



October 7, 2016

HONEYWELL UPDATE

Honeywell

Forward Looking Statements

This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management’s assumptions and assessments in light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ materially from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. 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. Information on our third quarter financial performance contained in this report is preliminary pending the issuance of our Form 10-Q for the period ending September 30, 2016.

Definition Of Core Organic

Throughout this presentation, 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 Appendix.

Contemplated 4Q16 Debt Refinancing

This release is not an offer to buy or sell or a solicitation of an offer with respect to any new debt offering or any liability management transactions.

Honeywell

Key Messages

- **Update On Recent Portfolio Enhancements**
- **Updates To 3Q16 And FY 2016 Guidance**
- **Deployment Of Gains To Enhance Future Earnings And Cash**
- **Expectation For Double Digit Earnings Growth In 2017**

Items For Discussion

Many Moving Parts	<ul style="list-style-type: none"> • Automation And Control Solutions Realignment, Acquisitions And Divestitures, Restructuring • Adopting New Standard For Stock Compensation; Contemplated Debt Refinancing In 4Q16
Update To 3Q And FY	<ul style="list-style-type: none"> • 3Q Guidance Now ~\$1.67, Or ~\$1.60 Net Of \$0.07 Deployed To Restructuring • Expect 10%-13% EPS Growth In 4Q; Narrowing FY EPS Guidance To \$6.60-6.64, Up 8%-9%*
Slower Macro Environment	<ul style="list-style-type: none"> • Continuation Of More Sluggish Overall Environment • Weakness In Parts Of Aerospace And Safety And Productivity Solutions
Investing Heavily For The Future	<ul style="list-style-type: none"> • Investments Continue - Capex At ~1.6X Depreciation; R&D Constant At ~7% Of Sales • Funding ~\$250M Restructuring And Other Items To Drive Future Growth; ~\$8B Deployed To M&A
Favorable Set Up For 2017	<ul style="list-style-type: none"> • Growth Inflections On Track; Anticipating Low Single Digit Organic Growth In 2017 • Targeting Double Digit EPS Growth

*FY EPS, V% Exclude Any Pension Mark-to-Market Adjustment And Contemplated Debt Refinancing Charges

Many Moving Parts In The Third Quarter

ACS Realignment	New Reporting Segments: Home and Building Technologies, Safety and Productivity Solutions <i>New Businesses Driving Growth, Speed And Productivity</i>
Intelligrated Acquisition	Completed \$1.5B Acquisition On August 29, 2016 <i>Expands Honeywell's Connected Industrial Offering</i>
AdvanSix Spin	Spin-Off Of Resins & Chemicals <i>~\$0.8B Value Creation Through Cash Dividend To Honeywell And Tax-Free Share Dividend To Honeywell Shareholders</i>
HTSI Sale	Completed Sale Of Honeywell Technology Solutions (HTSI) <i>Deployed \$0.14 Gain On Sale To Drive Future Growth And Productivity</i>
Restructuring Benefits	Expect \$200-\$225M In Run-Rate Savings From 3Q Restructuring And Other Items <i>Benefits To 2017 Of \$175M-\$200M, Improving Cost Position</i>
Stock Comp. Accounting	Adopted New Accounting Standard For Employee Share-Based Payments In 2016 <i>Deployed Accounting Benefit To Drive Future Growth And Productivity</i>
Debt Refinancing <i>Expected In 4Q</i>	Early Retirement Of 2017-2019 Maturities At Make Whole Using Proceeds From New Debt <i>Anticipate Upfront Charge Of ~\$140M In 4Q From Liability Management Transactions, Lowers Interest Expense</i>

Contemplated Debt Refinancing Dependent On Favorable Interest Rate Environment And Market Conditions

Automation And Control Solutions Realignment

Home And Building Technologies (HBT)

~\$10.7B
FY16E
Sales

Home And Building Products (~\$6.0B)

Honeywell Security & Fire

- Access Control
- CCTV
- Fire Alarms And Controls
- Intrusion Detection

Environmental & Energy Solutions

- Building And HVAC Controls
- Connected Homes
- Smart Grid
- Smart Metering (Elster)

Home And Building Distribution (~\$4.7B)

Honeywell Building Solutions

- Connected Buildings
- Energy
- Installation
- Security
- Service

ADI Global Distribution

- Wholesale Distributor Of Security And Low Voltage Products

Safety And Productivity Solutions (SPS)

~\$4.7B
FY16E
Sales

Safety Solutions (~\$2.1B)

- Connected Workers
- Gas Detection
- Personal Protective Equipment
- Retail Footwear
- Safety Products

Productivity Solutions (~\$2.6B)

- Warehouse Automation
- Mobility
- Printers And Media
- Sensors
- Scanning
- Voice And Workflow Solutions

Industrial Combustion / Thermal Business (FY16E Sales ~\$0.5B) Reclassified To PMT In New Reporting Structure (Previously Part Of E&ES)

Intelligrated Update

Transaction Summary

Transaction Summary

- Intelligrated 2016E Sales **~\$900M** (Purchase Price \$1.5B)
- Acquisition Closed August 29, 2016

Good Industry

- Aligns To Global Megatrends (e-Commerce, Software / Automation)
- **~\$20B** Warehouse Automation Market, Growing **8%-10%** Per Year
- Massive Investments In e-Commerce

Great Position

- Aligns Well To Existing SPS Business, Similar Customers
- Large And Growing Installed Base (**>\$5B**)
- Significant Pull-Through, Global Expansion Opportunities



Update

- **Continued Growth Fueled By E-Commerce And Automation**
 - Backlog Up **~20%** Since June
 - FY 2016 Sales Growth Forecasted at **15%+**
- **Customer Engagement Confirms Growth And Synergy Thesis**
 - Uncovering Incremental Opportunities With Strategic Accounts
 - Pull For Global Expansion By Leveraging HON Footprint
- **HON Integration Playbook Yielding Immediate Benefits**
 - Sourcing, Logistics, And 'Buy Honeywell' Wins
- **Strong Leadership Team With Deep Domain Knowledge**
 - Provides Solid Foundation For Future Growth

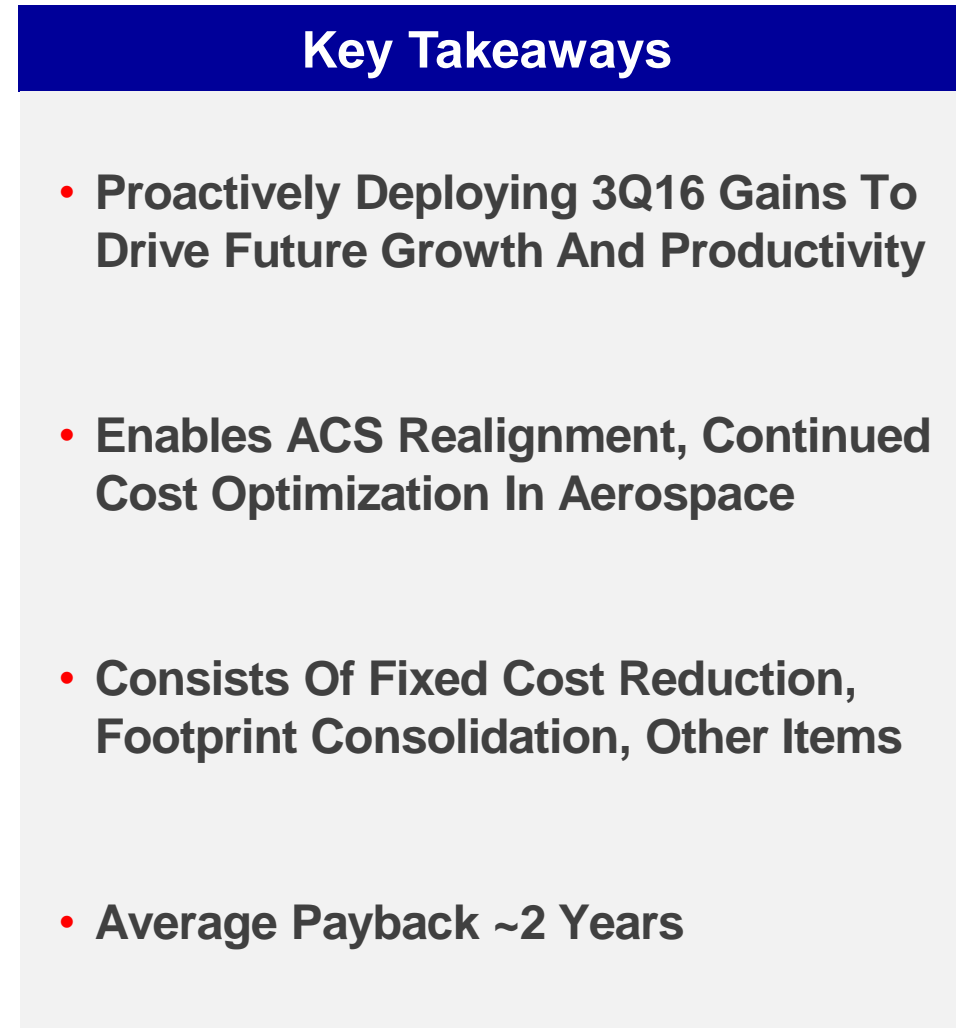
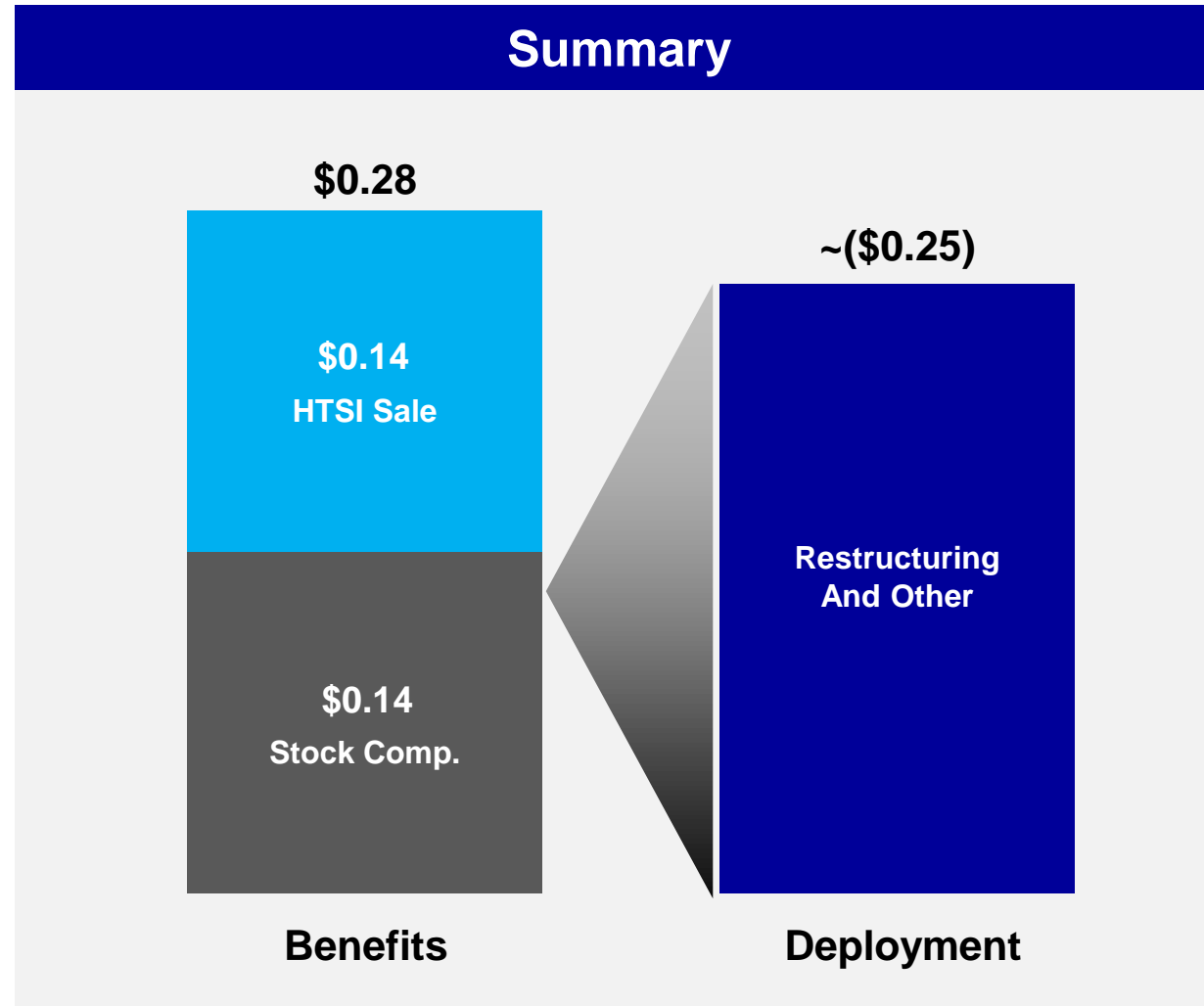


Divestitures Impact

	Comments	Impact To Honeywell		
AdvanSix Spin	<ul style="list-style-type: none"> Resins And Chemicals Business Effective October 1, 2016 More Cyclical Commodity Chemicals Business ~\$0.8B Value Creation Through Spin* 		2016E	2017E
		Sales	~(\$0.3B)	~(\$0.9B)
		Margin	+10 bps	+20 bps
		EPS	(\$0.03)	(\$0.10)
Sale Of HTSI	<ul style="list-style-type: none"> Aerospace Government Services Business Closed September 16th, 2016 Less Technology Differentiation ~\$0.14 EPS Gain, Fully Deployed In 3Q16 		2016E	2017E
		Sales	~(\$0.2B)	~(\$0.4B)
		Margin	+10 bps	+10 bps
		EPS	(\$0.02)	(\$0.04)

*Comprises ~\$0.5B Tax-Free Dividend To Shareowners And ~\$0.3B Cash Dividend To Honeywell
Impact To Honeywell Represents Estimated Sales, Margin, And EPS

3Q16 Restructuring Overview



**Benefits To 2017 Of \$175M-\$200M
Expect \$200-\$225M In Run-Rate Savings**

3Q16 EPS Guidance

3Q16 EPS Update	
<u>Original Guidance</u> <i>(Represents Midpoint Of \$1.67 - \$1.72 3Q16 Guidance Range)</i>	~\$1.70
Operational And Net Gain Deployment	~(\$0.03)
<ul style="list-style-type: none"> - Business Jet, Commercial Helo, Space - Productivity Solutions End Markets Worse + Residual Stock Comp. Benefit 	
HTSI Divestiture, Intelligrated Acquisition	~Flat
3Q Restructuring Related To 1H Stock Comp Benefit	(\$0.07)
<u>Updated Guidance</u>	~\$1.60

Benefit / Deployment Summary					
	Stock Comp. Benefit	HTSI Gain	Total YTD Benefit	Less 3Q Deployment	Net Impact to 3Q
1H	\$0.07	-	\$0.07	(\$0.07)	-
3Q	\$0.07	\$0.14	\$0.21	(\$0.18)	\$0.03
Total	\$0.14	\$0.14	\$0.28	(\$0.25)	\$0.03

Stock Comp. Accounting Benefit	
<ul style="list-style-type: none"> • Adopting In 3Q16 - Required To Recast 1Q And 2Q 2016 • Year-To-Date Benefit ~\$0.14 EPS (1H: \$0.07; 3QE: ~\$0.07) 	

Updated 3Q16 Guidance

	Sales	Margin Change (bps)	Changes Since July Guidance
Aero	<p>~\$3.6B ~(6%) Core Organic</p>	<p>18.1% - 18.3% Down (350) - (370) Down (170) - (190) ex-M&A, Other</p>	<ul style="list-style-type: none"> • Slower Biz Jet, Defense & Space Declines • Core Organic Sales ~(2%) Excl. OEM Incentives And HTSI
HBT	<p>~\$2.7B ~4% Core Organic</p>	<p>16.1% - 16.3% Down (130) - (150) Down (30) - (50) ex-M&A</p>	<ul style="list-style-type: none"> • Industrial Combustion / Thermal (~20) bps Margin Impact • Security And Fire Strength Continues
SPS	<p>~\$1.2B ~(8%) Core Organic</p>	<p>13.7% - 13.9% Down (220) - (240) Down (160) - (180) ex-M&A</p>	<ul style="list-style-type: none"> • Intelligrated Acquisition Closed August 29 • USPS Completion And Channel Headwinds
PMT	<p>~\$2.3B ~(3%) Core Organic</p>	<p>21.2% - 21.4% Up 40 - 60 Up 50 - 70 ex-M&A</p>	<ul style="list-style-type: none"> • Licensing, Equipment, And Gas Processing Weak Through Q3 • UOP Catalyst Strength Continues • Improving Orders And Backlog In UOP
HON	<p>~\$9.8B 2% ~(3%) Core Organic</p>	<p>17.3% - 17.5% Down (180) - (200) Down (80) - (100) ex-M&A, Other</p>	<ul style="list-style-type: none"> • Expect Strong FCF Performance (~\$1.3B, ~100% Conversion)

Ex-M&A, Other Margin Impact Excludes Recognition Of Aero OEM Incentives Associated With 3Q Deployment (~\$75M); FCF = Cash Flow From Operations Less Capital Expenditures

EPS Ex-Restructuring In 3Q Associated With 1H Gains Of ~\$1.67
Reported EPS Of ~\$1.60

3Q16 Guidance Details

Approximate Values

	July Guidance	Realignment (ACS, ICT To PMT)	Net, M&A (HTSI, Intelligrated)	Gains (Stock Comp, HTSI)	Deployment (Below-The-Line, Aero)	Slower Macro	Updated Guidance	
Sales (\$M)	Aero	\$3.8B-\$3.9B	-	(40)	-	(75)	(105) - (185)	~\$3.6B
	HBT*	\$2.8B-\$2.9B	(125)	-	-	-	(75) - 10	~\$2.7B
	SPS*	~\$1.1B	-	75	-	-	(5) - Flat	~\$1.2B
	PMT	~\$2.3B	125	-	-	-	(100) - (110)	~\$2.3B
	Honeywell	\$10.0B-\$10.2B	-	\$35M	-	(\$75M)	(\$210M)-(\$360)	~\$9.8B
Segment Margin (bps)	Aero	(50) - (70)	-	+10	-	(150)	(160)	(350) - (370)
	HBT*	20 - 40	(20)	-	-	-	(150)	(130) - (150)
	SPS*	(20) - Flat	-	(60)	-	-	(160)	(220) - (240)
	PMT	(100) - (120)	+20	-	-	-	+140	40 - 60
	Honeywell	(40) - (60)	-	-	-	(60) bps	(80) bps	(180) - (200)
	<i>Segment Profit</i>	\$1,870M - \$1,930M	-	-	-	(\$75M)	(\$110M) - (\$140M)	\$1,685M - \$1,715M
Below The Line	Net Income	1,290 - 1,330	-	-	160	(190)	(25) - (65)	~1,235
	EPS	\$1.67 - \$1.72	-	-	\$0.21	(\$0.25)	(\$0.03) - (\$0.08)	~\$1.60
	<i>Share Count</i>	772.4M	-	-	+2.0M	-	-	774.4M

*Implied Guidance Prior To Automation And Control Solutions Realignment

Excluding Restructuring In 3Q Associated With 1H Accounting Benefit From Stock Comp. **~\$1.67**

4Q16 Sequential EPS Reconciliation

		Sales	EPS
	3Q16E	~\$9.8B	~\$1.67
Key Drivers	+ UOP Catalysts, Process Solutions Short-Cycle		\$0.08 - \$0.09
	+ Productivity Solutions And Industrial Safety Growth		\$0.02 - \$0.03
	+ Incremental Benefit From 3Q16 Restructuring		\$0.03 - \$0.04
	- Net M&A (Incl. ASIX Spin, Sale Of HTSI, And Acquisitions)		~(\$0.02)
	- Below The Line, Other, Tax		(\$0.03) - (\$0.04)
	4Q16E	\$10.1B - \$10.3B <i>YoY Growth</i>	\$1.74 - \$1.78 <i>10% - 13%</i>

3Q16E EPS Excludes Restructuring In 3Q Associated With 1H Benefit From Stock Comp.

4Q16E EPS, V% Excludes Any Pension Mark-to-Market Adjustment And Contemplated Debt Refinancing Charges

Sales By End Market Update

End Market	HON Exposure	3Q 2016	FY 2017	Commentary On End Market Performance
Homes And Buildings		+	+	<ul style="list-style-type: none"> • New Product Introduction, Connected Offerings And Installed Base Expansion • Growth In US, EU And China, Plus Acquisition Impact
Commercial Aviation		-	-	<ul style="list-style-type: none"> • ATR: Aftermarket Growth In Line With Flight Hours, Plus Connected Aircraft Adoption • ATR: A350, A320, B737 Ramp, Easing Headwind From 2016 OEM Incentives • BGA: Mid To Large Cabin Declines; Used Inventory Rising; Slowing Orders And Production Rates • BGA: Flight Hours Flat to Down Through 2017, Aftermarket Slowing Considerably
Oil And Gas		-	+	<ul style="list-style-type: none"> • Improving UOP Orders And Backlog – Licensing, Equipment And Catalyst Orders Growth • New Catalyst Capacity (UOP), Expanding Aftermarket And Software Offerings (HPS)
Defense & Space		-	-	<ul style="list-style-type: none"> • Commercial Helo Declines: Med.-Large Fleets Idled, Continued Push-Outs/Cancellations By Primes • Domestic Space Slowing; Reduced Funding And Program Ramp Downs; Impact From Continuing Resolution
Industrial And Workers		-	+	<ul style="list-style-type: none"> • Intelligrated Acquisition Growth Outlook Better Than Initially Anticipated • Channel Headwinds Moderate In 4Q, Lapping Headwinds From USPS
Vehicles		+	+	<ul style="list-style-type: none"> • Global Turbo Penetration Increasing, Growth In Light Vehicle Gas Applications
Advanced Materials		+/-	+	<ul style="list-style-type: none"> • Fluorine Products And Specialty Products Continued Strong Growth • Solstice Growth Continues, Less Cyclical Advanced Materials Business

2017 Preview

	2016	2017	Comments
Core Organic Sales Growth	<p>2% - 3% Reported</p> <p>(1%) - (2%) Core Organic</p>	<p>Low Single Digit</p>	<ul style="list-style-type: none"> + Inflections Still Intact, Weakness Moderates In UOP and Productivity Solutions + Improving Orders And Backlog In UOP + Solstice Growth Greater Than 25% + Aerospace Connected Offerings, A350 Ramp + New Markets Via M&A Yielding Higher Growth Rates - Business Jet, Commercial Helo, U.S. Space Declines - Slower Macro Environment Than Expected At March Investor Day
Segment Margin	<p>17.9% - 18.2%</p> <p>Down (10) - 10 ex-M&A</p>	<p>45 - 75 bps Improvement</p>	<ul style="list-style-type: none"> + Benefits From HOS Gold, Capex, R&D Investments And Portfolio Actions + Incremental Restructuring Benefits Over \$175M In 2017 From 3Q16 Restructuring + M&A Growth And Synergy Realization + Euro Hedged At \$1.15 In 2017 Vs. \$1.10 In 2016
EPS	<p>\$6.60 - \$6.64</p> <p>Up 8 - 9%</p>	<p>Targeting Double-Digits</p> <p><i>Excl. AdvanSix, HTSI</i></p>	<ul style="list-style-type: none"> + Lower Interest Expense + Deployment Of On-Going Stock Comp. Benefit To Fund Restructuring

EPS, % Exclude Any Pension Mark-to-Market Adjustment And Contemplated Debt Refinancing Charges

Summary

- **Update On Recent Portfolio Enhancements**
- **Updates To 3Q16 And FY 2016 Guidance**
- **Deployment Of Gains To Enhance Future Earnings And Cash**
- **Expectation For Double Digit Earnings Growth In 2017**

Appendix

Recast Financials - Sales Summary

\$M	2015				FY 2015	2016	
	Q1	Q2	Q3	Q4		Q1	Q2
Aerospace	\$3,607	\$3,827	\$3,820	\$3,983	\$15,237 <i>(2%) Reported</i> <i>2% Core Organic</i>	\$3,705 <i>3% Reported</i> <i>3% Core Organic</i>	\$3,779 <i>(1%) Reported</i> <i>(2%) Core Organic</i>
Home And Building Technologies	\$2,093	\$2,280	\$2,313	\$2,475	\$9,161 <i>(3%) Reported</i> <i>3% Core Organic</i>	\$2,477 <i>18% Reported</i> <i>8% Core Organic</i>	\$2,676 <i>17% Reported</i> <i>4% Core Organic</i>
Performance Materials And Technologies	\$2,403	\$2,455	\$2,279	\$2,338	\$9,475 <i>(10%) Reported</i> <i>(2%) Core Organic</i>	\$2,281 <i>(5%) Reported</i> <i>(8%) Core Organic</i>	\$2,434 <i>(1%) Reported</i> <i>(4%) Core Organic</i>
Safety And Productivity Solutions	\$1,110	\$1,213	\$1,199	\$1,186	\$4,708 <i>(1%) Reported</i> <i>2% Core Organic</i>	\$1,059 <i>(5%) Reported</i> <i>(4%) Core Organic</i>	\$1,102 <i>(9%) Reported</i> <i>(8%) Core Organic</i>
Honeywell	\$9,213	\$9,775	\$9,611	\$9,982	\$38,581 <i>(4%) Reported</i> <i>1% Core Organic</i>	\$9,522 <i>3% Reported</i> <i>1% Core Organic</i>	\$9,991 <i>2% Reported</i> <i>(2%) Core Organic</i>

Source: Honeywell International Inc. Form 8-K Furnished October 6, 2016

Note: The Information Above Reflects Honeywell's New Reporting Segment Structure And Move Of Industrial Combustion/Thermal Business To Performance Materials And Technologies

Recast Financials - Segment Profit Summary

\$M	2015				FY 2015	2016	
	Q1	Q2	Q3	Q4		Q1	Q2
Aerospace	\$752 20.8%	\$777 20.3%	\$833 21.8%	\$856 21.5%	\$3,218 240 bps 21.1%	\$798 70 bps 21.5%	\$791 60 bps 20.9%
Home And Building Technologies	\$324 15.5%	\$356 15.6%	\$408 17.6%	\$424 17.1%	\$1,512 120 bps 16.5%	\$360 (90) bps 14.5%	\$412 (20) bps 15.4%
Performance Materials And Technologies	\$519 21.6%	\$524 21.3%	\$474 20.8%	\$473 20.2%	\$1,990 310 bps 21.0%	\$461 (140) bps 20.2%	\$520 10 bps 21.4%
Safety And Productivity Solutions	\$176 15.9%	\$196 16.2%	\$193 16.1%	\$181 15.3%	\$746 140 bps 15.8%	\$150 (170) bps 14.2%	\$173 (50) bps 15.7%
Honeywell	\$1,721 18.7%	\$1,803 18.4%	\$1,852 19.3%	\$1,880 18.8%	\$7,256 220 bps 18.8%	\$1,720 (60) bps 18.1%	\$1,847 10 bps 18.5%

Source: Honeywell International Inc. Form 8-K Furnished October 6, 2016

Note: The Information Above Reflects Honeywell's New Reporting Segment Structure And Move Of Industrial Combustion/Thermal Business To Performance Materials And Technologies And Excludes Corporate/Other

Reconciliation Of Segment Profit To Operating Income And Calculation Of Segment Profit And Operating Income Margins

(\$M)	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16
Aerospace	\$752	\$777	\$833	\$856	\$3,218	\$798	\$791
Home and Building Technologies	324	356	408	424	1,512	360	412
Performance Materials and Technologies	519	524	474	473	1,990	461	520
Safety and Productivity Solutions	176	196	193	181	746	150	173
Corporate	(50)	(50)	(56)	(54)	(210)	(49)	(49)
Segment Profit	\$1,721	\$1,803	\$1,852	\$1,880	\$7,256	\$1,720	\$1,847
Stock Compensation Expense ⁽¹⁾	(52)	(39)	(41)	(43)	(175)	(53)	(43)
Repositioning and Other ^(1, 2)	(139)	(137)	(142)	(158)	(576)	(131)	(122)
Pension Ongoing (Expense) Income ⁽¹⁾	100	103	96	131	430	150	151
Pension Mark-to-Market Adjustment ⁽¹⁾	-	-	-	(67)	(67)	-	-
OPEB Expense ⁽¹⁾	(9)	(11)	(10)	(10)	(40)	9	8
Operating Income	\$1,621	\$1,719	\$1,755	\$1,733	\$6,828	\$1,695	\$1,841
Segment Profit	\$1,721	\$1,803	\$1,852	\$1,880	\$7,256	\$1,720	\$1,847
÷ Sales	\$9,213	\$9,775	\$9,611	\$9,982	\$38,581	\$9,522	\$9,991
Segment Profit Margin %	18.7%	18.4%	19.3%	18.8%	18.8%	18.1%	18.5%
Operating Income	\$1,621	\$1,719	\$1,755	\$1,733	\$6,828	\$1,695	\$1,841
÷ Sales	\$9,213	\$9,775	\$9,611	\$9,982	\$38,581	\$9,522	\$9,991
Operating Income Margin %	17.6%	17.6%	18.3%	17.4%	17.7%	17.8%	18.4%

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

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

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Reconciliation Of EPS To EPS, Excluding Pension Mark-To-Market Adjustment And Debt Refinancing Expense

	<u>4Q15⁽¹⁾</u>	<u>2015⁽²⁾</u>
EPS	\$1.53	\$6.04
Pension Mark-to-Market Adjustment	0.05	0.06
Debt Refinancing Expense	-	-
EPS, Excluding Pension Mark-to-Market Adjustment and Debt Refinancing Expense	<u>\$1.58</u>	<u>\$6.10</u>

(1) Utilizes weighted average shares of 780.8 million. Mark-to-market uses a blended tax rate of 36.1%.

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

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Core Organic Sales Growth Reconciliation

Honeywell

Reported sales growth
 Less: Foreign currency translation, acquisitions, divestitures
 Less: Raw Materials Pricing in R&C
 Core organic sales growth

	2015	1Q16	2Q16
Reported sales growth	(4%)	3%	2%
Less: Foreign currency translation, acquisitions, divestitures	(4%)	3%	4%
Less: Raw Materials Pricing in R&C	(1%)	(1%)	-
Core organic sales growth	<u>1%</u>	<u>1%</u>	<u>(2%)</u>

PMT

Reported sales growth
 Less: Foreign currency translation, acquisitions, divestitures
 Less: Raw Materials Pricing in R&C
 Core organic sales growth

	2015	1Q16	2Q16
Reported sales growth	(10%)	(5%)	(1%)
Less: Foreign currency translation, acquisitions, divestitures	(4%)	4%	4%
Less: Raw Materials Pricing in R&C	(4%)	(1%)	(1%)
Core organic sales growth	<u>(2%)</u>	<u>(8%)</u>	<u>(4%)</u>

Throughout this presentation, 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.