Health, Safety, and Environment

**Metrics: SOS and TCIR**

<table>
<thead>
<tr>
<th>Year</th>
<th>Safety Observation / Person</th>
<th>Total Cases Incident Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.7</td>
<td>0.1</td>
</tr>
<tr>
<td>2013</td>
<td>7.3</td>
<td>0.4</td>
</tr>
<tr>
<td>2014</td>
<td>12.4</td>
<td>0.2</td>
</tr>
<tr>
<td>2015</td>
<td>14.2</td>
<td>0.0</td>
</tr>
<tr>
<td>2016 YTD</td>
<td>15.3</td>
<td>0.0</td>
</tr>
</tbody>
</table>

(SOS) Safety Observation / Person (Accidents per 200,000 man hours)

(TCIR) Total Cases Incident Rate

**Commitment**

SAFETY FOR:

1. Our employees
2. Our customers
3. Our contractors
4. Our society

Extending Safety Culture Beyond The Organization
Performance Track Record

Sales

2005: 493
2015-16: 2,188

4.4X Growth
16% CAGR

PBT

2005: 38
2015-16: 222

5.8X Growth
19% CAGR

Growth: CAGR ~2X of GDP

Strong And Consistent Growth Performance
## Revenue By Destination

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>Rs. 493 crore</td>
<td>Rs. 2,188 crore</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
<td>19%</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Domestic</strong></td>
<td>81%</td>
<td>68%</td>
</tr>
</tbody>
</table>

**Increasing Share Of Exports**
Business Overview

### HAIL

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Domestic</strong></td>
<td><strong>Domestic</strong></td>
<td><strong>Domestic</strong></td>
<td><strong>Domestic</strong></td>
<td><strong>Exports</strong></td>
<td><strong>Exports</strong></td>
</tr>
<tr>
<td>• Automation and control systems for process industries</td>
<td>• Integrated Building Management Systems including HVAC, life safety and security</td>
<td>• Home comfort and energy solutions</td>
<td>• Sensors</td>
<td>• Project Automation solutions: Experion and Safety System</td>
<td>• Process automation</td>
</tr>
<tr>
<td>• Lifecycle services</td>
<td>• Large, complex, integrated projects</td>
<td>• Solar water heater</td>
<td>• Safety and limit switches</td>
<td>• Field products and solutions, pressure, temperature transmitter, flow controllers</td>
<td>• Field instrumentation and design</td>
</tr>
<tr>
<td>• Advanced solutions – simulation, optimisation</td>
<td>• Energy saving performance contracts</td>
<td>• Building controls</td>
<td>• Mission critical applications</td>
<td>• Airport solutions group</td>
<td>• Building automation</td>
</tr>
<tr>
<td>• Field instrumentation and solutions</td>
<td></td>
<td>• Field products</td>
<td></td>
<td></td>
<td>• Development and software eng. services</td>
</tr>
</tbody>
</table>

1. The maintenance and growth of Honeywell’s business with HAIL is dependent upon HAIL’s ability, among other things, to meet Honeywell’s performance, delivery and pricing requirements and Honeywell’s strategies regarding the use of alternate opportunities to source the products and services that HAIL currently provides (including from alternate sources which Honeywell may acquire or develop within its own group), in all cases consistent with the contractual obligations of the parties as they may exist from time to time.
## Great Positions In Good Industries

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Industries Served</th>
<th>HON Global Position (1)</th>
</tr>
</thead>
</table>
| **Process Solutions (HPS)**               | • E&P
• Refining
• Petrochemical
• Chemicals
• Power
• Metals and Mining
• Pharma
• Pulp and Paper | 2 Process Solutions |
| **Building Solutions (HBS)**              | • Infrastructure
• Government
• Education
• Airport
• Commercial
• Transportation (Metros)
• Telecom
• Residential | 2 Building Solutions |
| **Environmental and Energy Solutions (E&ES)** | • Residential
• Infrastructure
• Government
• Airport
• Commercial
• Transportation
• Industrial | 1 Building Controls
Home Comfort Controls |
| **Sensing and Productivity Solutions (S&PS)** | • Transport
• Aerospace
• Defense
• Medical
• Industrial
• Test and Measurement | 2 Sensing Controls |

1. Source: Honeywell Global Investor Presentation
Strong Support From Honeywell To Drive Innovation

Honeywell International Inc. (“HON”) Global Capabilities

### Global Product Development
- New Product Introductions (NPI) Up 3x Since 2003
- Product Development Investment Up 90%+ Since 2003

**Key Examples:**
- Attune Energy Management
- Smartline Transmitters
- LEAP Execution
- Comfort Point - Open
- Orion console and U I/O
- TruStability sensors

### Global Acquisitions
- 70+ Acquisitions Globally Since 2002
- Expansion Of Product Portfolio

**Key Examples:**
- Enraf
- Akuacom
- Novar
- Tridium
- Inncom
- Saia-Burgess
- Xtralis

### Local Product Development (E4E)
- Access To HTS (Honeywell Technology Solutions) India Team Of 2,100+ Engineers
- More Than A Dozen Products Developed Within Last 2-3 years

**Key Examples:**
- PlantCruise
- DVM Express ®
- Terminal Automation System
- Networked Operating Centers
- Solar Water Heater
- Residential Plumbing Valves
Honeywell Operating System (HOS)

- Drives Sustainable Improvements In Safety, Quality, Delivery, Cost, And Inventory Management
- Provides A Rigor That Improves Service To The Customer
- HAIL Is An HOS Silver Certified Site – First Site Globally In HPS To Be Accredited
- High Level Of Cross-Functional Integration And Efficient Speed To Market

Inventory (Days Of Sales)

- Conversion Cost (% of COGS (1))
- Quality (PPM (2) Defects)
- Safety (HSE (3) Score)

Inventory (Days Of Sales)

- Conversion Cost (% of COGS (1))
- Quality (PPM (2) Defects)
- Safety (HSE (3) Score)

1. COGS denotes Cost of Goods Sold
2. PPM denotes Parts Per Million
3. HSE denotes Health Safety and Environment
Strong Reach Across India

- **HAIL Sales Presence In 20 Cities (50 Cities With HON)**

- **HAIL Channel Presence In 35 Cities (70 Cities With HON)**
Corporate Social Responsibility

Program progress

- Program: Safe Kids at Home is an educational program for children, teachers and parents to help prevent and reduce burns/scalds among children under 14 years of age. Program to impact 325,000 students and 175,000 parents over FY2015-18.
- Geography: Pune
- Results: Covered 39,956 children and 38,212 parents to date. On track to meet target
- Implementing partner: Safe Kids Foundation India

- Program: Honeywell Science Experience is a hands-on science education program for middle and high school students and teachers in government schools. Program to impact 48,870 students and 200 teachers over FY2016-19
- Geography: Bangalore, Gurgaon, and Delhi
- Results: Program launched on August 4 in Bangalore, and August 8 in Delhi, Gurgaon
- Implementing partner: Agastya International Foundation
## HAIL: Continuing To Build On Strong Track Record

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Well Balanced Portfolio With Strong Track Record For Growth</td>
</tr>
<tr>
<td>2</td>
<td>Multi-brand And Multi-Channel Approach For Broad Coverage</td>
</tr>
<tr>
<td>3</td>
<td>Strong Reach Across India</td>
</tr>
<tr>
<td>4</td>
<td>Strong Support From Honeywell Driving Innovation, Processes And Governance</td>
</tr>
<tr>
<td>5</td>
<td>Best-In-Class Management Team, People Skills And Succession Depth</td>
</tr>
<tr>
<td>6</td>
<td>High Level Of Corporate Governance With Socially Responsible Behavior</td>
</tr>
</tbody>
</table>
Business Update
2015 Performance / 2016 Outlook
## India Economic Indicators

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016P</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP Growth Rate</strong></td>
<td>6.3%</td>
<td>7.0%</td>
<td>7.25%</td>
<td>7.5%</td>
<td>↑</td>
</tr>
<tr>
<td><strong>Fiscal Deficit</strong></td>
<td>4.7%</td>
<td>4.0%</td>
<td>3.9%</td>
<td>3.5%</td>
<td>↓</td>
</tr>
<tr>
<td><strong>Stock Exchange Index</strong></td>
<td>21171</td>
<td>27499</td>
<td>26117</td>
<td>27000-30000</td>
<td>↔</td>
</tr>
<tr>
<td><strong>US $ / Rupee FX Rate</strong></td>
<td>61.93</td>
<td>63.33</td>
<td>66.32</td>
<td>68.2</td>
<td>↑</td>
</tr>
<tr>
<td><strong>Inflation</strong></td>
<td>10%</td>
<td>7%</td>
<td>5%</td>
<td>5-6%</td>
<td>↔</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>7.75%</td>
<td>8.00%</td>
<td>6.75%</td>
<td>6.25%</td>
<td>↓</td>
</tr>
<tr>
<td><strong>Crude Oil Price ($/bbl)</strong></td>
<td>111</td>
<td>62</td>
<td>36.61</td>
<td>43.73</td>
<td>↓</td>
</tr>
</tbody>
</table>

1. Historic data is taken from MOSPI and based on Calendar Year (Jan-Dec) cycle. 2016 projections are based on IMF and OECD forecasts.
2. Historic data is taken from Moneycontrol, Reuters and Financial Express. 2016 projections are based on Union Budget for FY17.
3. Historic data is the BSE value on the last working day of the year. 2015 projections are based on forecasts from brokerages (Morgan, Macquarie’s, Citi etc).
4. Historic data is the closing rate on the last working day of the year. 2016 projections are based on forecasts from Financial Forecast Center and Moneycontrol.
5. Historic data for CPI is taken from Ministry of Commerce data. 2016 projections are based on targets from RBI.
6. Historic data is the repo rate on the last working day of the year. 2016 projections are based on forecasts from RBI and Economic Times.
7. Historical data is Brent Spot rates at the year end as per EIA. Forecast of from EIA, US Gov.
HAIL Financial Performance (2015-2016)

**Total Orders**
- 2014-15: 2,003
- 2015-16: 2,250
  - +12%
- 2014-15: 1,923
- 2015-16: 2,188
  - +14%

**Sales**
- 2014-15: 2,003
- 2015-16: 2,188
  - +12%

**PAT**
- 2014-15: 91.4
- 2015-16: 138.5
  - +52%

**Cash From Operations**
- 2014-15: 10.4
- 2015-16: 158.5
  - +15x

- Orders ↑ 12%: Oil Infrastructure and Smart Surveillance
- Domestic Revenue ↑ 8% YoY despite challenges on competitive environment
- Exports ↑ 26%
- Pricing, Productivity actions
- Improved mix: More high margin jobs
- Competitive pricing to sustain growth
- Exceptional items in prior year
- Effective Working Capital Management
- Collection linked performance focus
- Improved Vendor Management

* 2014-15 financials are for 15 months period, Numbers annualized for comparative purpose
Promoting HON Brand And Thought Leadership

Honeywell Smart Building Score™

Global Rollouts

• Pilot In India, Rolled Out In US, China & Middle East
  - 4,000+ Buildings, 10 Verticals, 42 Cities

• Strong Partnership With Industry Associations And Local Governments

• Growth Driver For Connected Buildings

HSBS 2.0

• Positioned For Connected Buildings

• Refined Scoring Framework
1Q Financials
(April – June 2016)
## Quarterly Results

<table>
<thead>
<tr>
<th></th>
<th>Apr – Jun 2016 (Unaudited)*</th>
<th>Jan – Mar 2016 (Unaudited)*</th>
<th>Apr – Jun 2015 (Unaudited)*</th>
<th>FY 2015-16 (Audited)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income from Operations</td>
<td>564.3</td>
<td>564.8</td>
<td>512.8</td>
<td>2187.6</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>519.5</td>
<td>523.6</td>
<td>458.8</td>
<td>1985.1</td>
</tr>
<tr>
<td>Profit from Operations</td>
<td>44.8</td>
<td>41.2</td>
<td>54.0</td>
<td>202.5</td>
</tr>
<tr>
<td>Others*</td>
<td>13.7</td>
<td>6.5</td>
<td>6.0</td>
<td>23.6</td>
</tr>
<tr>
<td>Profit from ordinary activities before tax</td>
<td>58.5</td>
<td>47.7</td>
<td>60.0</td>
<td>226.1</td>
</tr>
<tr>
<td>Tax Expense</td>
<td>20.3</td>
<td>17.0</td>
<td>22.5</td>
<td>84.9</td>
</tr>
<tr>
<td>Net Profit for the period after tax</td>
<td>38.2</td>
<td>30.7</td>
<td>37.5</td>
<td>141.2</td>
</tr>
</tbody>
</table>

# Other income net of finance costs