total

Buildings Solutions And Distribution

- 52% North America
- 14% High Growth Regions*
- 6% ROW
- 28% Europe
- 6% Product Pull-Through $1B

44% Distribution - ADI
33% Building Solutions

Strong Franchise Of Global Businesses

Data Reflects FY14 Sales

* Priority HGR Countries
# Great Positions In Good Industries

<table>
<thead>
<tr>
<th>Great Positions</th>
<th>Industry Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Env. &amp; Combustion Controls</td>
<td>#1</td>
</tr>
<tr>
<td>Security</td>
<td>#1</td>
</tr>
<tr>
<td>Fire Safety</td>
<td>#1</td>
</tr>
<tr>
<td>Building Solutions</td>
<td>#2</td>
</tr>
<tr>
<td>Sensing &amp; Control</td>
<td>#3</td>
</tr>
<tr>
<td>Industrial Safety</td>
<td>#1</td>
</tr>
<tr>
<td>Scanning &amp; Mobility</td>
<td>#2</td>
</tr>
</tbody>
</table>

## Automation And Control Solutions

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sales Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>45%</td>
</tr>
<tr>
<td>Homes</td>
<td>20%</td>
</tr>
<tr>
<td>Industrials</td>
<td>35%</td>
</tr>
</tbody>
</table>

$14.5B

Well Aligned To Favorable End Markets

**Automation and Control Solutions**

- Non Residential, Institutional And Infrastructure
- Non Residential Manufacturing, Processing, Worker Safety And Productivity
- New And Retrofit Residential Markets
ACS End Market Alignment

Buildings

- Commercial New
- Commercial Retrofit
- Institutional
- Infrastructure Hospitals
- Retail

- North America Construction Recovery
- IoT, Automation, And Energy Efficiency
- HGR Infrastructure And Projects

Industrials

- Oil & Gas Construction
- Utilities Retail
- Transport & Logistics
- Gov’t
- General Industry

- Productivity, Performance Investments
- Tightening Regulations, Increasing Compliance Driving Personal Protection
- Increasing HGR Safety Standards

Homes

- New
- Retrofit

- Technology And Connectivity Driving Smart Homes
- Safety Legislation, Convenience
- HGR Urbanization, Middle Class Growth

ACS $14.5B

45% Buildings

35% Industrials

20% Homes

Favorable Global Drivers, Well Balanced Portfolio
What’s New: Connected ACS

Transforming ACS For Growth

Accelerating Growth
- HOS Gold Driving Breakthrough Objectives
- Connected Solutions And High Margin Software
- New China Org, High Growth Region Investments

Expanding Margins
- Footprint Consolidation, Supplier Rationalization
- Incremental Productivity And OEF Reductions
- Implementing Auto Playbook, Core/Non-Core
HOS Gold Driving Breakthrough Objectives

**New Operating Approach**

<table>
<thead>
<tr>
<th>Before</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Operating System</strong></td>
<td>7 Independent SBU's, President Owned</td>
</tr>
<tr>
<td><strong>Goal Setting</strong></td>
<td>Mostly Incremental</td>
</tr>
<tr>
<td><strong>Investment Decisions</strong></td>
<td>Allocated To 7 SBU's</td>
</tr>
<tr>
<td><strong>People</strong></td>
<td>SBU Level Thinking</td>
</tr>
</tbody>
</table>

**HOS Gold At Gas Detection**

- **Sales**
  - Before: 2010, 2014
  - ~1.5x

- **Profit**
  - Before: 2010, 2014
  - ~2x

- **Cash**
  - Before: 2010, 2014
  - ~2x

- **NPI Impact**
  - Before: 2010, 2014
  - ~5x

- **Critical Few, Breakthrough Objectives**
  - Targeting “Critical Few” Breakthrough Objectives
  - Continuous Improvement Culture – Factory And Office
  - Dedicated HOS Gold Leader And Team
  - Relentless Customer Focus = Commercial Excellence

**Small Cap Agility, Big Company Efficiency**
# ACS Breakthrough Pursuits

## New *Breakthrough* Strategies

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Addressable Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tridium Open Software Platform</strong></td>
<td>~$2B</td>
</tr>
<tr>
<td>Growth In Buildings, Factories, And Data Centers</td>
<td></td>
</tr>
<tr>
<td><strong>Software And Data Monetization</strong></td>
<td>~$4B</td>
</tr>
<tr>
<td>Connected Buildings, Industrials/Workers And Homes</td>
<td></td>
</tr>
<tr>
<td><strong>New Markets In Industrials</strong></td>
<td>~$4B</td>
</tr>
<tr>
<td>Workflow And Fleet Management, Data Insights, Industrial Fire And Security, Print Engines’ RFID</td>
<td></td>
</tr>
<tr>
<td><strong>New Channels To Consumers</strong></td>
<td>~$4B</td>
</tr>
<tr>
<td>Retail, DTC, eCommerce</td>
<td></td>
</tr>
<tr>
<td><strong>Intelligent Sensors</strong></td>
<td>~$2B</td>
</tr>
<tr>
<td>For Buildings, Industrials/Workers And Homes</td>
<td></td>
</tr>
</tbody>
</table>

---

*Over $15B In Growth Opportunities*
Connectivity: The Next Mega Trend

Connectivity Driving Explosive Growth

- Fundamental Shift In Customer Experience Drives Growth In Buildings, Industrials And Homes
- Key Drivers: Remote Access, Operational Efficiencies, New Data Enabled Business Models
- Leveraging Honeywell’s Unique Capabilities In Sensors, Wireless And Software To Win

HON Positioned To Win

- North American Thermostat Unit Sales

Source: Internal Estimates
Source: IMR Synovate
Software A Cornerstone For Growth

ACS Building Blocks To Accelerate Growth

Huge Installed Base With Brand And Technology Leadership

Intelligent Products And Solutions To Unlock The Value Of Data Through Software

ACS Differentiators

Connected Sensors And Edge Devices
Channel Partners
Engineers Devoted To Software
CMMI Level 5 Certified

Developer Community
5 Star Customer Experience
Marketing Insights
Big Data & Analytics Business Models

ACS Examples

Industry Leading Software Platforms Driving New Business Models

Homes

Platform To Connect Consumers With Their In-Home Devices And Service Offerings

Lyric™
Life in tune.

Buildings, Industrials, And Data Centers

Open Software Platform Becoming The Industry Standard For Connecting The Internet Of Things

niagara

Workers

Voice Enabled Workflow Solution To Drive Productivity

Vocollect

4x Sales Growth Over Next 5 Years, High Profit Impact
Growing In Buildings

Key Differentiators

- Massive Installed Base: 10+ Million Buildings Equipped With Smart Devices
- Connected Buildings And Software Drives Double Digit Growth
- Industry Leading Open Software Platform Enables Building Integration

EDGE DEVICES: BUILDINGS

EDGE DEVICES: FACILITIES

SOFTWARE AND DATA ANALYTICS

Unmatched Range Of Connected Solutions
Open Software For The Internet Of Things

Tridium: Niagara Operating System

<table>
<thead>
<tr>
<th>Problem</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERP</td>
<td>ERP</td>
</tr>
<tr>
<td>Dashboards</td>
<td>Dashboards</td>
</tr>
<tr>
<td>Analytics</td>
<td>Analytics</td>
</tr>
<tr>
<td>Legacy Systems</td>
<td>Legacy Systems</td>
</tr>
<tr>
<td>Open Protocols</td>
<td>Open Protocols</td>
</tr>
<tr>
<td>Edge Devices</td>
<td>Edge Devices</td>
</tr>
<tr>
<td>Sensors</td>
<td>Sensors</td>
</tr>
</tbody>
</table>

Problem:
- ERP
- Dashboards
- Analytics
- Legacy Systems
- Open Protocols
- Edge Devices
- Sensors

Solution:
- ERP
- Dashboards
- Analytics
- Legacy Systems
- Open Protocols
- Edge Devices
- Sensors

Tridium In Action

- Manitoba Hydro Place:
  - ~$15M Operating Cost/Yr Savings
- Manufacturing Integration:
  - Customer Redacted
- Minneapolis Airport:
  - 250K+ Connections

The Industry Standard Open Software Platform

- 20,000 Certified Pros
- 500,000 Buildings
- >2x 5-Yr Sales Growth
- Systems In 50+ Countries
- 1,000 Developer Partners
Growing In Industrials

Key Differentiators

- Intelligent Products Delivering Safety, Productivity And Performance
- End To End Solutions For Connected Workers And Facilities
- Differentiating With Wireless, Voice, Mobility And Data Analytics

SAFETY

- Monitor And Record Gas Detector Status
- Primary Alarm And Monitor Vital Signs Through BioHarness
- Protective Gloves With RFID
- Monitor Air Through Connected SCBA

PRODUCTIVITY

- Software Data Analytics
- Hands-Free Voice Solution
- Rugged And Reliable Mobile Computer
- Wireless Mobile Printing
Connecting Workers

- Enabling Millions Of Connected Workers: Voice, Mobility, Productivity, Safety
- Expanding Into Attractive Adjacencies: Maintenance And Inspection
- Expanding Software And Analytics To Deliver Insights And Better Workflow

Winning With Great Technology And User Experience
Growing In Homes

Key Differentiators

- Industry Leader With Over 15M Systems Installed Annually
- Double Digit Growth From Connected Homes And Smart Devices
- Differentiating With Edge Devices, Software And Ecosystem Partners

- Clear Leader In Comfort And Security
  - Presence In 150M Homes Globally
  - Selling 9x More Thermostats, 2.5x More Security Systems Than Nearest Competitors

- Extensive Global Reach
  - Multi Channels, Unrivaled Sales Coverage
  - Expanding Retail, DTC, eCommerce

- Innovative Product Roadmap
  - Delivering Integrated Solutions
  - Unique Customer Experiences
Connected Homes - Platform For Growth

Core Technology And Innovation

Connectivity Opening Attractive Growth Opportunities

2015 New Products

<table>
<thead>
<tr>
<th>Thermostats</th>
<th>Cameras</th>
<th>Software</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Security Systems</td>
<td>Image Redacted</td>
<td>Indoor Air Quality</td>
</tr>
<tr>
<td>Smoke Detection</td>
<td></td>
<td>Sensors</td>
</tr>
</tbody>
</table>

SaaS Offerings

World Class Partners

New Channels

Partner Redacted

Lyric™

Life in tune.

Samsung

JD.com

Lutron

Electric Ireland

Double Digit Growth In Connected Homes
## Growing In Europe Home Controls With HUE

<table>
<thead>
<tr>
<th></th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Installation Time</strong></td>
<td>1-2 Days</td>
<td>2-4 Hours</td>
</tr>
<tr>
<td><strong>User Interface</strong></td>
<td>Device Only</td>
<td>Device + Remote Via App</td>
</tr>
<tr>
<td><strong>User Insight</strong></td>
<td>No User Insights</td>
<td>Insights Through Data Analytics</td>
</tr>
</tbody>
</table>

**Before**
- Installation Time: 1-2 Days
- User Interface: Device Only
- User Insight: No User Insights

**After**
- Installation Time: 2-4 Hours
- User Interface: Device + Remote Via App
- User Insight: Insights Through Data Analytics

>4x Sales Volume Increase
Growing In HGRs

HGR Playbook

• Win In China To Win In Other HGRs
  - Export From China To Other HGRs
  - Expanding In Tier 2/3 Cities And Beyond

• Local Capabilities And Innovation Speed
  - Local Decision Making Authority
  - End-to-End Capabilities, Feet On The Street

• Target Mid-Segment Needs
  - Focused On Local Needs
  - Competitive Vs. Leading Chinese Brands

• Established New China Organization
  - Greater Integration To Drive Growth And Productivity
  - 100% Local Leadership Team
  - Specific Vertical Market Strategies

Becoming THE Local Competitor

Sales

<table>
<thead>
<tr>
<th>Honeywell Fire</th>
<th>China Competitor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$100M+</td>
</tr>
<tr>
<td>2014</td>
<td></td>
</tr>
</tbody>
</table>

- #1 In China
- 100% Localization, End-to-End Capabilities
- Cost And Technology Leadership
- Mid-Segment Offerings

Landmark Wins

- Canton Tower
- Guangzhou IFC
- Wuhan Center
- CCTV Tower
- Beijing Capital Intl Airport T3
- F1 SH Circuit

Accelerating In Fast Growing Markets
Growing In China Air Quality With HUE

<table>
<thead>
<tr>
<th></th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pricing</strong></td>
<td>Commodity</td>
<td>Premium; High Margin</td>
</tr>
<tr>
<td><strong>Filter Replacement</strong></td>
<td>Difficult And Dirty</td>
<td>In App Purchase, Home Delivery</td>
</tr>
<tr>
<td><strong>Device Feedback</strong></td>
<td>None</td>
<td>Air Quality + On Device Diagnostics</td>
</tr>
</tbody>
</table>

Air Touch
China Residential
Indoor Air Cleaner

Concept To Commercial Success In 6 Months
Runway For Margin Expansion

Driving Productivity: HOS Silver

- Factory HOS From 50% To 100% Silver
  - Driving Substantial Improvements In Productivity, Delivery And Working Capital
  - Customer Satisfaction And Cost Leadership

- Operational Excellence / Best Practices
  - Cycle Time And Inventory Reduction
  - Sustainable Cultural Change

- More Capacity For Growth
  - +25% Output Per SqFt

Connected ACS Efficiencies

- Building COEs To Leverage Scale
  - Lower Fixed Costs, Better Leverage
  - Global RD&E Platforms Drive Reuse And Productivity
  - Common Processes And Best Practices

- Efficiencies From Business Integration
  - Cost Reduction And OEF Savings
  - Shared Facilities = Footprint Reduction
  - Fewer Warehouses = Lower Logistic Costs

- Implementing Auto Playbook, Core/Non-Core

Driving Towards Long Term Margin Target Of 20%
Margin Expansion

Segment Margin
Gray: Prior Year Initiatives
Red: Connected ACS Initiatives

~150 bps
- New Products
- New Channels
- HGR
- Pricing
- Connected Solutions For Buildings, Industrials And Homes
- High Margin Software
- New China Organization
- Strategic Verticals In HGRs

~75 bps
- HOS
- Material Productivity
- OEF
- FT/ERP
- COEs
- Footprint Consolidation
- Fixed Cost Reductions
- Core/Non-Core
- Auto Playbook

~50+ bps
- Restructuring Pipeline

14.7%
16.6%
18.3%
20%

2013
Organic Growth
Operational Excellence
Repositioning
2018T

New Initiatives Reinforce Confidence In Outlook
Excellent Track Record, Big Upside To 5-Year Plan

M&A = Growth Upside

Core Competency
- Disciplined Due Diligence And Valuation
- Integration Excellence
- Creating Growth Platforms

Opportunity
- Rich Pipeline Of Targets
- New, Attractive Adjacencies
- Targeting Buildings, Industrials, Homes
Summary

Sales ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015E</th>
<th>2018T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$13.5</td>
<td>$14.5</td>
<td>$14.7</td>
<td>$16.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$14.9</td>
<td>$17.5</td>
</tr>
</tbody>
</table>
| Segment Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015E</th>
<th>2018T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>14.7%</td>
<td>15.2%</td>
<td>15.8%</td>
<td>16.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16.1%</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

Key Messages

- Favorable End Markets
- Positioned To Outperform
- Runway For Margin Expansion
- Driving Additional Upside

High Confidence In 5-Year Outlook
PERFORMANCE MATERIALS & TECHNOLOGIES
Darius Adamczyk, President & CEO
Honeywell
Key Messages

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

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

Core Investments Deliver Strong Returns

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

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

Winning In The New Oil Price Dynamic

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

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

*Includes Firm Orders And Contractual Minimum Volumes
PMT Business Overview

$10.2B in sales
17.8% segment margin

Balanced Portfolio
Geographically Diverse
Aligned To Mega Trends

**UOP**
- Refining 33%
- Petrochemical 29%
- Gas 29%
- Other 9%

**Process Solutions**
- Oil & Gas 39%
- Refining 17%
- Chemicals 13%
- Mining Paper 15%
- Other 16%

**Advanced Materials**
- Refrigerants 19%
- Fertilizer 10%
- Chemicals 30%
- Resins Plastics Fibers 32%
- Other 9%

Technologies For Oil & Gas Processing
Data Reflects FY14 Sales

Optimizing Manufacturing Processes

Performance Chemicals

Sales From Predominantly Oil Related Markets
## Accelerating In Attractive Markets

### Macro Trends

<table>
<thead>
<tr>
<th>Trend</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Energy &amp; Efficiency</td>
<td>Global energy demand increases 26% by 2025</td>
</tr>
<tr>
<td>Urbanization</td>
<td>66% world population in urban areas by 2050</td>
</tr>
<tr>
<td>Population Growth</td>
<td>World population increases 33% to 9.7B by 2050</td>
</tr>
<tr>
<td>Safety &amp; Security</td>
<td>Cyber attacks growing 66% CAGR since 2009</td>
</tr>
</tbody>
</table>

### Aligned Market Growth Rates

<table>
<thead>
<tr>
<th>Market</th>
<th>Growth Rate</th>
<th>Addressable Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Refining</td>
<td>2%</td>
<td>$20B</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>4%</td>
<td>$9B</td>
</tr>
<tr>
<td>Gas</td>
<td>6%</td>
<td>$13B</td>
</tr>
<tr>
<td>Refrigerants &amp; Foam Insulation</td>
<td>4%</td>
<td>$5B</td>
</tr>
<tr>
<td>Resin, Plastics &amp; Specialty Chemicals</td>
<td>3%</td>
<td>$15B</td>
</tr>
</tbody>
</table>

### Leadership Position

<table>
<thead>
<tr>
<th>Leadership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>UOP</td>
<td>5 Bottom-of-the-Barrel upgrades &gt; $2B*</td>
</tr>
<tr>
<td>HPS</td>
<td>LEAP™ shortening project schedule 25%</td>
</tr>
<tr>
<td>UOP</td>
<td>33 Gas-to-Chemicals projects &gt; $8B*</td>
</tr>
<tr>
<td>HPS</td>
<td>Record year, bookings up 45%</td>
</tr>
<tr>
<td>UOP</td>
<td>Modular equipment spurs $1B+ bookings</td>
</tr>
<tr>
<td>HPS</td>
<td>Protecting 5,500 miles of oil &amp; gas pipelines</td>
</tr>
<tr>
<td>FP</td>
<td>Secured $2.4B* refrigerant and foam orders</td>
</tr>
<tr>
<td>FP</td>
<td>Major wins with auto &amp; appliance OEMs</td>
</tr>
<tr>
<td>R&amp;C</td>
<td>Highest production volumes achieved</td>
</tr>
<tr>
<td>SP</td>
<td>Aclar® healthcare packaging up 12% YoY</td>
</tr>
</tbody>
</table>

Addressable Market: Honeywell, 3rd Party Market Estimates *Total Sales Estimate Over Project Life Cycles

Growing Faster Than The Market
High ROI Investments Ongoing

- Expansive Portfolio With Compelling 30%-40% High IRR Returns
- Additional Capacity Key Factor For Winning Further Deals For Catalysts & LGWP
- New World Class Plants On-Stream In US And China
- A Number Of New Plants Nearly Sold Out

New Catalysts/LGWP Drive Significant Future Growth

- Gas-to-Chemicals Catalysts
- 245fa Foam Blowing Agents
- Solstice® Foam And Solvents
- Solstice® Refrigerants And Aerosols

Capital and Revenue ($M)

- Capital for Growth Projects
- Net Revenue from Growth Projects

Substantial YoY Growth With 2017 Inflection


- Capital: ~100, ~250, ~400, ~1,000, ~1,100, ~1,250
- Revenue: ~400, ~1,000, ~250, ~1,100, ~1,250
PMT Margin Expansion

Segment Margin

200 - 330 bps
+50 - 80 bps Per Year

~100 bps
~150 bps
~50 bps

19.8% - 21.1%

2013 2014 Growth HOS Gold Repositioning 2018T

Growth
• Volume Leverage
• HGR Penetration
• NPI/Solstice® LGWP
• HUE

HOS Gold
• HOS Bronze/Silver
• VPD
• OEF/FT

Repositioning
• Footprint Rationalization
• Core/Non-core

Multiple Levers Driving Margin Expansion
2015 PMT Outlook | Oil Price Impact

Minimal Upstream Exposure

<table>
<thead>
<tr>
<th>Business</th>
<th>AM</th>
<th>HPS</th>
<th>UOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backlog* Into 2015 ($B)</td>
<td>9.2</td>
<td>9.2</td>
<td></td>
</tr>
<tr>
<td>By Category</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>43%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGWP</td>
<td>19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upstream</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Midstream</td>
<td>12%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Downstream</td>
<td>22%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2015 Implications

- O&G 2015 Capex Revised To $715B*, Major Project Opportunities Remain
- >30% HPS And UOP Backlog Not Linked To Capex Investments
- HPS And UOP Convert 60-70% Of Backlog In 2015
- Expecting Minimal Backlog Cancellations
- Leverage Mid- And Downstream Wins, Gas Opportunities And Process Optimization Software

*Includes Firm Orders And Contractual Minimum Volumes

Source: IHS 2015, Company Estimates

Record Backlog – Majority Not Tied To Upstream O&G
## Revenue Across The Project Lifecycle

### Asset Lifecycle | UOP And HPS Engagement Profile

<table>
<thead>
<tr>
<th>Design</th>
<th>Construction</th>
<th>Operation</th>
<th>Upgrade</th>
</tr>
</thead>
<tbody>
<tr>
<td>CapEx Commitment</td>
<td>Funding Already Approved For Ongoing Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1-3</td>
<td>Year 4-6</td>
<td>Year 7-25</td>
<td>Year 26-30</td>
</tr>
</tbody>
</table>

### Capital Expenditure

**UOP**
- Process Technology License
- Reactors & Modular Equipment
- Initial Catalyst
- Project Management
- Commission Training
- Catalyst Reloads
- Troubleshooting Services
- Equipment Refurbishment

**HPS**
- Main Automation Contractor FEED
- Control System DCS
- Fire & Gas Security
- Field Devices
- System Configuration
- Commission Training Simulators
- Process Optimization
- Process Software
- Software Updates
- Cyber Security
- Plant Extensions
- DCS Migration

### Operational Expenditure

- Maintenance Service, Instruments & Parts
- DCS Migration

### Total * Sales

<table>
<thead>
<tr>
<th></th>
<th>Year 1-3</th>
<th>Year 4-6</th>
<th>Year 7-25</th>
<th>Year 26-30</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UOP</strong></td>
<td>10 - 15%</td>
<td>35 - 40%</td>
<td>40 - 45%</td>
<td>5 - 10%</td>
</tr>
<tr>
<td><strong>HPS</strong></td>
<td></td>
<td></td>
<td>Multiple Events Over Lifecycle</td>
<td></td>
</tr>
</tbody>
</table>

*Typical % Sales Range Of Combined UOP And HPS Downstream Project Revenue

**FEED** = Front End Engineering Design

---

85%+ Of Revenue Not Tied To New Project CapEx

---
## Mitigating Oil & Gas Impact

### Current Oil & Gas Dynamic

<table>
<thead>
<tr>
<th>Description</th>
<th>PMT Near Term Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average 10 - 15% Reduction Of Upstream CapEx 2015 vs. 2014*</td>
<td>Only 10 - 15% PMT Oil &amp; Gas In Upstream Booked projects holding, some project delays</td>
</tr>
<tr>
<td>Lower Oil Price Driving Refined Product Demand</td>
<td>Future Upside With Refining More expansion and reconditioning projects for downstream sector, fuels &amp; storage</td>
</tr>
<tr>
<td>Maximize Output From Current Asset Base</td>
<td>Plant Audits And Yield Improvements Process optimization software and plant configuration solutions, next generation catalyst reloads</td>
</tr>
<tr>
<td>Asset Reliability Focus For Oil Exporters</td>
<td>UOP/HPS Aftermarket Services 60% revenue from services - not CapEx linked Expertise in productivity and uptime management</td>
</tr>
<tr>
<td>Business Actions</td>
<td>Cost And Sales Leverage Tightened cost management and focus on sales generating quick returns</td>
</tr>
</tbody>
</table>

* Source: IHS, Company Estimates
Performance Materials and Technologies

5% Refining Demand
exceeds transport fuel growth <2%

$10B Addressable Market Size

- 5M more barrels of fuel per day by 2020
- 50 new Hydrotreating units for lower sulfur fuel by 2020 - $12M/project
- >100 fuel conversions $450M/Uniflex™ project

UOP | Market Demand

Petrochemicals
Global Consumer Demand

8% Plastics & Fibers
demand rate to 2024 for on purpose propylene

$6B Addressable Market Size

- 20 new Oleflex™ gas to chemicals bids by 2024 - $300M/project
- Paraxylene for PET fibers annual growth 5.6%, next investment cycle starts 2018
- 16 more paraxylene plants by 2024 - $100M/project

Gas Processing
Clean Fuel and High Value Feed

6% Natural Gas
global supply rate up to 2040

$7B Addressable Market Size

- $60B CapEx spend by 2023 on wellhead to gas plant infrastructure
- 15-25 modular Russell NGL separation plants per year - $60M/project
- Diversification via new international gas projects

Value Per Project Reflects Total UOP Sales Estimate Over Project Life Cycles

Strong Macro Drivers Creating Long-Term Demand
UOP Innovation Winning In The Marketplace

**Oil and Refining**

*From Stick-built To Modular Refineries*

**Customer Benefits**
- Faster (Up To 12 Mos.) On-stream Schedules
- No Need For Project Management Experts
- Lower Cost Than Stick-built
- Delivery To Challenging Remote Sites

**Honeywell Value**
- Additional Equipment Sale With License
- Recurring Revenue From Materials/Service

**Gas Processing**

*From Stick-built To Modular NGL Recovery*

**Customer Benefits**
- Monetize Valuable NGLs 6 Mos. Faster
- Turnkey Project Management
- Standard Designs Lower Cost To Replicate

**Honeywell Value**
- Over 100 Plants Completed
- Standard Design For Speed And Quality
- Expand Scope Beyond Equipment

*Fit For Purpose Designs For Evolving Global Needs*
HPS | Market Demand

Global Projects
Low Risk Global Execution

- HGR Greenfield projects growing at 10% CAGR
- Aging brownfield base driving demand to upgrade/migrate
  - >$1B new project wins across multiple industries each year
  - Track record of higher certainty on cost and schedule execution

Software & Services
Optimize Plant Efficiency

- 40% of cyber attacks are on the energy industry
- Customer focus on mobility, safety & productivity
  - $8M DCS migration for Canadian refinery project
  - $20M business plant KPI software for major refinery

Products & Channels
Infrastructure Management

- Major transport, storage, transfer and pipeline growth
- Greater need for advanced metering & sensing
  - $5M gas metering skid project in Jordan
  - Multimillion $ fuels terminal project Sub Saharan Africa

$17B
Addressable Market Size

4%
5 year CAGR

$9B
Addressable Market Size

7%
5 year CAGR

$12B
Addressable Market Size

6%
5 year CAGR

Leading Edge Portfolio Aligned With Industry Trends
HPS Innovation Winning In The Marketplace

Control Room Of The Future

Orion™ Console

Competitor Alternative

Operator Interface Differentiation
• Context-based Visualization Displays
• Intuitive Alarm & Limit Management
• Reduced Control Room Size
• Faster Response To Process Event

Smart Field Devices

SmartLine™ Transmitter

Competitor Alternative

SmartLine Differentiation
• Modular Easy To Configure - No Training
• Smart Wiring Prevents Damage
• Reduces Time To Install/Maintain By 80%
• Interactive Display Prompts Operator

Differentiated Designs Improving End User Experience
Compelling ROI | Shorter Project Execution

Innovative Solutions To Manage Cost And Schedule
LEAP™ (Lean Execution Automation Projects)

Traditional Schedule
- Define
- Design
- Manuf
- Config
- Test
- Install
- PHYSICAL
- Finish

LEAP™
- Define
- Design
- Manuf
- Install
- Config
- Test
- Binding
- FUNCTIONAL
- Finish

- Schedule Routinely Reduced By 6 Months
- Accommodate Design Changes Without Impacting Schedule

• Enabled By Unique Honeywell Technologies - Universal I/O & Virtualization
• LEAP™ Reduces Project Cycle Time 20-30% Versus Competitor Alternatives
• Substantial ROI To Customers Through Faster Project Completion

Unique Technology Shortens Schedules ~25%
HPS Growth Turnaround Continues

Top Quartile Performance Growth

Consistent Margin Expansion

2nd Consecutive Year Of Leadership Position Versus Peers

Reflects FY14 vs. FY13 Orders And Margin Results

Market Leading Growth And Profitability Expansion
UOP And HPS Selling Collaboratively

**Oil & Refining**

**Asian Greenfield Refinery Project**

- UOP Awarded Licensing
- HPS Provided Process Training Simulator

Delivered Additional Operator Competency Package To Fast Track Customer’s Project Schedule

**Gas**

**Large Middle East Gas Field**

- HPS Awarded Full Automation Scope
- Expand To Include UOP Gas Treatment

Enabled Project To Be On-Stream 6 To 12 Months Faster Than Discrete Solutions From Multiple Vendors

$400M Incremental Joint Sales In Pipeline
UOP And HPS Innovating Together

New Process Lifecycle Tools Under Co-Development

**Design & Build**

**LEAP™ For UOP Processes**

- Reduces Total Project Cost And Schedule
- HPS/UOP Expertise For Optimal Efficiency

Value Derived From Accelerated Project, Proven Deliverables And One Contact

**Operate & Optimize**

**Software as a Service For Processes**

- Improves Process Performance/Reliability
- UOP Know-how Embedded Into HPS Tools

Maximizing Process Economics Via Expert Software Optimization Service

Value-Accretive Solutions From UOP And HPS
Software | High Margin Growth Lever

Software Sales By Category

Software Generates Value For End User
- Increased Production And Yields
- Reduced Operations And Maintenance Spend
- Rapid Response To Abnormal Events
- Plant And Operator Safety & Efficiency
- Real Time Business Decisions

PMT Software Capabilities
- CMMI Level 5 Speed & Quality
- User Experience (UX) Design
- Virtualization & Mobility
- Cloud Engineering & Delivery
- Big Data Analytics

~20% CAGR For Software Businesses Within PMT
Fluorine Products Profile

End Market Sales

Global Demand Increasing

Data Reflects FY14 Sales

Value To Customers

- Energy Efficiency
- Safety In Use
- Environmental Compliance
- Ease Of Conversion

Sales Growth

Data Reflects Honeywell 5-Year CAGR

HFC IP expires
Solstice launch
EU MAC US CAFE

IP-protected growth

'13 -'20 8% CAGR


Advanced Solutions For Energy Performance
## Fluorocarbon Regulations

<table>
<thead>
<tr>
<th>Era</th>
<th>CFCs</th>
<th>HCFCs</th>
<th>HFCs</th>
<th>HFOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930s – 1990s</td>
<td>Chlorofluorocarbons</td>
<td>Hydrochlorofluorocarbons</td>
<td>Hydrofluorocarbons</td>
<td>Hydrofluoroolefins</td>
</tr>
<tr>
<td>2000s</td>
<td></td>
<td></td>
<td>2011 EU MAC Vehicle Refrigerant GWP &lt;150</td>
<td></td>
</tr>
<tr>
<td>2010s</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Ozone Depleting**

- CFCs: 1.0
- HCFCs: 0.1
- HFCs: 0
- HFOs: 0

**Global Warming**

- CFCs: 8000
- HCFCs: 2000
- HFCs: 1000
- HFOs: \(<1\)

**Honeywell Products**

- CFCs: Genetron®
- HCFCs: Genetron® Enovate®
- HFCs: Solstice®

**ODP** (Ozone Depletion Potential): Relative amount of ozone degradation compared with R11 ODP = 1.0

**GWP** (Global Warming Potential): Number equivalent to CO2 impact with GWP = 1
LGWP Growth And Environmental Impact

Sales And Profit Growth

- Solstice® LGWP Sales
- Legacy Business
- Segment Margin %

+600 bps Margin Expansion

Low Global Warming Potential Capacity Status

Fully Operational: Solstice zd & ze
- Foam, Solvents (zd): Baton Rouge
- Refrigerants, Aerosols (ze): Baton Rouge
- HFC-245fa and Solstice zd (Foam): Taicang, China (JV With Sinochem)

Under Construction: Solstice yf (Auto)
- Geismar, Louisiana 2016 On-Stream
- Chiba, Japan 2015 On-Stream (Supply Agreement With Asahi Glass)

Profitable Growth With Environmental Benefit

$900M R&D and New Capacity Through 2017
Opportunities For Continuous Innovation

**Honeywell Investor Conference – March 4, 2015**

- **Retail Refrigeration**
  - HON Differentiator: Drop-in Replacement
  - Recent Wins: Tesco, Sprouts, Asda, Morrisons
  - Addressable Market Size: $1B
  - 5 year CAGR: 10%

- **Building Air-Con**
  - HON Differentiator: Low/No Flammability
  - Recent Win: Trane
  - Addressable Market Size: $1B
  - 5 year CAGR: 24%

- **Insulating Foam**
  - HON Differentiator: Manufacturability
  - Recent Wins: Whirlpool, Midea, Haier
  - Addressable Market Size: $2B
  - 5 year CAGR: 6%

*Growth Rates Stated Are For Honeywell Products*
Resins And Chemicals | 2 Prong Strategy

Operational Excellence Rigor

Caprolactam, Nylon 6, Resins, Intermediates, Fertilizers

- Largest Manufacturing Site By Category
- Record Production Volumes & Yields
- Making Business Easier – “Perfect Order”

Maximizing Uptime To Boost Profitability

New Higher Margin Products

- New Resins Capacity Online Q4 2015
- Investing In Advanced R&D Capability
  - Food Packaging
  - Fish Net
  - Wire & Cable

New Offerings Enable Margin Enhancement

Leveraging Lowest Cost Position
Specialty Products | Aclar® Growth Story

Pharma Packaging

5% Medicines Growth CAGR 2014-2020

- $35B Pharma sales convert to multiple generics per year
- Modified formulations for advanced packaging applications boosting sales
- Easier to use, clear blister packaging secures patient loyalty

Aclar® Value Proposition

8% 5 Year Sales CAGR

- Ultra high moisture barrier
- High clarity blister designs
- Smaller footprint packaging saves 55% on material

New Markets

$1.3B Addressable Market Size Healthcare & Industrials barrier packaging

- Double digit sales in High Growth Regions
- Easy push through pill design for elderly patients
- New industrial barrier packaging applications

Growth Rates Stated Are For Honeywell Products

Global Demand For High Margin Performance Material
PMT 2018 Targets

Key Drivers

- ~$3B Organic Sales Growth Trajectory
- New Higher Value Products, Software And Services
- Capital Investments Delivering New Capacity
- Emerging Markets Generating 48% Of Total Sales 2018

Segment Margin

- 2016-2017 Inflection Point As New Capacity Launches
- $0.8B Productivity And Supply Chain Improvements
- Operational Efficiency Of Plant And Yield Optimization
- Product Vitality Increases Driving Higher Value Pricing

PMT On Track To Exceed 2018 Targets
HOS Gold Driving Breakthrough Results

HOS GOLD UPSIDE POTENTIAL
14 Enterprises Accountable To Expand Margin

$200-$400M Plan Upside Potential From HOS Gold

Incremental profit from potential breakthrough upside

2015  2016  2017  2018

$200-$400M*

*Incremental Profit Upside If All Breakthrough Goals Achieved During Next Four Years

Data Above Relates To Deliverables By End Of 5-Year Plan

Velocity Product Development VPD™
425 NPI Projects To Refresh Portfolio
Honeywell User Experience HUE
Customer Satisfaction Metrics On UX
HGR & Globalization Focus
New Mid-market E4E Offerings - $300M+
Sales & Marketing Excellence
Pricing Rigor Drives ~$0.5B Profit Impact

Honeywell Investor Conference – March 4, 2015
Summary

**Growth Inflection**

~$3B Top Line Growth Through 2018
$2.4B In Solstice® LGWP Contracts
$400M From UOP/HPS Sales Synergies

**Investments Deliver Strong Returns**

~$1B High Margin Sales From New Capacity
$3.2B From New Product Innovations
HOS Gold Overdrives $200M+ Profit Upside

**Winning In The New Oil Dynamic**

Record Oil & Gas Backlog Secure
Leverage Mid/Downstream Focus
Rich Pipeline For Energy Sector Growth

**Continued Strong Growth And Margin Expansion**
Key Messages

• Track Record Of Meeting And Exceeding Expectations
  - Delivered Again In 2014
  - Outperformance Not Reflected In Current Valuation

• Confident In 2015 Outlook
  - EPS Guidance - Double-Digit Growth For The Sixth Consecutive Year
  - Conservative Cost And F/X Planning In Slow Growth Environment

• 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
Another Year Of Exceeding Commitments

Important Notes:
1) Sales Guidance Excludes Friction Materials Business Divested In 3Q14
2) 2014 Sales and Segment Margin Exclude $184M 4Q14 OEM Incentives
3) Free Cash Flow = Cash Flow from Operations Less Capital Expenditures
## Actual Performance Vs. External Guidance

<table>
<thead>
<tr>
<th>Meet</th>
<th>Organic Sales Growth</th>
<th>EPS (Ex-Pension MTM)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Guidance</td>
<td>Actual</td>
</tr>
<tr>
<td>2010</td>
<td>1% - 4%</td>
<td>7%</td>
</tr>
<tr>
<td>2011</td>
<td>5% - 8%</td>
<td>8%</td>
</tr>
<tr>
<td>2012</td>
<td>4% - 6%</td>
<td>3%</td>
</tr>
<tr>
<td>2013</td>
<td>1% - 3%</td>
<td>2%</td>
</tr>
<tr>
<td>2014</td>
<td>3% - 4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

---

**Set Big Targets And Consistently Deliver**
Performance Vs. 2014 Long-Term Targets

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
<th>2009</th>
<th>2014</th>
<th>2014T</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$30.0</td>
<td>$40.3</td>
<td>$45.0</td>
</tr>
</tbody>
</table>

- 6% CAGR
- ~$3.0B Of Headwinds
- ~$1.5B Of Tailwinds

Segment Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
<th>2009</th>
<th>2014</th>
<th>2014T</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>13.3%</td>
<td>16.6%</td>
<td>18.0%</td>
</tr>
</tbody>
</table>

- + Net M&A Above Targets
- - Lower Global Growth (GDP of ~3.0%) vs. Planning Assumption (3.5%)
- Overcame Significant Economic Headwinds
- + Sales Leverage By Controlling Fixed Costs
- + Process Initiatives Hugely Helpful
- + Restructuring Benefits

Excellent Margin Rate Performance

Achieved 5-Year Plan Established Early 2010
Peer Comparison: Net Income/EPS (5-Year)

Note: Reflects 2009 – 2014 Fiscal Year Data
1) HON Net Income and EPS Exclude Pension Mark-To-Market Adjustment

Significant Operational Outperformance
5-Year TSR Performance Vs. Peers

Outperforming Peers And Market

Peer Average Calculated Using Eight Industry Peers (COL, DHR, EMR, GE, ITW, MMM, TYC, UTX)
Valuation Metrics Today

2015 P/E Ratio

- Range: 15.0
- Average: 17.9
- HON: 17.0

HON 3rd Lowest

2015 PEG Ratio

- Range: 1.42
- Average: 1.81
- HON: 1.70

HON 4th Lowest

2015 FCF Multiple

- Range: 14
- Average: 23
- HON: 21

HON 4th Lowest

Range, Average Calculated Using Eight Industry Peers; Honeywell 02/26/2015 Closing Stock Price: $103.64
## 2015 Planning Update

<table>
<thead>
<tr>
<th>Topic</th>
<th>HON Exposure</th>
<th>Impact</th>
<th>What We’re Seeing / Expecting</th>
</tr>
</thead>
</table>
| **Oil Price Declines**     | Medium       | ✔      | • Backlog Firm Despite CapEx Budget Reductions  
• Diverse Offering, Downstream Positioning Limits Exposure  
• UOP/HPS Orders Growth; R&C Sales Headwind |
| **Currency**               | Medium       | ✔      | • Modest Year-Over-Year Earnings Headwind  
• Prudent Hedging Strategy  
• Currently Evaluating 2016 |
| **High Growth Regions**    | Medium       | ✔      | • Expecting China Growth Up High Single Digit In 2015  
• Middle East Infrastructure Investment Continues  
• Russia Exposure, Impact Limited |
| **Non-Residential**        | Medium       | ✔      | • Commercial And Industrial Increasing Momentum  
• Building Solutions Backlog And Service Bank Growth |
| **Pension**                | Medium       | ✔      | • ~$125M Upside Offset By Incremental Restructuring  
• No U.S. Cash Contributions Required |
## Impact Of Oil Price Declines

### First Derivative

<table>
<thead>
<tr>
<th>Business</th>
<th>HON Exposure</th>
<th>Impact</th>
<th>What We’re Seeing / Expecting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upstream (E&amp;P)</strong></td>
<td>Low</td>
<td>✓</td>
<td>• UOP/HPS Exposure Limited (10-15%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Backlog Firm Despite CapEx Budget Reductions</td>
</tr>
<tr>
<td><strong>Midstream / Downstream</strong></td>
<td>High</td>
<td>✓</td>
<td>• UOP/HPS Growth From Asset Optimization Solutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Steady Orders Growth Into 1Q15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Gas Processing Capacity Sold Out 2015, Int’l Opportunity</td>
</tr>
<tr>
<td><strong>Resins &amp; Chemicals</strong></td>
<td>Medium</td>
<td>✓</td>
<td>• Sales Headwinds Continue As Raw Material Price Drops</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Pricing Model Largely Protects Margin Dollars</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>Medium</td>
<td>✓</td>
<td>• Favorable Impact To Freight, Utilities, Indirect Spend</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Indirect Favorable Impact To Other Material Spend</td>
</tr>
</tbody>
</table>

### Second Derivative

<table>
<thead>
<tr>
<th>Business</th>
<th>HON Exposure</th>
<th>Impact</th>
<th>What We’re Seeing / Expecting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comm’l Aero</strong></td>
<td>Medium</td>
<td>✓</td>
<td>• Improved Airline Profitability, Incremental AM Activity</td>
</tr>
<tr>
<td><strong>ACS</strong></td>
<td>Low</td>
<td>✓</td>
<td>• Increased Consumer Product Demand Offsets Exposure</td>
</tr>
<tr>
<td><strong>Turbo</strong></td>
<td>Medium</td>
<td>✓</td>
<td>• Lower Prices At The Pump Drives Demand For Autos</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Growth Driven By Fuel Efficiency, Emissions Regs</td>
</tr>
<tr>
<td><strong>HGRs</strong></td>
<td>Medium</td>
<td>✓</td>
<td>• China, India, Other HGRs Benefit From Lower Oil</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Temporary Declines In Russia, Middle East Demand Firm</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Benefits Held At Country Level Thus Far</td>
</tr>
</tbody>
</table>

### Outlook Intact But Continuing To Monitor

Financial Review

Honeywell Investor Conference – March 4, 2015
Broadened Approach In 2015
- Premised On Strengthening USD
- Now Incorporating Translation Hedge

Focus On Protecting Income
- Long Positions Covered
- USD Strength Benefits Short Positions
- Top Line Headwinds Remain

Evaluating 2016 Approach

Currency Impact
- Favorable Impact From Supply Chain Position In Depreciating Currencies
- Hedge Strategy Reduces Exposure By +80%

YoY EPS Impact Of ~($0.10) Reflected In Guidance
2015 Financial Guidance Summary

($B, except EPS)

**Sales**
- 2014: $40.3
- 2015E: $40.5
- Up 1 - 2% ~4% Organic

**Segment Margin**
- 2014: 16.6%
- 2015E: 17.6%
- Up 100-130 bps

**EPS (Ex-Pension MTM)**
- 2014: $5.56
- 2015E: $5.95
- Up 7 - 11%

**Free Cash Flow**
- 2014: $3.9
- 2015E: $4.2
- Up 8 - 10%

**Notes**
- Strong Starting Backlog
- Short Cycle Order Momentum
- Relentless Focus On Cost
- Funded Restructuring Of $315M
- Below-The-Line Costs Stable
- Income Protected From Add’l F/X Pressure
### 1Q15 Update

<table>
<thead>
<tr>
<th></th>
<th>Prior Outlook</th>
<th>Current Outlook</th>
<th>What’s Changed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Change</strong></td>
<td>(1%) - (2%)</td>
<td>(2%) - (3%)</td>
<td>• Reported Sales Of ~$9.4B</td>
</tr>
<tr>
<td>Organic</td>
<td>3 - 4%</td>
<td>3 - 4%</td>
<td>• No Change To Organic Growth</td>
</tr>
<tr>
<td><strong>Margin Change</strong></td>
<td>Up ~110 bps</td>
<td>Up ~130 bps</td>
<td>• F/X Headwinds</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Comm’l OE Shipment Timing</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$1.36 - $1.41</td>
<td>$1.36 - $1.41</td>
<td>• Mix And F/X Driving Margins</td>
</tr>
<tr>
<td><strong>EPS, V%</strong></td>
<td>6 - 10%</td>
<td>6 - 10%</td>
<td>• R&amp;C Profit Protected</td>
</tr>
<tr>
<td><strong>No Change To Organic Sales Or Earnings Guidance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2018 Organic Growth Targets

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

**Sales**

- 2013: $39.1
- 2014: $40.3
- 2015E: $40.5 - $41.1
- 2018T: $46 - $51

4 - 6% CAGR
Adding $7 - $12B Of Sales

**Segment Margin**

- 2013: 16.3%
- 2014: 16.6%
- 2015E: 17.6% - 17.9%
- 2018T: 18.5% - 20.0%

220 - 370 Bps
45 - 75 Bps Per Year

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

Targeting Double Digit Earnings Growth
### HON Growth Factors: Next 5 Years

<table>
<thead>
<tr>
<th>Aerospace</th>
<th><strong>Unmatched $130B+ New Wins</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Significant Platform Wins: 737MAX, 777X, C919</td>
<td></td>
</tr>
<tr>
<td>• Upgrades Expand Growing Installed Base</td>
<td></td>
</tr>
<tr>
<td>• Leading Aircraft Connectivity Revolution</td>
<td></td>
</tr>
<tr>
<td>• Global Turbo Penetration Up ~10 pts</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Automation And Control Solutions</th>
<th><strong>Software 4x Sales Growth</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Software Drives 4x Sales Growth Next 5 Years</td>
<td></td>
</tr>
<tr>
<td>• Double-Digit Growth In Connected Homes</td>
<td></td>
</tr>
<tr>
<td>• Strong Residential/Non-Res Tailwinds</td>
<td></td>
</tr>
<tr>
<td>• End-To-End Localization In HGRs</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance Materials And Technologies</th>
<th><em><em>Robust $9.2B</em> Backlog</em>*</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Record Oil &amp; Gas Backlog Secure</td>
<td></td>
</tr>
<tr>
<td>• 2016-17 Inflection As New Capacity Launches</td>
<td></td>
</tr>
<tr>
<td>• NPI Generates ~$3.2B Sales By 2018</td>
<td></td>
</tr>
<tr>
<td>• UOP/HPS Synergies Drive Incremental Sales</td>
<td></td>
</tr>
</tbody>
</table>

*Includes Firm Orders And Contractual Minimum Volumes

**Growth Momentum Continues Into 2016**
2018 Targets + M&A

Sales

- 6 - 9% CAGR
- $39.1 in 2013
- $40.3 in 2014
- $40.5 - $41.1 in 2015E
- $46 - $51 in 2018T
- $5-8B from M&A

Segment Profit / Margin

- 16.3% in 2013
- 16.6% in 2014
- 17.6% - 17.9% in 2015E
- 18.5% - 20.0% in 2018T
- ~$1 EPS

- Tight Connection To Our Strategy
- Buy What We Know, Drive Adjacencies

- Consistently Overdrive Synergy Targets
- Expect Continued Flawless Integration

Capital Allocation Delivers Incremental $1.00 EPS
Honeywell Investor Conference – March 4, 2015

Capital Deployment

Free Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Free Cash Flow (B)</th>
<th>FCF Conversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$3.4</td>
<td>86%</td>
</tr>
<tr>
<td>2014</td>
<td>$3.9</td>
<td>89%</td>
</tr>
<tr>
<td>2015E</td>
<td>~$4.3</td>
<td>~90%</td>
</tr>
<tr>
<td>2016E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017E</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018E</td>
<td></td>
<td>~100%</td>
</tr>
</tbody>
</table>

2014 – 2018 Cumulative FCF $24-$28B

Deployment Priorities

• Invest In High ROI CapEx
  - ~$5-6B From 2014-18
  - Cycle Peaks In 2015

• Pay A Competitive Dividend
  - Grow Dividend Rate Faster Than Earnings

• Strategic M&A
  - Target Spend $10B+

• Share Repurchase
  - Hold Share Count ~Flat
  - Incremental Repurchases To Keep Net Cash At $1-2B

Substantial Investment Flexibility
Pension Funded Status

<table>
<thead>
<tr>
<th>Honeywell</th>
<th>Peers</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>94%</td>
<td></td>
<td>• No U.S. Contributions Expected Through 2019</td>
</tr>
<tr>
<td></td>
<td>High 98%</td>
<td>• Anticipate Stable Foreign Contribution Levels</td>
</tr>
<tr>
<td>2014</td>
<td>Low 69%</td>
<td>• 25bps Improvement In Discount Rate Yields ~2% Increase In Funded Status</td>
</tr>
<tr>
<td>82%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Peer Average Includes 12 Multi-Industry Peers
- HON Conservative On Mortality Assumptions

Expect Minimal Near-Term Cash Deployment
High ROI CapEx

CapEx Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$1.1</td>
</tr>
<tr>
<td>2015E</td>
<td>~$1.3</td>
</tr>
<tr>
<td>2016E</td>
<td>&gt;50% generous Growth Projects</td>
</tr>
<tr>
<td>2017E</td>
<td>~$1.50</td>
</tr>
<tr>
<td>2018E</td>
<td>~$1.20</td>
</tr>
</tbody>
</table>

Reinvestment Ratio:

<table>
<thead>
<tr>
<th>Year</th>
<th>Reinvestment Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.64</td>
</tr>
<tr>
<td>2016</td>
<td>~1.90</td>
</tr>
<tr>
<td>2017</td>
<td>~1.50</td>
</tr>
<tr>
<td>2018</td>
<td>~1.20</td>
</tr>
</tbody>
</table>

- Gradual Decline In Spend Through 2018
- Normalized Reinvestment Ratio ~1.25
- Current Growth Projects On Track

2015 Spend

PMT: 35%
ACS: 20%
Aero: 15%
Corp: 10%
HTS: 5%

2015 Growth Projects

- Solstice® MAC: ~35%, 2017
- Mexico EPCOE: ~35%, 2017
- Hydroprocessing Catalyst: ~30%, 2016
- Oleflex Catalyst: ~30%, 2015

Attractive Growth Investments
Competitive Dividend

**Dividend History**
(Cash Dividend Per Share)

- $0.75 (2004)
- $1.80 (2013)
- $2.07 (2014)

- ~10% CAGR

**Growth Rate vs. EPS**

- Dividend Rate Growth %
- EPS Growth %

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Rate Growth %</th>
<th>EPS Growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>2013</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>2014</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>2015E</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>2018E</td>
<td>12%</td>
<td></td>
</tr>
</tbody>
</table>

- Expecting ~$10B To Be Paid Over 5-Year Plan

- Payout Ratio Increases From 34% To ~40%

**• 15% Rate Increase In 4Q14 To $2.07 Per Share**

**• Tenth Dividend Rate Increase Since 2005**

*EPS, V% Excludes Pension Mark-To-Market Adjustment*
### Strategic M&A

<table>
<thead>
<tr>
<th></th>
<th>Past</th>
<th>Present</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ACQUISITIONS</strong></td>
<td>• Closed 80+ Deals Since 2002</td>
<td>• Regular Cadence Of Acquisitions</td>
</tr>
<tr>
<td></td>
<td>• Added ~$12B In Sales</td>
<td>• Robust Pipeline Across Segments</td>
</tr>
<tr>
<td><strong>DEAL SIZE</strong></td>
<td>• Average Deal Size Of ~$170M</td>
<td>• “On Strategy” Remains Priority</td>
</tr>
<tr>
<td></td>
<td>• Targeted Cost Synergies of ~6-8%</td>
<td>• Poised For Larger Deals</td>
</tr>
<tr>
<td><strong>TARGETS</strong></td>
<td>• ~70% Of All Deals In ACS</td>
<td>• Looking At HON-Wide Targets</td>
</tr>
<tr>
<td></td>
<td>• New Platforms Through M&amp;A</td>
<td>• Broader Lens On Adjacencies</td>
</tr>
<tr>
<td><strong>REGIONS</strong></td>
<td>• Balanced Mix Across Dev. Markets</td>
<td>• Slight Preference Toward Non-U.S.</td>
</tr>
<tr>
<td></td>
<td>• Limited HGR Activity</td>
<td>• Continued Caution On HGR</td>
</tr>
<tr>
<td><strong>METRICS</strong></td>
<td>• Consistent Financial Framework</td>
<td>• Unchanged Commitment To Retain Strong Financial Discipline</td>
</tr>
<tr>
<td></td>
<td>• Sales Synergies Are Upside</td>
<td></td>
</tr>
</tbody>
</table>

**Stage Is Set For A Range Of Opportunities**
Share Repurchase

Historical Strategy

- Priority To Hold Share Count ~Flat
- ~$1B Per Year Planned Repurchases

New Strategy

- Keep Net Cash At ~$1-2B
- Preference Remains M&A
- Cash >$1-2B Used For Incremental Share Repurchase
  - Retain Flexibility For M&A
  - Preserve Credit Rating
  - Maintain Tax Efficiency
- If No M&A, Will Communicate Alternative Plan

~$15B Available For M&A/Repurchases Through 2018
Why HON

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

**Consistently Executed Strategy = Terrific Results**
Why Own HON

- Outperformance Continues Through New 5-Year Plan
- Businesses Well Positioned To Grow
  - Aero And PMT Inflection Points
  - ACS Strong And Steady
  - Seed Planting Effective
- HOS Gold Delivering Growth And Productivity
- Software An Increasing Driver
- Lots Of Cash Generated Over Five-Year Plan To Deploy
APPENDIX
Reconciliation of Non-GAAP Measures to GAAP Measures
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>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Profit</td>
<td>$3,991</td>
<td>$4,485</td>
<td>$5,357</td>
</tr>
<tr>
<td>Stock Based Compensation</td>
<td>(117)</td>
<td>(163)</td>
<td>(168)</td>
</tr>
<tr>
<td>Repositioning and Other</td>
<td>(493)</td>
<td>(626)</td>
<td>(794)</td>
</tr>
<tr>
<td>Pension Ongoing (Expense)/Income</td>
<td>(287)</td>
<td>(185)</td>
<td>(105)</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment</td>
<td>(741)</td>
<td>(471)</td>
<td>(1,802)</td>
</tr>
<tr>
<td>Other Postretirement Income/(Expense)</td>
<td>15</td>
<td>(29)</td>
<td>86</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$2,368</td>
<td>$3,011</td>
<td>$2,574</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment</td>
<td>(741)</td>
<td>(471)</td>
<td>(1,802)</td>
</tr>
<tr>
<td>Operating Income Excluding Pension Mark-to-Market Adjustment</td>
<td>$3,109</td>
<td>$3,482</td>
<td>$4,376</td>
</tr>
</tbody>
</table>

Segment Profit

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>/ Sales</td>
<td>29,951</td>
<td>32,350</td>
<td>36,529</td>
</tr>
<tr>
<td>Segment Profit Margin %</td>
<td>13.3%</td>
<td>13.9%</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

Operating Income

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>/ Sales</td>
<td>29,951</td>
<td>32,350</td>
<td>36,529</td>
</tr>
<tr>
<td>Operating Income Margin %</td>
<td>7.9%</td>
<td>9.3%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Operating Income Excluding Pension Mark-to-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>/ Sales</td>
<td>29,951</td>
<td>32,350</td>
<td>36,529</td>
</tr>
<tr>
<td>Operating Income Margin Excluding Pension Mark-to-Market Adjustment</td>
<td>10.4%</td>
<td>10.8%</td>
<td>12.0%</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.
<table>
<thead>
<tr>
<th>Segment</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1Q 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>($M)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment Profit</td>
<td>$5,879</td>
<td>$6,351</td>
<td>$6,696</td>
<td>$1,596</td>
</tr>
<tr>
<td>Stock Based Compensation</td>
<td>(170)</td>
<td>(170)</td>
<td>(187)</td>
<td>(52)</td>
</tr>
<tr>
<td>Repositioning and Other</td>
<td>(488)</td>
<td>(699)</td>
<td>(634)</td>
<td>(220)</td>
</tr>
<tr>
<td>Pension Ongoing (Expense)/Income</td>
<td>(36)</td>
<td>90</td>
<td>254</td>
<td>61</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment</td>
<td>(957)</td>
<td>(51)</td>
<td>(249)</td>
<td>-</td>
</tr>
<tr>
<td>Other Postretirement Income/(Expense)</td>
<td>(72)</td>
<td>(20)</td>
<td>(49)</td>
<td>(12)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$4,156</td>
<td>$5,501</td>
<td>$5,831</td>
<td>$1,373</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment</td>
<td>(957)</td>
<td>(51)</td>
<td>(249)</td>
<td>-</td>
</tr>
<tr>
<td>Operating Income Excluding Pension Mark-to-Market Adjustment</td>
<td>$5,113</td>
<td>$5,552</td>
<td>$6,080</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment Profit</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>1Q 2014</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$5,501</td>
<td>$5,831</td>
<td>$1,373</td>
</tr>
<tr>
<td>Operating Income Excluding Pension Mark-to-Market Adjustment</td>
<td>$5,113</td>
<td>$5,552</td>
<td>$6,080</td>
<td></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>2010&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>2011&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>2012&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>2013&lt;sup&gt;(4)&lt;/sup&gt;</th>
<th>2014&lt;sup&gt;(5)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</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>0.41</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>$3.00</td>
<td>$4.05</td>
<td>$4.48</td>
<td>$4.97</td>
<td>$5.56</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Utilizes weighted average shares of 780.9 million. Mark-to-market uses a blended tax rate of 32.3% for 2010

<sup>(2)</sup> Utilizes weighted average shares of 791.6 million. Mark-to-market uses a blended tax rate of 36.9% for 2011

<sup>(3)</sup> Utilizes weighted average shares of 791.9 million. Mark-to-market uses a blended tax rate of 35.0% for 2012

<sup>(4)</sup> Utilizes weighted average shares of 797.3 million. Mark-to-market uses a blended tax rate of 25.5% for 2013

<sup>(5)</sup> Utilizes weighted average shares of 795.2 million. Mark-to-market uses a blended tax rate of 28.1% for 2014
### Reconciliation Of Cash Provided By Operating Activities To Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Provided by Operating Activities</td>
<td>$4,203</td>
<td>$2,833</td>
<td>$3,517</td>
</tr>
<tr>
<td>Expenditures for Property, Plant and Equipment</td>
<td>(651)</td>
<td>(798)</td>
<td>(884)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td><strong>$3,552</strong></td>
<td><strong>$2,035</strong></td>
<td><strong>$2,633</strong></td>
</tr>
</tbody>
</table>
## Reconciliation Of Cash Provided By Operating Activities To Free Cash Flow And Calculation Of Free Cash Flow Conversion Percentage

<table>
<thead>
<tr>
<th>($M)</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Provided by Operating Activities</td>
<td>$4,335</td>
<td>$5,024</td>
</tr>
<tr>
<td>Expenditures for Property, Plant and Equipment</td>
<td>(947)</td>
<td>(1,094)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$3,388</td>
<td>$3,930</td>
</tr>
<tr>
<td>Net Income Attributable to Honeywell</td>
<td>$3,924</td>
<td>$4,239</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment, net of tax (1)</td>
<td>38</td>
<td>179</td>
</tr>
<tr>
<td>Excluding Pension Mark-to-Market Adjustment</td>
<td>$3,962</td>
<td>$4,418</td>
</tr>
<tr>
<td>Cash Provided by Operating Activities</td>
<td>$4,335</td>
<td>$5,024</td>
</tr>
<tr>
<td>÷ Net Income Attributable to Honeywell</td>
<td>3,924</td>
<td>4,239</td>
</tr>
<tr>
<td>Operating Cash Flow Conversion %</td>
<td>110%</td>
<td>119%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$3,388</td>
<td>$3,930</td>
</tr>
<tr>
<td>÷ Net Income Attributable to Honeywell</td>
<td>3,962</td>
<td>4,418</td>
</tr>
<tr>
<td>Excluding Pension Mark-to-Market Adjustment</td>
<td>86%</td>
<td>89%</td>
</tr>
</tbody>
</table>

(1) Mark-to-market uses a blended tax rate of 25.5% and 28.1%, in 2013 and 2014, respectively.
## Net Cash Reconciliation

<table>
<thead>
<tr>
<th>($B)</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$7.0</td>
</tr>
<tr>
<td>Short term available for sale investments</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td><strong>$8.4</strong></td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>1.7</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>0.9</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Debt</strong></td>
<td><strong>$8.6</strong></td>
</tr>
<tr>
<td><strong>Net Cash</strong></td>
<td><strong>($0.2)</strong></td>
</tr>
</tbody>
</table>
## Discontinued Operations Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales - Total Honeywell</td>
<td>$23.1</td>
</tr>
<tr>
<td>Sales - CPG</td>
<td>1.0</td>
</tr>
<tr>
<td>Sales - Continuing Operations</td>
<td>$22.1</td>
</tr>
</tbody>
</table>
Valuation Metrics

**Calculation Methodology**

- **FCF Multiple**
  
  \[ \text{FCF Multiple} = \frac{\text{2/26/2015 Market Capitalization at Closing}}{\text{2014 FCF}} \]

- **P/E Ratio (2015)**
  
  \[ \text{P/E Ratio (2015)} = \frac{\text{2/26/2015 Closing Stock Price}}{\text{2015 Consensus EPS Estimate}} \]

- **PEG Ratio (2015)**
  
  \[ \text{PEG Ratio (2015)} = \frac{\text{2015 P/E}}{\text{Consensus Five Year EPS Growth Rate}} \]

**Eight Industry Peers**

- **COL, DHR, EMR, GE, ITW, MMM, TYC, UTX**

*Cash Flow From Operations Less Capital Expenditures*
HON Business Acronyms

- Aero: Aerospace
  - Comm’l OE: Commercial Original Equipment
  - Comm’l AM: Commercial Aftermarket
  - ATR: Air Transport & Regional
  - BGA: Business & General Aviation
  - W&B: Wheels & Brakes
  - D&S: Defense & Space
  - TS: Transportation Systems

- ACS: Automation and Control Solutions
  - ESS: Energy, Safety & Security
  - BSD: Building Solutions & Distribution

- PMT: Performance Materials and Technologies
  - UOP: Universal Oil Products
  - HPS: Honeywell Process Solutions
  - Adv Mat: Advanced Materials

- HGR: High Growth Regions

- HTS: Honeywell Technology Solutions

Peer Pension Comparison

- 3M
- Boeing
- Danaher
- Dow Chemical
- DuPont
- Emerson
- Illinois Tool Works
- Johnson Controls
- Rockwell Collins
- Siemens
- Tyco
- United Technologies

Tools / Initiatives

- HOS: Honeywell Operating System
- FT: Functional Transformation
- OEF: Organizational Effectiveness
- VPD™: Velocity Product Development
- HUE: Honeywell User Experience
- CMMI: Capability Maturity Model Integration

Reinvestment Ratio

- Reinvestment Ratio = Capital Expenditures / Depreciation
Dave Cote is Chairman and CEO of Honeywell, a $41 billion diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; turbochargers; and performance materials. He was elected President, CEO, and a member of Honeywell's Board in February 2002, and named chairman of the Board on July 1, 2002.

During Cote's thirteen years of leadership at Honeywell, the company has delivered strong growth in sales, earnings per share, segment profit, cash flow, and a total shareowner return of more than 450%. Honeywell has great positions in good industries and technologies that address some of the world’s toughest challenges such as safety and security, clean energy generation, energy efficiency, customer productivity, and globalization. More than 50 percent of the company’s sales are outside the U.S, and the company’s more than 127,000 employees, including 22,000 scientists and engineers, are focused on developing innovative products and solutions that help Honeywell’s customers – and their customers – improve performance and productivity.

Cote was elected a Class B director to the Federal Reserve Bank of New York in March 2014 to represent the interests of the public. In 2012-2013, Cote served as a founding member of the Steering Committee of the Campaign to Fix Debt, a bi-partisan effort to build support for a comprehensive U.S. debt reduction plan. Cote was named Vice Chair of the Business Roundtable (BRT) in 2011 and also chairs its Energy and Environment Committee. In 2010, Cote was named by President Barack Obama to serve on the bipartisan National Commission on Fiscal Responsibility and Reform, also known as the Simpson-Bowles Commission. Cote was named co-chair of the U.S.-India CEO Forum by President Obama in 2009, and has served since July 2005.

In 2014, Cote was selected for the prestigious Horatio Alger Award, which recognizes dedicated community leaders who have accomplished remarkable achievements through honesty, hard work, self-reliance, and perseverance over adversity. Also in 2014, Cote was named Institutional Investor’s Best CEO in the Capital Good/Industrial – Electrical Equipment & Multi-Industry category. In 2013, Cote was named CEO of the Year by Chief Executive Magazine, and one of the World’s Best CEOs by Barron’s, presented the Australian Association’s Award for Excellence, and named one of the 100 CEO Leaders in STEM by StemConnectors.org. He received the Asia Society’s Global Leadership Award and the Peter G. Peterson Award for Business Statesmanship from the Committee for Economic Development in 2012, and the Distinguished Achievement Award from B’nai B’rith International in 2011. Cote also received the Corporate Social Responsibility Award from the Foreign Policy Association in 2007.

Cote earned a bachelor’s degree in business administration from the University of New Hampshire, and, in 2011, the University presented him with an honorary Doctor of Humane Letters. In 2009, Cote was made an honorary professor at the Beihang University of Aeronautics and Astronautics in Beijing, China. In 2001, Cote received an honorary Doctor of Laws degree from the Graziadio School of Business and Management, Pepperdine University.
Darius Adamczyk is President and Chief Executive Officer of Honeywell Performance Materials and Technologies (PMT), a position to which he was appointed in April 2014. With sales over $10 billion, Honeywell PMT is a global leader in developing and manufacturing advanced materials and process technologies. It is also one of the world’s leading suppliers of automation and control systems that control and optimize refineries, oil and gas installations, pulp and paper mills, chemical, pharmaceutical, and power plants around the globe. The business’ comprehensive and diverse technology portfolio includes low global warming refrigerants, specialty films for healthcare and photovoltaic applications, and next-generation renewable energy solutions, including Honeywell Green Diesel™ and Honeywell Green Jet Fuel™.

Previously, Darius served as President of Honeywell Process Solutions (HPS), where he led a dramatic operational turnaround over a 2-year period. HPS has now been incorporated into Honeywell PMT under Darius’ leadership. Prior to that, Darius was named President of Honeywell Scanning & Mobility (HSM) after Honeywell acquired Metrologic in 2008 and merged it with the previously acquired HHP business. During four years at HSM, he doubled the size of the business and significantly increased profitability. Prior to the acquisition of Metrologic Instruments by Honeywell, Darius served as the Chief Executive Officer of Metrologic, enhancing its market position, profitability profile and intellectual property portfolio. Darius also held several leadership positions at Ingersoll Rand, including President of Air Solutions Group, President of the Heavy Industrial Business Segment, and Vice President of Business Development. He also served as a Senior Associate at Booz Allen Hamilton. He started his career as an electrical engineer at GE.

Darius earned his M.B.A. from Harvard, a master’s degree in computer engineering from Syracuse, and a bachelor’s degree in electrical and computer engineering from Michigan State University. Darius completed the GE Edison Engineering Program, as well as numerous executive development courses at Wharton and Duke, among other institutions.
Roger Fradin is a Vice Chairman of Honeywell responsible for advancing the Company’s merger and acquisition strategy toward its 5-year target of $10 billion, expanding Honeywell’s presence in High Growth Regions, and improving internal operations.

Roger was previously President and CEO of Honeywell Automation and Controls Solutions (ACS), a global leader in the development and manufacture of environmental controls, life safety products and building and process solutions that are at work in homes, buildings, industrial facilities and public and private utilities around the world. During Roger’s 10-year tenure, ACS grew roughly 110% from an $8 billion, mainly U.S. domestic business, to a $17 billion global business.

Since joining Honeywell in 2000, at the time of Honeywell’s acquisition of Pittway Corporation, Roger has also served as President of Automation and Control Products and President and CEO of Security and Fire Solutions. Starting in 1976, he helped lead an entrepreneurial team that built Pittway into the world’s leading supplier of electronic security and fire alarm products.

Roger received his MBA and BS degrees from the Wharton School at the University of Pennsylvania, where he was also a member of the faculty. He has authored books and articles on management and strategy issues. He is a Director at MSC Industrial Direct, a NYSE listed industrial distributor, and Pitney Bowes.
Ken Gayer is Vice President and General Manager of Honeywell Fluorine Products, part of the Honeywell Performance Materials and Technologies strategic business group. Honeywell Fluorine Products is a global leader in fluorinated materials, technology, and production for applications in heat transfer, insulation, personal care, industrial processes, and nuclear fuel.

Fluorine Products manufactures Solstice® low-global-warming-potential refrigerants, blowing agents and solvents; Genetron® refrigerants used by air-conditioning and refrigeration makers worldwide; Enovate® blowing agents for energy-efficient foam insulation; hydrofluoric acid for refining and chemical process industries; and nuclear fuel services through its ConverDyn joint venture.

Gayer joined Honeywell in 2003 and was most recently Vice President of procurement, customer service, trade compliance, and logistics for Honeywell Performance Materials and Technologies. Before that, he served as global business director for the foam and industrial products business within Honeywell Fluorine Products.

Prior to joining Honeywell, Gayer held roles with McKinsey and Company as well as Polaroid Corporation, and served as an officer in the United States Nuclear Submarine Force. Gayer earned a bachelor’s degree in chemical engineering from the New Jersey Institute of Technology and master’s degrees in business and chemical engineering from the Massachusetts Institute of Technology (MIT). He is a licensed Professional Engineer (PE).
Terrence Hahn is President and CEO of Honeywell Transportation Systems, and an officer of the Company. Honeywell Transportation Systems is a global leader in the development and manufacturing of innovative automotive technologies including Garrett® turbochargers. In 2014, Terrence led the strategic divestiture of Honeywell’s Friction Materials business and helped unify the remaining Transportation Systems businesses within Honeywell Aerospace.

Since being named to this role in April 2013, Terrence has helped expand the business globally, launching more than 100 new engine programs in 2013 and helping secure a record number of new programs with passenger and commercial vehicle manufacturers around the world. His customer-focused approach helped deliver improved financial and operational performance and the business was named as a finalist for the prestigious Automotive News PACE Award for innovation.

Before Transportation Systems, Terrence was Vice President and General Manager of Honeywell’s Fluorine Products business, a global materials development leader in energy efficiency and environmental compliance solutions. During his time with Fluorine Products, Terrence transformed the business, developing the Solstice™ platform of non-ozone depleting and low global warming potential materials to meet the demands of the HVAC, appliance, supermarket, insulation, automotive and consumer products industries. He also expanded the business footprint into Asia, while creating step-change improvements in cross-functional operations and business profitability, all with a deep commitment to providing customer value.

Prior to joining Honeywell in 2007, Terrence spent nearly 20 years with Air Products and Chemicals, Inc. He last served as senior director for the company’s global Electronic Specialty Materials business based in Taiwan. Terrence also served in a number of other capacities for Air Products, including country manager for Malaysia, business development manager for refinery hydrogen, and on-sites manager for Canada. He also was an integration business leader for the company’s acquisition of Ashland’s Electronic Chemicals business in 2003.

Terrence earned bachelors and masters degrees in materials science from Lehigh University, and an MBA from the Wharton School at the University of Pennsylvania.
Alex Ismail is President and CEO of Honeywell Automation and Control Solutions (ACS), a $14.5 billion global leader in environmental controls, and building process, life safety, security, sensing, scanning, and mobility solutions that help to create safer, more comfortable, more secure, and more productive homes, buildings and workers. He was appointed to this role in April 2014.

Alex was most recently the President of Honeywell Energy, Safety, and Security (ESS) within ACS, overseeing its five business units - Environmental and Combustion Controls, Life Safety, Security Group, Scanning & Mobility, and Sensing and Control. Prior to this, he spent almost 15 years in Honeywell Transportation Systems, a global leader in the development and production of innovative automotive technologies, as the President and CEO of Honeywell Transportation Systems, President of Honeywell Turbo Technologies, Vice President and General Manager of Turbo for EMEA and India and in various leadership roles in sales and marketing.

He joined Honeywell in 1997 in Honeywell’s Aerospace business and has held various leadership positions in the US and in Europe. Prior to joining Honeywell, Alex served for six years in the textile industry and began his career in his native Madagascar.

Alex was named a 2010 Automotive News Eurostar, widely considered the top honor for an executive in the European automotive marketplace. He has also been featured as an industry expert in dozens of publications including the Wall Street Journal, Reuters, Bloomberg/Business Week and Automotive News.

He holds a B.A in Finance from the University of Dauphine, France, and an MBA from the HEC School of Management in France. He is a certified Six Sigma Black Belt.
Andreas C. Kramvis was appointed Vice Chairman of Honeywell International in 2014. Previously, he was President and Chief Executive Officer of Honeywell Performance Materials and Technologies, one of the strategic business groups in Honeywell. Before that position he was President and CEO of Honeywell's Environmental and Combustion Controls business. Andreas joined Honeywell through the acquisition of Pittway, a Company he joined in 1988. Between 1984 and 1988, Andreas was with Combined Technologies and a member of the team that took two start-up information technology companies public on the London Stock Exchange.

Andreas has managed companies with global scope in five different industries and is intimately familiar with world markets. He is the author of a book titled "Transforming the Corporation: Running a Business in the 21st Century," which demonstrates how to systematically transform a business for high performance. Andreas is a graduate of Cambridge University, where he studied engineering specializing in electronics, and he holds an M.B.A. from Manchester Business School.

Andreas is a past Chairman of the Society of Chemical Industry (SCI) and a Board Member and Executive Committee Member of the American Chemistry Council.
Tim Mahoney is President and Chief Executive Officer of Honeywell Aerospace, one of Honeywell’s largest business groups. Headquartered in Phoenix, Arizona, Honeywell Aerospace is a technology and services leader in four main sectors: Air Transport & Regional, Business & General Aviation, Defense & Space, and Transportation Systems.

Prior to becoming CEO of Honeywell Aerospace, Mahoney served four years on the company’s leadership team -- as President of the Business & General Aviation business, President of the Air Transport & Regional business, and most recently as Chief Technology Officer.

As Chief Technology Officer, Mahoney had global responsibilities for engineering, research and new product development, managing the company’s R&D programs and more than 12,000 employees.

He led significant improvements in operational efficiency and engineering alignment with the company’s integrated process for delivering new products to the market.

Previously, in his role leading the Air Transport & Regional business unit that serves the OEM, airline, and aftermarket segments of commercial aviation, Mahoney strengthened customer relationships and development program execution on major systems for new aircraft platforms.

A 30-year veteran of the aerospace industry, Mahoney worked for Sikorsky Aircraft, where he held a series of increasingly significant leadership roles before joining Honeywell.

Mahoney earned a Bachelor of Science degree in mechanical engineering from the University of South Florida. Later in his aerospace career, he graduated from the Defense Systems Management College and Harvard Business School’s highly regarded Program for Management Development.
TomSzlosek is Senior Vice President and Chief Financial Officer of Honeywell, a $41 billion diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; turbochargers; and performance materials.

Prior to this role, Tom was Vice President of Corporate Finance responsible for corporate tax, treasury, investor relations, audit, financial planning, and back office areas. From 2007 to 2013, Tom was Chief Financial Officer for Honeywell’s largest business group, Automation and Control Solutions (ACS), where he helped lead ACS to 50% growth in sales and a doubling of operating profits. He also helped transact 15 acquisitions valued at over $3 billion. He served as Vice President and Controller of Honeywell from 2004 to 2007.

Prior to joining Honeywell, Tom spent eight years with General Electric Company, where he held various finance leadership roles, including CFO of GE Medical Systems Asia and CFO of GE Consumer Finance Europe. He was in the audit practice with PricewaterhouseCoopers for 10 years before joining GE.

Tom holds a bachelor’s degree in accounting from the State University of New York at Geneseo and is a Certified Public Accountant.
Shane Tedjarati is President of the Global High Growth Regions for Honeywell. Shane is responsible for driving Honeywell’s business expansion in high growth regions of the world: Asia, Africa, Latin America, the Middle East, and Eastern Europe. Based in Shanghai, he reports directly to Honeywell’s Chairman and Chief Executive Officer.

Tedjarati has a proven track record of creating localized go-to-market strategies, fostering cross-business cooperation and nurturing business partnerships in high growth regions. Prior to this role, he was the President & CEO of Honeywell China and India, where he was instrumental in engineering Honeywell’s success story in these two countries, both of which have grown severalfold and have become major contributors to Honeywell’s worldwide growth.

Before coming to Honeywell, Tedjarati accumulated more than 20 years of consulting experience in various industries. He was the regional managing director for Deloitte Consulting (Greater China), where he worked with Chinese state-owned enterprises and multi-national corporations to help them formulate and execute strategies for sustainable growth in China and abroad.

Tedjarati is a co-founder of Aspen Institute’s Middle East and Asia Leadership Initiatives; special advisor to Chongqing and Wuhan Mayors; member of the advisory board of Antai College of Economics and Management Shanghai Jiao Tong University; and industry Co-Chair of China Leaders for Global Operations (CLGO), a dual master’s degree program by MIT and Shanghai Jiao Tong University. He is also a sought-after speaker in various high growth markets. He has authored many articles on business practices, and is currently working on a book regarding the social and cultural ramifications of the sweeping changes taking place in the Chinese society.

Tedjarati is an avid aviator. He enjoys flying throughout the world and is a licensed commercial pilot. He has lived in China for 20 years and speaks six languages.