



Forward Looking Statements

This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management’s assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.

- **2014 Another Year Of Outperformance**
 - Set High Expectations And Delivered
 - Achieved Record Margins While Investing For Growth
 - Short- And Long-Cycle Order Trends Improving, Backlog Remains Strong
- **Multi-Year Tailwinds**
 - Seed Planting Benefits From Growth Investments
 - Restructuring Benefits Support Productivity And Margin Expansion
 - Acquisitions Are Incremental
- **March 4th Investor Conference**
 - On Track To Achieve Long Term Targets
 - HOS Gold Evolution Encompasses Complete Business Enterprise

Multi-Year Positive Outlook

2014 Summary

Honeywell

Sales

Up 3% Reported
3% Organic

4Q14 OEM Incentives ~\$184M



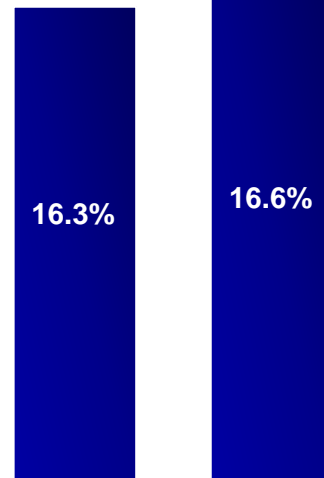
2013 2014

**NPI, HGR Penetration
Offsetting Slow Macros**

Segment Margin

Up 30 bps
70 bps ex-OEM Incentives

4Q14 OEM Incentives



2013 2014

**Record Margin
Performance**

EPS

Up 12%

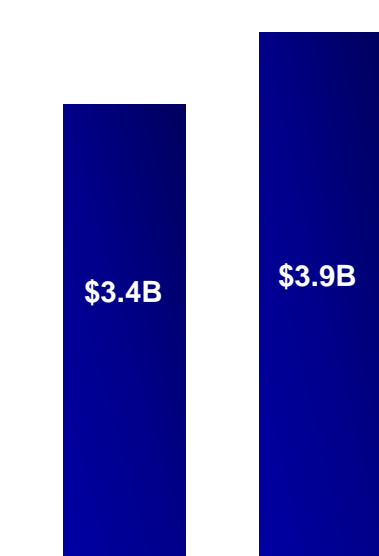


2013 2014

**Raised EPS Guidance
Three Times**

FCF

Up 16%



2013 2014

**Capex Up 16% YoY
15% Dividend Increase**

Important Notes:

EPS (Ex-Pension Mark-to-Market Adjustment); FCF = Cash Flow From Operations Less Capital Expenditures

5th Consecutive Year Of Double-Digit Earnings Growth

2015 Financial Guidance Summary

Honeywell

(\$B except per share amounts)

	<u>2014</u>	<u>2015E</u>	<u>V%</u>	<u>Comments</u>
Sales	\$40.3	\$40.5 - 41.1	1 - 2%	• Organic Up ~4%
Segment Profit	\$6.7	\$7.1 - 7.4	6 - 10%	
<i>Margin %</i>	16.6%	17.6 - 17.9%	100 - 130 bps	• 60-90 bps ex-4Q14 OEM Incentives
Net Income (Ex-Pension MTM)	\$4.4	\$4.7 - 4.9	7 - 11%	
<i>Attributable to Honeywell</i>				
EPS (Ex-Pension MTM)	\$5.56	\$5.95 - 6.15	7 - 11%	
Free Cash Flow	\$3.9	\$4.2 - 4.3	8 - 10%	• Capex Reinvestment Ratio⁽¹⁾ ~190%

1) *Capex Reinvestment Ratio = Capital Expenditures / Depreciation*

Planning Assumptions

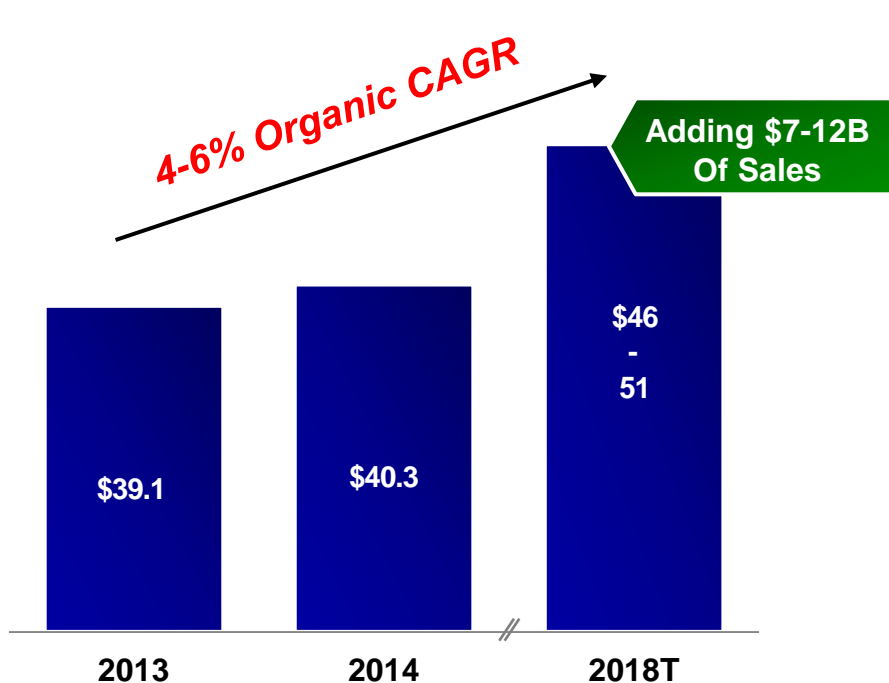
- **Planning Euro F/X Rate At ~1.20 At The Mid Point; Over 80% Euro P&L Exposure Hedged**
- **Below The Line Stable – Pension Upside Offset By Restructuring**
- **Ongoing Restructuring Benefits, Continued Productivity From HOS Gold, FT, OEF**
- **Expecting Full Year 2015 Tax Rate Of 26.5%**
- **Holding Share Count ~Flat To 2014 Levels**

Confident In Outlook

2018 Organic Growth Targets

Sales

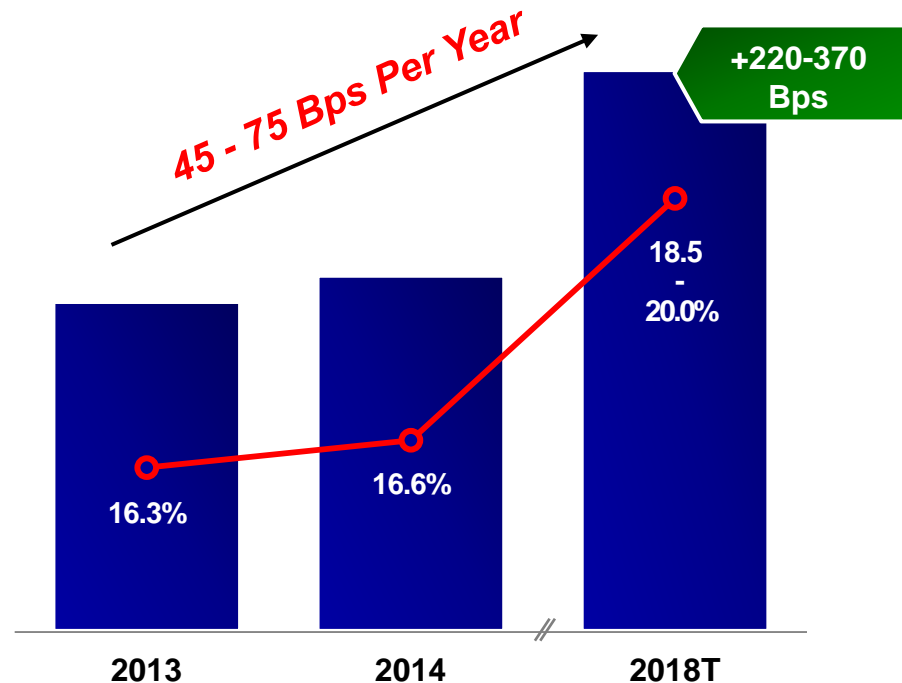
(\$B)



- More Innovation
- Balanced Portfolio, With Lots Of Upside
- HGR Momentum

Segment Profit / Margin

— Segment Profit
 ● Segment Margin



- HOS Gold Acceleration
- FT → ~2 Points of Margin
- HUE Creates More Value

Targeting Double Digit Earnings Growth

Why Own HON

1

Organic Growth Accelerates



- Focus On HGR Penetration
- Seed Planting – NPI, VPD™, And CapEx
- HUE And Technology Differentiation

2

More Margin Expansion



- HOS/OEF/FT – Leverage Improvement
- Execute Restructuring Pipeline

3

Accretive M&A



- Global Reach / Robust Pipeline
- High Growth Adjacencies
- Disciplined M&A Approach / Track Record

4

Capital Allocation Upside



- CapEx – Funding High ROI Growth Investment
- Increase Dividend Payout Ratio Over Time
- Opportunistic Share Buyback

Consistent Strategy, Delivering Top Tier Performance

Honeywell

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

Honeywell

<i>(\$M)</i>	<u>2013</u>	<u>2014</u>
Segment Profit	\$6,351	\$6,696
Stock Based Compensation ⁽¹⁾	(170)	(187)
Repositioning and Other ^(1, 2)	(699)	(634)
Pension Ongoing Income ⁽¹⁾	90	254
Pension Mark-to-Market Adjustment ⁽¹⁾	(51)	(249)
OPEB Expense ⁽¹⁾	(20)	(49)
Operating Income	<u>\$5,501</u>	<u>\$5,831</u>
Segment Profit	\$6,351	\$6,696
÷ Sales	<u>\$39,055</u>	<u>\$40,306</u>
Segment Profit Margin %	<u>16.3%</u>	<u>16.6%</u>
Operating Income	\$5,501	\$5,831
÷ Sales	<u>\$39,055</u>	<u>\$40,306</u>
Operating Income Margin %	<u>14.1%</u>	<u>14.5%</u>

(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 Cash Provided By Operating Activities To Free Cash Flow And Calculation Of Cash Flow Conversion %

Honeywell

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

(1) Mark-to-market uses a blended tax rate of 25.5% and 28.1% for 2013 and 2014, respectively.

Reconciliation Of EPS To EPS, Excluding Pension Mark-to-Market Adjustment **Honeywell**

	2013⁽¹⁾	2014⁽²⁾
EPS	\$4.92	\$5.33
Pension Mark-to-Market Adjustment	0.05	0.23
EPS, Excluding Pension Mark-to-Market Adjustment	\$4.97	\$5.56

(1) Utilizes weighted average shares of 797.3 million. Mark-to-market uses a blended tax rate of 25.5%.

(2) Utilizes weighted average shares of 795.2 million. Mark-to-market uses a blended tax rate of 28.1%.