

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT – July 17, 2015

(Date of earliest event reported)

HONEYWELL INTERNATIONAL INC.

(Exact name of Registrant as specified in its Charter)

DELAWARE

(State or other jurisdiction of
incorporation)

1-8974

(Commission File Number)

22-2640650

(I.R.S. Employer Identification
Number)

101 COLUMBIA ROAD, P.O. BOX 4000, MORRISTOWN, NEW JERSEY
(Address of principal executive offices)

07962-2497
(Zip Code)

Registrant's telephone number, including area code: (973) 455-2000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On July 17, 2015, Honeywell International Inc. (the Company) issued a press release announcing its second quarter 2015 earnings, which is furnished herewith as Exhibit 99. The information furnished pursuant to this Item 2.02, including Exhibit 99, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibit 99 Honeywell International Inc. Earnings Press Release dated July 17, 2015

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 17, 2015

HONEYWELL INTERNATIONAL INC.

By: /s/ Jeffrey N. Neuman
Jeffrey N. Neuman
Vice President, Corporate Secretary and
Deputy General Counsel

News Release

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HONEYWELL REPORTS SECOND QUARTER 2015 SALES OF \$9.8 BILLION; EPS OF \$1.51 PER SHARE; RAISING 2015 EPS GUIDANCE

- *EPS Up 9% Reported, Up 10% Normalized at 26.5% Tax Rate*
- *Core Organic Sales Growth 3%* Driven By Commercial Aero, ESS and Advanced Materials*
- *Reported Sales Decline 5% Due to Foreign Currency and FM Divestiture*
- *Segment Margin Improvement of 170 bps to 18.4%*
- *Raising 2015 EPS Guidance Range to \$6.05 - \$6.15, Up 9%-11%*

MORRIS TOWNSHIP, N.J., July 17, 2015 -- Honeywell (NYSE: HON) today announced its results for the second quarter of 2015:

Total Honeywell

| <i>(\$ Millions, except Earnings Per Share)</i> | <u>2Q 2014</u> | <u>2Q 2015</u> | <u>Change</u> |
|---|----------------|----------------|---------------|
| Sales | 10,253 | 9,775 | (5%) |
| Segment Margin | 16.7% | 18.4% | 170 bps |
| Operating Income Margin | 15.4% | 17.6% | 220 bps |
| Earnings Per Share | \$1.38 | \$1.51 | 9% |
| Earnings Per Share (At 26.5% Tax Rate) | \$1.37 | \$1.51 | 10% |
| Cash Flow from Operations | 1,341 | 1,408 | 5% |
| Free Cash Flow ⁽¹⁾ | 1,112 | 1,165 | 5% |

(1) Cash Flow from Operations Less Capital Expenditures

“Honeywell had a terrific second quarter capping off a strong first half of 2015,” said Honeywell Chairman and CEO Dave Cote. “We delivered 3% core organic sales growth and had another quarter of double-digit earnings growth when normalized for tax. We saw growth acceleration in both the short- and long-cycle businesses within Aerospace, continued growth in

**Throughout this press release, core organic sales growth refers to reported sales growth less the impacts from foreign currency movement, M&A and raw materials pricing in the Resins & Chemicals business of PMT. The raw materials pricing impact is excluded in instances where raw materials costs are passed through to customers, which drives fluctuations in selling prices not necessarily tied to volume growth. A reconciliation of core organic sales growth to reported sales growth is provided in the attached financial tables.*

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our commercial and industrial businesses within ACS, and higher volume across our Advanced Materials portfolio, particularly in Fluorine Products. We saw margin expansion in each segment, with a significant portion from gross margin, as our new products, process focus, disciplined cost management, and restructuring continue to distinguish Honeywell's performance. We remain committed to seed planting and process improvements throughout our portfolio. Once again we proactively funded repositioning actions that will improve our cost position and drive the efficiencies necessary for winning in a slow growth global economy. Our great first half performance gives us confidence to again raise the low end of our full-year EPS guidance range by \$0.05 to \$6.05-\$6.15, and we remain committed to our full-year core organic sales growth and free cash flow estimates. We believe that our balanced portfolio of short- and long-cycle businesses, penetration in High Growth Regions, and the deployment of our key process initiatives will continue to drive results this year and over the long term."

The company is updating its full-year 2015 guidance and now expects:

2015 Full-Year Guidance

| | <u>Prior Guidance</u> | <u>Revised Guidance</u> | <u>Change vs. 2014</u> |
|--|-----------------------|-------------------------|------------------------------|
| Sales | \$39.0 - \$39.6B | \$39.0 - \$39.6B | (2%) - (3%) |
| <i>Core Organic Growth</i> | ~3% | ~3% | |
| Segment Margin | 18.3% - 18.6% | 18.4% - 18.6% | 180 - 200 bps ⁽²⁾ |
| Operating Income Margin (Ex-Pension MTM) | 17.4% - 17.7% | 17.5% - 17.7% | 240 - 260 bps ⁽³⁾ |
| Earnings Per Share (Ex-Pension MTM) | \$6.00 - \$6.15 | \$6.05 - \$6.15 | 9% - 11% |
| Free Cash Flow ⁽¹⁾ | \$4.2 - \$4.3B | \$4.2 - \$4.3B | 8% - 10% |

1. Cash Flow from Operations Less Capital Expenditures

2. Segment Margin ex-4Q14 \$184M OEM Incentives Up 140 - 160 bps

3. Operating Margin ex-4Q14 \$184M OEM Incentives Up 200 - 220 bps

Second Quarter Segment Performance

Aerospace

| <i>(\$ Millions)</i> | <u>2Q 2014</u> | <u>2Q 2015</u> | <u>% Change</u> |
|----------------------|----------------|----------------|-----------------|
| Sales | 4,010 | 3,827 | (5%) |
| Segment Profit | 759 | 777 | 2% |
| Segment Margin | 18.9% | 20.3% | 140 bps |

· Sales for the second quarter were up 3% on a core organic basis, and were down 5% reported driven by the Friction Materials divestiture and the unfavorable impact of foreign currency in Transportation Systems. Commercial OE sales were up 6% on a reported and core organic basis driven by strong Business and General Aviation (BGA) engine shipments. Commercial

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Aftermarket sales were up 3% on a core organic basis (2% reported) driven by continued growth in repair and overhaul activities and Air Transport and Regional (ATR) spares growth, partially offset by a decline in RMU (Retrofit, Modifications, and Upgrades) sales in BGA. Defense & Space sales increased 1% on a core organic basis (flat reported) driven by strong international growth, partially offset by lower sales to the U.S. government. Transportation Systems sales were up 5% on a core organic basis driven by new platform launches and higher gas turbo penetration globally. TS sales were down 25% reported due to the Friction Materials divestiture and the unfavorable impact of foreign currency.

- Segment profit was up 2% and segment margins expanded 140 bps to 20.3%, driven by commercial excellence, the favorable impact of the Friction Materials divestiture, foreign currency hedges, and productivity net of inflation, partially offset by the margin impact of higher OE shipments.

Automation and Control Solutions

| <i>(\$ Millions)</i> | <u>2Q 2014</u> | <u>2Q 2015</u> | <u>% Change</u> |
|----------------------|----------------|----------------|-----------------|
| Sales | 3,607 | 3,553 | (1%) |
| Segment Profit | 533 | 567 | 6% |
| Segment Margin | 14.8% | 16.0% | 120 bps |

- Sales for the second quarter were up 4% on a core organic basis and down 1% reported driven by the unfavorable impact of foreign currency. Energy, Safety, and Security (ESS) sales increased 5% on a core organic basis (flat reported) driven primarily by continued growth in Scanning & Mobility, Security, and Fire Safety. Building Solutions & Distribution (BSD) sales increased 3% on a core organic basis (down 4% reported) driven by continued strength in Americas Distribution.
- Segment profit was up 6% and segment margins expanded 120 bps to 16.0% driven by productivity net of inflation and higher volume, partially offset by continued investments for growth.

Performance Materials and Technologies

| <i>(\$ Millions)</i> | <u>2Q 2014</u> | <u>2Q 2015</u> | <u>% Change</u> |
|----------------------|----------------|----------------|-----------------|
| Sales | 2,636 | 2,395 | (9%) |
| Segment Profit | 475 | 509 | 7% |
| Segment Margin | 18.0% | 21.3% | 330 bps |

- Sales were down 1% on a core organic basis and down 9% reported driven by the unfavorable impact of foreign currency and raw materials pricing in Resins & Chemicals. The decrease in core organic sales was primarily driven by lower volume in UOP and HPS associated with delays in customer projects and lower UOP catalyst shipments, partially offset by higher volume across Advanced Materials, particularly in Fluorine Products.
- Segment profit was up 7% and segment margins increased 330 bps to 21.3%, driven by productivity net of inflation, commercial excellence, and the impact of raw materials pricing in Resins & Chemicals.

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Honeywell will discuss its results during its investor conference call today starting at 9:30 a.m. EDT. To participate, please dial (888) 298-3451 (domestic) or (719) 457-2605 (international) approximately ten minutes before the 9:30 a.m. EDT start. Please mention to the operator that you are dialing in for Honeywell's second quarter 2015 earnings call or provide the conference code HON2Q15. The live webcast of the investor call as well as related presentation materials will be available through the "Investor Relations" section of the company's Website (www.honeywell.com/investor). Investors can hear a replay of the conference call from 12:30 p.m. EDT, July 17, until 12:30 p.m. EDT, July 24, by dialing (888) 203-1112 (domestic) or (719) 457-0820 (international). The access code is 8213026.

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.honeywellnow.com.

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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Honeywell International Inc.
Consolidated Statement of Operations (Unaudited)
(Dollars in millions, except per share amounts)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-----------------|------------------------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Product sales | \$ 7,798 | \$ 8,278 | \$ 15,162 | \$ 16,123 |
| Service sales | 1,977 | 1,975 | 3,826 | 3,809 |
| Net sales | <u>9,775</u> | <u>10,253</u> | <u>18,988</u> | <u>19,932</u> |
| Costs, expenses and other | | | | |
| Cost of products sold (A) | 5,541 | 6,047 | 10,754 | 11,826 |
| Cost of services sold (A) | 1,273 | 1,249 | 2,422 | 2,437 |
| | <u>6,814</u> | <u>7,296</u> | <u>13,176</u> | <u>14,263</u> |
| Selling, general and administrative expenses (A) | 1,242 | 1,375 | 2,472 | 2,714 |
| Other (income) expense | (20) | (21) | (40) | (138) |
| Interest and other financial charges | 77 | 80 | 154 | 159 |
| | <u>8,113</u> | <u>8,730</u> | <u>15,762</u> | <u>16,998</u> |
| Income before taxes | 1,662 | 1,523 | 3,226 | 2,934 |
| Tax expense | 440 | 397 | 858 | 772 |
| Net income | 1,222 | 1,126 | 2,368 | 2,162 |
| Less: Net income attributable to the noncontrolling interest | 28 | 27 | 58 | 46 |
| Net income attributable to Honeywell | <u>\$ 1,194</u> | <u>\$ 1,099</u> | <u>\$ 2,310</u> | <u>\$ 2,116</u> |
| Earnings per share of common stock - basic | <u>\$ 1.52</u> | <u>\$ 1.40</u> | <u>\$ 2.95</u> | <u>\$ 2.70</u> |
| Earnings per share of common stock - assuming dilution | <u>\$ 1.51</u> | <u>\$ 1.38</u> | <u>\$ 2.91</u> | <u>\$ 2.66</u> |
| Weighted average number of shares outstanding - basic | <u>783.3</u> | <u>784.5</u> | <u>783.5</u> | <u>784.7</u> |
| Weighted average number of shares outstanding - assuming dilution | <u>792.9</u> | <u>795.4</u> | <u>793.4</u> | <u>795.9</u> |

(A) Cost of products and services sold and selling, general and administrative expenses include amounts for repositioning and other charges, pension and other postretirement (income) expense, and stock compensation expense.

Honeywell International Inc.
Segment Data (Unaudited)
(Dollars in millions)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------------|------------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| <u>Net Sales</u> | | | | |
| Aerospace | \$ 3,827 | \$ 4,010 | \$ 7,434 | \$ 7,861 |
| Automation and Control Solutions | 3,553 | 3,607 | 6,817 | 6,969 |
| Performance Materials and Technologies | 2,395 | 2,636 | 4,737 | 5,102 |
| Total | <u>\$ 9,775</u> | <u>\$ 10,253</u> | <u>\$ 18,988</u> | <u>\$ 19,932</u> |

Reconciliation of Segment Profit to Income Before Taxes

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-----------------|------------------------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| <u>Segment Profit</u> | | | | |
| Aerospace | \$ 777 | \$ 759 | \$ 1,529 | \$ 1,462 |
| Automation and Control Solutions | 567 | 533 | 1,083 | 1,004 |
| Performance Materials and Technologies | 509 | 475 | 1,012 | 948 |
| Corporate | (50) | (58) | (100) | (109) |
| Total segment profit | 1,803 | 1,709 | 3,524 | 3,305 |
| Other income (A) | 12 | 10 | 24 | 121 |
| Interest and other financial charges | (77) | (80) | (154) | (159) |
| Stock compensation expense (B) | (39) | (50) | (91) | (102) |
| Pension ongoing income (B) | 103 | 64 | 203 | 125 |
| Other postretirement expense (B) | (11) | (13) | (20) | (25) |
| Repositioning and other charges (B) | (129) | (117) | (260) | (331) |
| Income before taxes | <u>\$ 1,662</u> | <u>\$ 1,523</u> | <u>\$ 3,226</u> | <u>\$ 2,934</u> |

(A) Equity income (loss) of affiliated companies is included in segment profit.

(B) Amounts included in cost of products and services sold and selling, general and administrative expenses.

Honeywell International Inc.
Consolidated Balance Sheet (Unaudited)
(Dollars in millions)

| | <u>June 30,</u> 2015 | <u>December 31,</u> 2014 |
|---|-------------------------|-----------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 5,954 | \$ 6,959 |
| Accounts, notes and other receivables | 8,237 | 7,960 |
| Inventories | 4,447 | 4,405 |
| Deferred income taxes | 659 | 722 |
| Investments and other current assets | <u>3,883</u> | <u>2,145</u> |
| Total current assets | 23,180 | 22,191 |
| Investments and long-term receivables | 491 | 465 |
| Property, plant and equipment - net | 5,381 | 5,383 |
| Goodwill | 12,763 | 12,788 |
| Other intangible assets - net | 2,141 | 2,208 |
| Insurance recoveries for asbestos related liabilities | 433 | 454 |
| Deferred income taxes | 365 | 404 |
| Other assets | <u>1,658</u> | <u>1,558</u> |
| Total assets | <u>\$ 46,412</u> | <u>\$ 45,451</u> |
| LIABILITIES AND SHAREOWNERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 5,352 | \$ 5,365 |
| Short-term borrowings | 25 | 51 |
| Commercial paper | 2,795 | 1,647 |
| Current maturities of long-term debt | 1,337 | 939 |
| Accrued liabilities | <u>6,065</u> | <u>6,771</u> |
| Total current liabilities | 15,574 | 14,773 |
| Long-term debt | 5,562 | 6,046 |
| Deferred income taxes | 300 | 236 |
| Postretirement benefit obligations other than pensions | 921 | 911 |
| Asbestos related liabilities | 1,198 | 1,200 |
| Other liabilities | 4,001 | 4,282 |
| Redeemable noncontrolling interest | 259 | 219 |
| Shareowners' equity | <u>18,597</u> | <u>17,784</u> |
| Total liabilities, redeemable noncontrolling interest and shareowners' equity | <u>\$ 46,412</u> | <u>\$ 45,451</u> |

Honeywell International Inc.
Consolidated Statement of Cash Flows (Unaudited)
(Dollars in millions)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|----------|------------------|----------|
| | June 30, | | June 30, | |
| | 2015 | 2014 | 2015 | 2014 |
| Cash flows from operating activities: | | | | |
| Net income | \$ 1,222 | \$ 1,126 | \$ 2,368 | \$ 2,162 |
| Less: Net income attributable to the noncontrolling interest | 28 | 27 | 58 | 46 |
| Net income attributable to Honeywell | 1,194 | 1,099 | 2,310 | 2,116 |
| Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities: | | | | |
| Depreciation | 172 | 165 | 335 | 333 |
| Amortization | 54 | 68 | 107 | 138 |
| Loss on sale of non-strategic businesses and assets | — | 10 | — | 10 |
| Gain on sale of available for sale investments | — | — | — | (105) |
| Repositioning and other charges | 129 | 117 | 260 | 331 |
| Net payments for repositioning and other charges | (115) | (9) | (215) | (134) |
| Pension and other postretirement income | (92) | (51) | (183) | (100) |
| Pension and other postretirement benefit payments | (39) | (49) | (48) | (85) |
| Stock compensation expense | 39 | 50 | 91 | 102 |
| Deferred income taxes | 33 | 66 | 126 | 68 |
| Excess tax benefits from share based payment arrangements | (9) | (19) | (56) | (49) |
| Other | 205 | 91 | 103 | 67 |
| Changes in assets and liabilities, net of the effects of acquisitions and divestitures: | | | | |
| Accounts, notes and other receivables | (80) | (271) | (250) | (425) |
| Inventories | 61 | (107) | (25) | (222) |
| Other current assets | (96) | (104) | (38) | 132 |
| Accounts payable | 88 | 141 | (24) | 100 |
| Accrued liabilities | (136) | 144 | (664) | (248) |
| Net cash provided by operating activities | 1,408 | 1,341 | 1,829 | 2,029 |
| Cash flows from investing activities: | | | | |
| Expenditures for property, plant and equipment | (243) | (229) | (408) | (421) |
| Proceeds from disposals of property, plant and equipment | 2 | 4 | 3 | 11 |
| Increase in investments | (2,365) | (1,093) | (3,866) | (1,724) |
| Decrease in investments | 953 | 533 | 2,059 | 943 |
| Cash paid for acquisitions, net of cash acquired | — | (2) | (185) | (2) |
| Proceeds from sales of businesses, net of fees paid | — | 1 | 2 | 1 |
| Other | 28 | (74) | (150) | (13) |
| Net cash used for investing activities | (1,625) | (860) | (2,545) | (1,205) |
| Cash flows from financing activities: | | | | |
| Net increase (decrease) in commercial paper | 100 | (150) | 1,148 | 950 |
| Net (decrease) increase in short-term borrowings | (23) | 4 | (19) | (6) |
| Proceeds from issuance of common stock | 47 | 69 | 125 | 161 |
| Proceeds from issuance of long-term debt | 11 | 20 | 14 | 45 |
| Payments of long-term debt | (22) | (4) | (57) | (606) |
| Excess tax benefits from share based payment arrangements | 9 | 19 | 56 | 49 |
| Repurchases of common stock | (123) | (231) | (486) | (551) |
| Cash dividends paid | (436) | (373) | (851) | (736) |
| Net cash used for financing activities | (437) | (646) | (70) | (694) |
| Effect of foreign exchange rate changes on cash and cash equivalents | 33 | 75 | (219) | 30 |
| Net (decrease) increase in cash and cash equivalents | (621) | (90) | (1,005) | 160 |
| Cash and cash equivalents at beginning of period | 6,575 | 6,672 | 6,959 | 6,422 |
| Cash and cash equivalents at end of period | \$ 5,954 | \$ 6,582 | \$ 5,954 | \$ 6,582 |

Honeywell International Inc.
Reconciliation of Cash Provided by Operating Activities to Free Cash Flow (Unaudited)
(Dollars in millions)

| | Three Months Ended June 30, | |
|--|--------------------------------|----------|
| | 2015 | 2014 |
| Cash provided by operating activities | \$ 1,408 | \$ 1,341 |
| Expenditures for property, plant and equipment | (243) | (229) |
| Free cash flow | \$ 1,165 | \$ 1,112 |

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant and equipment.

We believe that this metric is useful to investors and management as a measure of cash generated by business operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, and to pay dividends, repurchase stock, or repay debt obligations prior to their maturities. This metric can also be used to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.

Honeywell International Inc.

Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins (Unaudited)

(Dollars in millions)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|----------------------------------|--------------------------------|-----------|------------------------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| Segment Profit | \$ 1,803 | \$ 1,709 | \$ 3,524 | \$ 3,305 |
| Stock compensation expense (A) | (39) | (50) | (91) | (102) |
| Repositioning and other (A, B) | (137) | (128) | (276) | (348) |
| Pension ongoing income (A) | 103 | 64 | 203 | 125 |
| Other postretirement expense (A) | (11) | (13) | (20) | (25) |
| Operating Income | \$ 1,719 | \$ 1,582 | \$ 3,340 | \$ 2,955 |
| Segment Profit | \$ 1,803 | \$ 1,709 | \$ 3,524 | \$ 3,305 |
| ÷ Sales | \$ 9,775 | \$ 10,253 | \$ 18,988 | \$ 19,932 |
| Segment Profit Margin % | 18.4% | 16.7% | 18.6% | 16.6% |
| Operating Income | \$ 1,719 | \$ 1,582 | \$ 3,340 | \$ 2,955 |
| ÷ Sales | \$ 9,775 | \$ 10,253 | \$ 18,988 | \$ 19,932 |
| Operating Income Margin % | 17.6% | 15.4% | 17.6% | 14.8% |

(A) Included in cost of products and services sold and selling, general and administrative expenses.

(B) Includes repositioning, asbestos, environmental expenses and equity income adjustment.

We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Honeywell International Inc.
Reconciliation of Segment Profit to Operating Income Excluding Pension Mark-to-Market Adjustment and
Calculation of Segment Profit and Operating Income Margins Excluding Pension Mark-to-Market Adjustment (Unaudited)
(Dollars in millions)

| | Twelve Months Ended December 31, <u>2014</u> |
|---|--|
| Segment Profit | \$ 6,696 |
| Stock compensation expense (A) | (187) |
| Repositioning and other (A, B) | (634) |
| Pension ongoing income (A) | 254 |
| Pension mark-to-market adjustment (A) | (249) |
| Other postretirement expense (A) | (49) |
| Operating Income | \$ 5,831 |
| Pension mark-to-market adjustment (A) | (249) |
| Operating Income excluding pension mark-to-market adjustment | <u>\$ 6,080</u> |
| Segment Profit | \$ 6,696 |
| ÷ Sales | <u>\$ 40,306</u> |
| Segment Profit Margin % | <u>16.6%</u> |
| Operating Income | \$ 5,831 |
| ÷ Sales | <u>\$ 40,306</u> |
| Operating Income Margin % | <u>14.5%</u> |
| Operating Income excluding pension mark-to-market adjustment | \$ 6,080 |
| ÷ Sales | <u>\$ 40,306</u> |
| Operating Income Margin excluding pension mark-to-market adjustment % | <u>15.1%</u> |

(A) Included in cost of products and services sold and selling, general and administrative expenses.

(B) Includes repositioning, asbestos, environmental expenses and equity income adjustment.

We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Honeywell International Inc.
Calculation of EPS at 26.5% Tax Rate (Unaudited)
(Dollars in millions, except per share amounts)

| | Three Months Ended | |
|---|--------------------|----------|
| | June 30, | |
| | 2015 | 2014 |
| Income before taxes | \$ 1,662 | \$ 1,523 |
| Taxes at 26.5% | 440 | 404 |
| Net income at 26.5% tax rate | 1,222 | 1,119 |
| Less: Net income attributable to the noncontrolling interest | 28 | 27 |
| Net income attributable to Honeywell at 26.5% tax rate | \$ 1,194 | \$ 1,092 |
| Weighted average number of shares outstanding - assuming dilution | 792.9 | 795.4 |
| EPS at 26.5% tax rate | \$ 1.51 | \$ 1.37 |

We believe EPS adjusted to expected full-year tax rate at 26.5% is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Honeywell International Inc.
Reconciliation of Core Organic Sales Growth (Unaudited)

| | Three Months Ended June 30, <u>2015</u> |
|--|--|
| Honeywell | |
| Reported sales growth | (5%) |
| Foreign currency, acquisitions, divestitures and other | 7% |
| Raw Materials Pricing in R&C | 1% |
| | 3% |
| | 3% |
| PMT | |
| Reported sales growth | (9%) |
| Foreign currency, acquisitions, divestitures and other | 4% |
| Raw Materials Pricing in R&C | 4% |
| | (1%) |
| | (1%) |

Throughout this press release, core organic sales growth refers to reported sales growth less the impacts from foreign currency movement, M&A and raw materials pricing in the Resins & Chemicals business of PMT. The raw materials pricing impact is excluded in instances where raw materials costs are passed through to customers, which drives fluctuations in selling prices not necessarily tied to volume growth.

We believe core organic sales growth is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

Honeywell International Inc.
Reconciliation of Cash Provided by Operating Activities to Free Cash Flow (Unaudited)
(Dollars in millions)

| | Twelve Months Ended December 31, <u>2014</u> |
|--|--|
| Cash provided by operating activities | \$ 5,024 |
| Expenditures for property, plant and equipment | <u>(1,094)</u> |
| Free cash flow | <u>\$ 3,930</u> |

We define free cash flow as cash provided by operating activities less cash expenditures for property, plant and equipment.

We believe that this metric is useful to investors and management as a measure of cash generated by business operations that will be used to repay scheduled debt maturities and can be used to invest in future growth through new business development activities or acquisitions, and to pay dividends, repurchase stock, or repay debt obligations prior to their maturities. This metric can also be used to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.

Honeywell International Inc.
Reconciliation of Earnings Per Share to Earnings Per Share, Excluding Pension Mark-to-Market Adjustment (Unaudited)

| | Twelve Months Ended December 31, <u>2014</u> |
|--|--|
| EPS | \$ 5.33 |
| Pension mark-to-market adjustment | <u>0.23</u> |
| EPS, excluding pension mark-to-market adjustment | <u>\$ 5.56</u> |

We believe EPS, excluding pension mark-to-market adjustment is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

EPS utilizes weighted average shares outstanding - assuming dilution of 795.2 million. Pension mark-to-market adjustment uses a blended tax rate of 28.1%.
