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

• 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
Evolution Of Honeywell

HON Evolution

2002 - Addressing The Portfolio / Legacy Issues
2004 - Building Performance Culture, Gaining Momentum
2006 - Executing Strategies / Enablers Working
2008 - Built Financial Track Record
2010 - Stronger Post Recession Performance
2012 - Continuing To Outperform
2014 - On Track To 2014 Targets, Compelling New Five Year Plan

The Evolution Continues
HON Business Model

One Honeywell Culture

- 5 Initiatives / 12 Behaviors

- Management Resource Review
  - Rigorous Business Review Process
  - CEO Interviews Top 200 Roles

- Trick Is In The Doing
  - The Machinery Needs To Work
  - Go Slow To Go Fast
  - Achieve Two Seemingly Conflicting Things

- Foundational Tools
  - Six Sigma, Cycle Time
  - ERP, CMMI

- Innovation Mindset
  - Breakthrough Ideas Every Year

Processes

- Great Positions In Good Industries
- Acquisitions Are Incremental
  - Bolt On Or Consistent Business Model
- Balance
  - Long / Short Cycle
  - Early / Mid / Late Cycle
- Globalization Opportunity
  - HOS Gold: Honeywell Operating Model
  - VPD™: Velocity Product Development
  - FT: Functional Transformation
  - OEF: Organizational Effectiveness
  - HUE: HON User Experience

Consistent Business Model That Applies Effectively To Every Honeywell Business ... And Generates Results
2014 Performance Vs. Targets

Sales

($B)

~6% CAGR

2009 2014E 2014T

$30.0  $40.3 - 40.7  $41.0 - 45.0

About $3.0B Of Headwinds

- Lower Global Growth
  - GDP ~3.1% vs. 3.5%
    Planning Assumption

- Unfavorable FX
  - Euro ~1.33 vs. 1.35
    Planning Assumption

Over $1.5B Of Tailwinds

- More M&A

Segment Margin

~350 Bps

2009 2014E 2014T

13.3% 16.6 - 16.9% 16.0 - 18.0%

~60 Bps Of Headwinds

- Lower Global Growth
  - Limiting Volume Leverage

- Acquisition Impact
  - Early Accounting Treatment

Delivering 2014 Targets Despite Headwinds
Growth Vs. Peers

Sales
(Index, YoY Growth)

Honeywell
Peer Average

EPS*
(Index, YoY Growth)

Op Margin*
(% Of Sales)

Peers: UTX, DHR, EMR, MMM

* HON Proforma, Excludes Pension Mark-to-Market Adjustments

Outperforming Sales | Earnings...With Margin Upside
### Honeywell

- **Excellent Growth Trajectory**
  - GPGI, Innovation, Improving Macros

- **High Growth Regions**
  - Success In China Key To Other HGRs

- **HOS Gold**
  - Executing The HON Operating Model

- **Software Focus Intensifies**
  - CMMI Level 5 Achievement

- **Honeywell User Experience**
  - Driving Customer Value, Experiences

- **Robust Capital Allocation**
  - Yielding Excess Returns

### Businesses

- **Aerospace**
  - Significant Wins Ramp Next Five Years
  - Technology Differentiation…No One Else Has

- **Automation & Control Solutions**
  - Multi-Brand, Multi-Channel Strategy
  - Impressive Margin Runway

- **Performance Materials & Technologies**
  - Innovation Driving Growth, New Markets
  - High ROI Capex Investments

- **Transportation Systems**
  - A HON Technology Business
  - Explosive Growth Opportunity
2018 Organic Growth Targets

**Sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (B)</th>
<th>Segment Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$39.1</td>
<td>16.3%</td>
</tr>
<tr>
<td>2014E</td>
<td>$40.3</td>
<td>16.6%</td>
</tr>
<tr>
<td>2018T</td>
<td>$46.1</td>
<td>18.5%</td>
</tr>
</tbody>
</table>

- 4-6% Organic CAGR
- Adding $7-12B of Sales

**Segment Profit / Margin**

- Segment Profit
- Segment Margin

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<td>2018T</td>
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</table>

- 45 - 75 Bps Per Year
- +220-370 Bps

**Key Points**

- More Innovation
- Balanced Portfolio, With Lots Of Upside
- HGR Momentum
- HOS Gold Acceleration
- FT → ~2 Points of Margin
- HUE Creates More Value

**Targeting Double Digit Earnings Growth**
Cash – Next 5 Years

Cash Flow From Operations

- CAPEX
- Net M&A, Other
- Dividends
- Share Buy Back

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
2018 Targets + M&A

Sales

($B)

6.9% CAGR

+$5-8B From M&A

2013

$39.1

2014E

$40.3

2018T

$46

$51

Segment Profit / Margin

Segment Profit

Segment Margin

2013

16.3%

2014E

16.6%

2018T

18.5 - 20.0%

- $1.00 EPS

- M&A Margin Headwind ~ (50-100) Bps

- Expecting Continued Flawless Integration

M&A Upside Next 5 Years

- Targeting Attractive Adjacencies

- Lots Of M&A Capacity
### Accretive M&A Strategy

#### What You Should Expect

- **Strong Pipeline Of Potential Targets**
  - Constant Screening, Relentless Discipline

- **High Growth New Adjacencies**
  - Execution Driven By Business Strategy

- **Significant Synergies Achieved**
  - Targeting 6-8% Of Sales As Cost Synergies
  - Sales Synergies Expected (Not Factored In)

- **Disciplined Acquisition Framework**
  - IRR> WACC; Double Digit ROI By 5th Year

- **Best In Class Integration**
  - Accretive “All-In” Year 2

#### Key Focus Areas

- **Aerospace**
  - Connectivity
  - Differentiated Technologies
  - Mechanical Components

- **Automation & Control Solutions**
  - More Bolt-on Possibilities
  - Adjacencies Aligned To Multi-Brand/Channel
  - Industrial Products

- **Performance Materials & Technologies**
  - Expanding UOP Capabilities

- **Transportation Systems**
  - Turbo Technologies

---

**Building Great Positions In High Growth Industries**
Basis For 2018 Targets

**Evolving Growth Strategy**

- **Excellent Growth Portfolio**
  - Great Positions In Good Industries
  - Diversity Of Opportunity
  - Technology Differentiation

- **Enablers Drive Margin Expansion**
  - HOS And VPD™ Maturity
  - FT Opportunity ~2 Points
  - OEF And Funded Restructuring = Tailwind

- **Robust Future**
  - Seed Planting Investments Sprout
  - Power Of One HON Culture
  - Strong Leadership And Execution

**What You Can Expect**

- **Meaningful Inflection Points**
  - Improving End Markets
  - High ROI Capex Driving Growth
  - Accelerated HGR Penetration

- **More Innovation**
  - HUE, VPD™ Driving Better Products, Faster

- **Software Core To What We Do**
  - CMMI Level 5 – Robust Development Process

- **Capital Allocation Upside**
  - Accretive M&A
  - Dividend, Share Repurchases

More Innovation And Execution
Portfolio – Great Positions In Good Industries

Diversity Of Opportunity ... In Great Spaces

Note: 2014E Sales
Aligned To Key Macro Trends

- **Energy Efficiency**
  - Linked To ~50% Of Our Portfolio
  - Connected Homes, Buildings, Industrial Facilities
  - Increased Global Turbo Penetration

- **Clean Energy Generation**
  - Demand For Energy Expected To Double By 2030
  - Natural Gas Processing Technology / Equipment
  - Green Fuels For Transportation, Power And Heat

- **Safety And Security**
  - Security For Homes, Commercial And Ind. Buildings
  - Personal Protection Equipment, Fire And Gas Detection
  - Advanced In-Flight And On-The-Ground Avionics

- **Urbanization / HGR Development**
  - HGR Middle Class → From 1.3B To 2.4B People By 2020
  - Aerospace Industry Expansion
  - Clean Air Solutions

- **Customer Productivity**
  - Helping Customers Be Better, Faster, More Efficient
  - In-Flight Communications And Productivity Solutions
  - Mobility / Apps

**Tailwinds For Growth**
Well Balanced Portfolio

Portfolio Mix (% Of 2013 Sales)

<table>
<thead>
<tr>
<th>Short Cycle</th>
<th>Long Cycle (ex-D&amp;S)</th>
<th>Defense &amp; Space</th>
<th>Comm’l Aero AM</th>
</tr>
</thead>
</table>

HON Cycle Breakdown

- Early Cycle: ~15%
- Mid Cycle: ~50%
- Late Cycle: ~35%

2013 vs. Prior Peak*

<table>
<thead>
<tr>
<th>(Organic Sales Growth vs. Peak)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial OE</td>
</tr>
<tr>
<td>D&amp;S</td>
</tr>
<tr>
<td>TS</td>
</tr>
<tr>
<td>BSD</td>
</tr>
</tbody>
</table>

~40% Of HON Sales

* TS vs. 2007, All Other Businesses vs. 2008

Global Expansion

- Sales ($B)
  - 2003: $22.1B
  - 2013: $39.1B

- Outside U.S.:
  - 2003: ~43%
  - 2013: ~55%
  - ~9% CAGR

- U.S.:
  - 2003: ~57%
  - 2013: ~45%
  - ~3% CAGR

Balanced Portfolio With Strong Growth Prospects
High Growth Regions

HGR Sales

(HON Sales)

<table>
<thead>
<tr>
<th>Region</th>
<th>2003</th>
<th>2013</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>HGR ~10%</td>
<td>$22.1B</td>
<td>~15%</td>
<td>$39.1B</td>
</tr>
<tr>
<td>Other Developed ~33%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. ~57%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HGR ~23%

Sales / Census

(Index, YoY Growth)

- HGR Sales
- HGR Census

- ~320%
- ~150%

Focused Strategy Working
Expanding To Other Priority Countries

“Beach Head” Established, Incremental
Adds Primarily Customer Facing

HGRs Drive ~50% Of Growth Next 5 Years

Oppenheimer Industrial Growth Conference – May 13, 2014
Why We Lead

Aerospace
- Disruptive Technologies No One Else Has
- Connectivity, Cross Portfolio Innovation
- Unmatched Mechanical / Electronics Capability

Automation And Control Solutions
- Multi-Brand, Multi-Channel Strategy
- Huge HGR Upside
- Focused On HUE, Voice, Software/CMMI

Performance Materials And Technologies
- World Class Process Technologies
- High ROI Capacity Expansion
- Inventing New Molecules

Transportation Systems
- Technology Leadership
- Unique Aerospace Heritage
- Flawless Launch Capability

A Portfolio Differentiated With Technology And Innovation
HOS Gold

Targeting The Sweet Spot Of Growth And Productivity

Building Blocks
- Optimized Portfolio
- One HON Culture
- Best In Class Processes

Growth
- VPD™ Bronze+ Maturity
  - 2012: 8%
  - 2013: ~30%
  - 2014E: 100%
  - 2018E: ~100%

Productivity
- HOS Bronze+ Maturity
  - 2010: 31%
  - 2012: 70%
  - 2014E: ~85%
  - 2018E: ~100%

130 VPD™ Units
- Breakthrough Technologies
- Innovative Market Leading Products
- HUE Best In Class Experiences

270 Plants
- Continuous Improvement Culture
- Consistent, Predictable Results
- Cross-Functional Engagement

HOS Gold
- Enterprises
- 60

Enterprises
- Sixty Enterprises
# HOS Gold Execution

## What It Means?

- **Continuous Improvement Beyond The Four Walls Of The Factory**
  - Driving Sustainable Improvements
  - Best In Class Execution
  - Comprehensive Enterprise Approach

- **VPD™ Plays A Key Part**
  - Measured By Quartile (Top/Bottom 10)
  - Maturity Based On SBG Specific Metrics
  - Technology Leadership Councils Driving New Product Value And Speed

- **Cross-Functional Engagement**
  - Incorporates SIOP Process, Pricing, Commercial Excellence

---

## What Does It Take?

- **General Management Ownership**
  - Order To Cash: Customer Demand To Delivery
  - NPI: End-To-End Product Life Cycle
  - Integrated With Business Strategy

- **Prerequisite:**
  - 100% VPD™ Bronze – All LOBs
  - 70% Conversion Cost HOS Silver
  - Broad Based Maturity Assessment

- **Performance Criteria:**
  - Sustained Best-in-Class Financial Performance
  - Relative Comparison To Macros/Peers
  - Proven Customer Experience Improvement

---

*Deliver And Sustain Exceptional Performance Through Continuous Improvement*

*Measured By Key Financial Metrics*
# Honeywell User Experience

## What Is It?
- Creating Solutions That Are...
  - Easier To Use
  - More Intuitive
  - More Efficient
  - More Productive
  - More Desirable
- Improving...
  - The Customer Experience, Brand Value
  - Our Innovation Process
- Tangible Business Outcomes
  - New Products, Faster Growth
  - Higher Margins
  - Grow Market Share And Customer Loyalty

## Why Is It Different?
- Systematic Process Focused On:
  - Differentiated Brand Experience
  - Users, Installers, Maintainers
  - Best In Class Design Principles
- Trained 26k Key Leaders / Employees
  - Integrated Into NPI/VPD™ At All Levels
  - 2 Day Training For All 130 VPD™ Leaders
  - CEO And Staff First To Attend Training
  - Focus Of Last 2 Senior Leadership Mtgs
- 9 Design Studios In Key Locations
  - Staffed With User Experience Experts

---

**Integrated Into HON Operating Model**

**Compliance With Intent**
Software Capability Maturity

**What Is It?**

- **Capability Maturity Model Integration**
  - Software Process Certification
  - 5 Levels Of Maturity With Level 5 Highest
- **Ensuring…**
  - Successful Software Programs
  - Quality, Efficiency, Repeatability

**Why Is It Important To HON?**

- **50%+ HON Engineers Do Software**
  - Performing At Highest Maturity Levels
  - Embedded Within VPD™
- **Software Core To HON Capabilities**
  - Faster Product Development Through Simulation / Design Tools
  - More Innovative Software Enabled Products
  - Expanding High Margin SaaS Sales
- **Helping Create Products That…**
  - Work More Reliably
  - Get To Market Faster
  - Higher Customer Value

**HON % Of Software Engineers Performing At CMMI Level 5**

- 2011: 45%
- 2013: 62%
- 2015E: 100%

Software Process, Products Uniquely Differentiated
Margin Expansion

Initiatives

- Honeywell Operating System
  - Driving Continuous Improvement

- Direct Materials / Purchasing
  - Focus On Supplier Quality And Performance

- OEF
  - Holistic Approach To People Cost

- Functional Transformation
  - Working Toward Best In Class

- Restructuring Pipeline
  - Strong Backlog Of Previously Funded Projects

Repositioning

- Proactive Funding → Margin Expansion
- Pipeline Supports Growth Outlook
- Runrate Savings From Projects Remaining

*Projects Funded Through 1Q14

Growing Sales Faster Than Fixed Costs
Organizational Effectiveness

- Grow Sales Faster Than Fixed Costs
- 65-90% Of Fixed Costs Are People
- Enablers → More Efficient And Effective Processes With Less People

Strong Driver Of Margin Expansion

More Efficient, More Effective Organization
Functional Transformation

Functional Cost % Of Sales

- 2004: 9.6%
- 2013: 5.8%
- Target: ~4%

Improvement: 380 bps

What We’re Doing

- Common Processes And Tools
- Leveraging Common Systems
- Analytics/Reporting Driving Change
- Greater Speed And Efficiency
- HUE Design Culture
- Building/Expanding Centers Of Excellence

Driving ~2 Margin Points Of Upside Next Five Years

ERP Deployment

- 2006: 32%
- 2013: 78%
- Target: ~100%

More To Do In IT / Finance
Effective Leadership

Business Performance

- +77% Sales ($B)
- +170% Segment Profit ($B)
- +229% EPS (Proforma)*

Incentive Compensation

- +14% Total ICP Spend ($M)
- (4%) ICP Employees

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

*Optimizing Leadership Impact*
### Why HON Will Outperform

#### 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

#### Margin Expansion
- **Strong Cost Management**
  - Improving Performance Level As We Continue To Grow

- **Restructuring Tailwinds**
  - High IRR Projects, Long-Term Benefits

#### Enablers
- **HOS Gold**
  - Delivering Growth And Productivity

- **Functional Transformation**
  - Reducing Cost While Improving Service Quality

#### Effective Cash Deployment
- **Disciplined M&A Process**
  - Strong Pipeline Of Potential Targets ($10B+ Spend ’14-’18)

- **Attractive Returns To Shareholders**
  - Create Long-Term Value

---

**Pace Accelerates Over Next 5 Years**

- **~1/2 pt**
  - From HUE

- **~50%**
  - Of Growth From HGRs

- **~$250M**
  - Annualized Savings From 2013 Repo Funding

- **~100%**
  - HOS Silver Deployment By 2018

- **~2 pts**
  - From FT

- **~50%**
  - To Growth

- **~50%**
  - To Shareholders
Honeywell
Appendix
Reconciliation of non-GAAP Measures to GAAP Measures
### Reconciliation Of Segment Profit To Operating Income Excluding Pension Mark-To-Market Adjustment And Calculation Of Segment Profit And Operating Income Margin Excluding Pension Mark-To-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Segment Profit</strong></td>
<td>$2.4</td>
<td>$2.8</td>
<td>$3.2</td>
</tr>
<tr>
<td><strong>Stock Based Compensation</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Repositioning and Other</strong>&lt;sup&gt;(1,2,3)&lt;/sup&gt;</td>
<td>(0.2)</td>
<td>(0.7)</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Pension Ongoing Expense</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>(0.1)</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Pension Mark-to-Market Adjustment</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.0)</td>
</tr>
<tr>
<td><strong>Other Postretirement Expense</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>(0.2)</td>
<td>(0.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$1.7</td>
<td>$1.8</td>
<td>$2.7</td>
</tr>
<tr>
<td><strong>Pension Mark-to-Market Adjustment</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.0)</td>
</tr>
<tr>
<td><strong>Operating Income Excluding Pension Mark-to-Market Adjustment</strong></td>
<td>$1.9</td>
<td>$1.9</td>
<td>$2.7</td>
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</table>

Segment Profit

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<tr>
<td><strong>Sales</strong></td>
<td>$22.1</td>
<td>$24.5</td>
<td>$26.5</td>
</tr>
<tr>
<td><strong>Segment Profit Margin %</strong></td>
<td>10.6%</td>
<td>11.4%</td>
<td>12.2%</td>
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</table>

Operating Income

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<tr>
<td><strong>Operating Income Margin %</strong></td>
<td>7.8%</td>
<td>7.2%</td>
<td>10.1%</td>
</tr>
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Operating Income Excluding Pension Mark-to-Market Adjustment

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<td>8.4%</td>
<td>7.6%</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

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(1) Stock Based Compensation included in Segment Profit.

(2) Included in cost of products and services sold and selling, general and administrative expenses.

(3) Includes repositioning, asbestos and environmental expenses.
Reconciliation Of Segment Profit To Operating Income Excluding Pension Mark-To-Market Adjustment And Calculation Of Segment Profit And Operating Income Margin Excluding Pension Mark-To-Market Adjustment

<table>
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<tr>
<th>($B)</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tr>
<td>Segment Profit</td>
<td>$4.0</td>
<td>$4.6</td>
<td>$4.8</td>
</tr>
<tr>
<td>Stock Based Compensation (1)</td>
<td>(0.1)</td>
<td>(0.1)</td>
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</tr>
<tr>
<td>Repositioning and Other (1, 2)</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Pension Ongoing (Expense)/Income (1)</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment (1)</td>
<td>-</td>
<td>-</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Other Postretirement Income/(Expense) (1)</td>
<td>(0.1)</td>
<td>(0.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$3.3</td>
<td>$3.9</td>
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<td>$3.3</td>
<td>$3.9</td>
<td>$3.6</td>
</tr>
</tbody>
</table>

Segment Profit
$4.0 $4.6 $4.8
÷ Sales
$30.3 $33.5 $35.5
Segment Profit Margin %
13.1% 13.6% 13.5%

Operating Income
$3.3 $3.9 $0.3
÷ Sales
$30.3 $33.5 $35.5
Operating Income Margin %
10.9% 11.6% 0.8%

Operating Income Excluding Pension Mark-to-Market Adjustment
$3.3 $3.9 $3.6
÷ Sales
$30.3 $33.5 $35.5
Operating Income Margin Excluding Pension Mark-to-Market Adjustment
11.0% 11.5% 10.1%

(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 (beginning 1/1/2008).
Reconciliation Of Segment Profit To Operating Income Excluding Pension Mark-To-Market Adjustment And Calculation Of Segment Profit And Operating Income Margin Excluding Pension Mark-To-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>$1,893</td>
<td>$1,835</td>
<td>$2,023</td>
<td>$2,279</td>
<td>$2,372</td>
</tr>
<tr>
<td>Automation and Control Solutions</td>
<td>1,588</td>
<td>1,770</td>
<td>2,083</td>
<td>2,232</td>
<td>2,437</td>
</tr>
<tr>
<td>Performance Materials and Technologies</td>
<td>605</td>
<td>749</td>
<td>1,042</td>
<td>1,154</td>
<td>1,271</td>
</tr>
<tr>
<td>Transportation Systems</td>
<td>61</td>
<td>353</td>
<td>485</td>
<td>432</td>
<td>498</td>
</tr>
<tr>
<td>Corporate</td>
<td>(156)</td>
<td>(222)</td>
<td>(276)</td>
<td>(218)</td>
<td>(227)</td>
</tr>
<tr>
<td><strong>Segment Profit</strong></td>
<td>$3,991</td>
<td>$4,485</td>
<td>$5,357</td>
<td>$5,879</td>
<td>$6,351</td>
</tr>
<tr>
<td>Stock Based Compensation (1)</td>
<td>(117)</td>
<td>(163)</td>
<td>(168)</td>
<td>(170)</td>
<td>(170)</td>
</tr>
<tr>
<td>Repositioning and Other (1, 2)</td>
<td>(493)</td>
<td>(626)</td>
<td>(794)</td>
<td>(488)</td>
<td>(699)</td>
</tr>
<tr>
<td>Pension Ongoing (Expense)/Income (1)</td>
<td>(287)</td>
<td>(185)</td>
<td>(105)</td>
<td>(36)</td>
<td>90</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment (1)</td>
<td>(741)</td>
<td>(471)</td>
<td>(1,802)</td>
<td>(957)</td>
<td>(51)</td>
</tr>
<tr>
<td>Other Postretirement Income/(Expense) (1)</td>
<td>15</td>
<td>(29)</td>
<td>86</td>
<td>(72)</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$2,368</td>
<td>$3,011</td>
<td>$2,574</td>
<td>$4,156</td>
<td>$5,501</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment (1)</td>
<td>(741)</td>
<td>(471)</td>
<td>(1,802)</td>
<td>(957)</td>
<td>(51)</td>
</tr>
<tr>
<td><strong>Operating Income Excluding Pension Mark-to-Market Adjustment</strong></td>
<td>$3,109</td>
<td>$3,482</td>
<td>$4,376</td>
<td>$5,113</td>
<td>$5,552</td>
</tr>
</tbody>
</table>

Segment Profit

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment Profit Margin %</td>
<td>13.3%</td>
<td>13.9%</td>
<td>14.7%</td>
<td>15.6%</td>
<td>16.3%</td>
</tr>
</tbody>
</table>

Operating Income

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income Margin %</td>
<td>7.9%</td>
<td>9.3%</td>
<td>7.0%</td>
<td>11.0%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

Operating Income Excluding Pension Mark-to-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income Margin Excluding Pension Mark-to-Market Adjustment</td>
<td>10.4%</td>
<td>10.8%</td>
<td>12.0%</td>
<td>13.6%</td>
<td>14.2%</td>
</tr>
</tbody>
</table>

(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 EPS To EPS, Excluding Pension Mark-to-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2003 (1)</th>
<th>2004 (2)</th>
<th>2005 (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EPS, Previously Reported</strong></td>
<td>$1.50</td>
<td>$1.45</td>
<td>$1.92</td>
</tr>
<tr>
<td><strong>Effect of Pension Accounting Change</strong></td>
<td>(0.11)</td>
<td>0.22</td>
<td>0.29</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$1.39</td>
<td>$1.67</td>
<td>$2.21</td>
</tr>
<tr>
<td><strong>Pension Mark-to-Market adjustment</strong></td>
<td>0.12</td>
<td>0.07</td>
<td>0.03</td>
</tr>
<tr>
<td><strong>EPS, Excluding Pension Mark-to-Market Adjustment</strong></td>
<td><strong>$1.51</strong></td>
<td><strong>$1.74</strong></td>
<td><strong>$2.24</strong></td>
</tr>
</tbody>
</table>

(1) Utilizes weighted average shares of 862.1 million. Mark-to-market uses a blended tax rate of 33.5% for 2003.
(2) Utilizes weighted average shares of 862.3 million. Mark-to-market uses a blended tax rate of 30.0% for 2004.
(3) Utilizes weighted average of 852.3 million. Mark-to-market uses a blended tax rate of 32.3% for 2005.
### Reconciliation Of EPS To EPS, Excluding Pension Mark-to-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2006 (1)</th>
<th>2007 (2)</th>
<th>2008 (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>$2.77</td>
<td>$3.35</td>
<td>$1.08</td>
</tr>
<tr>
<td>Pension Mark-To-Market Adjustment</td>
<td>0.02</td>
<td>0.01</td>
<td>2.74</td>
</tr>
<tr>
<td>EPS, Excluding Pension Mark-to-Market Adjustment</td>
<td>$2.79</td>
<td>$3.36</td>
<td>$3.82</td>
</tr>
</tbody>
</table>

(1) Utilizes weighted average shares of 826.3 million. Mark-to-market uses a blended tax rate of 28.6% for 2006.

(2) Utilizes weighted average shares of 774.2 million. Mark-to-market uses a blended tax rate of 30.8% for 2007.

(3) Utilizes weighted average shares of 743.5 million. Mark-to-market uses a blended tax rate of 38.2% for 2008.
## Reconciliation Of EPS To EPS, Excluding Pension Mark-to-Market Adjustment

<table>
<thead>
<tr>
<th></th>
<th>2009(^{(1)})</th>
<th>2010(^{(2)})</th>
<th>2011(^{(3)})</th>
<th>2012(^{(4)})</th>
<th>2013(^{(5)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>$2.05</td>
<td>$2.59</td>
<td>$2.61</td>
<td>$3.69</td>
<td>$4.92</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjustment</td>
<td>0.64</td>
<td>0.41</td>
<td>1.44</td>
<td>0.79</td>
<td>0.05</td>
</tr>
<tr>
<td>EPS, Excluding Pension Mark-to-Market Adjustment</td>
<td>$2.69</td>
<td>$3.00</td>
<td>$4.05</td>
<td>$4.48</td>
<td>$4.97</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Utilizes weighted average shares of 755.7 million. Mark-to-market uses a blended tax rate of 34.4% for 2009.

\(^{(2)}\) Utilizes weighted average shares of 780.9 million. Mark-to-market uses a blended tax rate of 32.3% for 2010.

\(^{(3)}\) Utilizes weighted average shares of 791.6 million. Mark-to-market uses a blended tax rate of 36.9% for 2011.

\(^{(4)}\) Utilizes weighted average shares of 791.9 million. Mark-to-market uses a blended tax rate of 35.0% for 2012.

\(^{(5)}\) Utilizes weighted average shares of 797.3 million. Mark-to-market uses a blended tax rate of 25.5% for 2013.
## Discontinued Operations Reconciliation

<table>
<thead>
<tr>
<th>($B)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales - Total Honeywell</td>
<td>$23.1</td>
<td>$25.6</td>
<td>$27.7</td>
<td>$31.4</td>
</tr>
<tr>
<td>Sales - CPG</td>
<td>$1.0</td>
<td>$1.1</td>
<td>$1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Sales - Continuing Operations</td>
<td>$22.1</td>
<td>$24.5</td>
<td>$26.5</td>
<td>$30.3</td>
</tr>
</tbody>
</table>