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HONEYWELL REACHES AGREEMENT TO SELL HONEYWELL TECHNOLOGY SOLUTIONS (HTSI) TO KBR

- *HTSI is a Leading Provider of Mission-Critical Space, Security, Logistics and Manpower Services on a Global Basis, Primarily to the U.S. Government*
- *Honeywell Defense & Space Continues Focus on Growing and Providing Differentiated Technologies and Software-Based Services to Its Installed Base of Over 300 Platforms*

MORRIS PLAINS, N.J. – Aug. 12, 2016 – Honeywell (NYSE: HON) today announced that it has reached a definitive agreement to sell Honeywell Technology Solutions Inc. (HTSI), a leading global provider of professional space, security, logistics and manpower services in the Government Services market, to KBR Inc. (NYSE: KBR) for approximately \$300 million. The transaction, which is subject to customary closing conditions and required regulatory approvals, is expected to close in 2016.

HTSI is a wholly owned subsidiary of Honeywell Aerospace, with approximately 3,550 employees operating throughout 39 states and in 14 countries around the world. The company's customers primarily consist of U.S. government agencies, including the Department of Defense and its Navy, Air Force, Army and Marine Corps branches. Annual estimated revenues for HTSI are approximately \$600 million. KBR is a U.S.-based global technology, engineering, procurement and construction company that primarily serves the government services and other industries.

"Honeywell continues to evaluate its portfolio while focusing on driving breakthrough growth through advanced software capabilities and technology differentiation," said Honeywell Chairman and CEO Dave Cote. "As part of this process, we determined that HTSI did not align to our current portfolio and long-term strategic plans in Aerospace. HTSI is a good business with a long heritage in the government services industry, and is well positioned to continue this success as part of KBR."

There is no impact to Honeywell's financial guidance.

Honeywell (www.honeywell.com) is a Fortune 100 diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes, and industry; turbochargers; and performance materials. For more news and information on Honeywell, please visit www.honeywell.com/newsroom.

This release contains certain statements that may be deemed "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Such statements are based upon certain assumptions and assessments made by our management in light of their experience and their perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate. The forward-looking statements included in this release are also subject to a number of material risks and uncertainties, including but not limited to economic, competitive, governmental, and technological factors affecting our operations, markets, products, services and prices. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements. 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.

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