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, 1995

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

AlliedSignal 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)

(201)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, 1995
$1 par value	284,298,441 shares

AlliedSignal Inc.

Index

AlliedSignal Inc.
Consolidated Balance Sheet
(Unaudited)

	March 31, 1995	December 31, 1994
	(Dollars in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 512	$ 508
Accounts and notes receivable - net (Note 2)	1,861	1,697
Inventories - net (Note 3)	1,877	1,743
Other current assets	653	637
Total current assets	4,903	4,585
Investments and long-term receivables	504	475
Property, plant and equipment	9,010	8,792
Accumulated depreciation and amortization	(4,718)	(4,532)
Cost in excess of net assets of acquired companies - net	1,347	1,349
Other assets	671	652
Total assets	$11,717	$11,321
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 1,291	$ 1,296
Short-term borrowings	227	133
Current maturities of long-term debt	184	130
Accrued liabilities	1,953	1,832
Total current liabilities	3,655	3,391
Long-term debt	1,317	1,424
Deferred income taxes	428	406
Postretirement benefit obligations other than pensions	1,827	1,790
Other liabilities	1,287	1,328
SHAREOWNERS' EQUITY		
Capital - common stock issued	358	358
- additional paid-in capital	2,464	2,458
Common stock held in treasury, at cost	(1,488)	(1,505)
Cumulative translation adjustment	70	18
Unrealized holding gain on equity securities	37	40
Retained earnings	1,762	1,613
Total shareowners' equity	3,203	2,982
Total liabilities and shareowners' equity	$11,717	$11,321

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

AlliedSignal Inc.
Consolidated Statement of Income
(Unaudited)

	Three Months Ended March 31	
	1995	1994
	(Dollars in millions except per share amounts)	
Net sales	$3,419	$2,986
Cost of goods sold	2,747	2,402
Selling, general and administrative expenses	358	314
Total costs and expenses	3,105	2,716
Income from operations	314	270
Equity in income of affiliated companies	49	30
Other income (expense)	(19)	(13)
Interest and other financial charges	(41)	(37)
Income before taxes on income	303	250
Taxes on income	105	81
Net income	$ 198	$ 169
Earnings per share of common stock (Note 4)	$ .70	$ .60
Cash dividends per share of common stock	$ .195	$ .145

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

AlliedSignal Inc.
Consolidated Statement of Cash Flows
(Unaudited)

	Three Months Ended March 31	
	1995	1994
	(Dollars in millions)	
Cash flows from operating activities:		
Net income	$ 198	$ 169
Adjustments to reconcile net income to net cash flows from operating activities:		
Streamlining and restructuring	--	(44)
Depreciation and amortization (includes goodwill)	152	135
Undistributed earnings of equity affiliates	(22)	(7)
Deferred taxes	40	35
(Increase) in accounts and notes receivable	(152)	(105)
Decrease (increase)in inventories	(124)	1
(Increase) in other current assets	(16)	(1)
(Decrease) in accounts payable	(27)	(11)
Increase (decrease) in accrued liabilities	101	(50)
Other	(50)	(56)
Net cash flow provided by operating activities	100	66
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(145)	(111)
Proceeds from disposals of property, plant and equipment	20	7
Decrease in other investments	--	--
(Increase) in other investments	--	(5)
Decrease in marketable securities	--	16
Cash paid for acquisitions - net	31	(22)
Proceeds from sales of businesses	--	27
Net cash flow (used for) investing activities	(94)	(88)
Cash flows from financing activities:		
Net increase in commercial paper	89	1
Net increase in short-term borrowings	3	57
Proceeds from issuance of common stock	20	24
Proceeds from issuance of long-term debt	--	1
Payments of long-term debt	(59)	(79)
Repurchases of common stock	(1)	(15)
Cash dividends on common stock	(54)	(41)
Redemption of common stock purchase rights	--	(7)
Net cash flow (used for) financing activities	(2)	(59)
Net increase (decrease) in cash and cash equivalents	4	(81)
Cash and cash equivalents at beginning of year	508	892
Cash and cash equivalents at end of period	$ 512	$ 811

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

AlliedSignal Inc.
Notes to Financial Statements
(Unaudited)
(Dollars in millions)

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 AlliedSignal Inc. and its consolidated subsidiaries at March 31, 1995 and the results of operations and the changes in cash flows for the three months ended March 31, 1995 and 1994. The results of operations for the three-month period ended March 31, 1995 should not necessarily be taken as indicative of the results of operations that may be expected for the entire year 1995.

The financial information as of March 31, 1995 should be read in conjunction with the financial statements contained in the Company's Form 10-K Annual Report for 1994.

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

	March 31, 1995	December 31, 1994
Trade	$1,699	$1,526
Other	198	204
	1,897	1,730
Less-Allowance for doubtful accounts and refunds	(36)	(33)
	$1,861	$1,697

Note 3. Inventories are valued at the lower of cost or market using the last-in, first-out (LIFO) method for certain qualifying domestic inventories and the first-in, first-out (FIFO) or the average cost method for other inventories.

Inventories consist of the following:

	March 31, 1995	December 31, 1994 (a)
Raw materials	$ 550	$ 488
Work in process	824	761
Finished products	743	711
Supplies and containers	69	70
	2,186	2,030
Less - Progress payments	(184)	(160)
Reduction to LIFO cost basis	(125)	(127)
	$1,877	$1,743

(a) Reclassified for comparative purposes.

Note 4. Based on the weighted average number of shares outstanding during each period, as follows: 1995, 283,765,137 shares, and 1994, 284,456,136 shares. No dilution results from outstanding common stock equivalents.

Report on Review by Independent Accountants

To the Board of Directors
of AlliedSignal Inc.

We have reviewed the accompanying consolidated balance sheet of AlliedSignal Inc. and its subsidiaries as of March 31, 1995, and the consolidated statements of income and of cash flows for the three-month periods ended March 31, 1995 and 1994. This financial information is 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 financial information referred to above for it to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1994, and the related consolidated statements of income, of retained earnings, and of cash flows for the year then ended (not presented herein); and in our report dated February 1, 1995 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, 1994, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Price Waterhouse LLP
4 Headquarters Plaza North
Morristown, NJ 07962

April 21, 1995

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

Results of Operations

First Quarter 1995 Compared with First Quarter 1994

Net sales in the first quarter of 1995 totaled $3.4 billion, an increase of $433 million, or 15%, compared with the first quarter of last year. Of this increase, $237 million was due to higher sales volumes by the automotive and engineered materials segments, $137 million reflects the consolidation of recent acquisitions and the impact of dispositions and $61 million was due to favorable foreign exchange fluctuations in the automotive segment. Automotive's sales increased $250 million, or 22%, engineered materials was $133 million, or 18%, higher and aerospace had a $50 million, or 5%, gain.

Automotive benefited from growing sales of turbochargers in the U.S., Europe and Asia, expanded sales of braking systems worldwide, continued strength in North American medium and heavy truck brakes, strong worldwide sales of safety restraints and higher sales of aftermarket products, primarily in Europe. Sales volumes were higher for most engineered materials business units, including fibers, performance materials, engineering plastics, laminate systems, environmental catalysts and carbon materials. Aerospace's sales increased reflecting the acquisition of the Lycoming turbine engine business in October 1994. Recent events and new government requirements have also resulted in heightened demand for commercial avionics' aircraft safety equipment, such as collision avoidance, wind shear detection and ground proximity warning systems. Aerospace equipment systems also had higher sales. Year-to-year quarterly sales comparisons were adversely affected by a one-time contract settlement in 1994 and, in 1995, by delays in government electronics systems' shipments.

Selling, general and administrative expenses increased $44 million, or 14%, reflecting in part the impact of acquisitions over the past year.

Income from operations of $314 million increased by $44 million, or 16%, compared with last year's first quarter. Automotive's operating income improved by 25%, engineered materials' by 24% and aerospace's by 6%. Operating expense for corporate was unfavorable by $10 million. The Company's operating margin for the first quarter of 1995 was 9.2% compared with 9.0% for the same period last year. See the discussion of net income below for information by segment.

Productivity (the constant dollar basis relationship of sales to costs) of the Company's businesses improved by 5.4% compared with last year's first quarter.

Equity in income of affiliated companies of $49 million increased by $19 million, or 63%, compared with last year mainly because of improved joint venture earnings for Paxon high-density polyethylene, UOP process technology and Atlantic Research hybrid inflator technology.

Other income (expense) of $(19) million was unfavorable by $6 million compared with last year's first quarter mainly due to lower interest income and higher minority interest reflecting the truck brake business joint venturing with Knorr-Bremse in the United States.

Interest and other financial charges of $41 million increased by $4 million, or 11%, from 1994's first quarter reflecting a lower amount capitalized.

The effective tax rate in the first quarter of 1995 was 34.6% compared with 32.4% in 1994. The 2.2 percentage point increase over the 1994 rate is primarily due to growth in both domestic and foreign earnings that are subject to the statutory rate.

Aerospace's net income rose to $56 million from $52 million, an increase of 8%, reflecting increased earnings for engines, aerospace equipment systems and commercial avionics systems.

Automotive's net income rose to $62 million from $46 million a year ago, a 35% increase, reflecting increased sales of automotive systems and components on higher car and light truck production in Europe and North America and increased utilization of turbo diesel engines in Western European passenger cars and North American light trucks. Net income was significantly higher for braking systems-Europe, safety restraint systems, turbocharging systems and truck brake systems. Worldwide aftermarket income was up, primarily driven by Europe. The Company continues to reap the benefits of strong AlliedSignal content in popular minivans and sport utility vehicles as well as certain new car models.

Engineered materials' net income increased to $94 million from $78 million, a 21% increase. Net income was higher for fibers, performance materials, engineering plastics, laminate systems, environmental catalysts and carbon materials. Income improved in the quarter due to volume and price increases, partially offset by higher raw materials costs. There was a substantial increase in net income from the Paxon joint venture with Exxon and the UOP joint venture with Union Carbide.

Net income in the 1995 first quarter of $198 million, or $0.70 a share, was higher than last year's net income of $169 million, or $0.60 a share, for the reasons discussed above.

Financial Condition

March 31, 1995 Compared with December 31, 1994

On March 31, 1995 the Company had $512 million in cash and cash equivalents, compared with $508 million at year-end 1994. The current ratio at March 31, 1995 was 1.3X, compared with 1.4X at year-end 1994.

On March 31, 1995 the Company's long-term debt amounted to $1,317 million, $107 million lower than at year-end 1994. Total debt of $1,728 million on March 31, 1995 was $41 million higher than at year-end. The Company's total debt as a percent of capital decreased from 34.1% at year-end to 33.1% at March 31, 1995.

During the first three months of 1995, the Company spent $145 million for capital expenditures, compared with $111 million in the corresponding period in 1994. Spending for the 1995 three month period was as follows: aerospace-$29 million; automotive-$51 million; engineered materials-$57 million, and corporate-$8 million.

In April 1995 the Company completed the purchase of The Budd Company's Wheel & Brake Division for approximately $160 million. The division manufactures rotors, hubs, drums and related assemblies for passenger cars and light trucks; steel disc wheels for heavy trucks; demountable rims; and hub and drum assemblies for medium- and heavy-duty vehicles and had 1994 sales of about $250 million.

Review by Independent Accountants

The "Independent Accountants' Report" 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.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Shareowners of the Company held on April 24, 1995, the following matters set forth in the Company's Proxy Statement dated March 10, 1995, which was filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934, were voted upon with the results indicated below.

(1) The nominees listed below were elected directors for a three-year term ending in 1998 with the respective votes set forth opposite their names:

	FOR	WITHHELD
Russell E. Palmer	238,244,499	4,925,686
Ivan G. Seidenberg	238,397,642	4,772,543
Andrew C. Sigler	238,088,857	5,081,328
Thomas P. Stafford	238,127,316	5,042,869

(2) A proposal seeking approval of the appointment of Price Waterhouse LLP as independent accountants for 1995 was approved, with 238,139,205 votes cast FOR, 2,501,701 votes cast AGAINST and 2,529,279 abstentions;

(3) A shareowner proposal recommending that steps be taken to eliminate the election of directors by classes was not approved, with 91,858,803 votes cast FOR, 124,882,768 votes cast AGAINST, 5,464,053 abstentions and 20,964,561 broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

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

- 10.1 Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of AlliedSignal Inc. and its Subsidiaries, as amended
- 10.2 Salary Deferral Plan for Selected Employees of AlliedSignal Inc. and its Affiliates, as amended
- 15 Independent Accountants' Acknowledgment Letter as to the incorporation of their report relating to unaudited interim financial statements
- 27 Financial Data schedule

(b) Reports on Form 8-K. No reports on Form 8-K were filed by the Company during the quarter ended March 31, 1995.

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.

AlliedSignal Inc.

Date: May 8, 1995

By: /s/ G. Peter D'Aloia

G. Peter D'Aloia
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)
4	Omitted (Inapplicable)
10.1	Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of AlliedSignal Inc. and its Subsidiaries, as amended
10.2	Salary Deferral Plan for Selected Employees of AlliedSignal Inc. and its Affiliates, as amended
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)
27	Financial Data Schedule
99	Omitted (Inapplicable)

Amended and restated
as of January 1, 1994

SUPPLEMENTAL NON-QUALIFIED SAVINGS PLAN FOR HIGHLY COMPENSATED EMPLOYEES OF ALLIEDSIGNAL INC. AND ITS SUBSIDIARIES (Career Band 6 and above)

1. ELIGIBILITY

Those highly compensated employees ("HCEs") of AlliedSignal Inc. (the "Corporation") and its subsidiaries within the meaning of Section 414(q) of the Internal Revenue Code of 1986 (the "Code") in Career Band 6 and above who are eligible to participate in the AlliedSignal Savings Plan (the "Qualified Savings Plan") are eligible to participate in the Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of AlliedSignal Inc. and its Subsidiaries (Career Band 6 and above) (the "Plan").

2. Definitions

Capitalized terms not otherwise defined in the Plan have the respective meanings set forth in the Qualified Savings Plan.

3. Participation

(a) Time and Form of Election. Any eligible employee may become a participant in the Plan (a "Participant") as of the beginning of the next available pay period, by executing a written notice of election to participate and filing such notice with the Corporation prior to the beginning of such pay period. Such notice may direct that a portion (determined in accordance with paragraph 4(a)) of the base annual salary exclusive of shift differentials, overtime or other premium pay, bonus, incentive or other extra compensation but inclusive of severance pay (unless otherwise specifically excluded by the severance pay plan) or salary deferred under this Plan or otherwise ("Base Annual Salary"), which would have been payable to such Participant during such pay period and succeeding pay periods, in lieu of such payment, be credited to a deferred compensation account maintained under the Plan as an unfunded book entry stated as a cash balance (the "Participant's Account"). Amounts so credited to the Participant's Account shall constitute "Participant Deferred Contributions." A Participant's election to direct that a portion of his or her Base Annual Salary be credited to the Participant's Account shall continue in effect until the Participant terminates such election, the Participant is no longer an HCE or the Participant is no longer eligible to contribute to the Qualified Savings Plan. Any such termination shall be effective only with respect to the Participant's Base Annual Salary payable after the end of the pay period in which one of the events in the preceding sentence occurs. Amounts credited to the Participant's Account prior to the effective date of the termination of the election shall not be affected and shall be distributed only in accordance with the terms of the Plan and Participant's distribution election thereunder.

(b) Change or Resumption of Amount Deferred. A Participant may elect once ever 30 days in connection with a Qualified Savings Plan election, to change the amount of Base Annual Salary to be credited to the Participant's Account in the Plan commencing with the next available pay period following his or her election. Amounts credited to the Participant's Account prior to the effective date of such change shall not be affected by such change and shall be distributed only in accordance with the terms of the Plan.

4. Contributions to Participants' Accounts

(a) <ins>Participant Deferred Contributions.</ins> A Participant may elect to defer an aggregate amount, rounded to the nearest full dollar, equal to (i) a full percentage of such Participant's Base Annual Salary from 1% to the maximum percentage permitted under the Qualified Savings Plan and Section 415(c)(1)(B) of the Code for Before-Tax Contributions by an individual who is not an HCE and who is eligible to participate in the Qualified Savings Plan, without regard to any other limitations which may apply under the Code and without regard to any After-Tax Contributions which might be made under the Qualified Savings Plan, minus (ii) the full amount of Before-Tax Contributions made by such Participant under the Qualified Savings Plan, provided, however, that a Participant who elects to defer any such amount hereunder shall be required to make the maximum Before-Tax Contributions permissible under the Qualified Savings Plan (after giving effect to deferrals under the Plan or otherwise).

(b) <ins>Plan Employer Contributions.</ins> There shall be credited to the Participant's Account employer contributions under the Plan ("Plan Employer Contributions") in an aggregate amount equal to (i) minus (ii) where (i) is 50% (for participants in the Qualified Savings Plan with less than 60 Months of Participation) or 100% (for participants in the Qualified Savings Plan with at least 60 Months of Participation) of the lesser of (x) 8% of the Participant's Base Annual Salary or (y) the sum of the Participant's Participant Contributions under the Qualified Savings Plan and Participant Deferred Contributions under the Plan, and (ii) is the total amount of Employer Contributions made with respect to the Participant under the Qualified Savings Plan, provided that in no event shall the combined Plan Employer Contributions and Employer Contributions made with respect to the Participant, exceed 8% of the Participant's Base Annual Salary, and provided, further, that Plan Employer Contributions shall not be made with respect to a Participant during any period of suspension of Employer Contributions with respect to such Participant under the terms of the Qualified Savings Plan, whether or not such Participant continues to make Participant Contributions under the Qualified Savings Plan during the period of such suspension.

(c) <ins>Vesting.</ins> Participant Deferred Contributions, Plan Employer Contributions, and all amounts accrued with respect to Participant Deferred Contributions and Plan Employer Contributions in accordance with paragraph 5 shall be vested at the time such amounts are credited to the Participant's Account.

(d) All Contributions Prorated. Participant Deferred Contributions and Plan Employer Contributions shall be credited to a Participant's Account each pay period.

5. The Participant's Account

Participant Deferred Contributions and Plan Employer Contributions shall be credited to the Participant's Account under the Plan as unfunded book entries stated as cash balances. Participant Deferred Contributions credited to the Participant's Account prior to January 1, 1994 or after the Participant has terminated employment shall accrue amounts (to be posted each Valuation Date) equivalent to interest, compounded daily, at a rate based upon the cost to the Corporation of borrowing at a fixed rate for a 15-year term. Such rate shall be determined annually by the Chief Financial Officer of the Corporation in consultation with the Treasurer of the Corporation. Participant Deferred Contributions credited to the Participant's Account on or after January 1, 1994, but before a Participant terminates employment shall accrue amounts (to be posted each Valuation Date) equivalent to interest, compounded daily, at a rate determined annually by the Management Development and Compensation Committee (the "Committee") of the Board of Directors (the "Board") of the Corporation. The rate established in the preceding sentence shall not exceed the greater of (i) 10% or (ii) 200% of the 10-year U.S. Treasury Bond rate at the time of determination and, once established for a calendar year, shall remain in effect with respect to all Participant Deferred Contributions credited to the Participant's Account during such calendar year until the amounts are distributed. Plan Employer Contributions credited to the Participant's Account shall accrue amounts (to be posted each Valuation Date) equivalent to earnings (or be reduced by amounts equivalent to losses) at a variable rate equal to the rate of return on amounts invested in AlliedSignal Common Stock as of each Valuation Date. Amounts credited to the Participant's Account shall continue to accrue (or be reduced by) amounts equivalent to interest, earnings or losses (as the case may be) until distributed in accordance with the Plan.

6. Distribution from Accounts

(a) Form of Election. At the time a Participant makes an election pursuant to paragraphs 3(a), 3(c) or 3(d), the Participant shall also make an election with respect to the distribution of the aggregate amount of the cash balance credited to the Participant's Account pursuant to such election. A Participant may elect to receive such amount in one lump-sum payment or in a number of approximately equal annual installments (up to twenty-five such installments or, effective January 1, 1995, up to fifteen installments). The lump-sum payment or the first installment shall be paid in cash as soon as practicable during the month of January of such future calendar year as the Participant may designate, or, if the Participant so elects, as soon as practicable during the month of January of the calendar year immediately following the later of the year in which the Participant last contributed to the Plan or the year in which the Participant terminates employment with the Corporation or any of its subsidiaries (whether by reason of Retirement or otherwise). Except as otherwise provided in paragraph 8, subsequent installments shall be paid in cash as soon as practicable during the month of January of each succeeding calendar year until the entire amount credited to the Participant's Account shall have been paid. Notwithstanding the foregoing, Plan Employer Contributions credited during the months of July through December to an Account of a Participant, who is subject to the provisions of Section 16 of the Securities Exchange Act of 1934, may not be paid to the Participant prior to the month of April (for Plan Employer Contributions credited during the months of July through September) and July (for Plan Employer Contributions credited during the months of October through December) of the calendar year immediately following the calendar year in which such Plan Employer Contributions were credited.

(b) Adjustment of Method of Distribution. Prior to the beginning of any calendar year, a Participant may elect to change the timing and method of distribution of the aggregate amount of the cash balance credited to the Participant's Account commencing with such calendar year. Amounts credited to the Participant's Account prior to the effective date of such change (the "Prior Balance"), and all amounts thereafter accrued with respect to the Prior Balance, shall not be affected by such change and, except as otherwise determined by the Committee pursuant to the following sentence or paragraph 8, shall be distributed only in accordance with the election in effect at the time such Prior Balance was credited to the Participant's Account. Prior to January 1, 1995, a Participant may, by written notice to the Corporation, request that the Committee authorize a further deferral of the distribution of the Participant's Account from that previously elected; the Committee shall in its sole discretion determine whether to authorize any such further deferral.

(c) Any cash balance credited to a Participant's Account which is not covered by a timely distribution election under paragraphs (a) and (b) shall be distributed to the Participant in one lump-sum payment to be paid to the Participant in cash as soon as practicable during the month of January of the calendar year immediately following the later of the year in which the Participant last contributed to the Plan or the year in which the Participant terminates his employment with the Corporation or any of its subsidiaries (whether by reason of Retirement or otherwise); provided, however, if the Participant has elected pursuant to paragraphs 9(a)(i) or 9(a)(ii), the lump sum payment shall nevertheless be made within the 90-day period following a Change in Control, as defined in paragraph 9(c).

7. Distribution on Death

If a Participant should die before all amounts credited to the Participant's Account have been paid in accordance with the election referred to in paragraphs 6(a) or 6(b), the balance in such Participant's Account shall be paid in cash as soon as practicable following the Participant's death, but if the participant has elected pursuant to paragraphs 9(a)(i) or 9(a)(ii), at least within the 90-day period following a Change in Control, as defined in paragraph 9(c), to the beneficiary designated in writing by the Participant and filed with the Corporation. If (a) no such designation has been made or (b) the designated beneficiary shall have predeceased the Participant and no further designation has been made, then such balance shall be paid to the estate of the Participant. A participant may change the designated beneficiary at any time during the Participant's lifetime by filing a subsequent designation in writing with the Corporation.

8. Payment in the Event of Hardship

Upon receipt of a request from a Participant or a Participant's designated beneficiary, delivered in writing to the Corporation along with a Certificate of Unavailability of Resources, the Committee, the Senior Vice President - Human Resources and Communications, or his designee, may cause the Corporation to accelerate (or require the subsidiary of the Corporation which employs or employed the Participant to accelerate) payment of all or any part of the amount credited to the Participant's Account, including accrued amounts, if it finds in its sole discretion that payment of such amounts in accordance with the Participant's prior election under paragraphs 6(a) or 6(b) would result in severe financial hardship to the Participant or the Participant's beneficiary and such hardship is the result of an unforseeable emergency caused by circumstances beyond the control of the Participant or beneficiary. Acceleration of payment may not be made under this paragraph 8 to the extent that such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of assets would not itself cause severe financial hardship or (iii) by cessation of deferrals under this Plan or any tax-qualified savings plan of the Corporation.

9. Change in Control

(a)(i) Initial Lump-Sum Payment Election. Notwithstanding any election made pursuant to paragraph 6, any person who becomes eligible to participate in the Plan may file a written election with the Corporation at the time the individual makes an election to participate pursuant to paragraph 3(a), to have the aggregate amount credited to the Participant's
paragraph 3(a), to have the aggregate amount credited to the Participant's
Account commencing with the date on which such written election is filed, paid in one-lump sum payment as soon as practicable following a Change in Control but in no event later than 90 days after such Change in Control.

(a)(ii) Subsequent Lump-Sum Payment Election. A Participant who did not make an election pursuant to paragraph 9(a)(i) or who has revoked, pursuant to paragraph 9(a)(iii), an election previously made under paragraph 9(a)(i) or this paragraph 9(a)(ii) may, prior to the earlier of a Change in Control or the beginning of the calendar year in which the election is to take effect, elect to have the aggregate amount credited to the Participant's Account for all calendar years commencing with the first calendar year beginning after the date the election is made, paid in one lump-sum payment as soon as practicable following a Change in Control but in no event later than 90 days after such Change in Control. Amounts credited to the Participant's Account prior to the effective date of the election made pursuant to this paragraph 9(a)(ii) shall not be affected by such election and shall be distributed following a Change in Control in accordance with any prior election in effect under paragraphs 9(a)(i) or 9(a)(ii).

(a)(iii) Revocation of Lump-Sum Payment Elections. A Participant may, prior to the earlier of a Change in Control or the beginning of any calendar year, file an election revoking any election made pursuant to paragraphs 9(a)(i) or 9(a)(ii), with respect to amounts credited to the Participant's Account commencing with the first calendar year beginning after the election is made. Amounts credited to the Participant's Account prior to the effective date of the election made pursuant to this paragraph 9(a)(iii) shall not be affected by such election and shall be distributed following a Change in Control in accordance with any prior election in effect under paragraphs 9(a)(i) or 9(a)(ii).

(b) <u>Interest and Dividend Equivalents.</u> Notwithstanding anything to the contrary in the Plan, after a Change in Control, the Plan may not provide, or be amended to provide (i) amounts equivalent to interest accrued with respect to Participant Deferred Contributions in the Participant's Account or (ii) amounts equivalent to earnings or losses accrued or reduced with respect to Plan Employer Contributions in the Participant's Account, at rates lower than the rates in effect under paragraph 5 immediately prior to the Change in Control.

(c) <u>Definition of Change in Control.</u> For purposes of the Plan, a Change in Control is deemed to occur at the time (i) when any entity, person or group (other than the Corporation, any subsidiary or any savings, pension or other benefit plan for he benefit of employees of the Corporation or its subsidiaries) which therefore beneficially owned less than 30% of the AlliedSignal common stock then outstanding acquires shares of AlliedSignal common stock in a transaction or series of transactions that results in such entity, person or group directly or indirectly owning beneficially 30% or more of the outstanding AlliedSignal common stock, (ii) of the purchase of shares of AlliedSignal common stock pursuant to a tender offer or exchange offer (other than an offer by the Corporation) for all, or any part of, the AlliedSignal common stock, (iii) of in which the Corporation will not survive as an independent, publicly owned corporation, a consolidation, or a sale, exchange or other disposition of all or substantially all of the Corporation's assets, (iv) of a substantial change in the composition of the Board during any period of two consecutive years such that individuals who at the beginning of such period were members of the Board cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the stockholders of the Corporation, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period, or (v) of any transaction or other event which the Nominating and Board Affairs Committee of the Board, in its discretion, determines to be a Change in Control for purposes of the Plan.

10. <u>Limitations for Certain Participants.</u>

Notwithstanding anything to the contrary in paragraph 6(b), 8 or 9, a Participant who is subject to the provisions of Section 16 of the Securities Exchange Act of 1934 may, but only as to that portion of the Participant's Account which is not attributable to Plan Employer Contributions, make a request for a further deferral pursuant to paragraph 6(b), a request for an accelerated payment pursuant to paragraph 8 or an election pursuant to paragraphs 9(a)(i) through (iii).

11. <u>Miscellaneous.</u>

(a) The right of a Participant to receive any amount credited to the Participant's Account shall not be transferable or assignable by the Participant, except by will or by the laws of descent and distribution. To the extent that any person acquires a right to receive any amount credited to a Participant's Account hereunder, such right shall be no greater than that of an unsecured general creditor of the Corporation. Except as expressly provided herein, any person having an interest in any amount credited to a Participant's Account under the Plan shall not be entitled to payment until the date the amount is due and payable. No person shall be entitled to anticipate any payment by assignment, pledge or transfer in any form or manner prior to actual or constructive receipt thereof.

(b) Neither the Corporation nor any of its subsidiaries shall be required to reserve or otherwise set aside funds for the payment of its obligations hereunder. However, the Corporation or any subsidiary may, in its sole discretion, establish funds for payment of its obligations hereunder. Any such funds shall remain assets of the Corporation or such subsidiary, as the case may be, and subject to the claims of its general creditors. Such funds, if any, shall not be deemed to be assets of the Plan. The Plan is intended to be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended.

(c) The Senior Vice President-Human Resources and Communications of the Corporation shall have full authority to interpret the Plan and make all determinations deemed necessary or desirable for the Plan's implementation, consulting with such other officers of the Corporation as the Senior Vice President-Human Resources and Communications shall deem appropriate.

(d) The Corporation may at any time amend or terminate the Plan. No amendment or termination shall impair the rights of a Participant with respect to amounts then credited to the Participant's Account.

(e) Each Participant will receive periodic statements (not less frequently than annually) regarding the Participant's Account. Each such Statement shall indicate the amount of the cash balance credited to the Participant's Account as of the end of the period covered by such statement.

Salary Deferral Plan
for
Selected Employees of AlliedSignal Inc. and its Affiliates
(Career Band 6 and Above or Employees Who Occupy Positions
Equivalent Thereto)

Amended and Restated
as of January 1, 1995

1. Eligibility

Those employees of AlliedSignal Inc. (the "Corporation") and its affiliates whose positions are evaluated in Career Band 6 and above or who occupy positions equivalent thereto and who are designated by the Management Development and Compensation Committee (the "Committee"), shall be eligible to participate in this supplemental non-qualified Salary Deferral Plan for Selected Employees of AlliedSignal Inc. and its Affiliates (Career Band 6 and Above or Employees Who Occupy Positions Equivalent Thereto) (the "Plan").

2. Participation

An eligible employee may become a participant in the Plan (a "Participant") by filing a timely written deferral election with the Corporation. Such notice shall direct that a portion of the compensation elements described in paragraph 3(a) and paragraph 3(b) be credited to an unfunded deferred compensation account maintained for the Participant under the Plan (the "Participant Account" or "Account"). A Participant's direction shall become effective for the pay period or payment date in the next succeeding calendar year (or for a newly eligible Participant, for the next succeeding pay period or payment date after the receipt of the direction by the Corporation), and shall continue in effect until the Participant terminates such direction, effective as of the end of the calendar year, or is no longer eligible to be a Participant. Any modification of Participant's direction shall be effective only with respect to compensation payable with respect to pay periods in the calendar year next following the date such direction is received by the Corporation.

3. Contributions to Participant Accounts

(a) Base Annual Salary A Participant may, prior to the beginning of any calendar year (and with respect to a newly eligible Participant, within thirty days after first becoming so eligible) elect to defer an aggregate amount of base annual salary otherwise payable in such subsequent calendar year (or with respect to a newly eligible Participant, in the remainder of the calendar year), exclusive of any bonus or any other compensation or allowance paid or payable by the Corporation or its affiliates (the "Base Annual Salary"). The amount deferred under this paragraph 3(a) shall not be greater than fifty percent (50%) of the Participant's Base Annual Salary for such pay period.

(b) Incentive Awards A Participant may, to the extent that the AlliedSignal Inc. Incentive Compensation Plan For Executive

Employees (the "Incentive Plan") permits deferrals of an incentive award (the "Incentive Award") payable thereunder, elect to defer an amount not greater than one hundred percent of such Incentive Award. Any amount so deferred shall be deemed to be deferred under this Plan but shall, to the extent the provisions of the Incentive Plan are not inconsistent with this Plan, otherwise be subject to the terms of the Incentive Plan. Any deferral of an Incentive Award shall be made by filing an appropriate written deferral election with the Corporation not later than ninety days prior to the end of the performance period with respect to which the Incentive Award is payable.

(c) *Deferral Amounts* All amounts determined under this paragraph 3 which are the subject of a written deferral election (the "Deferral Amounts") shall, in accordance with the relevant Participant direction, be credited to a Participant Account maintained under the Plan on the same day the Base Annual Salary or Incentive Award would otherwise have been payable.

4. Deferral Requirements

Amounts may be deferred under this Plan for a minimum period of three years. Except as otherwise provided in paragraph 9, no amount shall be withdrawn from a Participant Account prior to the earlier of: three years following the last day of the calendar year in which the amount is credited to the Participant Account; the date the Participant reaches normal retirement age and is eligible to receive a benefit under a pension plan of the Corporation or one of its affiliates; the date of Participant's death; or the date the Participant ceases to be employed by the Corporation or any of its affiliates.

5. Interest Equivalents

Deferral Amounts shall accrue additional amounts equivalent to interest ("Interest Equivalents"), compounded daily, from the date the Deferral Amount is credited to the Account to the date of distribution. A single rate for calculating Interest Equivalents shall be established by the Committee, in its sole discretion, for all Deferral Amounts credited to Participant Accounts in each calendar year. The rate established by the Committee shall not exceed the greater of (i) 10% or (ii) 200% of the 10-year U.S. Treasury Bond rate at the time of determination. Such Interest Equivalents, once established for a calendar year, shall remain in effect with respect to Deferral Amounts credited to Participant Accounts during that calendar year until the Deferral Amounts are distributed.

6. Participant Accounts

All amounts credited to a Participant's Account pursuant to paragraphs 3 and 4 shall be unfunded general obligations of the Corporation, and no Participant shall have any claim to or security interest in any asset of the Corporation on account thereof.

7. Distribution from Accounts

At the time a Participant makes an election pursuant to paragraph 3, the Participant shall also make an election with respect to the distribution of the Deferral Amounts and Interest Equivalents accrued thereon which are credited to the Participant's Account pursuant to such election. A Participant may elect to receive such distribution in one lump-sum payment or in a number of approximately equal annual payments (provided the payment period may not include more than fifteen such installments). The lump-sum or the first installment shall be paid as soon as practicable during the month of January of the calendar year designated by the Participant. Except as otherwise provided in paragraphs 8, 9 and 10, all installment payments following the initial installment payment shall be paid in cash as soon as practicable during the month of January of each succeeding calendar year until the entire amount in the Account shall have been paid.

8. Distribution on Death

If a Participant should die before all amounts credited to the Participant's Account have been distributed, the balance in the Account shall be paid as soon as practical thereafter to the beneficiary designated in writing by the Participant. Payments to a beneficiary pursuant to a designation by a

Participant shall be in such form as the Participant shall elect, including periodic payments as described in paragraph 7, but in the absence of any such election, the payment shall be made in one lump sum to the designated beneficiary as soon as practicable following the death of the Participant. Such beneficiary designations shall be effective when received by the Corporation, and shall remain in effect until rescinded or modified by the Participant by an appropriate written direction. If no beneficiary is properly designated by the Participant or if the designated beneficiary shall have predeceased the Participant, such balance in the Account shall be paid to the estate of the Participant.

9. <u>Payment in the Event of Hardship</u>

Upon receipt of a request from a Participant or a Participant's designated beneficiary, delivered in writing to the Corporation along with a Certificate of Unavailability of Other Resources form, the Committee, the Senior Vice President - Human Resources and Communications, or his designee, may cause the Corporation to accelerate (or require the subsidiary of the Corporation which employs or employed the Participant to accelerate) payment of all or any part of the Deferral Amount and Interest Equivalents credited to the Participant's Account, if it finds in its sole discretion that payment of such amounts in accordance with the Participant's prior election under paragraph 3 would result in hardship to the Participant or beneficiary and such hardship is the result of an unforeseeable emergency caused by circumstances beyond the control of the Participant or beneficiary. Acceleration of payment may not be made under this paragraph 8 to the extent that such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of assets would not itself cause severe financial hardship or (iii) by cessation of deferrals under this Plan or any tax-qualified savings plan of the Corporation.

10. <u>Change in Control</u>

(a) <u>Initial Lump Sum Election</u> Notwithstanding any election made pursuant to paragraph 7, a Participant may file a written election with the Corporation to have the Deferral Amounts and Interest Equivalents accrued thereon which are credited thereafter to the Participant's Account paid in one lump-sum payment as soon as practicable following a Change in Control, but in no event later than 90 days after such Change in Control.

(b) <u>Revocation of Lump-Sum Election</u> A Participant may revoke an election made pursuant to paragraph 10(a) by filing an appropriate written notice with the Corporation. A revocation notice filed pursuant to this paragraph 10(b) shall be effective with respect to Deferral Amounts and Interest Equivalents accrued thereon which are credited thereafter to the Participant's Account.

(c) <u>Limitation on Elections</u> Any election made pursuant to paragraphs 10(a) or 10(b) shall not be effective unless filed with the Corporation at least 90 days prior to a Change in Control.

(d) <u>Definition of Change in Control</u> For purposes of the Plan, a Change in Control is deemed to occur at the time (i) when any entity, person or group (other than the Corporation, any subsidiary or savings, pension or other benefit plan for the benefit of employees of the Corporation or its subsidiaries) which theretofore beneficially owned less than 30% of the Corporation's common stock (the "Common Stock") then outstanding, acquires shares of Common Stock in a transaction or a series of transactions that results in such entity, person or group directly or indirectly owning beneficially 30% or more of the outstanding Common Stock, (ii) of the purchase of Common Stock pursuant to a tender offer or exchange offer (other than an offer by the Corporation) for all, or any part of, the Common Stock, (iii) of a merger in which the Corporation will not survive as an independent, publicly owned corporation, a consolidation, a sale, exchange or other disposition of all or substantially all of the Corporation's assets, (iv) of a substantial change in the composition of the Board during any period of two consecutive years such that individuals who at the beginning of such period were members of the Board cease for any reason to constitute at least a majority thereof, unless the election, or the nomination for election by the shareowners of the Corporation, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period, or (v) of any transaction or other event which the Committee, in its sole discretion, determines to be a Change in Control for purposes of the Plan.

10. Miscellaneous

(a) No Alienation of Benefits Except insofar as may otherwise be required by law, no amount payable at any time under the Plan shall be subject in any manner to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge, or encumbrance of any kind nor in any manner be subject to the debts or liabilities of any person and any attempt to so alienate or subject any such amount, whether presently or thereafter payable, shall be void. If any person shall attempt to, or shall alienate, sell, transfer, assign, pledge, attach, charge, or otherwise encumber any amount payable under the Plan, or any part thereof, or if by reason of such person's bankruptcy or other event happening at any such time such amount would be made subject to the person's debts or liabilities or would otherwise not be enjoyed by that person, then the Corporation, if it so elects, may direct that such amount be withheld and that same or any part thereof be paid or applied to or for the benefit of such person, the person's spouse, children or other dependents, or any of them, in such manner and proportion as the Corporation may deem proper.

(b) No Right or Interest in Corporation's Assets Neither the Corporation nor any of its Affiliates shall be required to reserve or otherwise set aside funds for the payment of obligations arising under this Plan. The Corporation may, in its sole discretion, establish funds, segregate assets or take such other action as it shall determine necessary or appropriate to secure the payment of its obligations arising under this Plan. This Plan is intended to be unfunded for tax purposes and for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended. Nothing contained herein, and no action taken pursuant to the provisions of this Plan shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and any Participant or any other person. To the extent that any person acquires a right to receive payments under this Plan, such right shall be no greater than the right of an unsecured creditor of the Corporation.

(c) Administration The Corporation shall have sole discretion and authority to administer the Plan, including the authority to interpret its terms, promulgate regulations thereunder, determine eligibility to participate in the Plan and make any finding of fact which may be necessary to determine the obligation of the Plan with respect to the payment of benefits.

(d) Amendment The Corporation may amend, modify or terminate the Plan at any time, or from time to time; provided, however, that no change to the Plan shall impair the right of any Participant with respect to amounts then credited to an Account.

(e) Accounting Each Participant shall receive periodic statements (not less frequently than annually) setting forth the cumulative Deferral Amounts and Interest Equivalents credited to, and any distributions from, the Participant's Account.

(f) Facility of Payments If the Corporation shall find that any person to whom any amount is payable under the plan is unable to care for his or her affairs because of illness or accident, or is a minor, or has died, then any payment due the person or the person's estate (unless a prior claim therefor has been made by a duly appointed legal representative), may, if the Corporation so elects in its sole discretion, be paid to the person's spouse, a child, a relative, an institution having custody of such person, or any other person deemed by the Corporation to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Corporation and the Plan therefor.

(g) Governing Law The Plan is intended to constitute an unfunded deferred compensation arrangement for a select group of management or highly compensated personnel and all rights thereunder shall be governed by and construed in accordance with the laws of New York.

EXHIBIT 15

May 8, 1995

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

Ladies and Gentlemen:

We are aware that the March 31, 1995 Quarterly Report on Form 10-Q of AlliedSignal Inc. which includes our report dated April 21, 1995 (issued pursuant to the provisions of Statement on Auditing Standards Nos. 42 and 71) will be incorporated by reference in the Prospectuses constituting part of AlliedSignal Inc.'s Registration Statements, on Forms S-8 (Nos. 33-09896, 33-50314, 33-51031, 33-51455, 33-55410, 22-58345, 33-58347 and 33-65792), on Forms S-3 (Nos. 33-00631, 33-13211, 33-14071 and 33-55425) and on Form S-8 (filed as an amendment to Form S-14, No. 2-99416-01). We are also aware of our responsibilities under the Securities Act of 1933.

Very truly yours,

/s/ Price Waterhouse LLP
Price Waterhouse LLP

5

This schedule contains summary financial information extracted from the consolidated balance sheet at March 31, 1995 and the consolidated statement of income for the three months ended March 31, 1995 and is qualified in its entirety by reference to such financial statements.

1,000,000

3-MOS
DEC-31-1995
JAN-1-1995
MAR-31-1995
512
0
1,699
36
1,877
4,903
9,010
4,718
11,717
3,655
1,317
358
0
0
2,845
11,717
3,419
3,419
2,747
2,747
0
0
41
303
105
198
0
0
0
198
.70
0