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.
Performance Materials and Technologies
Darius Adamczyk
President & CEO
Key Messages

Rich Pipeline Aligned with Higher Growth Markets

- Leadership positions across broad portfolio & high return applications
- Customer performance optimization focus generates strong win rates with recurring revenue streams
- Operational excellence & productivity rigor delivering additional margin expansion
- Investing for further growth in new capacity, advanced innovations & broader global presence

Unique & unrivalled combination of process expertise and technology. No other company can provide similar solutions.

More Upside For Growth – Set To Meet Targets
PMT Business Overview

Balanced portfolio geographically diverse

~$10B in sales

~18% segment margin

22,000 employees serving 100 countries

UOP

- Refining and petrochemicals licenses & catalysts
- Gas & NGL processing
- Equipment & field services

Honeywell Process Solutions

- Automation process control and field instrumentation
- Turnkey projects & services
- Productivity & cyber solutions

Advanced Materials

- Energy efficient refrigerants, foams and solvents
- Additives, fibers and resins
- Metals & fine chemicals

Technologies For Oil & Gas Processing

Optimizing Manufacturing Processes

Transformed Chemicals

Data Using 2014 Estimates
Solutions For Higher Value Industries

Key Drivers for PMT Growth

- On-purpose Petrochemicals
- Midstream & Downstream
- Upstream & Deepwater
- Unconventional, Shale Gas
- Cleaner Fuels Standards
- Energy Efficiency
- Lower Emissions
- Process & Yield Optimization
- Urbanization & Construction
- Security & Brand Integrity

Innovation For Energy & Chemical Conversion

% of Total PMT 2014E Sales

- Even mix long & short cycle sales
- Verticals with high willingness to pay for application expertise
- Advanced technology and regulatory compliance creates customer value
### Accelerating Energy Markets

#### Key Markets Growth Rates

<table>
<thead>
<tr>
<th>Market</th>
<th>Honeywell 5 year growth rate ‘14–’19</th>
<th>Market rate (various sources)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Refining</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Gas</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Petrochemicals</td>
<td>5%</td>
<td>9%</td>
</tr>
</tbody>
</table>

#### Leadership Position Proof Points

<table>
<thead>
<tr>
<th></th>
<th>HPS</th>
<th>UOP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accelerate project by up to 6 mos.</strong></td>
<td>via LEAP™ project approach</td>
<td>5 bottom-of-the-barrel projects generating &gt; $2B*</td>
</tr>
<tr>
<td><strong>World’s longest natural gas pipeline</strong></td>
<td>5,500 miles protected by SCADA</td>
<td>Iraqi gas project onstream &gt; 6-12 mos. earlier with modular design</td>
</tr>
<tr>
<td><strong>Leading Positions</strong></td>
<td>Middle East petrochemicals China coal-to-chemicals</td>
<td>28 on-purpose olefins projects generating &gt; $8B*</td>
</tr>
</tbody>
</table>

*Total sales estimate over asset life cycle

**Aligned With Key Capital Spend Across The Entire Oil & Gas Value Chain**
Solutions Across The Oil & Gas Value Chain

Reservoir Modeling  Wellhead And Optimization  Off-Shore  Gas Processing  Pipeline Transportation  LNG Liquefaction  Refining  Petrochemicals Fertilizers

Multi $B Infrastructure & Greenfield Projects Scheduled Beyond 2025

Key Global Trends
- Shale Oil & Gas, NGLs
- Oil (Tar) Sands
- Deepwater Offshore
- N. AM And Asia Pacific Pipeline And LNG Infrastructure
- Latin AM And Mid East Import And Export Dynamics
- US Chemical Renaissance
- China Ramp Up Continues
- Mid East Diversification

PMT Offerings
- Remote Operations
- Controls And Solutions
- Fire And Gas Safety
- Gas Condition And Liquefy
- Gas Metering And Transfer
- Safety And Security
- Petrochemicals And Fuels
- Gas-To-Chemicals
- Controls And Optimization

Lifecycle Approach To Optimizing Assets
Exciting Growth Synergies

New offerings from collaboration on solving customer needs & joint technology development
Timing aligned with transformation to common operating processes

Common Application Linkages
• Gas, LNG and NGL
• Offshore and Unconventional
• Refinery and Petrochemical

Enhanced Value Propositions
• Packaged training simulators, event and control systems
• Remote secure diagnostics and earlier event detection
• Advanced process analytics and yield efficiencies
• Co-developing new products, services & software

Greater Customer Understanding
• Combined global account and market intelligence
• Smarter response, more uptime and cost benefits
• Chemical manufacturer insight for product development

Customer Partnership
Upgrade Productivity
New Knowledge Services
Practical Product Showcase
Major New Refinery Joint Sales Win

Southeast Asia Multi-Million $ Project

Collaborative account management driving differentiated & valued solutions for the customer

- UOP process licensing
- HPS Fire & Gas system
- UOP & HPS training simulator
- Combined operator competency solution
Established Foundations Powering Further Growth

• ~$3B+ organic sales growth and 230-360 bps margin expansion
• On track for record performance and high shareholder returns
**Platform Set For Further Growth**

**New Markets** (in Billions)  
Addressable Demand Over 5 Years  
~$24B expansion of addressable markets to pursue

<table>
<thead>
<tr>
<th></th>
<th>2014E</th>
<th>2018T</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Markets</td>
<td>$96</td>
<td>$120</td>
</tr>
</tbody>
</table>

- Gas-to-Chemicals
- Modular equipment
- Bottom of the barrel
- NGL & LNG
- Cyber security
- LGWP applications

**Globalization** (in Billions)  
High Growth Regions as % Total Sales  
Accelerated growth across key regions

<table>
<thead>
<tr>
<th></th>
<th>2014E</th>
<th>2018T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Globalization</td>
<td>$4.3</td>
<td>$6.5</td>
</tr>
</tbody>
</table>

- China
- India
- Latin America
- Russia / CIS
- Middle East
- SE Asia
- Africa
- N America unconventional

**Product Vitality**

<table>
<thead>
<tr>
<th></th>
<th>% NPI Sales in last 5 yrs</th>
<th>% GM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014E</td>
<td>20%</td>
<td>32%</td>
</tr>
<tr>
<td>2018T</td>
<td>34%</td>
<td>35%</td>
</tr>
</tbody>
</table>

**Record backlog $8.5B driving further growth**  
in new applications & expanded geographical sales with next gen higher margin offerings
Seed Planting For The Future

Investing in game-changing technologies and global application experts to deliver **$4.6B in new product sales over next 5 years from over 425 active projects**

<table>
<thead>
<tr>
<th>Rich Pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas to Chemicals</td>
</tr>
<tr>
<td>Modular Equipment</td>
</tr>
<tr>
<td>Bottom of the Barrel</td>
</tr>
<tr>
<td>Gas Processing</td>
</tr>
<tr>
<td>Process Software</td>
</tr>
<tr>
<td>Novel Fluorochemicals</td>
</tr>
<tr>
<td>New Resins &amp; Fibers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5,000+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineers and scientists</td>
</tr>
<tr>
<td>Level 5 CMMI</td>
</tr>
<tr>
<td>Regional labs in China, India &amp; Middle East</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>400</th>
</tr>
</thead>
<tbody>
<tr>
<td>with PhDs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2,800</th>
</tr>
</thead>
<tbody>
<tr>
<td>R&amp;D employees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3,915</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active patents</td>
</tr>
</tbody>
</table>
Honeywell Enablers

- **HOS Gold** & Breakthrough Goals
- Velocity Product Development **VPD™**
- **Honeywell User Experience** HUE
- **HGR** & Globalization Focus
- Sales & Marketing Excellence

Leveraging the full Honeywell toolkit to grow the business faster and more profitable than the market and peers

$1.9B
Incremental profit from breakthrough upside*

* Incremental segment profit potential additional upside if all breakthrough goals achieved during next 5 years
## Key Growth Vectors

### UOP
- Expand Core Refining
- Gas & Coal to Chemicals
- Gas & NGL Recovery

### HPS
- Software, Mobility, Cyber
- Upstream, Unconventional
- Instruments, Services

### Advanced Materials
- Commercialize LGWP
- New Applications & HGR
- NPI Value Creation
High ROI Investments Ongoing

Sales (in Billions)

$1B in incremental sales from new capacity

$12.3-$13.3

UOP

LGWP

Other

Core PMT

Market Growth

New Capacity

PMT

2014E

2018T

Key Growth Projects

Product First Online

<table>
<thead>
<tr>
<th></th>
<th>’14</th>
<th>’15</th>
<th>’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>UOP</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>LGWP</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Other</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

- Gas-to-Chemicals Catalysts
- Refining Adsorbents
- Refining Catalysts
- Methanol-to-Olefins Catalysts
- 245fa Foam Blowing Agents
- Solstice Foam & Solvents
- Solstice Mobile Refrigerant
- Electronic Materials
- High Margin Resins
- Aclar Film Line Expansion

2016-2017 – Major inflection in net sales from new capacity adds

Expanding Capacity To Meet Firm Orders And Demand

30%-40% IRR high return projects – firm volume securing new business

Advanced US/China plants – highest quality with local customer proximity
<table>
<thead>
<tr>
<th>Accelerating Core Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven products &amp; expertise generating long tail demand</td>
</tr>
<tr>
<td>Investing for further growth in new capacity, advanced innovations &amp; broader global presence</td>
</tr>
<tr>
<td>Creating new market spaces in higher value applications</td>
</tr>
<tr>
<td>Aligned with strong trends and smart acquisition prospects</td>
</tr>
<tr>
<td>Operational &amp; productivity focus expanding margins further</td>
</tr>
<tr>
<td>Exceeding industry &amp; peers rates of growth</td>
</tr>
<tr>
<td>Exciting new synergies with HPS &amp; UOP under development</td>
</tr>
</tbody>
</table>

**On Target Growth Delivering Excellent Shareholder Returns**
<table>
<thead>
<tr>
<th>Recap of</th>
<th>2014 Proof Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>March Investor Day</td>
<td></td>
</tr>
</tbody>
</table>
| **Capture growth in Natural Gas value chain** | • More than tripled Gas processing sales as percent of total UOP sales since 2012  
• UOP Russell NGL recovery projects book-to-bill ratio at 1.5 |
| **Capture growth in Gas to Chemicals** | • Awarded 7 MTO projects in China, flawlessly started up first MTO unit  
• 28 Oleflex awards since 2011, leveraging on-purpose olefins demand  
• On-purpose butadiene technology launched in alliance with TPC |
| **Grow Bottom-of-the-Barrel solutions** | • Awarded 5 Uniflex units since 2012 in emerging regions |
| **Commercialize Renewable technologies for Green Diesel and Green Jet** | • Awarded 6 Green Fuel projects including two Green Jet; started up two Green Diesel units in U.S. and Italy |
| **Expand catalyst capacity to meet demand** | • Adding refining & petrochemicals catalyst capacity in U.S. and China to meet sold demand |

**Strategies To Grow Faster Than The Industry**
Recap Of Growth Results

**New Product Sales**

- CAGR: ~26%
- $B: 0.4 → ~0.9

- Continue strong differentiation across product lines
- Growth in Gas to Chemicals (Oleflex and MTO)
- Strong Aromatics technologies
- Growing Equipment and Gas portfolio

**Sales**

- CAGR: ~17%
- $B: 1.9 → ~3.1

- Strong macro drivers
- Growth vectors are working:
  - Gas growth
  - Modular equipment
  - Gas to chemicals
- Pricing discipline

**Backlog**

- CAGR: ~22%
- $B: 1.5 → ~2.8

- Backlog at all time high
- Double digit growth in all three LOBs (PTE, CAS, GPH)
- Projects backlog up 60% since 2011
- Products backlog up 150% since 2011

Profitable Growth Vectors Driving Results
### Multiple Sales Points

**Study and Basic Engineering Design (1-3 years)**
- Licenses process technology
- Completes design package
- Provides project management

**Design and Construction (3-4 years)**
- Specialized equipment as needed

**Commissioning (12-18 months)**
- Initial catalyst / adsorbents fill
- Start-up and commissioning services and training

**Ongoing Services, Revamps, Studies (30-40 years)**
- Catalyst / adsorbents reloads
- Ongoing training and services
- Potential for asset revamp

---

**Content Redacted**

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**Lumpy Sales Profile Driven By Customer Milestones**
Refining, Petrochemical And Gas Industries

**Upstream**
Exploring, drilling and producing crude oil and natural gas

**Midstream**
Processing, storage and transportation

**Downstream**
Refining oil and gas into fuels and chemicals

Participate Only When Gas Processing Close To Wellhead

Technology And Materials For Natural Gas Processing

Process Technology, Equipment, Materials, Services
UOP Roadmap For Growth

New Modular And Gas
- International NGL and LNG
- Turnkey engineering services
- Expanded modular portfolio

New Process Technologies
- Gas-to-Chemicals
- Methanol-to-Olefins
- Bottom of the Barrel

Core Segments
- Global expansion
- Refinery upgrades
- Catalyst renewals
- Petrochemical demand

Sales ($B)

- Modular Equipment & New Gas Offerings
- New Process Technologies
- Core Markets

9% CAGR

~$1.6
~$3.1
~$4.4

Robust Growth Vectors Driving Faster Than Segment Growth
Refining Sector Drivers

Refining Opportunity

4-5% Growth

Regional Factors

Product Mix

Capacity Repl.

Environ Reg.

Base Oil Demand

Refining Growth

Refining Capacity Growth

~15 Million BPD Capacity Additions by 2024

Bottom of Barrel Demand

Conversion of Bottoms to Light Fuels

Gasoline & Diesel

Residual Fuel Oil


45,000

30,000

15,000

0

Demand, Kbd

* Data for ME, Asia, CIS, and Latin America
Source: IHS Energy and UOP Analysis

Hydrotreating

Maximum On-Road Diesel Sulfur Limits

10–15 ppm
16–50 ppm
51–350 ppm
351–500 ppm
501–2000 ppm
>2000 ppm

* Source: STRATAS Advisors

Strong Macro Drivers Supporting Long Term Refining Growth

- ~$30/BBL margin lift between Fuel Oil to Transport Fuels
- ~2 million barrels of fuel oil needs to be upgraded over 10 yrs
- 50-100 upgrading units required (Uniflex)

- Non-OECD countries moving to Euro-IV or better specifications
- 8-12 million barrels of hydrotreating capacity required over 10 yrs
- 200+ hydrotreating units required to meet demand

Conversion of Bottoms to Light Fuels

• ~$30/BBL margin lift
  between Fuel Oil to Transport Fuels

• ~2 million barrels of fuel oil needs to be upgraded over 10 yrs

• 50-100 upgrading units required (Uniflex)

Refining Sector Drivers

Regional Factors

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- 200+ hydrotreating units required to meet demand

Strong Macro Drivers Supporting Long Term Refining Growth
5 projects awarded since 2012 in HGR

Increases volume of high value clean transportation fuels by 6–10% making low sulfur diesel instead of coke or fuel oil

**Uniflex™ technology for bottom-of-the-barrel upgrading**

Extracting more high-value transportation fuels from heaviest crudes

<table>
<thead>
<tr>
<th>Licensing &amp; Design</th>
<th>Construction</th>
<th>Commissioning</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year 1–2)</td>
<td>(Year 2–4)</td>
<td>(Year 3–5)</td>
<td>(Year 4–35)</td>
</tr>
</tbody>
</table>

*Content Redacted*
Oleflex™ technology for on-purpose production of propylene from LPG

- Propylene demand 4.5% CAGR to 2024, gap growing at 10%
- 15–20 more plants by 2024
- 28 Oleflex* projects awarded since 2011 — China, ME, N America
- Adding catalyst manufacturing in China to meet sold demand

Propylene Supply & Demand

Source: IHS Energy and UOP Analysis

* Combination of Propylene and MTBE Units
MTO™ for on-purpose production of ethylene / propylene from coal or natural gas

- Ethylene / Propylene demand growing 4–4.5% CAGR
- 12–18 more plants by 2024
- 7 China projects awarded from 2011
- Adding catalyst manufacturing in China to meet sold projects demand

Ethylene / Propylene Supply & Demand

Source: IHS Energy and UOP Analysis

Content Redacted
On-purpose butadiene technology for production of butadiene from C4s

- Butadiene demand 4% CAGR
- 15-25 more plants by 2024
- Technology launched in 3Q 2014 with a robust opportunity pipeline
- Joint UOP/TPC Alliance based on commercial operating technology
## Honeywell Modular vs. Stick-Built Approach

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Stick-Built</th>
<th>HON Modular Approach</th>
<th>Customer Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Design</strong></td>
<td>Unique specs</td>
<td>Standard design package</td>
<td>Lower risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Higher IRR%</td>
</tr>
<tr>
<td><strong>Project Management</strong></td>
<td>On-site customer coordination</td>
<td>Turnkey engineering solution</td>
<td>Customer expertise not required</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>On-site</td>
<td>Off-site; delivered &amp; installed</td>
<td>Reduced labor for challenging locations</td>
</tr>
<tr>
<td><strong>Start-Up</strong></td>
<td>Customer responsibility</td>
<td>Guaranteed with package</td>
<td>Quicker access to on-stream product</td>
</tr>
<tr>
<td><strong>Schedule</strong></td>
<td>Variable</td>
<td>Fixed</td>
<td>Shorter schedules avoid delays</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>Variable</td>
<td>Fixed</td>
<td>Lower project costs</td>
</tr>
</tbody>
</table>

Packaged Solutions – Faster, Lower Risk
Unmatched Competitive Position For Honeywell
Content Redacted
UOP Position In Natural Gas Value Chain

UOP Offerings

- MOLSIV™
- Adsorbents
- Separex™ Membrane Systems
- Amine Guard™ FS Process
- Selexol™ Process
- UOP Russell NGL
- Twister™ Supersonic Separator
- Ortloff Processes

UOP Petrochemical Technology to Convert / Upgrade NGLs

Expanding Position In Gas Value Chain To Accelerate Growth
Extract high value hydrocarbons from natural gas for petrochemical use

- Ethane, propane, butane
- Advantaged NGL supply from US Shale 6.3% CAGR
- Grew UOP Russell bookings by > 50%
- Awarded 2 international projects further robust funnel under pursuit
- 400+ more gas plants by 2024
Strategies to grow faster than the market are working

- Gas processing growth
- Gas to chemicals
- Bottom-of-the-barrel refining
- Modular equipment

Catalyst capacity additions for sold demand is on schedule

Backlog at all time high supporting short- to mid-term sales

Strong end market macro drivers supporting long-term growth

On-Target Growth Delivering Excellent Shareholder Returns
Honeywell Process Solutions
Vimal Kapur
President & CEO
## Recap of March Investor Day

1. Capture dynamic growth in Upstream, Midstream, Offshore, and unconventional Oil & Gas
   - $175M of Mega Project wins in first half of 2014: e.g. South East Asia offshore oil platform that integrated DCS, Safety, Fire & Gas and Telecoms

2. Grow software and aftermarket services
   - Successful market introduction of our new Assurance 360 offering; anticipate 2% organic growth for 2015

3. Continue margin acceleration
   - 130 bps of margin improvement in the first half of 2014 vs. last year

4. Leverage HUE to address critical customer needs
   - Transforming project execution with LEAP™

5. Continue to build indirect channels to drive growth of product businesses
   - 200 new channel partners added YTD

### Strategy is Working; Stay The Course And Accelerate
Recap Of A Business In Transformation

Orders

- Capturing trends In Upstream, Midstream, Offshore and unconventional O&G
- New customer focus (NOCs)
- 43% orders growth from BRIC countries (2014E vs 2010)
- Increased coverage through indirect channels

Segment Margin

- Greater mix of high margin software and aftermarket services
- Pricing discipline
- Additional productivity gains
- Fixed cost reduction

ROIC

- Improved milestone payments
- Working capital discipline
- Supply chain rationalization and asset consolidation
- Receivables management

Still Runway For Profitable Growth
Greenfield & Expansion Top Wins

Legend:

- Large Project Wins
  - $M
  - 2012 - $225M
  - 2013 - $255M
  - 2014 1H - $175M

Increasing Large Project Wins Across The World & Across Verticals
Grow In Upstream And Unconventional Oil & Gas

**Opportunity**

- **$9B** Addressable market
- **6%** Market growth (5 year CAGR)

**Why HPS**

- **Build on downstream customer relationships**
- **New NPI to support the wellhead**

**Key Differentiators**

- Low risk global execution capabilities & state of the art platform
- Leverage **UOP** Synergies

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**Strategy in Action 2014 YTD**

- Large IOC awarded contract for their first new gas plant in Latin America (integrated offering including DCS, Safety, Fire & Gas)
- Awarded full scope project (SCADA & Project Management) for 1,000 mile long Eastern European pipeline
- Sole-source win for a South East Asian offshore oil platform that integrated DCS, Safety, Fire & Gas and Telecoms
- First order for the new RTU2020 released in June received for an Unconventional Gas Company in Australia
- NOC/IOC JV pre-selected HPS to act as the Main Automation Contractor for the development of their on-shore oil field
Growing Instrumentation Business

Opportunity

- $12B Addressable market
- 6% Market growth (5 year CAGR)

Why HPS

Strong established product brands

Honeywell Enraf

- 19 NPI’s scheduled in 2014

Key Differentiators

- Leverage $1B+ annual project business

Strategy in Action 2014 YTD

- HGR $1M+ Order for our new SmartLine Temp Transmitter
- 200 new channel partners added YTD
- Caspian Pipeline operator awarded contract worth in excess of $9M for gas metering skids
- Sole source contracts for tank gauging applications for Asian IOCs totaling in excess of $25M
- Pull through of instruments on large projects: multi-site full scope terminal automation project for African NOC including gauging, loading and terminal manager products
Opportunity

- $9B Addressable market
- 7% Market growth (5 year CAGR)

Why HPS

- Best-in-Class Lifecycle Services
- 40 Yrs Of Technology Evolution

Key Differentiators

- Large untapped potential in over 10,000 installed base sites

Strategy in Action 2014 YTD

Services

- First sales of our new Assurance 360 offering totaling ~$100M in multi-year contracts
- Over 50% growth in revenue from Cyber Security versus 2013
- Building of our state of the art Cyber Security Lab

Software

- Multi-year software license deals with global engineering firms
- Launch of Digital Oil & Gas Software Suite – selected by North Sea platform operator
- Mobility built as standard into software offering
- Completed delivery of a multi-year advanced software training and simulation program for one of Asia’s largest private companies
HPS Enablers To Accelerate Growth

• Innovating to Win in the Market
• Honeywell User Experience HUE
• Transforming Project Execution
• Focusing on High Growth Regions
• Best-in-Class Customer Satisfaction

Driving ~$0.8B incremental sales by 2018

Key Focus Goal Areas
• Assurance 360 Performance
• Cyber Security Capabilities
• Growth in Field Instruments
• Extending Project Services

HOS Gold Breakthroughs

* Incremental sales potential additional upside if all breakthrough goals achieved during next 5 years

Using The HOS Gold Culture To Significantly Outperform
# Innovating To Win In The Market

## Automation Offerings

<table>
<thead>
<tr>
<th>Control &amp; Safety Systems</th>
<th>HPS Innovations</th>
<th>Leadership Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Collaboration Station</td>
<td>+</td>
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<tr>
<td></td>
<td>Universal I/O</td>
<td></td>
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<tr>
<td></td>
<td>Virtualization Cloud Engineering</td>
<td></td>
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<tr>
<td>SCADA</td>
<td>Experion® SCADA</td>
<td>+</td>
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<tr>
<td>Services</td>
<td>Cyber Security</td>
<td>+</td>
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<tr>
<td>Field Devices</td>
<td>SmartLine Transmitter</td>
<td>+</td>
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<tr>
<td></td>
<td>Gas Metering</td>
<td>+</td>
</tr>
<tr>
<td>Plant Optimization Software</td>
<td>DynAMo</td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>Mobility</td>
<td></td>
</tr>
</tbody>
</table>

**Differentiation Through Innovation**

- + Best in Class
- ✓ Driving Towards Best in Class
- Actively Improving
Modularity

- Low inventory and maintenance cost
- Easy installation and configuration

Platforming

- Reduced cost and project design
- SKU rationalization

Intuitive, Easy to Use

- Mobility
- Integrated suite of software
- Operator ergonomics for ease of operations

HUE – Driving Value For Our Customers
Customer Issue: Gap Between Business Case and Reality

**Project overruns driven by:**
- Difficult / remote locations (deepwater, desert, etc.)
- Project scale and complexity
- Multiple partners; no one player can manage mega projects
- Labor scarcity
- Late changes

The Solution: LEAP™ – Lean Execution of Automation Projects

- Standardization
- Simplification
- Minimization
- Parallel Project Implementation
- Globalization

**Example benefits** (not all inclusive):
- 90% reduction in marshalling cabinets
- 50% reduction in servers and cabinets
- Shipment of I/O hardware up to 6 months earlier

Reduces Project Costs, Time And Risks
Customers Are Increasingly Adopting LEAP™ To Drive Project Execution

Mega LEAP™ Project Examples

• Gas Mega Project in ME
  - Over 200 engineers from 8 countries working in cloud; Universal Safety I/O used to accommodate late changes (17% of I/O changes after panels were built)

• Large Remote Oil Production Project (Alaska)
  - Cloud engineering utilized to execute project and conduct virtual FAT saving travel costs from remote project site to engineering center in Houston, TX

• Chemical Plant in North America
  - Remote I/O eliminated need for Remote Instrument Enclosures (RIE); $0.5M reduction in project costs

EPC Adoption

• Multiple Global EPC firms using LEAP™ to execute automation projects and deliver value to their customers through
  - Reduced size or eliminated RIE by moving I/O modules to the field
  - Cost and schedule reductions through software configurable Universal I/O
  - Cloud engineering enabling remote access by EPC engineers to reduce travel and FAT support costs
**Focusing On High Growth Opportunities**

### Sales Breakdown by Region

- **China**: 32%
- **United States**: 19%
- **Middle East**: 10%
- **Rest of APAC**: 7%
- **Rest of Americas**: 25%
- **Europe & Africa**: 7%

### Head Count Breakdown by Region

- **High Growth Regions***: 52%
- **Rest of World**: 48%

* Includes HTS Resources

**HPS Has ~50% Of Its People Resources In HGRs**

### Accelerating Globalization by Focusing on High Growth Regions

- Investing in local sales & marketing
- Strengthening local leadership
- Strengthening local supply chain and execution capabilities (factories e.g. local)
- NOC engagement model
- Leveraging ONE Honeywell
Driving To Best In Class Customer Satisfaction

Mission Statement

Improve the customer’s experience at every touch point from order through the lifetime of the system

<table>
<thead>
<tr>
<th></th>
<th>NPS</th>
<th>Promoters</th>
<th>Detractors</th>
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<tbody>
<tr>
<td>HPS</td>
<td>+8%</td>
<td>31%</td>
<td>23%</td>
</tr>
<tr>
<td>Comp 1</td>
<td>-3%</td>
<td>28%</td>
<td>31%</td>
</tr>
<tr>
<td>Comp 2</td>
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<tr>
<td>Comp 3</td>
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<td>38%</td>
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<tr>
<td>Comp 6</td>
<td>-18%</td>
<td>18%</td>
<td>36%</td>
</tr>
<tr>
<td>Comp 7</td>
<td>-23%</td>
<td>20%</td>
<td>43%</td>
</tr>
</tbody>
</table>

Focus on Delivering World Class User Experience

Order

- Simplifying proposals
- Customer order portal
- Order shipped emails
- Timely order acknowledgement

Delivery & Installation

- Increased skills and response time
- Technical Assistance Call (TAC) Center improved response & resolution guidelines
- Customer self-help portal
- Shortened lead times

Support

- Increasing value & reducing TCO
- Assurance 360
- More frequent communication on project tasks

Forerunner Survey, Dec. 2013
HPS 2014 Outlook & 2018 Targets

**Revenue (in Billions)**

- Continue to drive large project wins and High Growth Region penetration
- Further opportunity to leverage installed base
  - Strong software capabilities and new service offering (i.e., Cyber & A360)
- Grow products through channels

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
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<tbody>
<tr>
<td>2013</td>
<td>$3.1</td>
</tr>
<tr>
<td>2014E</td>
<td>~$3.1</td>
</tr>
<tr>
<td>2018T</td>
<td></td>
</tr>
</tbody>
</table>

**Segment Margin**

- Leverage optimized cost structure by growing
- Value pricing with new product introductions
- Manage business mix focused on high margin software and aftermarket services
- Cost optimization by reducing fixed costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Segment Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>14.7%</td>
</tr>
<tr>
<td>2014E</td>
<td>+200 bps</td>
</tr>
<tr>
<td>2018T</td>
<td></td>
</tr>
</tbody>
</table>
Summary

Executing on Strategy

• Delivering global orders and NPI to grow faster than market
• Customers embracing products portfolio
• Expanding services and software footprint in installed base

Ready to Accelerate Growth Through Acquisitions

Key Wins

Accelerating Globalization

Continuous Innovation

Superior Technology Fuels Sales Growth

Transformed Business With Runway For Profitable Growth
UOP And HPS Integration

Greenfield Project Timeline: UOP And HPS Engagement Timeline

- Pre-Design: 9 months, UOP Contract Award Process Technology
- Design: 12 – 24 months, HPS Contract Award Automation Technology
- Build: Funding Approved

UOP/HPS

- Sell Collaboratively:
  - Refineries/Petrochem
  - New Refineries
  - GAS
  - LNG Terminals FPSO

- Innovate Together:
  - Controls
  - LEAP™
  - Software
  - New Business Model

Common Customer, Different Timing & Technology
UOP And HPS Selling Collaboratively

**Greenfield Refineries**

**Asian Greenfield Refinery Project**
- UOP awarded processes licensing
- HPS delivering ICSS, Fire & Gas and Training simulator
- UOP & HPS collaboratively delivered operator competency, combining UOP process and plant knowledge with HPS software

**Gas**

**Large Middle East Gas Field**
- HPS awarded contract as Main Automation Contractor (MAC) to deliver full scope of automation technology
- Part of the MAC scope included UOP technology for Gas treatment

Selling Collaboratively To Win More
Content Redacted
Honeywell’s ability to incorporate UOP Process and Operating Knowledge into HPS Control and Advanced Software Solutions will enable unmatched Operating Excellence for our refining, petrochemical and gas processing customers.
Honeywell

Thank you