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

#### Positioned To Outperform
- Strong 2Q16 Performance: +110 bps Operational Improvement, EPS Up 10% YoY
- Driving Breakthrough Growth Strategies - Key Priority As COO
- Focused On Continuing To Build And Expand Software Capabilities Across All Businesses

#### Portfolio Update
- Completed Acquisition Of Intelligrated ($1.5B); AdvanSix Spin-Off Effective October 1, 2016
- ACS Realigned Into Two Reporting Segments, Providing Greater Customer And Growth Focus
- Sale Of Honeywell Technology Solutions (HTSI) Expected To Close By End Of Q3

#### Runway For Margin Expansion
- Operating Initiatives Continue To Drive Segment Margin Growth, Led By Deployment Of HOS
- Differentiated Technologies With Software Focus, Leaner Supply Chain, Restructuring Benefits
- Strong Collaboration To Drive Down Material Costs And Indirect Spend
Recent Highlights

**JetWave**
*Earned Final Inmarsat Certification*

- Supplemental Type Certificates (STCs) On Airbus A319, A340, Boeing B757, Bombardier G5000/G6000, Gulfstream 650…**More In Process!**
- Final Certificate Completes Process To Bring GX Aviation To Aerospace Market

**UOP**
*Broadened Catalyst Offerings*

- Expanded Portfolio Of More Than Two Dozen Hydrotreating Catalysts To Produce Cleaner-Burning Fuels That Meet New Global Emissions Regulations
- Applying Expertise In Catalytic Chemistry To Compete Across Wide Range Of Hydroprocessing Technologies

**Lyric Round Thermostat**
*Collaboration With Amazon Devices*

- Collaboration Between Honeywell Lyric Round™/ Total Connect Comfort Thermostats And Amazon’s Alexa-Enabled Devices
- Thermostats Can Connect To Other Home Products And Ecosystems - Flexible Solutions To Address Customers’ Needs
Recent Portfolio Changes

1. **Advansix Spin-Off**
   - Allows R&C Flexibility To Make Capital Investment Decisions As Standalone Entity
   - Transaction Enhances Margin Profile Of Both PMT And HON
   - Spin-Off Effective October 1, 2016

2. **Intelligrated Acquisition**
   - Aligns Well To Existing S&PS Business; 13% Sales CAGR Over Past Three Years
   - Large, Growing Customer Base: 30 Of Top 50 U.S. Retailers, 50 Of Top 100 Internet Retailers
   - ~$20B Warehouse Automation Market, Growing 8%-10% Per Year
   - Closed On August 29th

3. **ACS Realignment**
   - Safety And Productivity Solutions (SPS) and Home and Building Technologies (HBT)
   - Stronger Focus On Customers, Improved End Market Alignment
   - Reducing Layers And Structures To Increase Efficiency And Speed Of Decision Making

4. **HTSI Sale**
   - Allows Aerospace to Focus On Digitally-Delivered, Software-Based Services Growth
   - Long Heritage In Government Services Industry - Well Positioned For Continued Success
   - Expected To Close By End Of Q3

Continuing To Improve Growth Profile
Continuous Portfolio Improvement

- Sale Of Friction Materials
- Spin-Off Of Resins & Chemicals
- Sale Of HTSI
- ~$8B In Acquisitions Since ‘15
- ~2X - 3X Multiple Improvement On Average
- Overdriving Sales And Cost Synergy Plan
- Organic Growth From Acquisitions + HSD

Execution On Integrations Driving Attractive Returns
Growth And Productivity Focus

Broadening Software Offerings

- CMMI Level 5 Across Company
- 77% Of HOS Gold Breakthroughs
- Standalone Software Provides Growth Platform

High Growth Region Penetration

- Becoming The Chinese Competitor (BCC)
- East-For-East And Rest
- One Honeywell Culture

Margin Expansion Runway

- Commercial Excellence, HUE
- Higher Margin New Products
- Improved Plant Performance
- Sourcing Effectiveness
- Functional Transformation
- Funded Restructuring Pipeline

Driving Profitable Growth
HON Connectivity And Software Fueling Growth

**AEROSPACE**
- Marrying Vast Software Capability With Leading Avionics And Mechanical Positions
- Creating *Fastest Satellite Based Global Connection* With Inmarsat Ka-Band GX (Unique Airtime To App Offerings)
- Breakthrough: Powertrain/Vehicle Software
- Create New Business Models
  - Activation, Usage
  - Subscription
  - One-Time

**HOME AND BUILDING TECHNOLOGIES**
- **Robust Portfolio** Of Connected Home Software Solutions (i.e. Demand Response, Fire Systems, Security Monitoring, Lighting/Lock Controls, Security Systems)
- Connected Buildings: Multi-Site Management Software, IoT Platform (Tridium), Fire Inspection Services
- Create New Business Models
  - One-Time
  - Subscription

**PERFORMANCE MATERIALS AND TECHNOLOGIES**
- HPS IIoT Ecosystem *Connects All Levels Of Automation*
- Leadership In Industrial Cyber / Enterprise Analytics
- Assurance 360 Providing Value-Based Outcome Services
- Cyber Security Maintaining Plant Continuity
- Solves Top Process Challenges
  - Enterprise Optimization
  - Production Efficiency
  - Process Reliability

**SAFETY AND PRODUCTIVITY SOLUTIONS**
- **Connected Worker Cloud** Unlocking Software And Data-Based Growth
- Leverage/Connect Installed Base, Deliver Smart Outcomes
- Building On Connected Warehouse (Intelligrated)
- Create New Business Models
  - License And Support, Enterprise License
  - Per User SaaS
  - Data Usage Based Models
## 2015 - 2016 Capital Deployment

### Capital Deployment Framework

- **Invest In High ROI CapEx**
- **Grow Dividend Faster Than Earnings**
- **Strategic M&A**
- **Share Repurchase**

### What We’ve Done

- **$15B+** Capital Deployed Since 2015

- **$1.5B** Capital Expenditures
- **30%-40% ROI Projects In UOP Catalysts, FP**

- **$2.7B** Of Dividends
- **15% Dividend Increase In 2014 And 2015**

- **$8B** In Acquisitions, All Businesses Participating
- **Effective Deployment Of Non-U.S. Cash**

- **$3.5B** In Share Repurchases
- **Mechanism To Accelerate In Downturn**

*Data Reflects 2015 To 2Q16 June YTD Results*
Total Shareowner Returns And P/E Comparison

Honeywell
Peer Median
S&P 500

Higher Returns For Shareowners

150%
118%
95%

~2x
Lower P/E

Current
Forward
HON
Peer Average

17.5
16.1
19.7
18.2

*TSR Peer Median And P/E Peer Average Calculated Using Eight Industry Peers (COL, DHR, EMR, GE, ITW, MMM, TYC, UTX); Updated As Of August 26th, 2016