
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 – April 22, 2016

(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)

115 TABOR ROAD, MORRIS PLAINS, NEW JERSEY
(Address of principal executive offices)

07950
(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 April 22, 2016, Honeywell International Inc. (the “Company”) issued a press release announcing its first quarter 2016 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 April 22, 2016
-

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: April 22, 2016

HONEYWELL INTERNATIONAL INC.

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



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**HONEYWELL REPORTS FIRST QUARTER 2016 SALES OF \$9.5 BILLION;
EARNINGS UP 9% TO \$1.53 PER SHARE**

- *Core Organic Sales Growth 1%*; Reported Up 3% Due to Sales From Acquisitions*
- *Segment Margin Improvement of 20 bps Excluding the Impact of M&A*
- *Repurchased Over \$1 Billion of Shares, Deployed ~\$1 Billion to Acquisitions*
- *Raising Low-End of 2016 EPS Guidance Range (Ex-Pension MTM) to \$6.55 - \$6.70, Up 7% - 10%*

MORRIS PLAINS, N.J., April 22, 2016 -- Honeywell (**NYSE: HON**) today announced its results for the first quarter of 2016:

Total Honeywell

| <i>(\$ Millions, Except Earnings Per Share)</i> | <u>1Q 2015</u> | <u>1Q 2016</u> | <u>Change</u> |
|---|----------------|----------------|---------------|
| Sales | 9,213 | 9,522 | 3% |
| Segment Margin | 18.7% | 18.1% | (60) bps |
| Operating Income Margin | 17.6% | 17.8% | 20 bps |
| Earnings Per Share | \$1.41 | \$1.53 | 9% |
| Cash Flow from Operations | 421 | 257 | (39%) |
| Free Cash Flow ⁽¹⁾ | 256 | 63 | (75%) |

⁽¹⁾ *Cash Flow from Operations Less Capital Expenditures*

“Honeywell had a strong start to 2016, delivering on our sales and earnings commitments in the first quarter,” said Honeywell Chairman and CEO, Dave Cote. “Earnings per share increased 9% on continued execution across the portfolio. Core organic sales were up 1%, above the high-end of our guidance, driven by acceleration in Commercial Aftermarket and Transportation Systems within Aerospace, continued growth in our residential, commercial, and China businesses within ACS, and higher sales in Process Solutions and Fluorine Products in PMT. We announced and closed three acquisitions within ACS and acquired the remaining 30% interest in UOP Russell, which further strengthens our Great Positions in Good Industries. We also opportunistically repurchased over \$1 billion of shares during the quarter, and funded approximately

**Throughout this press release, core organic sales growth refers to reported sales growth less the impacts from foreign currency translation, M&A and raw materials pass-through 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 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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\$40 million in new restructuring projects. As a result of the first quarter performance, we are raising the low-end of our full-year earnings guidance range to \$6.55-\$6.70, up 7%-10%, and remain committed to our full-year core organic sales growth and free cash flow outlook.”

“Looking ahead, our message and our planning will not change. We will support growth where there are opportunities to drive outperformance, be cautious in our sales planning, plan costs and spending conservatively, and continue to support the seed planting for new products, services, geographies, and process improvements that allow us to perform well now and in the future,” concluded Cote.

The company is updating its full-year 2016 guidance and now expects:

2016 Full-Year Guidance

| | <u>Prior Guidance</u> | <u>Revised Guidance</u> | <u>Change vs. 2015</u> |
|--|-----------------------|-------------------------|----------------------------|
| Sales | \$39.9 - \$40.9B | \$40.3 - \$40.9B | 4% - 6% |
| <i>Core Organic Growth</i> | 1% -2% | 1% -2% | |
| Segment Margin | 18.9% - 19.3% | 18.9% - 19.3% | 10 - 50 bps ⁽²⁾ |
| Operating Income Margin (Ex-Pension MTM) | 18.0% - 18.4% | 18.0% - 18.4% | 10 - 50 bps ⁽³⁾ |
| Earnings Per Share (Ex-Pension MTM) | \$6.45 - \$6.70 | \$6.55 - \$6.70 | 7% - 10% |
| Free Cash Flow ⁽¹⁾ | \$4.6 - \$4.8B | \$4.6 - \$4.8B | 5% - 10% |

1. Cash Flow from Operations Less Capital Expenditures

2. Segment Margin ex-M&A Up 80 - 110 bps

3. Operating Margin ex-M&A Up 80 - 110 bps

First quarter 2016 results by business segment are provided below.

Segment Performance

Aerospace

| <i>(\$ Millions)</i> | <u>1Q 2015</u> | <u>1Q 2016</u> | <u>% Change</u> |
|----------------------|----------------|----------------|-----------------|
| Sales | 3,607 | 3,705 | 3% |
| Segment Profit | 752 | 798 | 6% |
| Segment Margin | 20.8% | 21.5% | 70 bps |

· Sales for the first quarter were up 3% on a reported and core organic basis. Core organic sales growth was driven by higher repair and overhaul activities, new platform launches and higher global turbo penetration on passenger vehicles, and strong shipments to Business and General Aviation (BGA) and Air Transport and Regional (ATR) OEMs.

· Segment profit was up 6% and segment margin expanded 70 bps to 21.5%, driven by productivity net of inflation, and commercial excellence, partially offset by continued investments for growth including higher OEM incentives, and the dilutive impact of acquisitions. Excluding the impact of acquisitions, segment margin expanded 90 bps.

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Automation and Control Solutions

| (\$ Millions) | 1Q 2015 | 1Q 2016 | % Change |
|----------------|---------|---------|-----------|
| Sales | 3,264 | 3,677 | 13% |
| Segment Profit | 516 | 530 | 3% |
| Segment Margin | 15.8% | 14.4% | (140) bps |

- Sales for the first quarter were up 4% on a core organic basis and up 13% reported primarily driven by sales from the Elster acquisition partially offset by the unfavorable impact of foreign currency. Energy, Safety & Security (ESS) sales were flat on a core organic basis (up 16% reported) driven by continued growth in Security and Fire (HSF) on a global basis and further penetration of High Growth Regions (HGR), particularly in China, offset by lower volume in Sensing & Productivity Solutions (S&PS). Building Solutions & Distribution (BSD) sales increased 11% on a core organic basis (up 5% reported) driven by continued strength in Americas Distribution and growth in project installation and services in Building Solutions (HBS).
- Segment profit was up 3% and segment margin contracted (140) bps to 14.4% driven by the unfavorable impact of acquisitions. Excluding the impact of acquisitions, segment margin expanded 10 bps driven by productivity, net of inflation, benefits of previously funded restructuring projects, and commercial excellence, partially offset by the unfavorable impact of project installation, services, and distribution sales on margin, and continued investments for growth.

Performance Materials and Technologies

| (\$ Millions) | 1Q 2015 | 1Q 2016 | % Change |
|----------------|---------|---------|----------|
| Sales | 2,342 | 2,140 | (9%) |
| Segment Profit | 503 | 441 | (12%) |
| Segment Margin | 21.5% | 20.6% | (90) bps |

- Sales for the first quarter were down (8%) on a core organic basis and down (9%) reported driven by the unfavorable impact of foreign currency and lower raw materials pass-through pricing in Resins & Chemicals, partially offset by the favorable impact of acquisitions. The decrease in core organic sales was primarily driven by lower UOP gas processing, catalyst, and equipment sales as anticipated, partially offset by higher projects and services sales in HPS and higher volume in Fluorine Products.
- Segment profit was down (12%) and segment margins contracted (90) bps to 20.6%, driven by the unfavorable impact of lower UOP catalyst shipments and acquisitions, partially offset by the benefits of previously funded restructuring, commercial excellence, and the impact of raw materials pass-through pricing in Resins & Chemicals. Excluding the impact of acquisitions, segment margin contracted (70) bps.

Honeywell will discuss its results during its investor conference call today starting at 9:30 a.m. EDT. To participate on the conference call, please dial (877) 879-6207 (domestic) or (719) 325-4942 (international) approximately ten minutes before the 9:30 a.m. EDT start. Please mention to the operator that you are

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dialing in for Honeywell's first quarter 2016 earnings call or provide the conference code HON1Q16. 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, April 22, until 12:30 p.m. EDT, April 29, by dialing (888) 203-1112 (domestic) or (719) 457-0820 (international). The access code is 3464694.

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

| | Three Months Ended March 31, | |
|---|---------------------------------|-----------------|
| | 2016 | 2015 |
| Product sales | \$ 7,619 | \$ 7,364 |
| Service sales | 1,903 | 1,849 |
| Net sales | <u>9,522</u> | <u>9,213</u> |
| Costs, expenses and other | | |
| Cost of products sold (A) | 5,349 | 5,213 |
| Cost of services sold (A) | 1,198 | 1,149 |
| | <u>6,547</u> | <u>6,362</u> |
| Selling, general and administrative expenses (A) | 1,280 | 1,230 |
| Other (income) expense | (18) | (20) |
| Interest and other financial charges | 85 | 77 |
| | <u>7,894</u> | <u>7,649</u> |
| Income before taxes | 1,628 | 1,564 |
| Tax expense | 432 | 418 |
| Net income | 1,196 | 1,146 |
| Less: Net income attributable to the noncontrolling interest | 10 | 30 |
| Net income attributable to Honeywell | <u>\$ 1,186</u> | <u>\$ 1,116</u> |
| Earnings per share of common stock - basic | <u>\$ 1.54</u> | <u>\$ 1.42</u> |
| Earnings per share of common stock - assuming dilution | <u>\$ 1.53</u> | <u>\$ 1.41</u> |
| Weighted average number of shares outstanding - basic | <u>767.9</u> | <u>783.8</u> |
| Weighted average number of shares outstanding - assuming dilution | <u>776.9</u> | <u>794.0</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)

| <u>Net Sales</u> | Three Months Ended March 31, | |
|--|---------------------------------|-----------------|
| | 2016 | 2015 |
| Aerospace | \$ 3,705 | \$ 3,607 |
| Automation and Control Solutions | 3,677 | 3,264 |
| Performance Materials and Technologies | 2,140 | 2,342 |
| Total | <u>\$ 9,522</u> | <u>\$ 9,213</u> |

Reconciliation of Segment Profit to Income Before Taxes

| <u>Segment Profit</u> | Three Months Ended March 31, | |
|---|---------------------------------|-----------------|
| | 2016 | 2015 |
| Aerospace | \$ 798 | \$ 752 |
| Automation and Control Solutions | 530 | 516 |
| Performance Materials and Technologies | 441 | 503 |
| Corporate | (49) | (50) |
| Total segment profit | 1,720 | 1,721 |
| Other income (A) | 12 | 12 |
| Interest and other financial charges | (85) | (77) |
| Stock compensation expense (B) | (53) | (52) |
| Pension ongoing income (B) | 150 | 100 |
| Other postretirement income (expense) (B) | 9 | (9) |
| Repositioning and other charges (B) | (125) | (131) |
| Income before taxes | <u>\$ 1,628</u> | <u>\$ 1,564</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)

| | March 31, 2016 | December 31, 2015 |
|---|-------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 4,473 | \$ 5,455 |
| Accounts, notes and other receivables | 8,397 | 8,075 |
| Inventories | 4,743 | 4,420 |
| Investments and other current assets | 1,919 | 2,103 |
| Total current assets | <u>19,532</u> | <u>20,053</u> |
| Investments and long-term receivables | 592 | 517 |
| Property, plant and equipment - net | 6,027 | 5,789 |
| Goodwill | 16,708 | 15,895 |
| Other intangible assets - net | 4,706 | 4,577 |
| Insurance recoveries for asbestos related liabilities | 431 | 426 |
| Deferred income taxes | 318 | 283 |
| Other assets | <u>2,051</u> | <u>1,776</u> |
| Total assets | <u>\$ 50,365</u> | <u>\$ 49,316</u> |
| LIABILITIES AND SHAREOWNERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 5,511 | \$ 5,580 |
| Commercial paper and other short-term borrowings | 3,631 | 5,937 |
| Current maturities of long-term debt | 626 | 577 |
| Accrued liabilities | <u>5,891</u> | <u>6,277</u> |
| Total current liabilities | 15,659 | 18,371 |
| Long-term debt | 9,700 | 5,554 |
| Deferred income taxes | 626 | 558 |
| Postretirement benefit obligations other than pensions | 506 | 526 |
| Asbestos related liabilities | 1,252 | 1,251 |
| Other liabilities | 4,247 | 4,348 |
| Redeemable noncontrolling interest | 3 | 290 |
| Shareowners' equity | <u>18,372</u> | <u>18,418</u> |
| Total liabilities, redeemable noncontrolling interest and shareowners' equity | <u>\$ 50,365</u> | <u>\$ 49,316</u> |

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

| | Three Months Ended March 31, | |
|---|---------------------------------|----------|
| | 2016 | 2015 |
| Cash flows from operating activities: | | |
| Net income | \$ 1,196 | \$ 1,146 |
| Less: Net income attributable to the noncontrolling interest | 10 | 30 |
| Net income attributable to Honeywell | 1,186 | 1,116 |
| Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities: | | |
| Depreciation | 179 | 163 |
| Amortization | 74 | 53 |
| Repositioning and other charges | 125 | 131 |
| Net payments for repositioning and other charges | (134) | (100) |
| Pension and other postretirement income | (159) | (91) |
| Pension and other postretirement benefit payments | (38) | (9) |
| Stock compensation expense | 53 | 52 |
| Deferred income taxes | 48 | 93 |
| Excess tax benefits from share based payment arrangements | (30) | (47) |
| Other | 86 | (102) |
| Changes in assets and liabilities, net of the effects of acquisitions and divestitures: | | |
| Accounts, notes and other receivables | (203) | (170) |
| Inventories | (241) | (86) |
| Other current assets | (59) | 58 |
| Accounts payable | (113) | (112) |
| Accrued liabilities | (517) | (528) |
| Net cash provided by operating activities | 257 | 421 |
| Cash flows from investing activities: | | |
| Expenditures for property, plant and equipment | (194) | (165) |
| Proceeds from disposals of property, plant and equipment | 1 | 1 |
| Increase in investments | (836) | (1,501) |
| Decrease in investments | 880 | 1,106 |
| Cash paid for acquisitions, net of cash acquired | (1,056) | (185) |
| Proceeds from sales of businesses, net of fees paid | - | 2 |
| Other | 9 | (178) |
| Net cash used for investing activities | (1,196) | (920) |
| Cash flows from financing activities: | | |
| Net (decrease) increase in commercial paper and other short-term borrowings | (2,450) | 1,052 |
| Proceeds from issuance of common stock | 105 | 78 |
| Proceeds from issuance of long-term debt | 4,448 | 3 |
| Payments of long-term debt | (419) | (35) |
| Excess tax benefits from share based payment arrangements | 30 | 47 |
| Repurchases of common stock | (1,156) | (363) |
| Cash dividends paid | (499) | (415) |
| Payments to purchase the noncontrolling interest | (238) | - |
| Other | 18 | - |
| Net cash (used for) provided by financing activities | (161) | 367 |
| Effect of foreign exchange rate changes on cash and cash equivalents | 118 | (252) |
| Net decrease in cash and cash equivalents | (982) | (384) |
| Cash and cash equivalents at beginning of period | 5,455 | 6,959 |
| Cash and cash equivalents at end of period | \$ 4,473 | \$ 6,575 |

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

| | Three Months Ended March 31, | | Twelve Months Ended December 31, |
|--|---------------------------------|---------------|-------------------------------------|
| | 2016 | 2015 | 2015 |
| Cash provided by operating activities | \$ 257 | \$ 421 | \$ 5,454 |
| Expenditures for property, plant and equipment | (194) | (165) | (1,073) |
| Free cash flow | <u>\$ 63</u> | <u>\$ 256</u> | <u>\$ 4,381</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 Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margins
(Unaudited)
(Dollars in millions)

| | Three Months Ended March 31, | |
|--|---------------------------------|----------|
| | 2016 | 2015 |
| Segment Profit | \$ 1,720 | \$ 1,721 |
| Stock compensation expense (A) | (53) | (52) |
| Repositioning and other (A, B) | (131) | (139) |
| Pension ongoing income (A) | 150 | 100 |
| Other postretirement income (expense) (A) | 9 | (9) |
| Operating Income | \$ 1,695 | \$ 1,621 |
| Segment Profit | \$ 1,720 | \$ 1,721 |
| ÷ Sales | \$ 9,522 | \$ 9,213 |
| Segment Profit Margin % | 18.1% | 18.7% |
| Segment Profit excluding mergers and acquisitions | \$ 1,705 | |
| ÷ Sales excluding mergers and acquisitions | \$ 9,043 | |
| Segment Profit Margin excluding mergers and acquisitions % | 18.9% | |
| Operating Income | \$ 1,695 | \$ 1,621 |
| ÷ Sales | \$ 9,522 | \$ 9,213 |
| Operating Income Margin % | 17.8% | 17.6% |

(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 Segment Profit Margin Excluding Mergers and Acquisitions (Unaudited)
(Dollars in millions)

| | Three Months Ended March 31, 2016 |
|--|---|
| Aerospace | |
| Segment Profit excluding mergers and acquisitions | \$ 801 |
| ÷ Sales excluding mergers and acquisitions | \$ 3,685 |
| Segment Profit Margin excluding mergers and acquisitions % | <u>21.7%</u> |
| Automation and Control Solutions | |
| Segment Profit excluding mergers and acquisitions | \$ 522 |
| ÷ Sales excluding mergers and acquisitions | \$ 3,290 |
| Segment Profit Margin excluding mergers and acquisitions % | <u>15.9%</u> |
| Performance Materials and Technologies | |
| Segment Profit excluding mergers and acquisitions | \$ 431 |
| ÷ Sales excluding mergers and acquisitions | \$ 2,068 |
| Segment Profit Margin excluding mergers and acquisitions % | <u>20.8%</u> |

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 Core Organic Sales Growth (Unaudited)

| | Three Months Ended March 31, <u>2016</u> |
|--|--|
| Honeywell | |
| Reported sales growth | 3% |
| Less: Foreign currency translation, acquisitions, divestitures and other | 3% |
| Less: Raw materials pricing in R&C | (1%) |
| Core organic sales growth | <u>1%</u> |
| Performance Materials and Technologies | |
| Reported sales growth | (9%) |
| Less: Foreign currency translation, acquisitions, divestitures and other | 1% |
| Less: Raw materials pricing in R&C | (2%) |
| Core organic sales growth | <u>(8%)</u> |

Throughout this press release, core organic sales growth refers to reported sales growth less the impacts from foreign currency translation, M&A and raw materials pass-through 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 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 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, 2015 |
|---|---|
| Segment Profit | \$ 7,256 |
| Stock compensation expense (A) | (175) |
| Repositioning and other (A, B) | (576) |
| Pension ongoing income (A) | 430 |
| Pension mark-to-market adjustment (A) | (67) |
| Other postretirement expense (A) | (40) |
| Operating Income | \$ 6,828 |
| Pension mark-to-market adjustment (A) | (67) |
| Operating Income excluding pension mark-to-market adjustment | \$ 6,895 |
| Segment Profit | \$ 7,256 |
| ÷ Sales | \$ 38,581 |
| Segment Profit Margin % | 18.8% |
| Operating Income | \$ 6,828 |
| ÷ Sales | \$ 38,581 |
| Operating Income Margin % | 17.7% |
| Operating Income excluding pension mark-to-market adjustment | \$ 6,895 |
| ÷ Sales | \$ 38,581 |
| Operating Income Margin excluding pension mark-to-market adjustment % | 17.9% |

(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 Earnings Per Share to Earnings Per Share, Excluding Pension Mark-to-Market Adjustment
(Unaudited)

| | Twelve Months Ended December 31, 2015 |
|--|---|
| EPS | \$ 6.04 |
| Pension mark-to-market adjustment (A) | 0.06 |
| EPS, excluding pension mark-to-market adjustment | \$ 6.10 |

(A) - Utilizes weighted average shares of 789.3 million. Mark-to-market uses a blended tax rate of 36.1%.

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.
