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.
PMT Overview

• Great Start To 2012
  - 1Q Sales Up 19% (12% Organic) with Segment Margins of Almost 20%

• Expecting 2Q Strength, More Difficult Comps In 2H12
  - UOP Catalyst and Licensing Sales Expected To Return To More Moderate Levels

• Confident In Outlook, Overdriving Long Term Targets
  - Well Aligned To Macro Growth Trends

• Operational Excellence A Cornerstone Of Ongoing Success
  - Plants Executing Well, Investing In Future High Return Opportunities

• Technology Leadership Key To PMT Value Proposition
  - Strong Traction From New Product Introductions, Rich Pipeline Fuels Growth

Extending Market Leadership
Performance Materials And Technologies

Financials

($B)

Sales  Segment Margin %
2009  $4.1  14.6%
2010  $4.7  15.8%
2011  $5.7  18.4%
2012E  ~$6.1 - $6.3  ~18.5%+

Recent Highlights

• Delivered Record Performance In 2011 - Segment Profit, Segment Margin, Cash
• Established New Game-Changing Technologies
• Improved Plants With Many Running at Record Levels
• Expanded Global Presence and Sales

Business Units

UOP
Advanced Materials

Geographic Mix

North America
Latin America
EMEA
Asia Pacific

Note: 2011 Sales

Ahead Of Long Term Targets
A Transformed Business

**Then**
- Barely Profitable
- Bad Mix of Businesses
- Undifferentiated Products, Competing on Price
- Limited IP Protection and Technology Focus
- Underperforming Management
- Over 76% of Sales in U.S.

**Now**
- Record Profitability
- Strong Mix of Growth Businesses with Strong Position in a Range of Good Industries
- Differentiated Product Line
- Robust NPI Pipeline with Game-Changing Technologies
- Strong Management and Processes
- Global Player, with 58% of Sales Outside U.S.

**Segment Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1.7%</td>
</tr>
<tr>
<td>2002</td>
<td>2.8%</td>
</tr>
<tr>
<td>2003</td>
<td>4.3%</td>
</tr>
<tr>
<td>2004</td>
<td>5.3%</td>
</tr>
<tr>
<td>2005</td>
<td>7.9%</td>
</tr>
<tr>
<td>2006</td>
<td>12.3%</td>
</tr>
<tr>
<td>2007</td>
<td>13.5%</td>
</tr>
<tr>
<td>2008</td>
<td>13.7%</td>
</tr>
<tr>
<td>2009</td>
<td>14.6%</td>
</tr>
<tr>
<td>2010</td>
<td>15.8%</td>
</tr>
<tr>
<td>2011</td>
<td>18.4%</td>
</tr>
</tbody>
</table>
Outlook By Business

Advanced Materials
(Sales $B, Organic YoY %)

- Good Growth, Volume Leverage From R&C
- 2H Short Cycle Growth Improves
  - Easier 2H Comps From Lower PY Pricing

UOP

- Petrobras FEED Project Completion In 3Q
- Catalyst Sales Return To More Moderate Levels
  - Confluence Of Cycles Driving Outsized Growth

Tough UOP Comps 2H12
Strong Management Driving Results

### Differentiator

| Analytical Capabilities and Innovation Engine | Plant Performance and Process Technology | Sales and Marketing Excellence | Operating Approach and Leadership |

### Mechanism

- Technology Investments and VPD™ Process
- HOS and Plant Strategic Plans
- Global Demand Capture and Sales Force Deployment
- Business Decision Week

### Annual Segment Margin, PMT vs. Industry Peers

- **Honeywell**
- **Specialty**
- **Diversified**

<table>
<thead>
<tr>
<th>Year</th>
<th>Honeywell</th>
<th>Specialty</th>
<th>Diversified</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2006</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>2007</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>2008</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>2009</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>2010</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>2011</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>
PMT Core Strategies

Operational Excellence
- HOS
- Increased Attainment
- Yield Improvements
- Debottlenecking
- Plant Strategic Plans
- Safety

New Product Introductions
- Molecule Scale-Up
- Technology Leadership
- Application Development

Globalization and Market Creation
- High-Growth Region R&D
- Global Demand Capture
- Strong Governance And Processes

Sales and Marketing Excellence
- Sales Force Deployment
- Regionalization
- Pricing Excellence

Long-Term Growth
- Investments / Partnering
- Leveraging Technology Pipeline
- Project Execution

 Successfully Implemented
Operations: Electronic Materials

- HOS Lean
  - Cycle Times and Cost
- Yield Debottleneck
  - Capacity and Cost
- SIOP Discipline
  - Customer Responsiveness and Inventory
- Quality Excellence
  - Customer Satisfaction and Cost

<table>
<thead>
<tr>
<th>Product 1 – Asia</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>-45%</td>
</tr>
<tr>
<td>Walking Distance</td>
<td>-87%</td>
</tr>
<tr>
<td>Part Traffic Distance</td>
<td>-50%</td>
</tr>
<tr>
<td>Lead Time</td>
<td>-55%</td>
</tr>
<tr>
<td>Crew Size</td>
<td>-50%</td>
</tr>
<tr>
<td>Manufacturing Conversion Cost</td>
<td>-50%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product 2 – U.S.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>-60%</td>
</tr>
<tr>
<td>Walking Distance</td>
<td>-70%</td>
</tr>
<tr>
<td>Part Traffic Distance</td>
<td>-85%</td>
</tr>
<tr>
<td>Lead Time</td>
<td>-82%</td>
</tr>
<tr>
<td>Crew Size</td>
<td>-50%</td>
</tr>
<tr>
<td>Manufacturing Conversion Cost</td>
<td>-28%</td>
</tr>
</tbody>
</table>

HOS Paying Dividends In Production
## New Products: UOP

<table>
<thead>
<tr>
<th>Technology</th>
<th>Description</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oleflex™ Technology</strong></td>
<td>• Produces Propylene (in High Demand) for Plastics From Natural Gas at Lower Cost</td>
<td>✓ Ten Contracts, Including Eight in China, Since 2011</td>
</tr>
<tr>
<td><strong>ADS-47 Adsorbents</strong></td>
<td>• Improves Yield for In-demand Building Blocks for Plastics in Current/New Plants</td>
<td>✓ First Sale in 2011; Adding Capacity to Meet Demand</td>
</tr>
<tr>
<td><strong>E-911 Adsorbents</strong></td>
<td>• Filter Materials Remove Radioactive Contaminants From Water</td>
<td>✓ Cleaning Radioactive Water in Fukushima, Launched New Business</td>
</tr>
<tr>
<td><strong>Uniflex™ Process Technology</strong></td>
<td>• Processes Heavy Oils and Offers 4 to 10% Additional Transport Fuel Per Barrel</td>
<td>✓ First License to Pakistan's National Refining Ltd.</td>
</tr>
<tr>
<td><strong>Methanol-to-Olefins Technology</strong></td>
<td>• Produces Low-Cost Plastic From Natural Gas/Coal Rather Than Oil</td>
<td>✓ First Licenses in China, a Key Market for the Technology</td>
</tr>
</tbody>
</table>

**Groundbreaking Technologies Meeting Global Demand**
Globalization: Resins And Chemicals

Caprolactam
- Critical Ingredient for Making Nylon Used in Carpeting, Clothing, Engineered Plastics

Nylon Resin
- Used in Applications From Food Packaging to Automotive

Ammonium Sulfate
- Effective Fertilizer Used Globally for a Range of Plants and Crops

Driving Global Growth
- Doubled Sales From Outside U.S. for Key Products Over the Last Four Years
- 41% of Sales Outside the U.S.

Major U.S. Export
- Moved From Distributors to Direct Sales to Extract More Value
- >40 New Customers in Asia in 2011
- Leveraging Global Technology Centers of Excellence to Engineer for Local Markets
Collaborative, Online Process to Identify and Prioritize ~500 Opportunities Per Year

- Identification and Sampling
- Customer Qualification
- Conversion

- <1 month
- 6-12 months
- <2 months

- ✓ Value Prop
- ✓ Economics
- ✓ Pilot and Trial
- ✓ Customer Value
- ✓ Pricing
- ✓ Launch

- 18% of Sales From New Products Launched Since 2008
- ~175 New Customers in 2011
- Current NPI Pipeline: ~$1B Sales/Year in 2016
- Applications Ranging From Lightweight Ballistic Materials to Asphalt Additives
Growth: Fluorine Products

**Solstice™ 1234yf For Mobile A/C**

- Global Warming Potential of 4 vs. 1430 for Current Refrigerant
- Comparable Cooling Efficiency to Current Refrigerant
- Near Drop-in Replacement, Saving Significant Cost for Customer vs. Alternative
- Meeting New European Regulations
- Significant Customer Wins
- Strong Patent Position
- ~$1.5B Opportunity

**Opportunity**

- High Growth Opportunity
- HON Only a Minor Producer of Current Mobile A/C Refrigerant Today

**Superior Environmental Performance**

- 30% Lower Emissions vs. Alternative

Source: Goldman Sachs Japan 2011
## Transformed New Product Introductions

<table>
<thead>
<tr>
<th>Specialty Materials</th>
<th>PMT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10 Years Ago</strong></td>
<td><strong>Today</strong></td>
</tr>
<tr>
<td>− Limited Metrics</td>
<td>✓ Good Metrics</td>
</tr>
<tr>
<td>− Stage Gates, But No Business Ownership</td>
<td>✓ Business Leaders Engaged at the Highest Level – CEO and VP/GMs</td>
</tr>
<tr>
<td>− Technology, Rather Than Business, Process</td>
<td>✓ True Cross-Functional Engagement</td>
</tr>
<tr>
<td>− No Management of Entire Portfolio</td>
<td>✓ Value Propositions Guiding Decision Making</td>
</tr>
<tr>
<td>− Little Data on R&amp;D and NPI Performance</td>
<td>✓ Top-level Management of Portfolio Ensures Prioritization of Resources</td>
</tr>
<tr>
<td>− Poor Ability to Forecast Sales Impact From NPI</td>
<td>✓ Enhanced Ability to Forecast Sales Impact From NPI</td>
</tr>
<tr>
<td>− Little Investment in Game-Changing Technologies</td>
<td>✓ Investing in Game-Changing Technologies</td>
</tr>
</tbody>
</table>

### Processes And Portfolio Keys To Success

Honeywell
People

The Right People….
• 1,100 Scientists
• ~400 Ph.D.s
• 2,800 Process Engineers
• 3,915 Patents Globally
• 19 Current Inventors with More Than 50 Issued Patents

… In The Right Places Globally
• 8 Technology Centers of Excellence
• Newest Facilities in India and China, Developing Products/Applications for Local/Global Markets
• Increased Global Process Engineering Capabilities

Recognized Researchers In Their Fields

2012: Dean Rende – Gordon E. Moore Medal
2012: Ben Christolini – ACS Earle B. Barnes Award for Leadership in Chemical Research Management
2011: Gavin Towler – AIChE Fuels & Petrochemicals Division Award
2010: UOP-ENI Green Jet & Diesel team – AIChE Sustainable energy award
2010: Jeff Bricker – ACS National Award for Creative Invention
2009: Rajiv Singh – ACS Schoellkopf Medal Award
2008: Ian Shankland – Perkin Medal
2005: UOP – National Medal of Technology

“Punching Above Our Weight”
• PMT Ranks No. 4 in Its Sector for Innovation, Placing It Among Companies of Much Larger Scale and Sales
• Issued Patents At Record Levels
• Invention Disclosures At Record Levels

People A Key Differentiator
## Technology Leadership: UOP

### Technology Focus Areas

| Process Technology | • Providing Refiners, Petrochemical Producers More Feedstock Flexibility, Higher Yields  
|                    | • Processing Heavier Crudes and Getting More Out of Each Barrel of Oil |
| Gas Processing     | • Removing Broader Group of Contaminants From Natural Gas  
|                    | • Making Processing Units Smaller and More Robust for Off-shore Applications |
| Catalysts and Adsorbents | • Boosting Yields in Both Current and New Process Operations  
|                      | • Moving into Adjacencies, New Applications |
| Renewables         | • Allowing Refiners to Produce Real Fuels From Biofeedstocks Such as Algae  
|                    | • Processing Solid Biomass Such as Forest Waste to Transportation Fuels |

### Competitive Advantage

| • More Than 100 Pilot Plants to Test Process Technologies |
| • High-Throughput Screening to Rapidly Evaluate Catalysts and Materials |
| • Ability to Evaluate Materials at the Atomic Level |
| • Advanced Computer Modeling and Simulation |

---

**Extending UOP Technology Leadership**
Global Energy Demand Tracks GDP

- Worldwide Energy Demand

Refining Opportunity

- Capacity Replacement
- Regional Factors
- National Security
- Environ. Reg.

~1.3% Base Oil Demand

5-8% Growth

Natural Gas Opportunity

- Gas Share of Global Energy to Grow From 21% to 25% by 2035

- Worldwide Natural Gas Demand

Petrochemical Example

- "On-Purpose" Production
- Conventional Production

Demand for "On-Purpose" Propylene Expected to Nearly Triple From 2010 to 2020

Underlying Growth Trends In UOP Sweet Spot
UOP Adding Value

### Upgrading Heavier Crude
- Industry-Leading Conversion (90%+) to Fuels with Less By-Products
- Process to Convert Contaminated Feedstocks into Gasoline

**Average $1B Investment**

<table>
<thead>
<tr>
<th>Customer Result</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in High-Value Fuel Conversion</td>
<td>4-6%</td>
</tr>
<tr>
<td>Increase in Refiner Margins</td>
<td>50%</td>
</tr>
<tr>
<td>Customer Value Created</td>
<td>$300M</td>
</tr>
</tbody>
</table>

### Optimizing Refineries
- Configuration
- Design Optimization
- Design Services
- Training/Start-Up
- Front-End Engineering Design
- Energy Savings

**Average $10B Investment**

<table>
<thead>
<tr>
<th>Customer Result</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Refinery Margins vs. Base Design</td>
<td>20%</td>
</tr>
<tr>
<td>Reduction in Construction Cycle Time</td>
<td>1 yr</td>
</tr>
<tr>
<td>Customer Value Created</td>
<td>$2B</td>
</tr>
</tbody>
</table>
Advanced Materials Highlights

**Fluorine Products**
- Achieved Record Profitability
- Launched Solsticetm Mobile A/C Refrigerant (HFO-1234yf), Gas Blowing Agent (HFO-1234ze) and Liquid Blowing Agent (HFO-1233zd) and Secured ~$1B in New Contracts
- Created Sinochem JV to Expand 245fa Blowing Agent in Asia

**Resins And Chemicals**
- Achieved Record Profitability
- Daily Rigor on Price
- Effective Global Reach
- Designed and Licensed First Sulf-N® 26 Lower Explosive Fertilizer Plant
- Acquired Phenol Facility; Diversified Cumene Supply for Hopewell Production

**Specialty Products**
- Achieved Record Profitability and New Products
- Launched Expansion Plans for Aclar, Photovoltaics and Asphalt
- Continued Success in New-Product Commercialization
- Breakthrough Spectra® X Gaining Traction in the Market

**Electronic Materials**
- Major Wins in the Differentiated Space of Targets, Electronic Polymers and PV
- Significant Wins in Electronic Chemicals
- Gains With Key Customers to Grow in Semiconductor Down Cycle

**Game-Changing Technology**

**Global Position and Reach**

**NPI Driving Growth**

**Adjacent Market Growth**
## Business And End Market Update

### UOP
- Continued Global Investments to Meet Refined Product Demand
- High Win Rates and Execution of Backlog Driving Strong Results

### Resins & Chemicals
- Overall Tight Caprolactam Supply/Demand, But Prices Moderating Off 2011 Highs
- Fertilizer Demand Steady, But Prices Moderating Off Late 2011 Highs

### Fluorine Products
- Moderation From Record Price Levels Due to Increased Supply on Key Products
- Three New Low-Global-Warming Molecules

### Specialty Products
- Global Weakness Overall
- New Product Wins Driving Growth
- Strength in Armor, Asphalt

### Electronic Materials
- Weaker Demand Expected Through 1H12 Due to Continued Inventory Drain
- Moderate Growth in Second Half of 2012 As Inventory Rebuilds

### Great Positions
- Sustained Technology Leadership Position in Key, Emerging Refining Technology
- Natural Gas Emerging As Growth Opportunity
- Lowest-Cost Position in Key Products
- Strong, Growing Position in Emerging Regions
- Recognized Leader in Refrigerants, Blowing Agents, Solvents
- Next-Generation Low-Global-Warming-Potential Products Drive Growth
- Attractive Businesses Serving Niche Segments in Larger Markets
- Fast-Cycle Expertise With Robust New Product Pipeline and Marketing Capabilities
- Strong Positions With Key Industry Players
- Expanding Into Attractive Adjacencies

---

**Great Positions In Good Industries**
Long-Term Outlook Update

($B)

**Sales**

*Long Term Target: 7 - 9% CAGR*

*2012 Up 9 - 12%*

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012E</th>
<th>2013T</th>
<th>2014T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$4.7</td>
<td>$5.7</td>
<td>$6.1 – 6.3</td>
<td>$5.6 – 6.3</td>
<td></td>
</tr>
</tbody>
</table>

**Segment Margin**

*Long Term Goal: 16 - 18%*

*Already Ahead Of Target*

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012E</th>
<th>2013T</th>
<th>2014T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>15.8%</td>
<td>18.4%</td>
<td>~18.5%+</td>
<td>16.0-18.0%</td>
<td></td>
</tr>
</tbody>
</table>

Overdriving Targets Established February 2010
Summary

• Strong Operating Margins, Outperforming Peers
• Efficient Management Structure, Disciplined Process
• Robust New Product Pipeline, Growing Globally
• Entering High ROI Investment Cycle Due to High Win Rates and Technology Acceptance

Strong Fundamentals, Strong Outlook