JEFFERIES GLOBAL INDUSTRIALS CONFERENCE

Mike Madsen
President, Defense & Space
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.
Business Overview

Highly Diversified, Technology Driven Industrial Company

Honeywell Overview

(A2014 Sales, Midpoint Of Guidance)

Aerospace

Automation and Control Solutions

Performance Materials and Technologies

Honeywell Overview

Aerospace Overview

(A2014 Sales)

Sales ~$15.7B

Sales ~$14.4B

Sales ~$10.2B

Aerospace

Automated and Control Solutions

Performance Materials and Technologies

Honeywell Overview

Aerospace Overview

(A2014 Sales, $B)

2012

Comm'l OE

Comm'l AM

D&S

TS

Segment Margin

$15.6

$15.7

~$15.7

2013

17.4%

18.2%

~19.5%

2014E

~19.5%
### Honeywell Content Broadest In The Industry

#### Crew Interface
- Commercial Crew Interface & Displays
- Commercial Software Products
- Flight Management Systems
- Military Crew Interface
- Navigation Database & RNP Services

#### Safety & Information Management
- Cabin Management Systems
- Comm/Nav Radios
- Data Link/Data Mgmt & Recorders
- Long Range Communication
- Ground Proximity
- Radar
- Traffic Surveillance
- Integrated Surveillance
- SATCOM (Military/Commercial) – Products and Services

#### Navigation Systems & Sensors
- Civil &D&S Navigation Systems
- Inertial Sensors – Accelerometers
- Inertial Sensors – Gyros
- Precision Terrain Aided Navigation
- Non-Inertial Sensors
- Magnetics & Personal Nav Systems
- Precision Landing Systems
- Radiation-Hardened Components
- Space Navigation
- Tactical Navigation Grade Systems

#### Propulsion
- AGT1500
- CFE738
- F124/F125
- HTF7000
- HTS900
- LTS101
- T53
- T55
- TFE731
- TPE331

### Platform Systems / High Integrity Controls
- Integrated Avionics System
- Space Systems
- Electronic Engine Controls
- Flight Controls
- Space Pointing & Stabilization

### Aero Services
- Vibration Monitoring/HUMS
- Zing™ Remote
- Maintenance Services, PBLs
- Flight Support Services
- Logistics
- Physical and Cyber Security
- Technical Services
- Health, Information Technology

### Mechanical Sub Systems
- Air & Thermal Systems
- Auxiliary Power Units
- Electric Power
- EM Actuation
- Valves and Electro-Hydraulics

### Mechanical Components
- Wheels & Brakes
- Lighting
<table>
<thead>
<tr>
<th>Platforms</th>
<th>Number of Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fighter/Attack/Trainer Aircraft</strong></td>
<td>30 +</td>
</tr>
<tr>
<td>BOMBER AIRCRAFT</td>
<td>3 PLATFORMS</td>
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<tr>
<td>F-22, F-35 Fifth Gen Fighters</td>
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<td>F-15, F-16, F/A-18 Legacy Fighters</td>
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<tr>
<td>Eurofighter, Gripen International Fighters</td>
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<tr>
<td>A-10, AV-8B Attack Aircraft</td>
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<tr>
<td>T-6, T-45, M346, T-50 Trainers</td>
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<tr>
<td><strong>Military Helicopters</strong></td>
<td>20 +</td>
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<tr>
<td>AH-1 “Cobra”</td>
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<td>AH-64 “Apache”</td>
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<td>CH-47 “Chinook”</td>
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<td>OH-58 “Kiowa”</td>
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<tr>
<td>MH/UB-60 “Blackhawk”</td>
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<tr>
<td>V-22 “Osprey”</td>
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<tr>
<td><strong>Naval Platforms</strong></td>
<td>10 +</td>
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<tr>
<td>Nuclear Aircraft Carriers</td>
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<tr>
<td>Expeditionary Fighting Vehicle</td>
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<tr>
<td>Virginia Class Submarine</td>
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<tr>
<td>Surface Vessels</td>
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<tr>
<td><strong>Commercial Helicopters</strong></td>
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<tr>
<td>AgustaWestland</td>
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<td>Sikorsky</td>
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<td>Eurocopter</td>
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<td>Robinson</td>
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<td>Enstrom</td>
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<td>Bell</td>
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<td><strong>Military Helicopters</strong></td>
<td>20 +</td>
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<tr>
<td><strong>Surface/Soldier Vehicles</strong></td>
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<tr>
<td>Abrams Tank</td>
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<td>Bradley Fighting Vehicles</td>
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<td>Stryker Vehicles</td>
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<tr>
<td>Paladin Howitzers</td>
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<tr>
<td>T-Hawk (UAV)</td>
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<tr>
<td><strong>Human Space</strong></td>
<td>10 +</td>
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<tr>
<td>Orion Crew Vehicle</td>
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<tr>
<td>Aries Launch Vehicle</td>
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<td>Space Shuttle</td>
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<td>International Space Station</td>
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<tr>
<td>Constellation Space Suit</td>
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<tr>
<td>Space Probes &amp; Satellites</td>
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<tr>
<td><strong>DoD, Civil, and Comm’l Space</strong></td>
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<tr>
<td>Launch Vehicles</td>
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<td>Satellites</td>
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<td>Mobile C3I</td>
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<td>Interceptors</td>
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<tr>
<td>Restricted</td>
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Strong Position And Heritage In The D&S Industry
Current Defense Landscape

U.S. Environment
- Full Sequester In Place, Unlikely To Be Modified
- Slow Growth Economy – GDP Growth < 3%
- Program Award Delays

War Drawdown
- Withdrawal From Afghanistan
- Contractor Services Cuts Leveling Off Next 24 Months

International Growth
- 3.5% CAGR Expected For International Defense Budgets
- Demand For MRO, Localization And Partnering
- Mod’s/Upgrades Focused On Safety, Efficiency, Availability
- Several Large Procurements (Trainers, Helo’s, Fighters)

Cost / Efficiency Focus
- Performance Based Logistics / Incentive-Based Maintenance
- Fuel Efficiency Improvements (Helo Engines, ESPC’s)
- Improved Balance Of Technology With Risk Reduction
Defense Returning To Growth

Honeywell Outlook

• High Regional/Global Threat Environment
• International Defense Budgets Growing 3-4%
• Many Upgrade & Modernization Opportunities

Industry Trend

- DoD Budgets Stabilizing / Returning To Slow Growth
- Continuing Focus On Procurement Costs
- US DoD Strategic Priorities Evolving

- High Regional/Global Threat Environment
- International Defense Budgets Growing 3-4%
- Many Upgrade & Modernization Opportunities

Honeywell Position

- Strong Positions On Priority Platforms (F-35, THAAD)
- Low Exposure To War Spending (< 3%)
- Balanced Product / Service Portfolio
- Leader In Incentive-Based Maintenance Models
- Leveraging Shared Aero Cost Structure
- Strong International Positions: Israeli Trainer, Missile Programs In Korea And Turkey
- ~25% Of Sales Outside US
- Highly Diversified: On 300+ Platforms
- Over 40% Products Commercially Priced

D&S Stabilizes In 2014, Returns To Growth In 2015
Americas ex US: $526B [-4%] [-7%]

W Europe: $1377B [-2%] [-7%]

CEE/CIS: $152B [-5%] [-15%]

ME&Africa: $842B [-5%] [-24%]

Asia: $937B [-4%] [-6%]

China Buildup

Nuclear N Korea

AfPak

Arab Spring

Syria Crisis

Ukraine

India: $256B [-5%] [-62%]

Def Budget 5yr CAGR% (Nominal)

5+%
2-5%
0-2%
<0%

5-Year Def. Spend & [5-Yr CAGR] [HON 5-Yr Sales CAGR]

D&S Focus On Customers With Real Threats, Budget, And Needs

Honeywell

D&S Growth Regions Overview
Recent Wins And Highlights

- **Over $2.9B In Recent, Traditional Wins**
  - Air Force Satellite Control Network (~$550M)
  - Enhanced GPS Inertial Navigation Tri-Services (~$500M)
  - DLA Multi Year Sole Source Contract (~$400M)
  - Orion Development (~$400M)
  - T-55 Engines for the US Army (~$380M)
  - F-35 LRIP 8 (~$250M)
  - GMLRS (~$200M)
  - V-22 Multi Year Production (~$170M)
  - TPE Engines for Reaper UAV (~$120M)

- **Expanding In International, Commercial Helo, Services & Adjacencies (> $750M In Recent Wins)**
  - Bell 525 ($250M)
  - M-346 Poland ($200M)
  - BK-117 Engine Upgrade (LTS-101) Airwork Australia ($60M)
  - Israeli HEMMT Maintenance ($30M)
  - PAMPA Trainer ($75M)
  - Abrams Engine Depot Australia ($65M)
  - HANWA Order for HTARS Missile System ($30M)
  - Brazilian Army Lynx Engine Upgrade ($20M)
  - Security & Health Services Wins (>-$30M)

*Continuing To Win, Domestically And Internationally*