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.
Honeywell Overview

$38.6B
In Sales

18.8%
Segment Margin

53%
Sales Outside U.S.

- ~1,300 Sites
- ~70 Countries
- ~129,000 Employees

Aerospace
$15.2B
Sales

Unmatched Scope Of Offerings

Automation & Control Solutions
$14.1B
Sales

Connecting Homes, Buildings, & Workers

Performance Materials & Technologies
$9.2B
Sales

Winning Technology

*Reflects 2015 Full Year Results
5-Year TSR Performance

Honeywell Outperforming Peers And Market

TSR Peer Average Calculated Using Eight Industry Peers (COL, DHR, EMR, GE, ITW, MMM, TYC, UTX)
HGR (High Growth Region): The Global Growth Engine

HGRs Represent **55%** Of Global GDP Growth

**'15-'16 GDP Growth ($B)**

<table>
<thead>
<tr>
<th>Region</th>
<th>GDP Growth ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>390</td>
</tr>
<tr>
<td>Other Developed Countries</td>
<td>434</td>
</tr>
<tr>
<td>HGRs (Including China)</td>
<td>1,003</td>
</tr>
<tr>
<td>China</td>
<td>558</td>
</tr>
</tbody>
</table>

- **21%**
- **24%**
- **55%**
- **31%**

**Source:** Global Insight, Feb 2016

HGRs: China, India, Middle East, Indonesia, Vietnam, Southeast Asia, Russia, Turkey, Brazil, Mexico, Central & South America, Africa

Delivering Strong Financial Performance

**Honeywell HGR Sales ($B)**

- **~$3B** 2005
- **~$6B** 2010
- **~$9B** 2015

- **12% CAGR**

- Grew Revenue 3X in Ten Years
- HGRs ~23% Of HON Sales In 2015
- Continuous Investment For Growth

Have To Be There, Have To Be Local
HGR Core Strategy

Becoming THE Chinese Competitor

East-For-East (E4E)

R&D → Manufacturing → Sales & Dist.

East-To-Rest (E2R)

Follow-The-Growth (FTG)

Energy & Efficiency
Cities & Buildings
Trans. & Infra.
Health & Safety
Defense & Security

One Honeywell & Integrated Solutions

Proven Strategy With Superior Execution
China: “New Normal”, Shifting National Focus

Changing Economic Drivers And Growth Model

from *Investment Driven* to *Consumption Driven*

- **Export**
  - Electronics
  - Machinery
  - Textile
- **Construction**
  - Real Estate
  - Infrastructure
  - Transportation
- **Manufacturing**
  - Steel, Coal
  - Cement
  - Raw Materials
- **Consumer Market**
  - e-Commerce
  - Automobile
  - Air Travel
  - Healthcare
  - Food Safety
- **Environment**
  - Air & Water
  - Smart Grid
  - Fuel Upgrade
  - Alternative Energy
- **Strategic Emerging Industries**
  - Industry 4.0
  - Robotics
  - Aircraft
  - New Materials

HON Has The Right Portfolio And Is Well Positioned In China
HON China: Gaining Share In New Normal

- **Double Digit Growth**, Above Industry Average
- Wins In **Urban Infrastructure** (Metro & Airport)
- Capture **Air & Water** Opportunities With New Product Introduction

- Key Account Management **Driving Spares And Repair & Overhaul Growth**
- **Successful C919 Roll Out** And **GBAS Test Flight**
- **Strengthening HON Position** In A Slowing Commercial Vehicle Segment
- **Increasing Turbo Penetration** In Target Passenger Vehicle Segment

- **UOP-HPS Synergy**, Driving Breakthrough Wins
- **BCC Execution**, Enabling Breakthrough PSA Win In China
- **New Offerings** To Address Environmental Issue (e.g. Foam Blowing Agent)
East-For-East (E4E) Capabilities To Serve Local Customers

**R&D**
- 2.5K+ Engineers
- ~1,300 Patents Awarded
- >1,600 Patents in Application

**Manufacturing**
- 28 Factories & Warehouses

**Supply Chain**
- Local Sourcing As % Of Total:
  - TS*: ~90%
  - ACS: ~74%

**E4E Revenue**
- % Of Revenue:
  - TS*: >35%
  - ACS: >40%

* TS Represents Transportation Systems Business Unit Within Aerospace

Right & Fast New Product Introduction At Highly Competitive Costs
New Products Targeting HGR Mid Segment

Select E4E Product Launches In 2015

- Turbocharger
  - **TS – Micro Gas Turbo**
  - Serve Small Engine Vehicles (0.8-1.2L) And Support Euro 5/6
  - Reduce BOM Cost By 15%
  - 6 Months Reduction In NPI Cycle
  - Improved Vehicle Dynamics Through Reduced Time-To-Torque (Up To 15%)
  - Enabled Big Wins With Local OEMs

- Surveillance Monitoring System
  - HSF – HUS 5.0

- Protection Equipment Suite
  - HIS (HSP) – ANATOLE

- IP Video Door Phone
  - HSF – IS-2500

- Scanner
  - S&PS – YJ 2D Scanner

- Refrigerant
  - FP – 245fa For ORC Application

- Nylon Material
  - R&C – B-train BOPA Grade PA6

- Molecular Sieve Material
  - UOP – 3A Mid-Grade Pellet

- Distributed Control System
  - HPS – PlantCruise

Local R&D, Local Sourcing, Local Manufacturing And Tooling
Addressing China Consumer Demand

Successful Launch Of Air Purifiers

- HUE Design
- Right & Fast Execution
  - 1st SKU Launched Within 6 Months
  - 10+ SKUs In 2015
  - Top Selling SKU In Less Than A Year
- Successful Online Sales, Riding On China’s e-Commerce Wave
- Increasing to 1,000 HON Retail Stores
- Innovative Social Media Campaign
- Huge Upside In the Fast Growing, $0.5B+ Residential Portable Air Purifier Market

One Honeywell Retail Presence
East-To-Rest (E2R): Serving Global Needs

- 8 ONE-ACS Road Shows In 2015
- Energized 1,000+ Customers & Channel Partners
- Expecting 4X E2R Revenue Growth 2015-2020

**Orchid 3 Thermostat**
- An E4E Product Modified For Other HGRs
- Same Functionality As Global Version At Lower Cost
- E2R Launch In 45 Days
- Local Language Promotion
- ~20,000 Units Sold In LATAM, SEA, ME And Turkey In 6 Months

**EW700 Heat Meter**
**Protection Super HD IP Camera**
**900 Series Fire System**
**Small And Slim Relay**

HGR Products And Offerings Tailored For Local Markets
Becoming The Chinese Competitor (BCC)

Honeywell
UOP Polybed™
Pressure Swing Adsorption (PSA) System

- Technology Solution For Hydrogen Purification Process
- Breakthrough Win In China
- Supported China’s Path To Cleaner Fuel (Euro 5/6)

70%+ Localization
20%+ Cost Reduction
China: Driving Performance From A Solid Foundation

Example: ACS Greater China

- World Factory
- Urbanization, Infra.
- Going West

10th 5-Yr Plan

- Foreign Investment
- R&D
- Energy Efficiency

11th 5-Yr Plan

- Going Out
- Going Green
- Emerging Sectors

12th 5-Yr Plan

- Consumption
- Innovation
- Environment

13th 5-Yr Plan

- 12-Yr Foundation Building
- Empowered Local Leadership Team
- BCC Mindset
- Growing Mid Segment Through E4E & E2R
- Connected ACS

HON Strategies

- Localization Of Products, Manufacturing And Sourcing
- Start BCC Assessment In All Businesses
- East-For-East R&D
- Implement Mid Segment Strategy
- Connected ACS

China Gov’t Priorities & Macro Themes

- East-For-East R&D
- Implement Mid Segment Strategy
- Start BCC Assessment In All Businesses
- Connected ACS

Double Digit Growth, Gaining Share In A Consumption-Driven Economy
Summary

• Consistent Outperformance
• Aligned To Favorable Macro Trends
• Gaining Share In The New Normal
• Strong Capability To Address Local Demand
• Expanding Outreach To HGR Mid Segment
• BCC In Everything We Do
Appendix

Reconciliation of non-GAAP Measures to GAAP Measures
### Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins

<table>
<thead>
<tr>
<th>Segment</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace</td>
<td>$3,218</td>
</tr>
<tr>
<td>Automation and Control Solutions</td>
<td>2,313</td>
</tr>
<tr>
<td>Performance Materials and Technologies</td>
<td>1,935</td>
</tr>
<tr>
<td>Corporate</td>
<td>(210)</td>
</tr>
<tr>
<td><strong>Segment Profit</strong></td>
<td>$7,256</td>
</tr>
<tr>
<td>Stock Based Compensation</td>
<td>(175)</td>
</tr>
<tr>
<td>Repositioning and Other</td>
<td>(576)</td>
</tr>
<tr>
<td>Pension Ongoing Income</td>
<td>430</td>
</tr>
<tr>
<td>Pension Mark-to-Market Adjust</td>
<td>(67)</td>
</tr>
<tr>
<td>OPEB Expense</td>
<td>(40)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$6,828</td>
</tr>
</tbody>
</table>

Segment Profit $7,256 ÷ Sales $38,581 = Segment Profit Margin % 18.8%

Operating Income $6,828 ÷ Sales $38,581 = Operating Income Margin % 17.7%

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(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.