Honeywell International Inc.

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

($M except 4Q 2017E & 2017E in $B)

	Three Months Ended December 31, 2016	Twelve Months Ended December 31, 2016	Three Months Ended December 31, 2017E	Twelve Months Ended December 31, 2017E
Segment Profit	$ 1,899	$ 7,186	~$2.1	~$7.7
Stock compensation expense (A)	(39)	(184)	~(0.1)	~(0.2)
Repositioning and other (B, C)	(136)	(679)	~(0.4)	~(1.0)
Pension ongoing income (A)	154	601	~0.2	~0.7
Pension Mark-to-Market Expense (A)	(273)	(273)	TBD	TBD
Other postretirement income (A)	8	32	~0.0	~0.0
Operating Income	$ 1,613	$ 6,683	~$1.8	~$7.2
Segment Profit	$ 1,899	$ 7,186	~$2.1	~$7.7
÷ Sales	$ 9,985	$ 39,302	~$10.9	~$40.6
Segment Profit Margin %	19.0%	18.3%	~18.9% - 19.0%	~18.9%
Operating Income	$ 1,613	$ 6,683	~$1.8	~$7.2
÷ Sales	$ 9,985	$ 39,302	~$10.9	~$40.6
Operating Income Margin %	16.2%	17.0%	~16.5%	~17.7%

(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.
(C) Included in cost of products and services sold, selling, general and administrative expenses, and other income/expense.

We define segment profit as operating income, excluding stock compensation expense, pension ongoing income or expense, pension mark-to-market expense, other postretirement income or expense, and repositioning and other charges. We believe these measures are useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends.

A quantitative reconciliation of segment profit, on an overall Honeywell basis, to operating income has not been provided for all forward-looking measures of segment profit and segment margin included herewithin. Management cannot reliably predict or estimate, without unreasonable effort, the impact and timing on future operating results arising from items excluded from segment profit, particularly pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets. The information that is unavailable to provide a quantitative reconciliation could have a significant impact on our reported financial results. To the extent quantitative information becomes available without unreasonable effort in the future, and closer to the period to which the forward-looking measures pertain, a reconciliation of segment profit to operating income will be included within future filings.

Honeywell International Inc.

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow *(not including separtation costs [1])* (Unaudited)

(Dollars in Billions)

	Twelve Months Ended December 31, 2017E	Twelve Months Ended December 31, 2018E
Cash provided by operating activities	~\$5.6 - \$5.7	~\$6.1 - \$6.8
Expenditures for property, plant and equipment	~(1.0)	~(0.9)
Free cash flow	~\$4.6 - \$4.7	~\$5.2 - \$5.9

(1) The estimated cash flows do not include separation costs given the preliminary nature of the estimates.

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, 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. Separation costs are not included given the preliminary nature of the estimates.

Honeywell International Inc.

Reconciliation of Earnings Per Share to Earnings Per Share, Excluding Pension Mark-to-Market Expense, Debt Refinancing Expense and Earnings Attributable to 2016 Divestitures (Unaudited)

	Twelve Months Ended December 31, 2016 (1)
Earnings per share of common stock - assuming dilution (EPS)	$ 6.20
Pension mark-to-market expense	0.28
Debt refinancing expense	0.12
Earnings attributable to 2016 divestitures	(0.14)
EPS, excluding pension mark-to-market expense, debt refinancing expense and earnings attributable to 2016 divestitures	$ 6.46

(1) Utilizes weighted average shares of 775.3 million. Pension mark-to-market expense uses a blended tax rate of 21.3%. Debt refinancing expense uses a tax rate of 26.5%. Earnings attributable to 2016 divestitures use a blended tax rate of 33.9%.

We believe EPS, excluding pension mark-to-market expense, debt refinancing expense and earnings attributable to 2016 divestitures 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 Earnings per Share to Earnings per Share at 25% Tax Rate, Excluding Pension Mark-to-Market Expense (not including separation costs) (Unaudited)

	Twelve Months Ended December 31, 2017 (1)
Earnings per share of common stock - assuming dilution..	TBD
Pension mark-to-market expense..	TBD
Earnings per share, excluding pension mark-to-market expense..	$ 7.10
Less: Earnings per share impact of normalizing to 25% tax rate...	0.41
Earnings per share at 25% tax rate, excluding pension mark-to-market expense...............	$ 6.69

(1) Assumes weighted average diluted shares outstanding of 772 million.

We believe earnings per share adjusted to normalize for the 2018 expected effective tax rate at 25%, excluding pension mark-to-market expense and separation cost is a measure that is useful to investors and management in understanding our ongoing operations and in analysis of ongoing operating trends. Management cannot reliably predict or estimate, without unreasonable effort, the pension mark-to-market expense as it is dependent on macroeconomic factors, such as interest rates and the return generated on invested pension plan assets, and the separation costs given the preliminary nature of the estimates. We therefore do not include an estimate for the pension mark-to-market expense or separation costs in this reconciliation. Based on economic and industry conditions, future developments and other relevant factors, these assumptions are subject to change.