UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2001

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission file number 1-8974

Honeywell International Inc.
(Exact name of registrant as specified in its charter)

Delaware	22-2640650
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
101 Columbia Road P.O. Box 4000 Morristown, New Jersey	07962-2497
(Address of principal executive offices)	(Zip Code)

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

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding at March 31, 2001
$1 par value	809,281,480 shares

Honeywell International Inc.

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ITEM 1. CONDENSED FINANCIAL STATEMENTS

Honeywell International Inc.
Consolidated Balance Sheet
(Unaudited)

	March 31, 2001	December 31, 2000
	(Dollars in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,074	$ 1,196
Accounts and notes receivable	4,153	4,623
Inventories	3,830	3,734
Other current assets	1,234	1,108
Total current assets	10,291	10,661
Investments and long-term receivables	653	748
Property, plant and equipment - net	5,128	5,230
Goodwill and other intangible assets - net	5,921	5,898
Other assets	2,795	2,638
Total assets	$24,788	$25,175
LIABILITIES		
Current liabilities:		
Accounts payable	$ 2,189	$ 2,364
Short-term borrowings	353	110
Commercial paper	1,240	1,192
Current maturities of long-term debt	148	380
Accrued liabilities	3,148	3,168
Total current liabilities	7,078	7,214
Long-term debt	3,906	3,941
Deferred income taxes	1,182	1,173
Postretirement benefit obligations other than pensions	1,878	1,887
Other liabilities	1,152	1,253
SHAREOWNERS' EQUITY		
Capital - common stock issued	958	958
- additional paid-in capital	2,852	2,782
Common stock held in treasury, at cost	(4,291)	(4,296)
Accumulated other nonowner changes	(807)	(729)
Retained earnings	10,880	10,992
Total shareowners' equity	9,592	9,707
Total liabilities and shareowners'equity	$24,788	$25,175

The Notes to Financial Statements are an integral part of this statement.

Honeywell International Inc.
Consolidated Statement of Income
(Unaudited)

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000
	(Dollars in millions, except per share amounts)	
Net sales	$5,944	$6,044
Costs, expenses and other		
Cost of goods sold	4,973	4,450
Selling, general and administrative expenses	768	758
Equity in (income) loss of affiliated companies	103	(4)
Other (income) expense	(4)	(10)
Interest and other financial charges	111	111
	5,951	5,305
Income (loss) before taxes on income	(7)	739
Taxes (benefit) on income	(48)	233
Net income	$ 41	$ 506
Earnings per share of common stock - basic	$ 0.05	$ 0.64
Earnings per share of common stock - assuming dilution	$ 0.05	$ 0.63
Cash dividends per share of common stock	$.1875	$.1875

The Notes to Financial Statements are an integral part of this statement.

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

	Three Months Ended March 31, 2001	2000
	(Dollars in millions)	
Cash flows from operating activities:		
Net income	$ 41	$506
Adjustments to reconcile net income to net cash provided by operating activities:		
Repositioning and other charges	596	-
Depreciation and amortization	239	262
Equity income, net of distributions	9	17
Deferred income taxes	(137)	4
Net taxes paid on sales of businesses	(12)	-
Other	(182)	(196)
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts and notes receivable	365	208
Inventories	(160)	23
Other current assets	(22)	(41)
Accounts payable	(143)	(57)
Accrued liabilities	(347)	(339)
Net cash provided by operating activities	247	387
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(173)	(164)
Proceeds from disposals of property, plant and equipment	26	42
(Increase) in investments	(1)	-
Cash paid for acquisitions	(85)	(2,313)
Proceeds from sales of businesses	-	21
Decrease in short-term investments	-	1
Net cash (used for) investing activities	(233)	(2,413)
Cash flows from financing activities:		
Net increase in commercial paper	48	297
Net increase (decrease) in short-term borrowins	243	(173)
Proceeds from issuance of common stock	19	33
Proceeds from issuance of long-term debt	-	1,051
Payments of long-term debt	(278)	(24)
Repurchases of common stock	(15)	-
Cash dividends on common stock	(153)	(149)
Net cash (used for) provided by financing activities	(136)	1,035
Net (decrease) in cash and cash equivalents	(122)	(991)
Cash and cash equivalents at beginning of year	1,196	1,991
Cash and cash equivalents at end of period	$1,074	$1,000

The Notes to Financial Statements are an integral part of this statement.

Honeywell International Inc.
Notes to Financial Statements
(Unaudited)
(Dollars in millions except per share amounts)

NOTE 1. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting only of normal adjustments, necessary to present fairly the financial position of Honeywell International Inc. and its consolidated subsidiaries at March 31, 2001 and the results of operations and cash flows for the three months ended March 31, 2001 and 2000. The results of operations for the three-month period ended March 31, 2001 should not necessarily be taken as indicative of the results of operations that may be expected for the entire year 2001.

The financial information as of March 31, 2001 should be read in conjunction with the financial statements contained in our Annual Report on Form 10-K for 2000.

NOTE 2. Accounts and notes receivable consist of the following:

	March 31, 2001	December 31, 2000
Trade	$3,744	$3,967
Other	523	755
	4,267	4,722
Less - Allowance for doubtful accounts and refunds	(114)	(99)
	$4,153	$4,623

NOTE 3. Inventories consist of the following:

	March 31, 2001	December 31, 2000
Raw materials	$1,218	$1,262
Work in process	906	809
Finished products	1,888	1,797
	4,012	3,868
Less - Progress payments	(47)	(5)
Reduction to LIFO cost basis	(135)	(129)
	$3,830	$3,734

NOTE 4. Total nonowner changes in shareowners' equity consist of the following:

	Three Months Ended March 31, 2001	2000
Net income	$ 41	$506
Foreign exchange translation adjustments	(74)	(26)
Derivatives qualifying as hedges	(4)	-
Unrealized holding (losses) on securities available for sale	-	(10)
	$(37)	$470

NOTE 5. Segment financial data follows:

	Three Months Ended March 31, Net Sales 2001	2000	Segment Profit 2001	2000
Aerospace Solutions	$2,411	$2,396	$ 451	$ 493
Automation & Control	1,748	1,700	188	190
Performance Materials	913	1,025	38	95
Power & Transportation Products	860	904	50	88
Corporate	12	19	(29)	(30)
	$5,944	$6,044	698	836
Equity in income (loss) of affiliated companies			(8)	4
Other income			9	10
Interest and other financial charges			(111)	(111)
Cumulative effect of accounting change			1	-
Repositioning and other charges			(596)	-
Income (loss) before taxes on income			$ (7)	$ 739

NOTE 6 The details of the earnings per share calculations for the three-month periods ended March 31, 2001 and 2000 follow:

	2001 Income	Average Shares	Per Share Amount	2000 Income	Average Shares	Per Share Amount
Earnings per share of common stock - basic	$41	809.4	$ .05	$506	796.6	$ .64
Dilutive securities issuable in connection with stock plans		5.8			10.1	
Earnings per share of common stock - assuming dilution	$41	815.2	$ .05	$506	806.7	$ .63

The diluted earnings per share calculation excludes the effect of stock options when the options' exercise prices exceed the average market price of the common shares during the period. For the three-month periods ended March 31, 2001 and 2000, the number of stock options not included in the computations were 15.6 and 13.2 million, respectively. These stock options were outstanding at the end of each of the respective periods.

NOTE 7. On October 22, 2000, Honeywell and General Electric Company (GE) entered into an Agreement and Plan of Merger (Merger Agreement) providing for a business combination between Honeywell and GE. When the merger is effective, a wholly-owned subsidiary of GE will be merged with and into Honeywell, and Honeywell will become a wholly-owned subsidiary of GE and each issued and outstanding share of common stock of Honeywell will be converted into the right to receive 1.055 shares of common stock of GE, with fractional shares paid in cash. The merger, which was approved by Honeywell shareowners on January 10, 2001, is subject to certain remaining conditions, which include review or approval of the transaction by various governmental authorities. GE and Honeywell are working with regulatory agencies to complete the required reviews or obtain required approvals so that the transaction can close as early as possible in 2001. The Merger Agreement provides for payment of a $1.35 billion termination fee by Honeywell under certain circumstances. In connection with the execution of the Merger Agreement, Honeywell and GE entered into a stock option agreement pursuant to which Honeywell granted to GE an option to purchase up to 19.9 percent of Honeywell's outstanding shares of common stock. The option is exercisable in the same circumstances under which Honeywell is required to pay to GE the $1.35 billion termination fee.

NOTE 8. Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended (SFAS No. 133), was adopted by Honeywell as of January 1, 2001. SFAS No. 133 requires all derivatives to be recorded on the balance sheet as assets or liabilities, measured at fair value. For derivatives designated as hedging the value of assets or liabilities, the changes in the fair values of both the derivatives and the hedged items are recorded in current earnings. For derivatives designated as cash flow hedges, the effective portion of the changes in fair value of the derivatives are recorded in other nonowner changes and subsequently recognized in earnings when the hedged items impact income. Changes in the fair value of derivatives not designated as hedges and the ineffective portion of cash flow hedges are recorded in current earnings.

As a result of our global operating and financing activities, we are exposed to market risks from changes in interest and foreign currency exchange rates, which may adversely affect our operating results and financial position. As discussed more fully in Note 18 of our 2000 Annual Report on Form 10-K, we minimize our risks from interest and foreign currency exchange rate fluctuations through our normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The January 1, 2001 accounting change described above affected only the pattern and timing of non-cash accounting recognition.

The adoption of SFAS No. 133 as of January 1, 2001 resulted in a cumulative effect adjustment of $1 million of income that is included in other (income) expense. Additionally, this accounting change did not significantly impact operating results for the three months ended March 31, 2001 and is not expected to significantly impact future operating results.

NOTE 9. In the first quarter of 2001, we recognized a repositioning charge of $297 million for the cost of actions designed to reduce our cost structure and improve our future profitability. These actions consisted of announced global workforce reductions totaling approximately 6,500 manufacturing and administrative positions across all of our reportable segments. The repositioning charge also included asset impairments and other exit costs related to plant closures and the rationalization of manufacturing capacity and infrastructure principally in our Performance Polymers & Chemicals, Electronic Materials, Transportation and Power Systems and Automotive Consumer Products Group businesses. The components of the charge included severance costs of $259 million, asset impairments of $24 million and other exit costs of $14 million. The pretax impact of the repositioning charge by reportable segment was as follows: Automation & Control - $132 million; Aerospace Solutions - $64 million; Performance Materials - $44 million; Power & Transportation Products - $37 million; and Corporate - $20 million.

As disclosed in our 2000 Annual Report on Form 10-K, we recognized repositioning charges totaling $338 million in 2000 (none were recognized in the first quarter of 2000). The components of the charges included severance costs of $157 million, asset impairments of $141 million and other exit costs of $40 million. The workforce reductions consisted of approximately 2,800 manufacturing and administrative positions and are expected to be substantially completed by the end of the second quarter of 2001. Also, $46 million of accruals established in 1999, principally for severance, were returned to income in 2000 due to higher than expected voluntary employee attrition resulting in reduced severance liabilities.

The following table summarizes the status of our total repositioning costs.

	Severance Costs	Asset Impairments	Exit Costs	Total
Balance at December 31, 2000	$236	$ -	$80	$316
2001 charges	259	24	14	297
2001 usage	(53)	(24)	(6)	(83)
Balance at March 31, 2001	$442	$ -	$88	$530

In the first quarter of 2001, we recognized in cost of goods sold other charges consisting of customer claims and settlements of contracts and contingent liabilities totaling $148 million and write-offs of customer receivables and inventories totaling $50 million. We also recognized in equity in (income) loss of affiliated companies charges totaling $95 million related to an other than temporary decline in value of an equity investment and an equity investee's loss contract. We also redeemed our $200 million 5 3/4% dealer remarketable securities due 2011, resulting in a loss of $6 million that is included in other (income) expense.

The total impact of repositioning and other charges was $596 million for the three months ended March 31, 2001. The pretax distribution of the repositioning and other charges by income statement classification was as follows: cost of goods sold - $474 million; selling, general and administrative expenses - $21 million; equity in (income) loss of affiliated companies - $95 million; and other (income) expense - $6 million.

NOTE 10. LITTON LITIGATION - On March 13, 1990, Litton Systems, Inc. (Litton) filed a legal action against Honeywell Inc. (former Honeywell) in U.S. District Court, Central District of California, Los Angeles (the trial court) with claims that were subsequently split into two separate cases. One alleges patent infringement under federal law for using an ion-beam process to coat mirrors incorporated in the former Honeywell's ring laser gyroscopes, and tortious interference under state law for interfering with Litton's prospective advantage with customers and contractual relationships with an inventor and his company, Ojai Research, Inc. The other case alleges monopolization and attempted monopolization under federal antitrust laws by the former Honeywell in the sale of inertial reference systems containing ring laser gyroscopes into the commercial aircraft market. The former Honeywell generally denied Litton's allegations in both cases. In the patent/tort case, the former Honeywell also contested the validity as well as the infringement of the patent, alleging, among other things,that the patent had been obtained by Litton's inequitable conduct before the United States Patent and Trademark Office.

Patent/Tort Case - U.S. District Court Judge Mariana Pfaelzer presided over a three-month patent infringement and tortious interference trial in 1993. On August 31, 1993, a jury returned a verdict in favor of Litton, awarding damages against the former Honeywell in the amount of $1.2 billion on three claims. The former Honeywell filed post-trial motions contesting the verdict and damage award. On January 9, 1995, the trial court set them all aside, ruling, among other things, that the Litton patent was invalid due to obviousness, unenforceable because of Litton's inequitable conduct before the Patent and Trademark Office, and in any case, not infringed by the former Honeywell's current process. It further ruled that Litton's state tort claims were not supported by sufficient evidence. The trial court also held that if its rulings concerning liability were vacated or reversed on appeal, the former Honeywell should at least be granted a new trial on the issue of damages because the jury's award was inconsistent with the clear weight of the evidence and based upon a speculative damage study.

The trial court's rulings were appealed to the U.S. Court of Appeals for the Federal Circuit, and on July 3, 1996, in a two to one split decision, a three judge panel of that court reversed the trial court's rulings of patent invalidity, unenforceability and non-infringement, and also found the former Honeywell to have violated California law by intentionally interfering with Litton's consultant contracts and customer prospects. However, the panel upheld two trial court rulings favorable to the former Honeywell, namely that the former Honeywell was entitled to a new trial for damages on all claims, and also to a grant of intervening patent rights which are to be defined and quantified by the trial court. After unsuccessfully requesting a rehearing of the panel's decision by the full Federal Circuit appellate court, the former Honeywell filed a petition with the U.S. Supreme Court on November 26, 1996, seeking review of the panel's decision. In the interim, Litton filed a motion and briefs with the trial court seeking injunctive relief against the former Honeywell's commercial ring laser gyroscope sales. After the former Honeywell and certain aircraft manufacturers filed briefs and made oral arguments opposing the injunction, the trial court denied Litton's motion on public interest grounds on December 23, 1996, and then scheduled the patent/tort damages retrial for May 6, 1997.

On March 17, 1997, the U.S. Supreme Court granted the former Honeywell's petition for review and vacated the July 3, 1996 Federal Circuit panel decision. The case was remanded to the Federal Circuit panel for reconsideration in light of a recent decision by the U.S. Supreme Court in the Warner-Jenkinson vs. Hilton Davis case, which refined the law concerning patent infringement under the doctrine of equivalents. On March 21, 1997, Litton filed a notice of appeal to the Federal Circuit of the trial court's December 23, 1996 decision to deny injunctive relief, but the Federal Circuit stayed any briefing or consideration of that matter until such time as it completed its reconsideration of liability issues ordered by the U.S. Supreme Court.

The liability issues were argued before the same three-judge Federal Circuit panel on September 30, 1997. On April 7, 1998, the panel issued its decision:(i) affirming the trial court's ruling that the former Honeywell's hollow cathode and RF ion-beam processes do not literally infringe the asserted claims of Litton's '849 reissue patent (Litton's patent); (ii) vacating the trial court's ruling that the former Honeywell's RF ion-beam process does not infringe the asserted claims of Litton's patent under the doctrine of equivalents, but also vacating the jury's verdict on that issue and remanding that issue to the trial court for further proceedings in accordance with the Warner-Jenkinson decision;

(iii) vacating the jury's verdict that the former Honeywell's hollow cathode process infringes the asserted claims of Litton's patent under the doctrine of equivalents and remanding that issue to the trial court for further proceedings; (iv) reversing the trial court's ruling with respect to the torts of intentional interference with contractual relations and intentional interference with prospective economic advantage, but also vacating the jury's verdict on that issue, and remanding the issue to the trial court for further proceedings in accordance with California state law; (v) affirming the trial court's grant of a new trial to the former Honeywell on damages for all claims, if necessary; (vi) affirming the trial court's order granting intervening rights to the former Honeywell in the patent claim; (vii) reversing the trial court's ruling that the asserted claims of Litton's patent were invalid due to obviousness and reinstating the jury's verdict on that issue; and (viii) reversing the trial court's determination that Litton had obtained Litton's patent through inequitable conduct.

Litton's request for a rehearing of the panel's decision by the full Federal Circuit court was denied and its appeal of the denial of an injunction was dismissed. The case was remanded to the trial court for further legal and perhaps factual review. The parties filed motions with the trial court to dispose of the remanded issues as matters of law, which were argued before the trial court on July 26, 1999. On September 23, 1999, the trial court issued dispositive rulings in the case, granting the former Honeywell's Motion for Judgment as a Matter of Law and Summary Judgment on the patent claims on various grounds; granting the former Honeywell's Motion for Judgment as a Matter of Law on the state law claims on the grounds of insufficient evidence; and denying Litton's Motion for Partial Summary Judgment. The trial court entered a final judgment in Honeywell's favor on January 31, 2000, and Litton filed a timely notice of appeal from that judgment with the U.S. Court of Appeals for the Federal Circuit.

On February 5, 2001, a three judge panel of the Federal Circuit court affirmed the trial court's rulings granting the former Honeywell's Motion for Judgment as a Matter of Law and Summary Judgment on the patent claims, agreeing that the former Honeywell did not infringe. On the state law claims, the panel vacated the jury's verdict in favor of Litton, reversed the trial court's grant of judgment as a matter of law for the former Honeywell, and remanded the case to the trial court for further proceedings under state law to resolve certain factual issues that it held should have been submitted to the jury. Litton has sought review of this decision by the U.S. Supreme Court.

When preparing for the patent/tort damages retrial that was scheduled for May 1997, Litton had submitted a revised damage study to the trial court, seeking damages as high as $1.9 billion. We do not expect that in the absence of any patent infringement Litton will be able to prove any tortious conduct by the former Honeywell under state law that interfered with Litton's contracts or business prospects. We believe that it is reasonably possible that no damages will ultimately be awarded to Litton.

Although it is not possible at this time to predict whether Litton's appeal to the U.S. Supreme Court will succeed, potential does remain for an adverse outcome which could be material to our financial position or results of operations. We believe however, that any potential award of damages for an adverse judgment of infringement or interference should be based upon a reasonable royalty reflecting the value of the ion-beam coating process, and further that such an award would not be material to our financial position or results of operations. As a result of the uncertainty regarding the outcome of this matter, no provision has been made in our financial statements with respect to this contingent liability.

Antitrust Case - Preparations for, and conduct of, the trial in the antitrust case have generally followed the completion of comparable proceedings in the patent/tort case. The antitrust trial did not begin until November 20, 1995. Judge Pfaelzer also presided over the trial, but it was held before a different jury. At the close of evidence and before jury deliberations began, the trial court dismissed, for failure of proof, Litton's contentions that the former Honeywell had illegally monopolized and attempted to monopolize by: (i) engaging in below-cost predatory pricing; (ii) tying and bundling product offerings under packaged pricing; (iii) misrepresenting its products and disparaging Litton products; and (iv) acquiring the Sperry Avionics business in 1986.

On February 2, 1996, the case was submitted to the jury on the remaining allegations that the former Honeywell had illegally monopolized and attempted to monopolize by: (i) entering into certain long-term exclusive dealing and penalty arrangements with aircraft manufacturers and airlines to exclude Litton from the commercial aircraft market, and (ii) failing to provide Litton with access to proprietary software used in the cockpits of certain business jets.

On February 29, 1996, the jury returned a $234 million single damages verdict against the former Honeywell for illegal monopolization, which verdict would have been automatically trebled. On March 1, 1996, the jury indicated that it was unable to reach a verdict on damages for the attempt to monopolize claim, and a mistrial was declared as to that claim.

The former Honeywell subsequently filed a motion for judgment as a matter of law and a motion for a new trial, contending, among other things, that the jury's partial verdict should be overturned because the former Honeywell was prejudiced at trial, and Litton failed to prove essential elements of liability or submit competent evidence to support its speculative, all-or-nothing $298.5 million damage claim. Litton filed motions for entry of judgment and injunctive relief. On July 24, 1996, the trial court denied the former Honeywell's alternative motions for judgment as a matter of law or a complete new trial, but concluded that Litton's damage study was seriously flawed and granted the former Honeywell a retrial on damages only. The court also denied Litton's two motions. At that time, Judge Pfaelzer was expected to conduct the retrial of antitrust damages sometime following the retrial of patent/tort damages. However, after the U.S. Supreme Court remanded the patent/tort case to the Federal Circuit in March 1997, Litton moved to have the trial court expeditiously schedule the antitrust damages retrial. In September 1997, the trial court rejected that motion, indicating that it wished to know the outcome of the current patent/tort appeal before scheduling retrials of any type.

Following the April 7, 1998 Federal Circuit panel decision in the patent/tort case, Litton again petitioned the trial court to schedule the retrial of antitrust damages. The trial court tentatively scheduled the trial to commence in the fourth quarter of 1998, and reopened limited discovery and other pretrial preparations. Litton then filed another antitrust damage claim of nearly $300 million.

The damages only retrial began October 29, 1998 before Judge Pfaelzer and a new jury. On December 9, 1998, the jury returned verdicts against the former Honeywell totaling $250 million, $220 million of which is in favor of Litton and $30 million of which is in favor of its sister corporation, Litton Systems, Canada, Limited.

On January 27, 1999, the court vacated its prior mistrial ruling with respect to the attempt to monopolize claim and entered a treble damages judgment in the total amount of $750 million for actual and attempted monopolization. The former Honeywell filed appropriate post-judgment motions with the trial court and Litton filed motions seeking to add substantial attorney's fees and costs to the judgment. A hearing on the post-judgment motions was held before the trial court on May 20, 1999. On September 24, 1999, the trial court issued rulings denying the former Honeywell's Motion for Judgment as a Matter of Law and Motion for New Trial and Remittitur as they related to Litton Systems Inc., but granting the former Honeywell's Motion for Judgment as a Matter of Law as it relates to Litton Systems, Canada, Limited. The net effect of these rulings was to reduce the existing judgment against the former Honeywell of $750 million to $660 million, plus attorney fees and costs of approximately $35 million. Both parties have appealed the judgment, as to both liability and damages, to the U.S. Court of Appeals for the Ninth Circuit. Execution of the trial court's judgment is stayed pending resolution of the former Honeywell's post-judgment motions and the disposition of any appeals filed by the parties.

We expect to obtain substantial relief from the current adverse judgment in the antitrust case by an appeal to the Ninth Circuit, based upon sound substantive and procedural legal grounds. We believe that there was no factual or legal basis for the magnitude of the jury's award in the damages retrial and that, as was the case in the first trial, the jury's award should be overturned. We also believe there are serious questions concerning the identity and nature of the business arrangements and conduct which were found by the first antitrust jury in 1996 to be anti-competitive and damaging to Litton, and the verdict of liability should be overturned as a matter of law.

Although it is not possible at this time to predict the result of the appeals, potential remains for an adverse outcome which could be material to our financial position or results of operations. As a result of the uncertainty regarding the outcome of this matter, no provision has been made in our financial statements with respect to this contingent liability. We also believe that it would be inappropriate for Litton to obtain recovery of the same damages, e.g. losses it suffered due to the former Honeywell's sales of ring laser gyroscope-based inertial systems to OEMs and airline customers, under multiple legal theories, claims, and cases, and that eventually any duplicative recovery would be eliminated from the antitrust and patent/tort cases.

SHAREOWNER LITIGATION - Honeywell and seven of its officers were named as defendants in several purported class action lawsuits filed in the United States District Court for the District of New Jersey (the Securities Law Complaints). The Securities Law Complaints principally allege that the defendants violated federal securities laws by purportedly making false and misleading statements and by failing to disclose material information concerning Honeywell's financial performance, thereby allegedly causing the value of Honeywell's stock to be artificially inflated. The purported class period for which damages are sought is December 20, 1999 to June 19, 2000.

In addition, Honeywell, seven of its officers and its Board have been named as defendants in a purported shareowner derivative action which was filed on November 27, 2000 in the United States District Court for the District of New Jersey (the Derivative Complaint). The Derivative Complaint alleges a single claim for breach of fiduciary duty based on nearly identical allegations to those set forth in the Securities Law Complaints.

We believe that there is no factual or legal basis for the allegations in the Securities Law Complaints and the Derivative Complaint. Although it is not possible at this time to predict the result of these cases, we expect to prevail. However, an adverse outcome could be material to our financial position or results of operations. As a result of the uncertainty regarding the outcome of this matter, no provision has been made in our financial statements with respect to this contingent liability.

Report of Independent Accountants

To the Board of Directors and Shareowners
of Honeywell International Inc.

We have reviewed the accompanying consolidated balance sheet of Honeywell International Inc. and its subsidiaries as of March 31, 2001, and the related consolidated statements of income for each of the three-month periods ended March 31, 2001 and 2000 and the consolidated statements of cash flows for the three-month periods ended March 31, 2001 and 2000. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of December 31, 2000, and the related consolidated statements of income, of shareowners' equity, and of cash flows for the year then ended (not presented herein), and in our report dated February 9, 2001, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2000, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP
Florham Park, NJ
May 8, 2001

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

A. RESULTS OF OPERATIONS - FIRST QUARTER 2001 COMPARED WITH FIRST QUARTER 2000

Net sales in the first quarter of 2001 were $5,944 million, a decrease of $100 million, or 2 percent compared with the first quarter of 2000. The decrease in sales is attributable to the following:

Acquisitions	2 %
Divestitures	(2)
Volume/price	-
Foreign exchange	(2)
	(2)%

Segment profit in the first quarter of 2001 was $698 million, a decrease of $138 million, or 17 percent compared with the first quarter of 2000. Segment profit margin for the first quarter of 2001 was 11.7 percent compared with 13.8 percent for the first quarter of 2000. The decrease in segment profit in the first quarter of 2001 was principally the result of a substantial decline in segment profit for both the Performance Materials and Power & Transportation Products segments. The Aerospace Solutions and Automation & Control segments also had slightly lower segment profit. Segment profit is discussed in detail by segment in the Review of Business Segments section below.

Equity in (income) loss of affiliated companies was a loss of $103 million in the first quarter of 2001 compared with income of $4 million in the first quarter of 2000. The first quarter of 2001 includes a charge of $95 million related to an other than temporary decline in value of an equity investment and an equity investee's loss contract. Excluding this charge, equity in (income) loss of affiliated companies in the first quarter of 2001 was a loss of $8 million, a decrease of $12 million compared with the first quarter of 2000 due mainly to lower earnings from our UOP process technology (UOP) joint venture.

Other (income) expense, $4 million of income in the first quarter of 2001, decreased by $6 million compared with the first quarter of 2000. The first quarter of 2001 includes a net provision of $5 million consisting of a $6 million charge related to the redemption of our $200 million 5 3/4% dealer remarketable securities and a $1 million benefit recognized upon the adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended. See Notes 8 and 9 on page 8 of this Form 10-Q for further details. Excluding this net provision, other (income) expense was $9 million of income in the first quarter of 2001 compared with $10 million of income in the first quarter of 2000.

The effective tax rate in the first quarter of 2001 includes the impact of repositioning and other charges. Excluding the impact of these charges, the effective tax rate was 29.4 percent in the first quarter of 2001 compared with 31.5 percent in the first quarter of 2000. The decrease in the effective tax rate relates principally to incremental tax synergies associated with the AlliedSignal Inc. and Honeywell Inc. merger in December 1999 and favorable tax audit results.

Net income of $41 million, or $0.05 per share, in the first quarter of 2001 compared with net income of $506 million, or $0.63 per share in the first quarter of 2000. Adjusted for repositioning and other charges, net income in the first quarter of 2001 was $374 million, or $0.46 per share, higher than reported. Net income in the first quarter of 2001 decreased by 18 percent compared with the first quarter of 2000 if the current period is adjusted for these repositioning and other charges.

Review of Business Segments

Aerospace Solutions sales of $2,411 million in the first quarter of 2001 increased by $15 million, or 1 percent compared with the first quarter of 2000. The increase relates to higher sales to the aftermarket, particularly repair and overhaul and the military. Sales of original equipment to air transport manufacturers and business customers were also higher. This increase was partially offset by the effects of prior year government-mandated divestitures in connection with the merger of AlliedSignal Inc and Honeywell Inc.

Aerospace Solutions segment profit of $451 million in the first quarter of 2001 decreased by $42 million, or 9 percent compared with the first quarter of 2000. The decrease relates principally to a less profitable sales mix, engineering and development costs related to new products and government-mandated divestitures.

Automation & Control sales of $1,748 million in the first quarter of 2001 increased by $48 million, or 3 percent compared with the first quarter of 2000. This increase includes the negative impact of foreign exchange of approximately 3 percent. Sales for our Home & Building Control business were moderately higher due to our acquisition of Pittway in the prior year. Sales for our security business also improved slightly. Sales for our Industrial Control business decreased moderately as growth in our sensing & control business was more than offset by a decline in our industrial automation & control business due to a shift to longer lead-time order activity in the hydrocarbon processing industry.

Automation & Control segment profit of $188 million in the first quarter of 2001 was lower by $2 million, or 1 percent compared with the first quarter of 2000. Segment profit for our Home & Building Control business increased moderately as lower costs due to workforce reductions more than offset the negative impact of price decreases in certain product lines. This increase was more than offset by lower segment profit for our Industrial Control business due to lower sales volume and price decreases in certain product lines partially offset by lower costs due to workforce reductions.

Performance Materials sales of $913 million in the first quarter of 2001 decreased by $112 million, or 11 percent compared with the first quarter of 2000. Sales were moderately lower in our Performance Polymers & Chemicals business due principally to lower volumes in businesses impacted by weakness in the automotive end-market. Electronic Materials sales declined substantially due to prior year divestitures and lower sales volume in the wafer fabrication business due to weakness in the semiconductor end-market. This decrease was partially offset by sales growth in our advanced circuits business due to growth in broadband and telecom devices and applications.

Performance Materials segment profit of $38 million in the first quarter of 2001 was lower by $57 million, or 60 percent compared with the first quarter of 2000. The decrease results primarily from high energy and raw material costs, primarily natural gas, and lower sales volumes in certain Performance Polymers & Chemicals businesses partially offset by cost structure improvements from recent repositioning actions and the impact of prior year divestitures.

Power & Transportation Products sales of $860 million in the first quarter of 2001 decreased by $44 million, or 5 percent compared with the first quarter of 2000. Excluding the negative impact of foreign exchange, sales decreased 1 percent. Sales were higher for our Turbocharging Systems business due to continued strong demand in Europe. This increase was more than offset by lower sales for our Commercial Vehicle Systems business due to decreased heavy-duty truck builds in North America and our Friction Materials and Consumer Products Group businesses due to weakness in the automotive industry.

Power & Transportation Products segment profit of $50 million in the first quarter of 2001 decreased by $38 million, or 43 percent compared with the first quarter of 2000. The decrease principally reflects lower sales in our Commercial Vehicle Systems, Friction Materials and Consumer Products Group businesses and costs related to our Turbogenerator product line.

B. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Total assets at March 31, 2001 were $24,788 million, a decrease of $387 million, or 2 percent from December 31, 2000.

Cash provided by operating activities of $247 million during the first three months of 2001 decreased by $140 million compared with the first three months of 2000 due principally to lower net income, excluding repositioning and other charges as previously described, and higher working capital.

Cash used for investing activities of $233 million during the first three months of 2001 decreased by $2,180 million compared with the first three months of 2000. The decrease relates principally to the fact that the prior year included the acquisition of Pittway.

We continuously assess the relative strength of each business in our portfolio as to strategic fit, market position and profit contribution in order to upgrade our combined portfolio and identify operating units that will most benefit from increased investment. We identify acquisition candidates that will further our strategic plan and strengthen our existing core businesses. We also identify operating units that do not fit into our long-term strategic plan based on their market position, relative profitability or growth potential. These operating units are considered for potential divestiture, restructuring or other repositioning action subject to regulatory constraints.

Cash used for financing activities of $136 million during the first three months of 2001 increased by $1,171 million compared with the first three months of 2000. The increase principally relates to the fact that we issued $1 billion of 7.50% Notes in February 2000. Total debt of $5,647 million at March 31, 2001 was $24 million higher than at December 31, 2000.

Merger and Repositioning Charges

In the first quarter of 2001, we recognized a repositioning charge of $297 million for the cost of actions designed to reduce our cost structure and improve our future profitability. These actions consisted of announced global workforce reductions totaling approximately 6,500 manufacturing and administrative positions across all of our reportable segments. The repositioning charge also included asset impairments and other exit costs related to plant closures and the rationalization of manufacturing capacity and infrastructure principally in our Performance Polymers & Chemicals, Electronic Materials, Transportation and Power Systems and Automotive Consumer Products Group businesses. The components of the charge included severance costs of $259 million, asset impairments of $24 million

and other exit costs of $14 million. The pretax impact of the repositioning charge by reportable segment was as follows: Automation & Control - $132 million; Aerospace Solutions - $64 million; Performance Materials - $44 million; Power & Transportation Products - $37 million; and Corporate - $20 million.

As disclosed in our 2000 Annual Report on Form 10-K, we recognized repositioning charges totaling $338 million in 2000 (none were recognized in the first quarter of 2000). The components of the charges included severance costs of $157 million, asset impairments of $141 million and other exit costs of $40 million. The workforce reductions consisted of approximately 2,800 manufacturing and administrative positions and are expected to be substantially completed by the end of the second quarter of 2001. Also, $46 million of accruals established in 1999, principally for severance, were returned to income in 2000 due to higher than expected voluntary employee attrition resulting in reduced severance liabilities.

We expect that the repositioning actions committed to in 2001 will generate pretax savings in excess of $250 million in 2001 and $450 million in 2002. Cash expenditures for severance and other exit costs necessary to execute these actions will exceed $250 million and will be incurred principally in 2001. Cash spending for severance and other exit costs for 2001 and 2000 repositioning actions were $59 million for the three months ended March 31, 2001 and were funded principally through operating cash flows.

Report of Independent Accountants

The "Report of Independent Accountants'" included herein is not a "report" or "part of a Registration Statement" prepared or certified by an independent accountant within the meanings of Section 7 and 11 of the Securities Act of 1933, and the accountants' Section 11 liability does not extend to such report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See our 2000 Annual Report on Form 10-K (Item 7A). At March 31, 2001, there has been no material change in this information.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits. The following exhibits are filed with this Form 10-Q:

15 Independent Accountants' Acknowledgment Letter as to the incorporation of their report relating to unaudited interim financial statements

(b) Reports on Form 8-K. There were no reports on Form 8-K filed during the three months ended March 31, 2001.

SIGNATURES

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

Honeywell International Inc.

Date: May 11, 2001

By: /s/ Philip M. Palazzari

Philip M. Palazzari
Vice President and Controller
(on behalf of the Registrant
and as the Registrant's
Principal Accounting Officer)

EXHIBIT INDEX

Exhibit Number	Description
2	Omitted (Inapplicable)
3	Omitted (Inapplicable)
4	Omitted (Inapplicable)
10	Omitted (Inapplicable)
11	Omitted (Inapplicable)
15	Independent Accountants' Acknowledgment Letter as to the incorporation of their report relating to unaudited interim financial statements
18	Omitted (Inapplicable)
19	Omitted (Inapplicable)
22	Omitted (Inapplicable)
23	Omitted (Inapplicable)
24	Omitted (Inapplicable)
99	Omitted (Inapplicable)

EXHIBIT 15

May 11, 2001

Securities and Exchange Commission
450 Fifth Street
Washington, D.C. 20549

Commissioners:

We are aware that our report dated May 8 , 2001 on our review of interim financial information of Honeywell International Inc. (the "Company") as of and for the period ended March 31, 2001 and included in the Company's quarterly report on Form 10-Q for the quarter then ended is incorporated by reference in the Company's Registration Statements on Forms S-8 (Nos. 33-09896, 33-51455, 33-55410, 33-58347, 333-57509, 333-57515, 333-57517, 333-57519, 333-83511, 333-88141, 333-31370, 333-34764, 333-49280, 333-57866, 333-57868 and 333-57870), on Forms S-3 (Nos. 33-14071, 33-55425, 333-22355, 333-49455, 333-68847, 333-74075, 333-34760 and 333-45466) and on Form S-4 (No. 333-82049) and in General Electric Company's Registration Statement on Form S-4, dated December 4, 2000.

Very truly yours,

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP