



## 2016 FACT SHEET

Reconciliation Of Non-GAAP Measures To GAAP Measures

**Honeywell**

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

(\$M)	2011	2012	2013	2014	2015
Segment Profit	\$5,357	\$5,879	\$6,351	\$6,696	\$7,256
Stock Based Compensation <sup>(1)</sup>	(168)	(170)	(170)	(187)	(175)
Repositioning and Other <sup>(1, 2)</sup>	(794)	(488)	(699)	(634)	(576)
Pension Ongoing (Expense)/Income <sup>(1)</sup>	(105)	(36)	90	254	430
Pension Mark-to-Market Adjustment <sup>(1)</sup>	(1,802)	(957)	(51)	(249)	(67)
Other Postretirement Income/(Expense) <sup>(1)</sup>	86	(72)	(20)	(49)	(40)
<b>Operating Income</b>	<b>\$2,574</b>	<b>\$4,156</b>	<b>\$5,501</b>	<b>\$5,831</b>	<b>\$6,828</b>
Segment Profit	\$5,357	\$5,879	\$6,351	\$6,696	\$7,256
÷ Sales	36,529	37,665	39,055	40,306	38,581
<b>Segment Profit Margin %</b>	<b>14.7%</b>	<b>15.6%</b>	<b>16.3%</b>	<b>16.6%</b>	<b>18.8%</b>
Operating Income	\$2,574	\$4,156	\$5,501	\$5,831	\$6,828
÷ Sales	36,529	37,665	39,055	40,306	38,581
<b>Operating Income Margin %</b>	<b>7.0%</b>	<b>11.0%</b>	<b>14.1%</b>	<b>14.5%</b>	<b>17.7%</b>

(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.

## Reconciliation Of EPS To EPS, Excluding Pension Mark-To-Market Adjustment

	<b>2011<sup>(1)</sup></b>	<b>2012<sup>(2)</sup></b>	<b>2013<sup>(3)</sup></b>	<b>2014<sup>(4)</sup></b>	<b>2015<sup>(5)</sup></b>
<b>EPS</b>	<u>\$2.61</u>	<u>\$3.69</u>	<u>\$4.92</u>	<u>\$5.33</u>	<u>\$6.04</u>
<b>Pension Mark-to-Market Adjustment</b>	<u>1.44</u>	<u>0.79</u>	<u>0.05</u>	<u>0.23</u>	<u>0.06</u>
<b>EPS, Excluding Pension Mark-to-Market Adjustment</b>	<u><u>\$4.05</u></u>	<u><u>\$4.48</u></u>	<u><u>\$4.97</u></u>	<u><u>\$5.56</u></u>	<u><u>\$6.10</u></u>

(1) Utilizes weighted average shares of 791.6 million. Mark-to-market uses a blended tax rate of 36.9%.

(2) Utilizes weighted average shares of 791.9 million. Mark-to-market uses a blended tax rate of 35.0%.

(3) Utilizes weighted average shares of 797.3 million. Mark-to-market uses a blended tax rate of 25.5%.

(4) Utilizes weighted average shares of 795.2 million. Mark-to-market uses a blended tax rate of 28.1%.

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

## Reconciliation Of Cash Provided By Operating Activities To Free Cash Flow

<i>(\$M)</i>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Cash Provided by Operating Activities	\$2,833	\$3,517	\$4,335	\$5,024	\$5,454
Expenditures for Property, Plant and Equipment	(798)	(884)	(947)	(1,094)	(1,073)
Free Cash Flow	<u>\$2,035</u>	<u>\$2,633</u>	<u>\$3,388</u>	<u>\$3,930</u>	<u>\$4,381</u>