Honeywell

MORGAN STANLEY LAGUNA CONFERENCE

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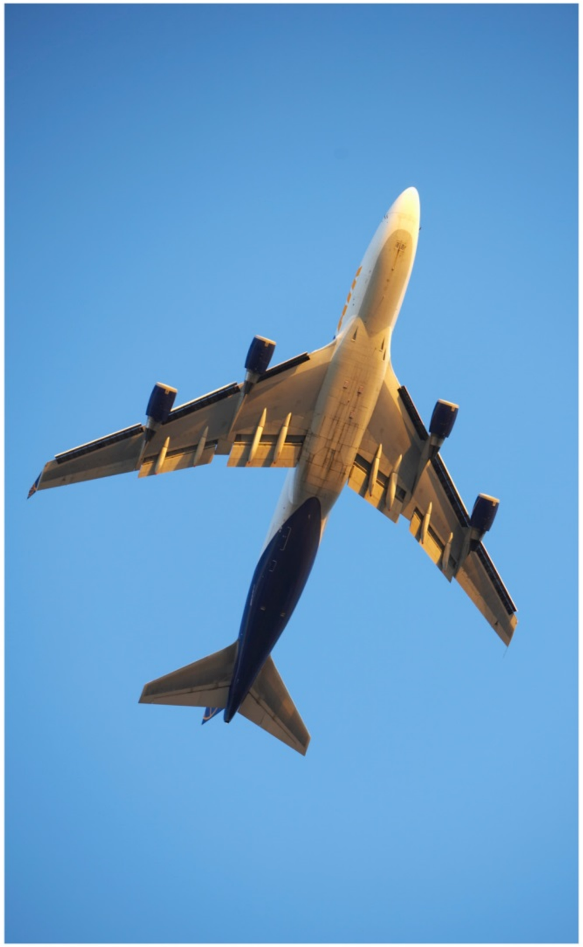

Forward Looking Statements

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

Today's Discussion

Honeywell

- **HON Business Model Working**
  - Reflected In The Results, Achievement Of 2014 Targets
- **What's Next For HON**
  - Breakthrough Innovations Driven By Differentiated Processes And Technologies
- **We Will Continue To Outperform**
  - Meaningful Inflection Points Contemplated In Next 5 Year Plan

Exciting Time For Honeywell

First Half 2014 Financial Summary

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($M except per share amounts)	1H13	1H14	
Sales	**$19,021**	**$19,932**	• **5% Increase** ◆ *Up 2% Organic*
Segment Profit	**$3,067**	**$3,305**	• **8% Increase** ◆ *50 bps Margin Expansion*
Margin %	***16.1%***	***16.6%***	
Net Income	**$1,987**	**$2,116**	• **7% Increase**
Attributable to Honeywell			
EPS	**$2.49**	**$2.66**	• **7% Increase** ◆ *Up 11% Normalized For Tax***
Tax Rate	***23.1%***	***26.3%***	
Free Cash Flow *	**$1,253**	**$1,608**	• **28% Increase**

** Cash Flow from Operations Less Capital Expenditures*

*** V% Adjusted to Expected Full Year 2014 Tax Rate of 26.5% Before Any Pension Mark-to-Market Adjustment*

Strong First Half Performance

End Market Update

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- **What We Are Seeing**
  - Modest Commercial Aerospace Growth – Ramping Investments For New Platforms
  - U.S. DoD And Government Services Declines Moderating; International Growth
  - Significant Investment In Long Term Oil And Gas Opportunities
  - Residential Improving / Non-Residential Investment Mixed
  - China, Middle East Good Growth

- **What We Are Expecting**
  - Commercial Aerospace Growth Inflects 2H15, 2016
  - D&S – Return To Growth 3Q14; Low Single Digit Growth In 2015
  - Short Cycle Steady Growth, Long Cycle Acceleration Supported By Orders/Backlog
  - Continued Strong Productivity Driven By HOS/FT/OEF, Ongoing Restructuring
  - High Growth Regions Provide Tailwind For Growth

Improved Outlook Overall

2014 Financial Guidance Summary

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($B, except per share amounts; V%, BPS vs. prior year)

		3Q14E	4Q14E	2014E	Comments
Sales	**Sales**	**$9.9 - 10.1**	**$10.3 - 10.4**	**$40.2 - 40.4**	• ***Modest Acceleration***
	Reported V%	*3 - 5%*	*~Flat*	*3 - 4%*	- *FM Divestiture*
	Organic V%	*3 - 4%*	*~3%*	*~3%*	- *4Q Tougher Comps*
Segment Margin	**Segment Margin**	**~17.2%**	**17.2 - 17.4%**	**16.8 - 17.0%**	• ***Strong Margin Expansion***
	Bps Change	*~50 Bps*	*110 - 130 Bps*	*50 - 70 Bps*	- *FY ~ At Mid-Point Of 2014 Targets*
					- *Restructuring Benefits*
EPS*	**EPS**	**$1.37 - 1.42**	**$1.42 - 1.47**	**$5.45 - 5.55**	• ***On Track To FY Guidance***
	Proforma V%	*10 - 15%*	*15 - 19%*	*10 - 12%*	- *4Q Tax Benefit: ~12 Cents*
					- *Linearity In-Line With Prior Years*

** Proforma, V% Exclude Any Pension Mark-to-Market Adjustment*

Confident In 2014 Outlook

2018 Organic Growth Targets

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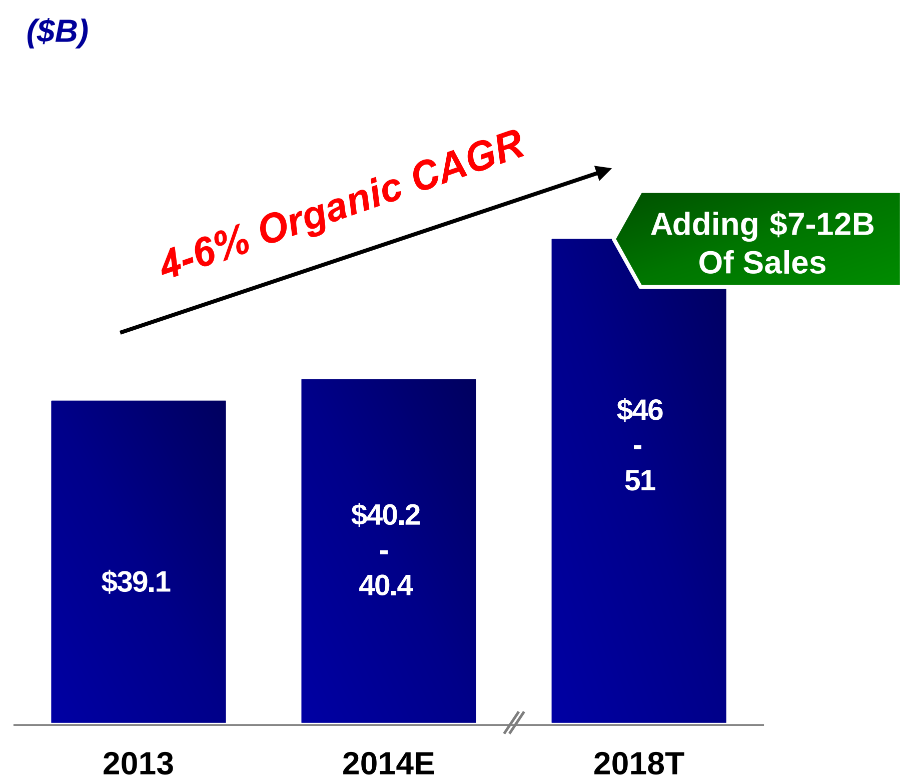
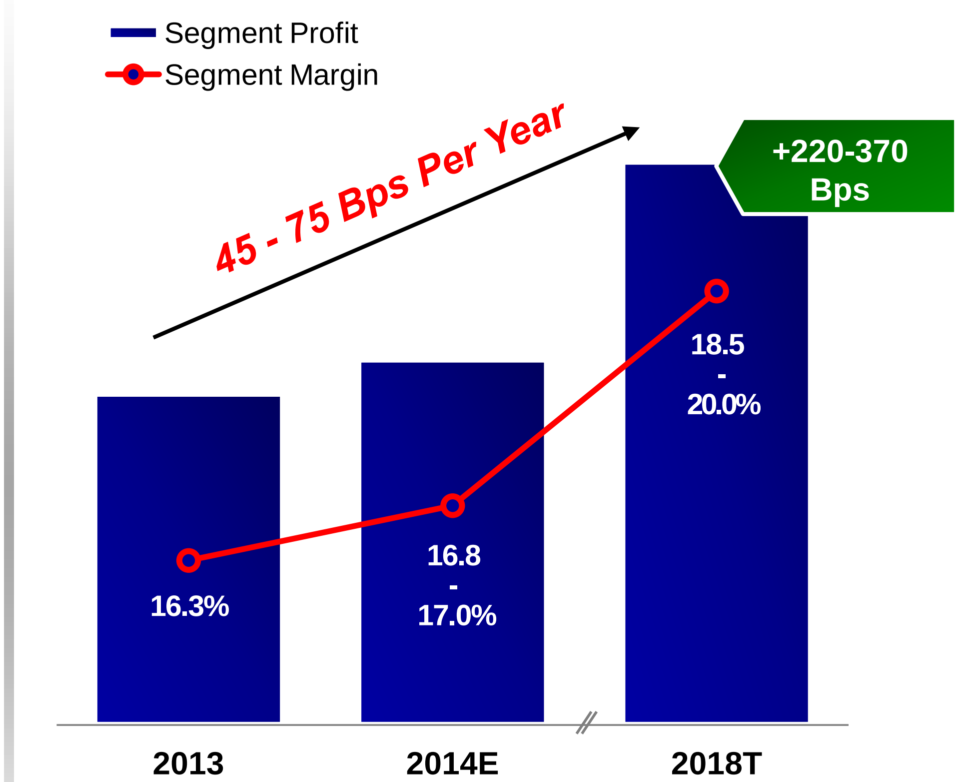
Sales



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

Segment Profit / Margin



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

Targeting Double Digit Earnings Growth

Cash – Next 5 Years

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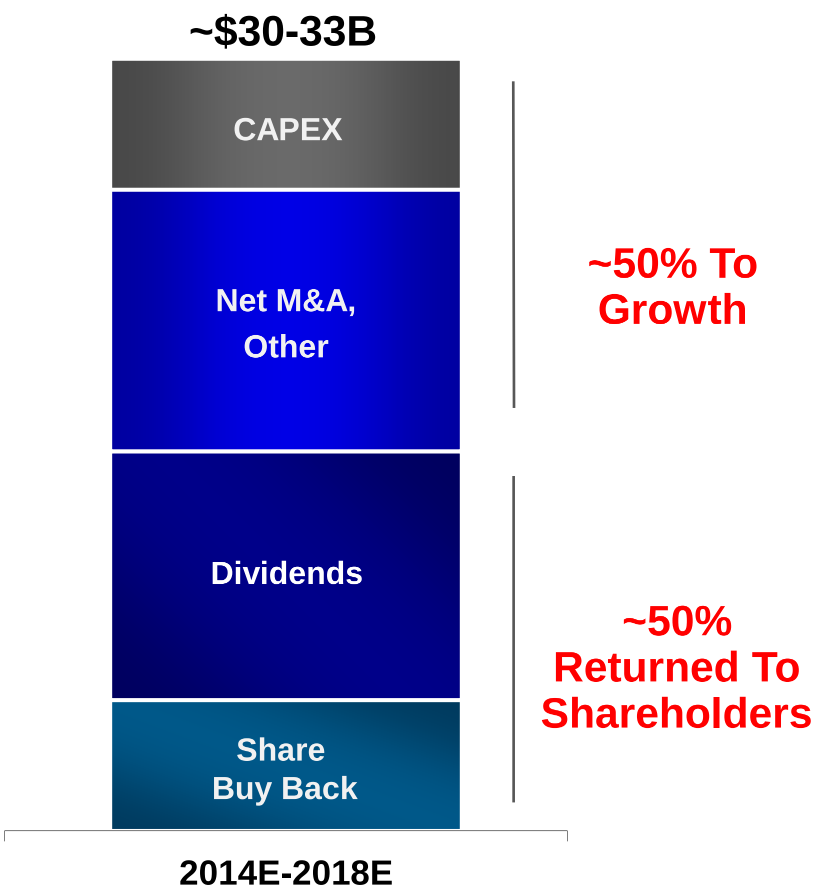
Cash Flow From Operations



Deployment Priorities

- **Investing In High ROI CAPEX**
  - ~$5-6B Next 5 years; PMT Cycle Peaks 2015
- **Pay A Competitive Dividend**
  - Grow > Earnings
- **Strategic M&A**
  - Disciplined Valuation And Screening Process
  - Targeting $10B+ Over Next 5 Years
- **Opportunistic Share Buyback**
  - ~$5B To Hold Share Count ~ Flat
- **Pension 100% Funded 2013YE**

Cash Providing Flexibility To Generate Excess Returns

Why HON Will Outperform

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Organic Growth	• **Robust New Product Pipeline** - Propelled By HUE, VPD™, Software Capability/CMMI • **Accelerated Penetration Of High Growth Regions** - End To End Local Capabilities Established	**~1/2 pt** From HUE **~50%** Of Growth From HGRs
Margin Expansion	• **Strong Cost Management** - Improving Performance Level As We Continue To Grow • **Restructuring Tailwinds** - High IRR Projects, Long-Term Benefits	**~$250M** Annualized Savings From 2013 Repo Funding
Enablers	• **HOS Gold** - Delivering Growth And Productivity • **Functional Transformation** - Reducing Cost While Improving Service Quality	**~100%** HOS Silver Deployment By 2018 **~2 pts** From FT
Effective Cash Deployment	• **Disciplined M&A Process** - Strong Pipeline Of Potential Targets ($10B+ Spend ’14-’18) • **Attractive Returns To Shareholders** - Create Long-Term Value	**~50%** To Growth **~50%** To Shareholders

Pace Accelerates Over Next 5 Years

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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

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($M)	1H13	1H14
Segment Profit	$3,067	$3,305
Stock Based Compensation (1)	(91)	(102)
Repositioning and Other (1, 2)	(319)	(348)
Pension Ongoing Income (1)	46	125
OPEB Expense (1)	(2)	(25)
Operating Income	$2,701	$2,955
Segment Profit	$3,067	$3,305
÷ Sales	$19,021	$19,932
Segment Profit Margin %	16.1%	16.6%
Operating Income	$2,701	$2,955
÷ Sales	$19,021	$19,932
Operating Income Margin %	14.2%	14.8%

(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.

Calculation Of EPS At Tax Rate Of 26.5%

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($M except per share amounts)	1H13	1H14
Income Before Taxes	$2,589	$2,934
Taxes at 26.5%	686	778
Net Income at 26.5% Tax Rate	$1,903	$2,156
Less: Net Income Attributable to the Noncontrolling Interest	4	46
Net Income Attributable to Honeywell at 26.5% Tax Rate	$1,899	$2,110
Weighted Average Number of Shares Outstanding - Assuming Dilution	797.6	795.9
EPS at 26.5% Tax Rate	$2.38	$2.65

Reconciliation Of Cash Provided By Operating Activities To Free Cash Flow

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($M)	1H13	1H14
Cash Provided by Operating Activities	$1,597	$2,029
Expenditures for Property, Plant and Equipment	(344)	(421)
Free Cash Flow	$1,253	$1,608

Reconciliation Of Segment Profit To Operating Income And Calculation Of Segment Profit And Operating Income Margins

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($M)	3Q13	4Q13	2013
Segment Profit	$1,615	$1,669	$6,351
Stock Based Compensation [1]	(38)	(41)	(170)
Repositioning and Other [1, 2]	(131)	(249)	(699)
Pension Ongoing Income [1]	22	22	90
Pension Mark-to-Market Adjustment [1]	-	(51)	(51)
OPEB Expense [1]	(5)	(13)	(20)
Operating Income	$1,463	$1,337	$5,501
Segment Profit	$1,615	$1,669	$6,351
÷ Sales	$9,647	$10,387	$39,055
Segment Profit Margin %	16.7%	16.1%	16.3%
Operating Income	$1,463	$1,337	$5,501
÷ Sales	$9,647	$10,387	$39,055
Operating Income Margin %	15.2%	12.9%	14.1%

(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 Segment Profit To Operating Income And Calculation Of Segment Profit And Operating Income Margins

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($B)	3Q14E	4Q14E	2014E
Segment Profit	$1.7 - 1.8	$1.7 - 1.8	$6.7 - 6.9
Stock Based Compensation (1,3)	~(0.0)	~(0.0)	~(0.2)
Repositioning and Other (1,2,3)	~(0.1)	~(0.1)	~(0.6)
Pension Ongoing Income (1,3)	~0.1	~0.1	~0.2
Pension Mark-to-Market Adjustment (1)	N/A	TBD	TBD
OPEB Expense (1,3)	~(0.0)	~(0.0)	~(0.1)
Operating Income	$1.6 - 1.7	$1.6 - 1.7	$6.1 - 6.3
Segment Profit	$1.7 - 1.8	$1.7 - 1.8	$6.7 - 6.9
÷ Sales	$9.9 - 10.1	$10.3 - 10.4	$40.2 - 40.4
Segment Profit Margin %	~17.2%	17.2% - 17.4%	16.8% - 17.0%
Operating Income	$1.6 - 1.7	$1.6 - 1.7	$6.1 - 6.3
÷ Sales	$9.9 - 10.1	$10.3 - 10.4	$40.2 - 40.4
Operating Income Margin %	~16.0%	16.2% - 16.4%	15.4% - 15.6%

(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.

(3) Amounts less than $50M are rounded down to zero.