



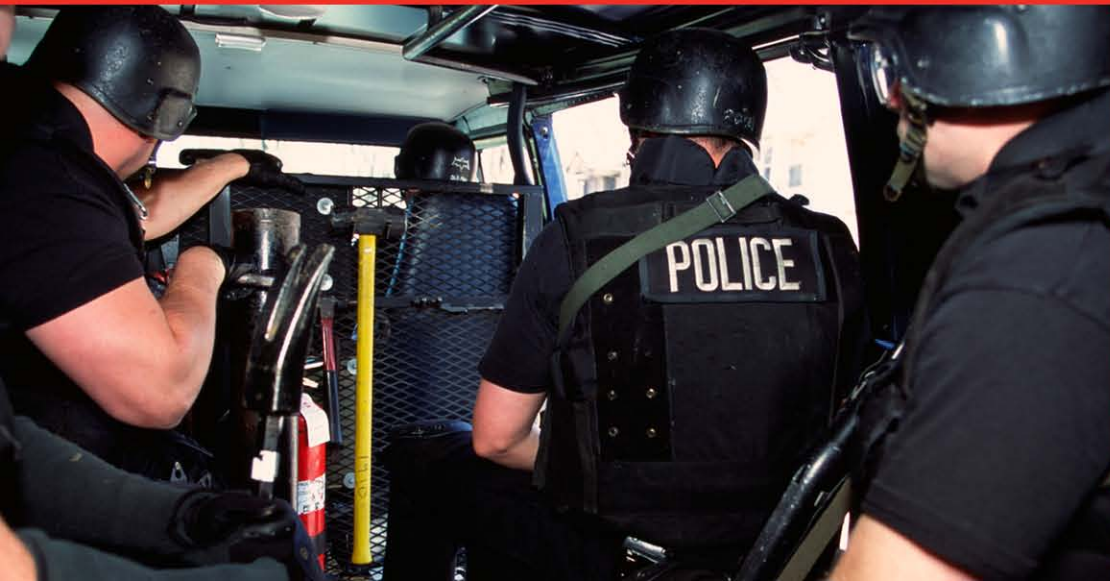
**DEUTSCHE BANK GLOBAL INDUSTRIALS**

**ANDREAS C. KRAMVIS**

PRESIDENT AND CEO

JUNE 13, 2013

**Honeywell**

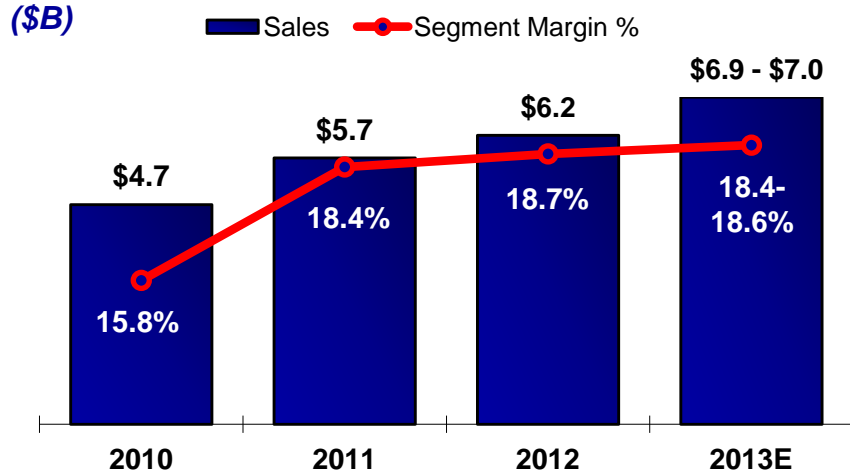


# Forward Looking Statements

*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.*

# Performance Materials And Technologies

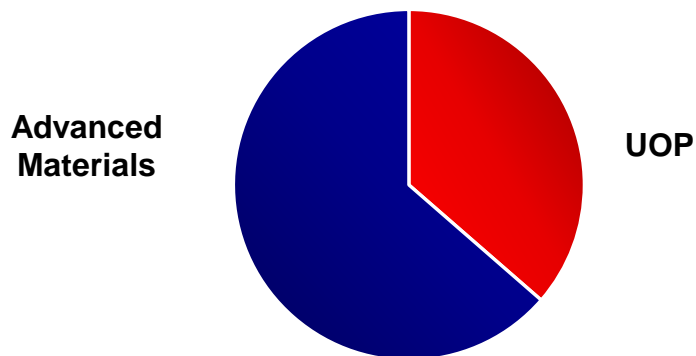
## Financials



## 2012 Highlights

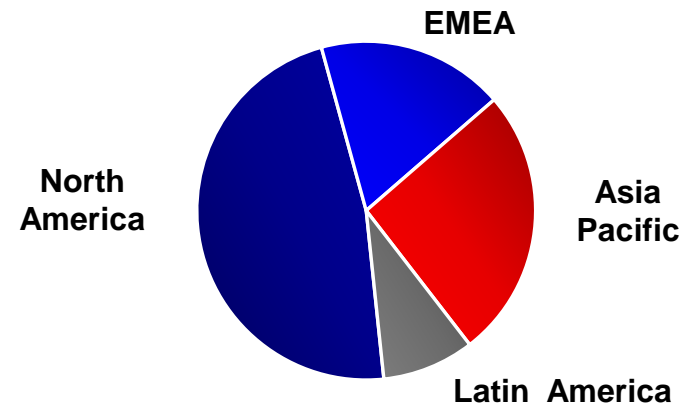
- Record Results For Sales, Profit, Segment Margin, Cash Flow
- Record Backlog Across PMT
- Game-Changing Technologies, Penetrating New Markets
- Expanded Global Presence
- Thomas Russell Acquisition

## Business Units



Note: 2012 Sales

## Geographic Mix



*2012 Another Record Year*

- **What We Are Seeing**

- Significant Investment In Long Term Oil And Gas Opportunities
- Advanced Materials End Market Demand Stable Overall
- Increased Emerging Region Capacity Impacting Global Pricing
- Growing Sales Prospect Pipeline, High Win Rates Maintained

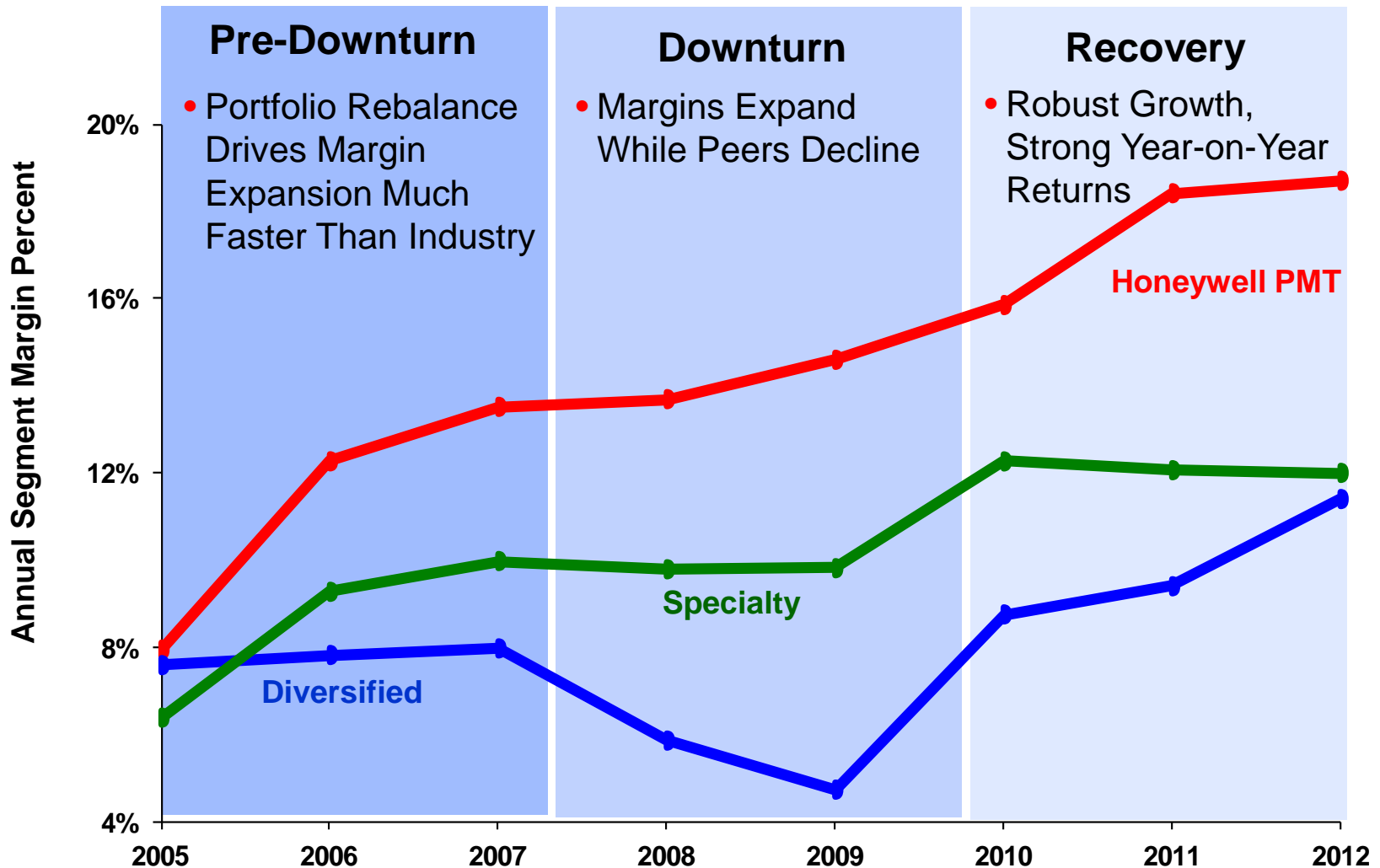
- **What We Are Expecting**

- Record UOP Backlog Supports Continued Growth
- Robust Refining And Petrochemical Demand Globally
- New Products Support Advanced Materials Acceleration
- CAPEX Investment For High ROI Capacity Expansion & New Molecule Production
- Continued Strong Productivity Driven By HOS/FT/OEF

*Signs Of Improvement; Not Expecting Major Acceleration*

# Differentiated Performance vs. Industry

## PMT Outperforms In Downturn And Recovery



*Proven Track Record Of Margin Expansion*

# Enduring Strategies Generating Growth

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*Proven Business Model Drives Growth*

# PMT Growth Levers

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*Future Growth Secured*

# PMT Positioned To Sustain Robust Growth

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## Business

## Key Growth Drivers



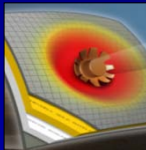
### UOP

- Record \$2.8B Backlog, Strong NPI Pipeline
- Strong Demand, Driven By HGRs
- Broader Product Offerings: Equipment, Service



### Fluorine Products

- New Environmentally Friendlier Materials (HFOs) For Diverse Market Segments
- Entering Large, New Markets



### Specialty Products

- Strong NPI Pipeline, Step-Change Products
- Strong Technology Position In Attractive markets



### Resins & Chemicals

- Upgrading Product Mix To Capture Higher Margins
- Incremental Capacity Increases

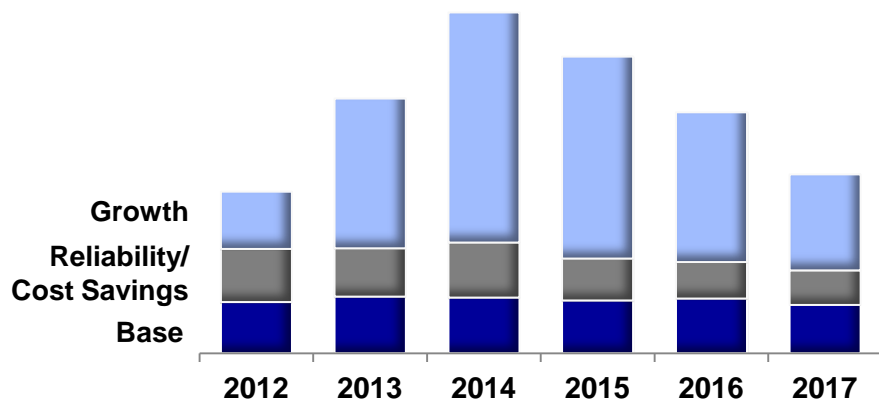
*Substantial Incremental Growth*



# Customer Orders Driving Investment

## Investing To Support Growth

CapEx



- New Plants And Additional Capacity
- Debottlenecking For Incremental Gains
- Further Improving Reliability
- Leveraging Honeywell Operating System

Business Unit	Major Projects	Customer Orders	Process Technology Know-How
UOP	Refining Catalysts	✓	✓
	Petrochem Catalysts	✓	✓
	Adsorbents Expansion	✓	✓
Fluorine Products	LGWP Materials	✓	✓
Resins and Chemicals	Caprolactam Quality & Yield	✓	✓
Specialty Products	Capacity Expansions	✓	✓

*Expanded Capacity In Line With Orders*

# Why UOP Growth Continues

## Accelerating Markets

- Increasing Demand For Refining/Petrochemicals And Natural Gas Processing
- Already On The Ground Cultivating Demand In All HGRs

## Maintaining Strong Win Rates

- Recognized Technology Leader With Innovative Solutions
- Compelling Value Propositions To Deliver Customer Benefit
- Adding Sales And Technical Support Closer To Customers

## Expanded Scope Of Offerings

- Broadened Offerings To Capture More Value
- Equipment, Services, Front-End Engineering Design
- New Breakthrough Technologies Across The Entire Oil/Gas Chain

## Installed Base Expanding

- UOP Technology Operating In Every Refinery In The World
- Growing Demand For Catalyst Reloads And Retrofits

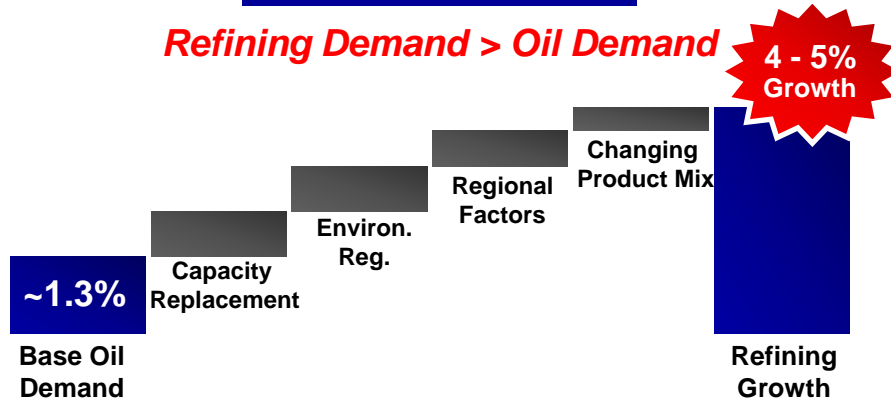
*Continued Double-Digit Growth, Strong Margins*

# UOP Growth Drivers

## Refining & Petrochem Offerings

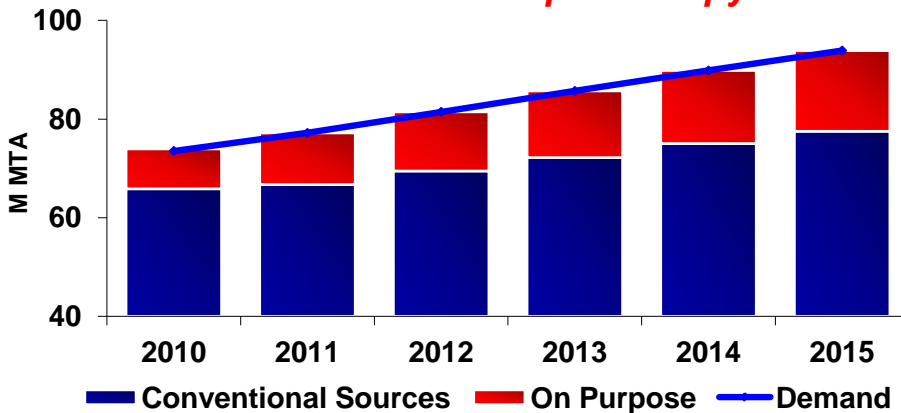
### Refining Demand

*Refining Demand > Oil Demand*



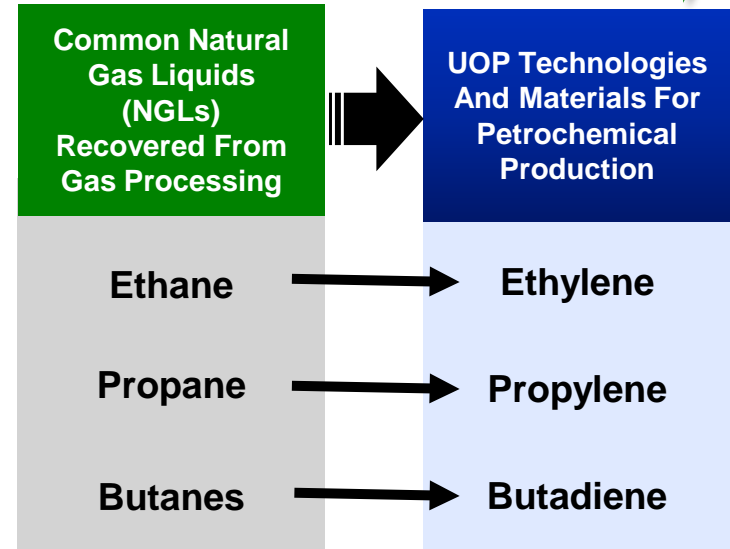
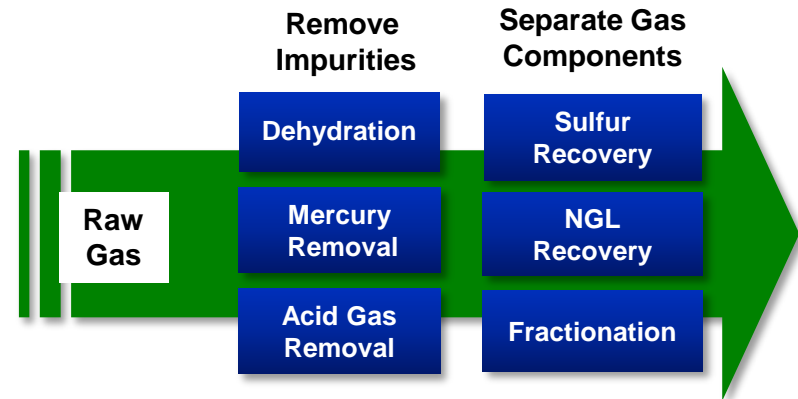
### Propylene Supply/Demand

*10% Growth For On-Purpose Propylene*



## Natural Gas Offerings

*High Demand For NGL Liquids*



*Essential Technology, Great Position*

Source: © IHS Global Inc

# Fluorine Products Growth Solstice Platform

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## Low Global Warming Potential Applications

## Key Wins: Major Brands

Solstice LGWP Materials: Same Or Better Performance, Much Lower Environmental Impact

	<p><b>Mobile A/C</b></p>	<ul style="list-style-type: none"> <li>• New Market Opportunity</li> <li>• 99.7% Reduction In GWP</li> <li>• Strong Order Book</li> </ul>
	<p><b>Aerosol/Insulation Panels</b></p>	<ul style="list-style-type: none"> <li>• Similar Performance To HFCs</li> <li>• Greener Drop-In Replacement</li> <li>• Already In Commercial Use</li> </ul>
	<p><b>Foam Insulation/Solvents</b></p>	<ul style="list-style-type: none"> <li>• More Efficient Than HFCs, Alternatives</li> <li>• Whirlpool Fast Adopter Advantage</li> </ul>
	<p><b>Stationary A/C Refrigeration</b></p>	<ul style="list-style-type: none"> <li>• &gt;75% Reduction In GWP</li> <li>• Performs Well In Hot Climates</li> </ul>



*Energy Efficiency, Environmental Performance Drivers*

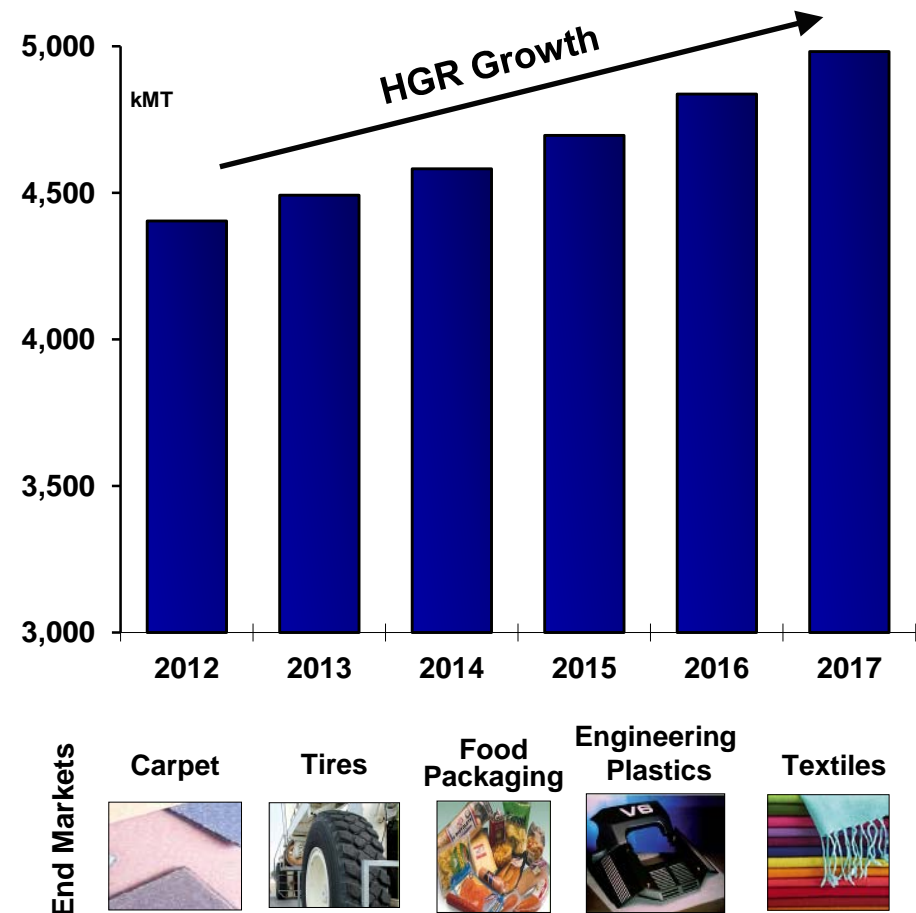
# Resins And Chemicals Growth

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## Foundation

- Lowest-Cost Global Producer Of Caprolactam (Nylon Ingredient)
- Landed Cost To China > 20% Cheaper Than The Chinese Competition
- Unique Process, High Level Of Integration, Higher Yields Of Valuable Byproduct, Low-Cost Raw Materials
- Integrated Supply Chain: Frankford Investment Paid Back In Six Months
- R&D For Higher Quality, Improved Process And New Resin Applications
- Incrementally Increasing Capacity

## Global Caprolactam Demand



*Changing To Higher Value Product Mix*

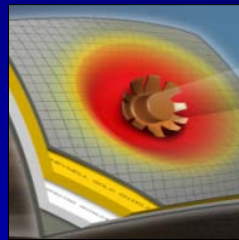
# Fast Cycle Applications Growth

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Aclar®  
Films  
for  
Pharma

- HGR Growth ~20% For Generics
- Aclar Highest Moisture Barrier For Hottest, Most Humid Regions
- Smaller, More Secure Drug Packaging, Better Brand Integrity



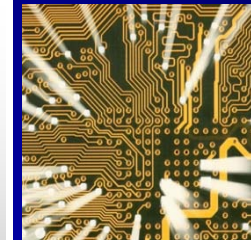
Spectra®  
for  
Advanced  
Armor

- Ballistic Armor For Law Enforcement, Military
- New Materials Provide 15% Better Ballistic Protection /15% Lighter
- Helmets, Body Armor And Vehicle (Land, Air And Sea) Applications



Honeywell  
Titan™  
Additives  
for Asphalt

- >20M Miles Of Paved Road Globally
- Easier Asphalt Processing
- Lower Energy Usage, Emissions; Better Long-Term Road Performance



Advanced  
Targets for  
Next Gen  
Electronics

- Market ~6% CAGR; New Roadmap Requirements
- Aligned With Top Tier Manufacturers & Key Tools OEMs
- Improved Technologies, Purity & New Materials Increases Customers' Chip Yields

*Double Digit % CAGR Expected*

# Honeywell Initiatives Deliver Results

## HOS

- Honeywell Operating System Deployed At All 41 PMT Plants
- 80% Of Conversion Cost Now Either Bronze Or Silver

## VPD™

- Game-Changing Technologies
- >\$1B In Sales In 2013 From Products Launched Since 2010
- \$4B+ NPI Pipeline

## Sales & Marketing Excellence

- Commercial Excellence
- Expanding Sales/Service Globally, 50% In HGRs
- Mobile CRM Drives Productivity

## Globalization

- HGR Sales Now 41% Of PMT Sales
- Regional Application Labs To Support Local Customers

*Consistent Execution Of Core Processes*

# PMT Creating New Markets

## UOP



**Plastics From Coal Or Gas,  
Rather Than Oil**



**Getting More From Every  
Barrel Of Oil**



**Plastics From Natural  
Gas Liquids**

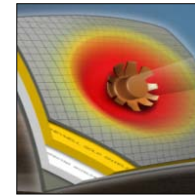


**Real Fuels From  
Biofeedstocks**

## Advanced Materials



**Cooling Homes, Cars  
Without Warming The Globe**



**Protecting Soldiers With  
Lighter, Stronger Materials**



**Reducing Costs Of Building  
Roads, While Making Them  
Better**



**Protecting Medicines In  
Demanding Environments**

*More Growth Still To Come*



- **Confident In Outlook, Overdriving Long Term Targets**
  - Advanced Materials Stable, Record UOP Backlog
  - Continued Strong Margin Performance; Multi-Year Expansion
- **Operational Excellence A Cornerstone Of Ongoing Success**
  - Entering Investment Cycle Due to High Win Rates and Technology Acceptance
  - Enablers Driving Continued Margin Expansion
- **Technology Leadership Key To PMT Value Proposition**
  - Growth Opportunities Across Entire Portfolio
  - Strong Traction From New Product Introductions, Rich Pipeline Fuels Growth

*Extending Market Leadership*