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.
Key Messages

Executing Proven Playbook

- HON Focused Strategy Around China And India
- Becoming THE Chinese Competitor
- East-For-East, East-To-Rest
- Scale Of China Opportunities - HON Sweet Spot

Balanced Portfolio Aligned With Key Trends

- Environment, Energy, Safety And Security Focus
- Majority Products Serving Domestic Market
- Tier 2+ Cities Expansion And Mid-Segment Opportunities

Expanding Playbook To Priority HGR*

- Leverage China Platform
- Strong Management Operating System For Execution
- HON Emerging As A Global Challenger

* HGR: High Growth Regions

Proven Playbook, Well Positioned For Growth
Honeywell’s Businesses

Aerospace
Phoenix, AZ Headquarters
$12.0B Sales

Automation and Control Solutions
Minneapolis, MN Headquarters
$13.5B Sales

Performance Materials and Technologies
Morristown, NJ Headquarters
$9.9B Sales

Transportation Systems
Rolle, Switzerland Headquarters
$3.8B Sales
**HGR Evolution**

(HGR Sales)

- **China**
- **Other HGRs**

### Priority HGRs
- Double-Down In China
- Country Leadership In Place
- Strong Execution Of HGR Playbook In Other HGRs
- Follow The Growth

### China and India
- East-For-East, East-To-Rest Platform
- Becoming THE Chinese Competitor
- HGR Playbook

### China
- On The Ground Presence
- China Leadership Building
- Strong Macro Tailwind

**BCC Playbook Introduced**

- **2003**
- **2008**
- **2013**
- **2018**

**China Became Largest Market Outside U.S.**

**Leverage China Platform To Priority HGRs**

**Comprehensive HGR Strategy**
HGR Performance

**Financials**

(HGR Sales, $B)

- 2009
- 2010
- 2011
- 2012
- 2013

- ~14% CAGR
- China & India
- Other HGRs

**Sales Profile**

(HGR Sales, 2013)

- China
- Middle East
- Russia
- Mexico
- India
- Brazil

**Macro Tailwinds**

(Real GDP)

- High Growth Regions
- Developed

- 2003
- 2013
- 2023

- 6.0% CAGR
- 1.4% CAGR
- ~5.4% CAGR
- ~2.1% CAGR

**Growing Faster Than End Markets**

- HON HGR Sales
- HGR Real GDP

- +319%
- +79%

HON Delivering In High Growth Regions
HGR Core Strategy

Core Growth Geographies

East-For-East (E4E) Product Platform

R&D → Manufacturing → Selling

East-To-Rest (E2R)

Global Energy And Resources

Global Aerospace And Defense

Follow The Growth

Honeywell User Experience

Integrated Strategy For Growth
Scale Of China Opportunities

Economy Bigger Than…
- The Netherlands

As Rich As…
- Poland

Growing 8%+ p.a.
- Jiangsu Province

Almost The Size Of and Richer Than…
- Hungary

Growing 8%+ p.a.
- City Of Changsha

GDP Of The Top 6 Cities In China, Today = Size Of China’s Entire Economy In 2002

If Counted As Separate Economies, 8 Of The Top 30 Countries Would Be Provinces Of China*

* The 30th Largest Country By Nom GDP = Colombia ($376B), Smaller Than 8 Chinese Provinces
Source: Global Insight, CEIC

Significant Growth Upside
HON Growth Drivers In China

Aero
• Execute On Wins – C919, ARJ21, Y12F, etc.
• Strengthen Thought Leader Position In Aero Industry
• Seed Planting In BGA, Civil Helo

ACS
• Urbanization, Energy, Environment, Safety
• Strong Pipeline Of New Products And E4E
• Coordinated One HON Approach

PMT
• Refining Upgrade To Meet Fuel Quality Standard
• Replacement For HCFC Phase Out
• Build Local Capacity To Support Growth

TS
• Large And Growing Automotive Production Base
• Increasing Turbo Penetration In Gasoline
• Differentiating With Technology Leadership

HON Well Positioned To Support HGR Needs
Becoming THE Chinese Competitor (BCC)

**Dimensions**
- Segment
- R&D
- ISC
- Marketing
- Sales/Channel
- People

**“Become THE Chinese Competitor”**

**Operating System**
- Bi-Annual Chairman Review
- Quarterly Self-Assessment
- Benchmark Best Chinese Competitors
  - Select Strongest Competitors By SBU
  - Compare Against Best Practices
- Emphasis On Speed

**Execution Excellence**

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<tr>
<th>BCC</th>
<th>2013</th>
<th>2015 Target</th>
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<td>ESS (Excl. HLS-Fire)</td>
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**HLS Fire Sales**
- **2013**: $120M (19% CAGR)
- **2006**: ~$35M (8% CAGR)
- **2012**: ~$35M
- **2013**: ~$35M

**Fire Chinese Competitor Sales**
- **2013**: ~$35M (3% YoY)
- **2006**: ~$120M
- **2012**: ~$35M
- **2013**: ~$35M

**Driving BCC Across The Organization**
BCC Achievements

Resource Investment (2007-2013)

(China And India)

- 9 Local PACs, Empowered And Aligned
- Resourced Ahead, ~20% CAGR
- ~1,700 Patents And Invention Disclosures
- HUE Enabled, With Speed
- 28% E4E Revenue In 2013*

Mature Manufacturing In China

- 23 Plants, 19 In Tier 2+ Cities
- 13 HOS Silver, 5 HOS Bronze
- Cross Business Sourcing Synergies
- Continuous Localization
- Multi-User Sites

Feet On The Street

- Increase Tier 2+ Cities Presence
- Successful “City Bee” Program
- Hiring With Speed
- ~10K Customer Visits To HON Tech. Experience Center In Shanghai

* China Only, Excluding Aero And UOP

Solid Foundation To Win
# China Concerns

## Top Concerns In China

- **Air Pollution**
- **Food Safety**
- **Water Pollution**

## HON’s Response

*Products That Protect Health, Safety And Environment*

- Air Filter
- Water Filter
- PM2.5 Portable Masks
- Gas And Diesel Turbo
- Methanol-To-Olefins (MTO)
- HFO LBA For Refrigerator
- High Viscosity Packaging Product

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**HON Offerings Address Key Concerns**

- F90A/B Electronic Air Cleaner
- Portable Masks
- MTO
- High Viscosity Packaging
- SMF-10 Smart Faucet And Filter
- Desktop Water Purifier
- HRO-400 Water Purifier
- Micro Turbo
- EV Single-flow Ventilator
China’s Air Pollution

Severe Air Pollution In China

- **Shanghai**: Air Quality Index (AQI) observed at 21:00 EST, **187** Unhealthy
- **Beijing**: Air Quality Index (AQI) observed at 21:00 EST, **193** Unhealthy
- **Guangzhou**: Air Quality Index (AQI) observed at 21:00 EST, **158** Unhealthy
- **Chengdu**: Air Quality Index (AQI) observed at 21:00 EST, **274** Heavily Polluted
- **New York City**: Air Quality Index (AQI) observed at 21:00 EST, **1** Good
- **Washington DC**: Air Quality Index (AQI) observed at 21:00 EST, **92** Moderate
- **San Francisco**: Air Quality Index (AQI) observed at 18:00 PST, **13** Good
- **Houston**: Air Quality Index (AQI) observed at 20:00 CST, **54** Moderate

HON’s Response

**China SOHO Project**

- HON China Air Purifying Systems For 8 SOHO China Projects
- Air Quality Deemed Significant Value Proposition To Tenants
- HON Buildings Set Industry Standard
- Developer Praised HON On Social Media

Addressing Immediate Local Concerns
PM2.5 Purified Air – A New Must For SOHO

• SOHO, THE FIRST To Provide PM2.5 Purified Air In All Developments

• Enhances Property Value And Attractiveness To Tenants

SOHO China Chairman Pan Shiyi Reports PM2.5 Levels At Galaxy SOHO Everyday On His Weibo (Chinese Twitter) To 16 Million Followers

Source: SOHO China
Scale And Speed

**China**
- Strengthen Existing Platform
- Drive BCC To The Next Level
- Address China Concerns
- Deepen Mid-Segment Penetration

**Other HGRs**
- Fully Leverage China Platform
- Resource Ahead For Growth
- Strong Management Operating System For Execution
- Become Global Challenger

*Everything Happens With Speed*

*Same Focus As China Round 1*

**Strengthen China | Accelerate Other HGRs**
China, Platform For HGRs

Proven E4E Platform

• Proven Competitiveness And Demand
• Systematic And End-To-End Approach
• First Sales Completed; More Certified For Other HGR Markets
• Expanding To More Products And Broader Geographies

Comprehensive E4E Strategy
Design, Manufacturing And Sales

Achieved Significant Progress,
Scale And Speed

Targeting Global Mid-Segment
HGR 2014 End Market Trends

• What We Are Seeing
  - Aero Air Traffic Remains Strong; AM Spares In Recovery
  - Increased Penetration Into Tier 2/3 Cities Supporting ESS Growth
  - Significant Investment In Refining And Petrochemical Capacity
  - Challenging Advanced Materials Markets Due To Increasing Local Capacity
  - Passenger Vehicle Turbo Penetration Ramping, Solid New Launches

• What We Are Expecting
  - Conservative GDP Growth, No Major Stimulus
  - Infrastructure Recovery Modest; Res/Non-Res Growth Uncertain
  - New Turbo Launches, China Euro IV Requirements Support Turbo Expansion
  - Increased Focus On Environment, Energy, Safety And Security
    - Government Promotion Of Low Carbon, Renewable, Coal Chemicals And Gas
    - Smart Cities, Energy Conservation And Efficiency
  - 2H Growth Moderate Due To Difficult Comps, Full Year Strong Growth
Summary

• **Moderate China Macro Outlook, HON Continues To Outpace Macro**
  - Slower Economy, With Focus On Structural Reform And Key Social Concerns
  - China Sales ~$2.3B In 2013, Continue With High Single To Low Double Digit Growth

• **Focused Strategy, Leverage HGR Playbook**
  - Strong Geographic Presence – China As Pillar, Priority HGR Regions
  - Deepen East-For-East And Execute East-To-Rest

• **Become THE Chinese Competitor**
  - Local Leadership And Execution; Expand Mid-Segment Offerings
  - HON User Experience Improves End-To-End Local Customer Experience

• **Accelerate High Growth Region Expansion**
  - Leverage China And India Platform
  - Feet On The Street, Smart Investment Yielding Results