United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended June 30, 2015

OR

o 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 Morris Township, New Jersey	07962
(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 ☒ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ☒ Accelerated filer o Non-Accelerated filer o Smaller reporting company o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No ☒

There were 781,762,407 shares of Common Stock outstanding at June 30, 2015.

Honeywell International Inc.
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Cautionary Statement about Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are those that address activities, events or developments that we or our management intends, expects, projects, believes or anticipates will or may occur in the future. They are based on management's assumptions and assessments in the light of past experience and trends, current economic and industry conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term. These forward-looking statements should be considered in the light of the information included in this report and our other filings with the Securities and Exchange Commission, including, without limitation, the Risk Factors, as well as the description of trends and other factors in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in our 2014 Annual Report on Form 10-K.

PART I. FINANCIAL INFORMATION

The financial statements and related footnotes as of June 30, 2015 should be read in conjunction with the financial statements for the year ended December 31, 2014 contained in our 2014 Annual Report on Form 10-K.

ITEM 1. FINANCIAL STATEMENTS

Honeywell International Inc.
Consolidated Statement of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
	(Dollars in millions, except per share amounts)			
Product sales	$ 7,798	$ 8,278	$ 15,162	$ 16,123
Service sales	1,977	1,975	3,826	3,809
Net sales	9,775	10,253	18,988	19,932
Costs, expenses and other				
Cost of products sold	5,541	6,047	10,754	11,826
Cost of services sold	1,273	1,249	2,422	2,437
	6,814	7,296	13,176	14,263
Selling, general and administrative expenses	1,242	1,375	2,472	2,714
Other (income) expense	(20)	(21)	(40)	(138)
Interest and other financial charges	77	80	154	159
	8,113	8,730	15,762	16,998
Income before taxes	1,662	1,523	3,226	2,934
Tax expense	440	397	858	772
Net income	1,222	1,126	2,368	2,162
Less: Net income attributable to the noncontrolling interest	28	27	58	46
Net income attributable to Honeywell	$ 1,194	$ 1,099	$ 2,310	$ 2,116
Earnings per share of common stock - basic	$ 1.52	$ 1.40	$ 2.95	$ 2.70
Earnings per share of common stock - assuming dilution	$ 1.51	$ 1.38	$ 2.91	$ 2.66
Cash dividends per share of common stock	$ 0.5175	$ 0.4500	$ 1.0350	$ 0.9000

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

Honeywell International Inc.
Consolidated Statement of Comprehensive Income
(Unaudited)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
	(Dollars in millions)			
Net income	$ 1,222	$ 1,126	$ 2,368	$ 2,162
Other comprehensive income (loss), net of tax				
Foreign exchange translation adjustment	211	66	(510)	61
Actuarial losses	(17)	—	(17)	—
Actuarial losses recognized	5	4	10	8
Prior service credits recognized	(1)	—	(3)	—
Transition obligation recognized	—	1	—	1
Pension and other postretirement benefits adjustments	(13)	5	(10)	9
Unrealized gains (losses)	—	9	—	(2)
Less: Reclassification adjustment for gains included in net income	—	—	—	71
Changes in fair value of available for sale investments	—	9	—	(73)
Effective portion of cash flow hedges recognized in other comprehensive income (loss)	(37)	12	68	21
Less: Reclassification adjustment for gains (losses) included in net income	31	3	58	(1)
Changes in fair value of effective cash flow hedges	(68)	9	10	22
Other comprehensive income (loss), net of tax	130	89	(510)	19
Comprehensive income	1,352	1,215	1,858	2,181
Less: Comprehensive income attributable to the noncontrolling interest	28	25	58	44
Comprehensive income attributable to Honeywell	$ 1,324	$ 1,190	$ 1,800	$ 2,137

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

Honeywell International Inc.
Consolidated Balance Sheet
(Unaudited)

	June 30, 2015	December 31, 2014
	(Dollars in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,954	$ 6,959
Accounts, notes and other receivables	8,237	7,960
Inventories	4,447	4,405
Deferred income taxes	659	722
Investments and other current assets	3,883	2,145
Total current assets	23,180	22,191
Investments and long-term receivables	491	465
Property, plant and equipment - net	5,381	5,383
Goodwill	12,763	12,788
Other intangible assets - net	2,141	2,208
Insurance recoveries for asbestos related liabilities	433	454
Deferred income taxes	365	404
Other assets	1,658	1,558
Total assets	$ 46,412	$ 45,451
LIABILITIES		
Current liabilities:		
Accounts payable	$ 5,352	$ 5,365
Short-term borrowings	25	51
Commercial paper	2,795	1,647
Current maturities of long-term debt	1,337	939
Accrued liabilities	6,065	6,771
Total current liabilities	15,574	14,773
Long-term debt	5,562	6,046
Deferred income taxes	300	236
Postretirement benefit obligations other than pensions	921	911
Asbestos related liabilities	1,198	1,200
Other liabilities	4,001	4,282
Redeemable noncontrolling interest	259	219
SHAREOWNERS' EQUITY		
Capital - common stock issued	958	958
- additional paid-in capital	5,234	5,038
Common stock held in treasury, at cost	(10,351)	(9,995)
Accumulated other comprehensive loss	(1,969)	(1,459)
Retained earnings	24,585	23,115
Total Honeywell shareowners' equity	18,457	17,657
Noncontrolling interest	140	127
Total shareowners' equity	18,597	17,784
Total liabilities, redeemable noncontrolling interest and shareowners' equity	$ 46,412	$ 45,451

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

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

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
	(Dollars in millions)	
Cash flows from operating activities:		
Net income	$ 2,368	$ 2,162
Less: Net income attributable to the noncontrolling interest	58	46
Net income attributable to Honeywell	2,310	2,116
Adjustments to reconcile net income attributable to Honeywell to net cash provided by operating activities:		
Depreciation	335	333
Amortization	107	138
Loss on sale of non-strategic businesses and assets	—	10
Gain on sale of available for sale investments	—	(105)
Repositioning and other charges	260	331
Net payments for repositioning and other charges	(215)	(134)
Pension and other postretirement income	(183)	(100)
Pension and other postretirement benefit payments	(48)	(85)
Stock compensation expense	91	102
Deferred income taxes	126	68
Excess tax benefits from share based payment arrangements	(56)	(49)
Other	103	67
Changes in assets and liabilities, net of the effects of acquisitions and divestitures:		
Accounts, notes and other receivables	(250)	(425)
Inventories	(25)	(222)
Other current assets	(38)	132
Accounts payable	(24)	100
Accrued liabilities	(664)	(248)
Net cash provided by operating activities	1,829	2,029
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(408)	(421)
Proceeds from disposals of property, plant and equipment	3	11
Increase in investments	(3,866)	(1,724)
Decrease in investments	2,059	943
Cash paid for acquisitions, net of cash acquired	(185)	(2)
Proceeds from sales of businesses, net of fees paid	2	1
Other	(150)	(13)
Net cash used for investing activities	(2,545)	(1,205)
Cash flows from financing activities:		
Net increase in commercial paper	1,148	950
Net decrease in short-term borrowings	(19)	(6)
Proceeds from issuance of common stock	125	161
Proceeds from issuance of long-term debt	14	45
Payments of long-term debt	(57)	(606)
Excess tax benefits from share based payment arrangements	56	49
Repurchases of common stock	(486)	(551)
Cash dividends paid	(851)	(736)
Net cash used for financing activities	(70)	(694)
Effect of foreign exchange rate changes on cash and cash equivalents	(219)	30
Net (decrease) increase in cash and cash equivalents	(1,005)	160
Cash and cash equivalents at beginning of period	6,959	6,422
Cash and cash equivalents at end of period	$ 5,954	$ 6,582

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

Note 1. Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of Honeywell International Inc. and its consolidated subsidiaries (Honeywell or the Company) at June 30, 2015 and the results of operations and cash flows for the six months ended June 30, 2015 and 2014. The results of operations for the three and six months ended June 30, 2015 should not necessarily be taken as indicative of the results of operations that may be expected for the entire year.

We report our quarterly financial information using a calendar convention; that is, the first, second and third quarters are consistently reported as ending on March 31, June 30 and September 30. It has been our practice to establish actual quarterly closing dates using a predetermined fiscal calendar, which requires our businesses to close their books on a Saturday in order to minimize the potentially disruptive effects of quarterly closing on our business processes. The effects of this practice are generally not significant to reported results for any quarter and only exist within a reporting year. If differences in actual closing dates are material to year-over-year comparisons of quarterly or year-to-date results, we provide appropriate disclosures. Our actual closing dates for the three and six months ended June 30, 2015 and 2014 were June 27, 2015 and June 28, 2014.

Certain prior year amounts have been reclassified to conform to current year presentation.

Note 2. Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standard updates (ASUs). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on our consolidated financial position or results of operations.

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance on revenue from contracts with customers that will supersede most current revenue recognition guidance, including industry-specific guidance. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The effective date was recently deferred for one year to the interim and annual periods beginning on or after December 15, 2017. Early adoption is permitted as of the original effective date – interim and annual periods beginning on or after December 15, 2016. The guidance permits the use of either a retrospective or cumulative effect transition method. We have not yet selected a transition method and are currently evaluating the impact of the amended guidance on our consolidated financial position, results of operations and related disclosures.

(Dollars in millions, except per share amounts)

Note 3. Repositioning and Other Charges

A summary of repositioning and other charges follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Severance	$ 38	$ 11	$ 75	$ 82
Asset impairments	—	2	8	11
Exit costs	1	4	2	12
Reserve adjustments	(5)	(3)	(12)	(9)
Total net repositioning charge	34	14	73	96
Asbestos related litigation charges, net of insurance	46	51	92	99
Probable and reasonably estimable environmental liabilities	49	52	95	134
Other	—	—	—	2
Total net repositioning and other charges	$ 129	$ 117	$ 260	$ 331

The following table summarizes the pretax distribution of total net repositioning and other charges by income statement classification:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Cost of products and services sold	$ 112	$ 110	$ 234	$ 301
Selling, general and administrative expenses	17	7	26	30
	$ 129	$ 117	$ 260	$ 331

The following table summarizes the pretax impact of total net repositioning and other charges by segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Aerospace	$ 48	$ 50	$ 96	$ 126
Automation and Control Solutions	15	5	39	51
Performance Materials and Technologies	14	6	21	20
Corporate	52	56	104	134
	$ 129	$ 117	$ 260	$ 331

In the quarter ended June 30, 2015, we recognized repositioning charges totaling $39 million primarily for severance costs related to workforce reductions of 940 manufacturing and administrative positions mainly in Automation and Control Solutions (ACS) and Performance Materials and Technologies (PMT). The workforce reductions were primarily related to cost savings actions taken in connection with our productivity and ongoing functional transformation initiatives.

(Dollars in millions, except per share amounts)

In the quarter ended June 30, 2014, we recognized repositioning charges totaling $17 million including severance costs of $11 million related to workforce reductions of 213 manufacturing and administrative positions primarily in ACS. The workforce reductions were primarily related to cost savings actions taken in connection with our productivity and ongoing functional transformation initiatives.

In the six months ended June 30, 2015, we recognized repositioning charges totaling $85 million including severance costs of $75 million related to workforce reductions of 3,980 manufacturing and administrative positions across our segments. The workforce reductions were primarily related to cost savings actions taken in connection with our productivity and ongoing functional transformation initiatives and outsourcing of certain component manufacturing in ACS. The previously established accruals of $12 million, primarily for severance, were mainly in ACS and were returned to income due principally to fewer employee severance actions caused by higher attrition than originally associated with prior severance programs.

In the six months ended June 30, 2014, we recognized repositioning charges totaling $105 million including severance costs of $82 million related to workforce reductions of 1,733 manufacturing and administrative positions across our segments. The workforce reductions were primarily related to cost savings actions taken in connection with our productivity and ongoing functional transformation initiatives, factory transitions in ACS to more cost-effective locations, site consolidations and organizational realignments of businesses in ACS and PMT. The repositioning charge includes asset impairments of $11 million primarily related to manufacturing plant and equipment associated with site consolidations and factory transitions. The repositioning charge also includes exit costs of $12 million primarily related to closure obligations and costs for early termination of lease contracts associated with site consolidations and factory transitions.

The following table summarizes the status of our total repositioning reserves:

	Severance Costs	Asset Impairments	Exit Costs	Total
December 31, 2014	$ 285	$ —	$ 30	$ 315
Charges	75	8	2	85
Usage - cash	(44)	—	(6)	(50)
Usage - noncash	—	(8)	—	(8)
Foreign currency translation	(7)	—	(2)	(9)
Adjustments	(8)	—	(4)	(12)
June 30, 2015	$ 301	$ —	$ 20	$ 321

Certain repositioning projects in 2015 and 2014 included exit or disposal activities, the costs related to which will be recognized in future periods when the actual liability is incurred. Such exit and disposal costs are not expected to be significant.

Note 4. Earnings Per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
Basic	2015	2014	2015	2014
Net income attributable to Honeywell	$ 1,194	$ 1,099	$ 2,310	$ 2,116
Weighted average shares outstanding	783.3	784.5	783.5	784.7
Earnings per share of common stock	$ 1.52	$ 1.40	$ 2.95	$ 2.70

(Dollars in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
Assuming Dilution	**2015**	**2014**	**2015**	**2014**
Net income attributable to Honeywell	$ 1,194	$ 1,099	$ 2,310	$ 2,116
Average Shares				
Weighted average shares outstanding	783.3	784.5	783.5	784.7
Dilutive securities issuable - stock plans	9.6	10.9	9.9	11.2
Total weighted average shares outstanding	792.9	795.4	793.4	795.9
Earnings per share of common stock	$ 1.51	$ 1.38	$ 2.91	$ 2.66

The diluted earnings per share calculations exclude the effect of stock options when the options' assumed proceeds exceed the average market price of the common shares during the period. For the three and six months ended June 30, 2015, the weighted average number of stock options excluded from the computations were 7.0 million and 7.4 million. For the three and six months ended June 30, 2014, the weighted average number of stock options excluded from the computations were 5.7 million and 3.9 million. These stock options were outstanding at the end of each period.

Note 5. Accounts, Notes and Other Receivables

	June 30, 2015	December 31, 2014
Trade	$ 8,016	$ 7,788
Other	482	445
	8,498	8,233
Less: Allowance for doubtful accounts	(261)	(273)
	$ 8,237	$ 7,960

Trade receivables include $1,739 and $1,636 million of unbilled balances under long-term contracts as of June 30, 2015 and December 31, 2014.

Note 6. Inventories

	June 30, 2015	December 31, 2014
Raw materials	$ 1,044	$ 1,124
Work in process	818	815
Finished products	2,701	2,634
	4,563	4,573
Reduction to LIFO cost basis	(116)	(168)
	$ 4,447	$ 4,405

(Dollars in millions, except per share amounts)

Note 7. Long-term Debt

	June 30, 2015	December 31, 2014
Floating rate notes due 2015	$ 700	$ 700
5.40% notes due 2016	400	400
5.30% notes due 2017	400	400
5.30% notes due 2018	900	900
5.00% notes due 2019	900	900
4.25% notes due 2021	800	800
3.35% notes due 2023	300	300
5.70% notes due 2036	550	550
5.70% notes due 2037	600	600
5.375% notes due 2041	600	600
Industrial development bond obligations, floating rate maturing at various dates through 2037	30	30
6.625% debentures due 2028	216	216
9.065% debentures due 2033	51	51
Other (including capitalized leases and debt issuance costs), 0.6%-9.5% maturing at various dates through 2023	452	538
	6,899	6,985
Less: current portion	(1,337)	(939)
	$ 5,562	$ 6,046

On July 10, 2015, the Company entered into a $4 billion Amended and Restated Five Year Credit Agreement (Credit Agreement) with a syndicate of banks. Commitments under the Credit Agreement can be increased pursuant to the terms of the Credit Agreement to an aggregate amount not to exceed $4.5 billion. The Credit Agreement amends and restates the previous $4 billion five year credit agreement with substantially the same material terms and conditions. A full description of the Credit Agreement can be found in the Company's Current Report on Form 8-K, dated July 10, 2015.

Note 8. Financial Instruments and Fair Value Measures

Our credit, market, foreign currency and interest rate risk management policies are described in Note 14, Financial Instruments and Fair Value Measures, of Notes to Financial Statements in our 2014 Annual Report on Form 10-K.

Financial and nonfinancial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The following table sets forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis:

(Dollars in millions, except per share amounts)

	June 30, 2015	December 31, 2014
Assets:		
Foreign currency exchange contracts	$ 74	$ 20
Available for sale investments	3,184	1,479
Interest rate swap agreements	80	93
Liabilities:		
Foreign currency exchange contracts	$ 50	$ 10

The foreign currency exchange contracts and interest rate swap agreements are valued using broker quotations or market transactions in either the listed or over-the-counter markets. These derivative instruments are classified within level 2 of the fair value hierarchy. The Company holds investments in certificates of deposits, time deposits and commercial paper that are designated as available for sale and are valued using market transactions in over-the-counter markets. These investments are classified within level 2 of the fair value hierarchy.

The carrying value of cash and cash equivalents, trade accounts and notes receivables, payables, commercial paper and short-term borrowings contained in the Consolidated Balance Sheet approximates fair value. The following table sets forth the Company's financial assets and liabilities that were not carried at fair value:

	June 30, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Long-term receivables	$ 320	$ 307	$ 297	$ 293
Liabilities				
Long-term debt and related current maturities	$ 6,899	$ 7,533	$ 6,985	$ 7,817

The Company determined the fair value of the long-term receivables by discounting based upon the terms of the receivable and counterparty details including credit quality. These receivables are classified within level 2 of the fair value hierarchy. The Company determined the fair value of the long-term debt and related current maturities utilizing transactions in the listed markets for identical or similar liabilities. The long-term debt and related current maturities are also classified within level 2 of the fair value hierarchy.

We enter into transactions designed to provide for netting of offsetting obligations in the event of the insolvency or default of a counterparty. However, we have not elected to offset multiple contracts with a single counterparty, therefore the fair value of the derivative instruments in a loss position is not offset against the fair value of derivative instruments in a gain position.

Interest rate swap agreements are designated as hedge relationships with gains or losses on the derivative recognized in Interest and other financial charges offsetting the gains and losses on the underlying debt being hedged. For the three and six months ended June 30, 2015, we recognized $29 million and $13 million of losses in earnings on interest rate swap agreements. For the three and six months ended June 30, 2014, we recognized $15 million and $28 million of gains in earnings on interest rate swap agreements. Gains and losses are fully offset by losses and gains on the underlying debt being hedged.

We also economically hedge our exposure to changes in foreign exchange rates principally with forward contracts. These contracts are marked-to-market with the resulting gains and losses recognized in earnings offsetting the gains and losses on the non-functional currency denominated monetary assets and liabilities being hedged. We recognized $24 million of income and $138 million of expense in Other (Income) Expense for the three and six months ended June 30, 2015. We recognized $82 million and $25 million of expense in Other (Income) Expense for the three and six months ended June 30, 2014.

(Dollars in millions, except per share amounts)

Note 9. Accumulated Other Comprehensive Income (Loss)

Changes in Accumulated Other Comprehensive Income by Component

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Effective Cash Flow Hedges	Total
Balance at December 31, 2014	$ (740)	$ (728)	$ —	$ 9	$ (1,459)
Other comprehensive income (loss) before reclassifications	(510)	(17)	—	68	(459)
Amounts reclassified from accumulated other comprehensive income	—	7	—	(58)	(51)
Net current period other comprehensive income (loss)	(510)	(10)	—	10	(510)
Balance at June 30, 2015	$ (1,250)	$ (738)	$ —	$ 19	$ (1,969)

	Foreign Exchange Translation Adjustment	Pension and Other Postretirement Adjustments	Changes in Fair Value of Available for Sale Investments	Changes in Fair Value of Effective Cash Flow Hedges	Total
Balance at December 31, 2013	$ 304	$ 355	$ 170	$ (11)	$ 818
Other comprehensive income (loss) before reclassifications	61	—	(2)	21	80
Amounts reclassified from accumulated other comprehensive income	—	9	(71)	1	(61)
Net current period other comprehensive income (loss)	61	9	(73)	22	19
Balance at June 30, 2014	$ 365	$ 364	$ 97	$ 11	$ 837

Note 10. Segment Financial Data

Honeywell’s senior management evaluates segment performance based on segment profit. Segment profit is measured as business unit income (loss) before taxes excluding general corporate unallocated expense, other income (expense), interest and other financial charges, pension and other postretirement income (expense), stock compensation expense, repositioning and other charges and accounting changes.

(Dollars in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net Sales				
Aerospace				
Products	$ 2,623	$ 2,820	$ 5,086	$ 5,512
Services	1,204	1,190	2,348	2,349
Total	3,827	4,010	7,434	7,861
Automation and Control Solutions				
Products	3,243	3,287	6,222	6,362
Services	310	320	595	607
Total	3,553	3,607	6,817	6,969
Performance Materials and Technologies				
Products	1,932	2,171	3,854	4,249
Services	463	465	883	853
Total	2,395	2,636	4,737	5,102
	$ 9,775	$ 10,253	$ 18,988	$ 19,932
Segment Profit				
Aerospace	$ 777	$ 759	$ 1,529	$ 1,462
Automation and Control Solutions	567	533	1,083	1,004
Performance Materials and Technologies	509	475	1,012	948
Corporate	(50)	(58)	(100)	(109)
Total segment profit	1,803	1,709	3,524	3,305
Other income[a]	12	10	24	121
Interest and other financial charges	(77)	(80)	(154)	(159)
Stock compensation expense[b]	(39)	(50)	(91)	(102)
Pension ongoing income[b]	103	64	203	125
Other postretirement expense[b]	(11)	(13)	(20)	(25)
Repositioning and other charges [b]	(129)	(117)	(260)	(331)
Income before taxes	$ 1,662	$ 1,523	$ 3,226	$ 2,934

(a) Equity income (loss) of affiliated companies is included in segment profit.
(b) Amounts included in cost of products and services sold and selling, general and administrative expenses.

Note 11. Pension Benefits

Net periodic pension benefit costs for our significant defined benefit plans include the following components:

(Dollars in millions, except per share amounts)

	U.S. Plans			
	Three Months Ended June 30, 2015		Six Months Ended June 30, 2015	
	2015	2014	2015	2014
Service cost	$ 57	$ 60	$ 114	$ 120
Interest cost	178	192	356	385
Expected return on plan assets	(321)	(315)	(641)	(629)
Amortization of prior service cost	6	6	12	12
	$ (80)	$ (57)	$ (159)	$ (112)

	Non-U.S. Plans			
	Three Months Ended June 30, 2015		Six Months Ended June 30, 2015	
	2015	2014	2015	2014
Service cost	$ 13	$ 15	$ 26	$ 29
Interest cost	45	60	89	118
Expected return on plan assets	(89)	(90)	(179)	(179)
Amortization of transition obligation	—	1	—	1
Amortization of prior service (credit)	(1)	(1)	(1)	(1)
	$ (32)	$ (15)	$ (65)	$ (32)

In the six months ended June 30, 2015, the Company contributed $109 million of marketable securities and $17 million of cash to our non-U.S. pension plans.

Note 12. Commitments and Contingencies

Environmental Matters

Our environmental matters are described in Note 19, Commitments and Contingencies, of Notes to Financial Statements in our 2014 Annual Report on Form 10-K.

The following table summarizes information concerning our recorded liabilities for environmental costs:

December 31, 2014	$ 591
Accruals for environmental matters deemed probable and reasonably estimable	95
Environmental liability payments	(94)
June 30, 2015	$ 592

(Dollars in millions, except per share amounts)

Environmental liabilities are included in the following balance sheet accounts:

	June 30, 2015	December 31, 2014
Accrued liabilities	$ 278	$ 278
Other liabilities	314	313
	$ 592	$ 591

Onondaga Lake, Syracuse, NY—We are implementing a combined dredging/capping remedy of Onondaga Lake pursuant to a consent decree approved by the United States District Court for the Northern District of New York in January 2007. We have accrued for our estimated cost of remediating Onondaga Lake based on currently available information and analysis performed by our engineering consultants. Honeywell is also conducting remedial investigations and activities at other sites in Syracuse. We have recorded reserves for these investigations and activities where appropriate, consistent with our accounting policy.

Honeywell has entered into a cooperative agreement with potential natural resource trustees to assess alleged natural resource damages relating to this site. It is not possible to predict the outcome or duration of this assessment, or the amounts of, or responsibility for, any damages.

Asbestos Matters

Honeywell is a defendant in asbestos related personal injury actions related to two predecessor companies:

1. North American Refractories Company (NARCO), which was sold in 1986, produced refractory products (bricks and cement used in high temperature applications). Claimants consist largely of individuals who allege exposure to NARCO asbestos-containing refractory products in an occupational setting.

2. Bendix Friction Materials (Bendix), which was sold in 2014, manufactured automotive brake parts that contained chrysotile asbestos in an encapsulated form. Claimants consist largely of individuals who allege exposure to asbestos from brakes from either performing or being in the vicinity of individuals who performed brake replacements.

The following tables summarize information concerning NARCO and Bendix asbestos related balances:

Asbestos Related Liabilities

	Bendix	NARCO	Total
December 31, 2014	$ 623	$ 929	$ 1,552
Accrual for update to estimated liability	99	3	102
Asbestos related liability payments	(96)	(8)	(104)
June 30, 2015	$ 626	$ 924	$ 1,550

(Dollars in millions, except per share amounts)

Insurance Recoveries for Asbestos Related Liabilities

	Bendix	NARCO	Total
December 31, 2014	$ 135	$ 350	$ 485
Probable insurance recoveries related to estimated liability	11	—	11
Insurance receivables settlements	1	—	1
Insurance receipts for asbestos related liabilities	(21)	(12)	(33)
June 30, 2015	$ 126	$ 338	$ 464

NARCO and Bendix asbestos related balances are included in the following balance sheet accounts:

	June 30, 2015	December 31, 2014
Other current assets	$ 31	$ 31
Insurance recoveries for asbestos related liabilities	433	454
	$ 464	$ 485
Accrued liabilities	$ 352	$ 352
Asbestos related liabilities	1,198	1,200
	$ 1,550	$ 1,552

NARCO Products –In connection with NARCO's emergence from bankruptcy on April 30, 2013, a federally authorized 524(g) trust (NARCO Trust) was established for the evaluation and resolution of all existing and future NARCO asbestos claims. Both Honeywell and NARCO are protected by a permanent channeling injunction barring all present and future individual actions in state or federal courts and requiring all asbestos related claims based on exposure to NARCO products to be made against the NARCO Trust. The NARCO Trust reviews submitted claims and determines award amounts in accordance with established Trust Distribution Procedures approved by the Bankruptcy Court which set forth the criteria claimants must meet to qualify for compensation including, among other things, exposure and medical criteria that determine the award amount. In addition, Honeywell provided, and continues to provide, input to the design of control procedures for processing NARCO claims, and has on-going audit rights to review and monitor the claims processors' adherence to the established requirements of the Trust Distribution Procedures.

Honeywell is obligated to fund NARCO asbestos claims submitted to the NARCO Trust which qualify for payment under the Trust Distribution Procedures (Annual Contribution Claims), subject to annual caps of $140 million in the years 2015 through 2018 and $145 million for each year thereafter. However, the initial $100 million of claims processed through the NARCO Trust (the Initial Claims Amount) will not count against the annual cap and any unused portion of the Initial Claims Amount will roll over to subsequent years until fully utilized. As of June 30, 2015, Honeywell has not made any payments to the NARCO Trust for Annual Contribution Claims.

Honeywell is also responsible for payments due to claimants pursuant to settlement agreements reached during the pendency of the NARCO bankruptcy proceedings that provide for the right to submit claims to the NARCO Trust subject to qualification under the terms of the settlement agreements and Trust Distribution Procedures criteria (Pre-established Unliquidated Claims), which amounts are expected to be paid during the initial years of trust operations. Such payments are not subject to the annual cap described above.

Our consolidated financial statements reflect an estimated liability for Pre-established Unliquidated Claims ($147 million), unsettled claims pending as of the time NARCO filed for bankruptcy protection ($34 million) and for the estimated value of future NARCO asbestos claims expected to be asserted against the NARCO Trust through 2018 ($743 million). In the absence of actual trust experience on which to base the estimate, Honeywell projected the probable value of asbestos related future liabilities, including trust claim handling costs, based on a commonly accepted methodology used by numerous bankruptcy courts addressing 524(g) trusts. Some critical assumptions underlying this methodology include claims filing rates, disease criteria and payment values contained in the Trust Distribution Procedures, estimated approval rates of claims submitted to the NARCO Trust and epidemiological studies estimating disease instances. This projection resulted in a range of estimated liability of $743 million to $961 million. We believe that no amount within this range is a better estimate than any other amount and accordingly, we have recorded the minimum amount in the range. In light of the uncertainties inherent in making long-term projections and in connection with the recent implementation of the Trust Distribution Procedures by the NARCO Trust, as well as the stay of all NARCO asbestos claims which remained in place throughout NARCO's Chapter 11 case, we do not believe that we have a reasonable basis for estimating NARCO asbestos claims beyond 2018.

(Dollars in millions, except per share amounts)

Our insurance receivable corresponding to the estimated liability for pending and future NARCO asbestos claims reflects coverage which reimburses Honeywell for portions of NARCO-related indemnity and defense costs and is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. We conduct analyses to estimate the probable amount of insurance that is recoverable for asbestos claims. While the substantial majority of our insurance carriers are solvent, some of our individual carriers are insolvent, which has been considered in our analysis of probable recoveries. We made judgments concerning insurance coverage that we believe are reasonable and consistent with our historical dealings and our knowledge of any pertinent solvency issues surrounding insurers.

Projecting future events is subject to many uncertainties that could cause the NARCO-related asbestos liabilities or assets to be higher or lower than those projected and recorded. Given the uncertainties, we review our estimates periodically, and update them based on our experience and other relevant factors. Similarly, we will reevaluate our projections concerning our probable insurance recoveries in light of any changes to the projected liability or other developments that may impact insurance recoveries.

Friction Products—The following tables present information regarding Bendix related asbestos claims activity:

	Six Months Ended June 30,	Years Ended December 31,	
Claims Activity	**2015**	**2014**	**2013**
Claims Unresolved at the beginning of period	9,267	12,302	23,141
Claims Filed	1,486	3,694	4,527
Claims Resolved [(a)]	(1,410)	(6,729)	(15,366)
Claims Unresolved at the end of period	9,343	9,267	12,302

(a) Claims resolved in 2014 include 2,110 cancer claims which were determined to have no value. Also, claims resolved in 2014 and 2013 included significantly aged (i.e., pending for more than six years) claims totaling 1,266 and 12,250, respectively, of which 82% and 92%, respectively, were non-malignant.

	June 30,	December 31,	
Disease Distribution of Unresolved Claims	**2015**	**2014**	**2013**
Mesothelioma and Other Cancer Claims	3,839	3,933	5,810
Nonmalignant Claims	5,504	5,334	6,492
Total Claims	9,343	9,267	12,302

(Dollars in millions, except per share amounts)

Honeywell has experienced average resolution values per claim excluding legal costs as follows:

	Years Ended December 31,				
	2014	2013	2012	2011	2010
	(in whole dollars)				
Malignant claims	$ 53,500	$ 51,000	$ 49,000	$ 48,000	$ 54,000
Nonmalignant claims	$ 120	$ 850	$ 1,400	$ 1,000	$ 1,300

It is not possible to predict whether resolution values for Bendix-related asbestos claims will increase, decrease or stabilize in the future.

Our consolidated financial statements reflect an estimated liability for resolution of pending (claims actually filed as of the financial statement date) and future Bendix-related asbestos claims. We have valued Bendix pending and future claims using average resolution values for the previous five years. We update the resolution values used to estimate the cost of Bendix pending and future claims during the fourth quarter each year.

The liability for future claims represents the estimated value of future asbestos related bodily injury claims expected to be asserted against Bendix over the next five years. Such estimated cost of future Bendix-related asbestos claims is based on historic claims filing experience and dismissal rates, disease classifications, and resolution values in the tort system for the previous five years. In light of the uncertainties inherent in making long-term projections, as well as certain factors unique to friction product asbestos claims, we do not believe that we have a reasonable basis for estimating asbestos claims beyond the next five years. The methodology used to estimate the liability for future claims is similar to that used to estimate the liability for future NARCO-related asbestos claims.

Our insurance receivable corresponding to the liability for settlement of pending and future Bendix asbestos claims reflects coverage which is provided by a large number of insurance policies written by dozens of insurance companies in both the domestic insurance market and the London excess market. Based on our ongoing analysis of the probable insurance recovery, insurance receivables are recorded in the financial statements simultaneous with the recording of the estimated liability for the underlying asbestos claims. This determination is based on our analysis of the underlying insurance policies, our historical experience with our insurers, our ongoing review of the solvency of our insurers, judicial determinations relevant to our insurance programs, and our consideration of the impacts of any settlements reached with our insurers.

Honeywell believes it has sufficient insurance coverage and reserves to cover all pending Bendix-related asbestos claims and Bendix-related asbestos claims estimated to be filed within the next five years. Although it is impossible to predict the outcome of either pending or future Bendix-related asbestos claims, we do not believe that such claims would have a material adverse effect on our consolidated financial position in light of our insurance coverage and our prior experience in resolving such claims. If the rate and types of claims filed, the average resolution value of such claims and the period of time over which claim settlements are paid (collectively, the Variable Claims Factors) do not substantially change, Honeywell would not expect future Bendix-related asbestos claims to have a material adverse effect on our results of operations or operating cash flows in any fiscal year. No assurances can be given, however, that the Variable Claims Factors will not change.

Other Matters

Honeywell v. United Auto Workers (UAW) et. al—In July 2011, Honeywell filed an action in federal court (District of New Jersey) against the UAW and all former employees who retired under a series of Master Collective Bargaining Agreements (MCBAs) between Honeywell and the UAW seeking a declaratory judgment that certain express limitations on its obligation to contribute toward the healthcare coverage of such retirees (the CAPS) set forth in the MCBAs may be implemented, effective January 1, 2012. The UAW and certain retiree defendants filed a mirror suit in the Eastern District of Michigan alleging that the MCBAs do not provide for CAPS on the Company's liability for healthcare coverage. The New Jersey action was dismissed and Honeywell subsequently answered the UAW's complaint in Michigan and asserted counterclaims for fraudulent inducement, negligent misrepresentation and breach of implied warranty. The UAW filed a motion to dismiss these counterclaims. The court dismissed Honeywell's fraudulent inducement and negligent misrepresentation claims, but let stand the claim for breach of implied warranty. In the second quarter of 2014, the parties agreed to stay the proceedings with respect to those retirees who retired before the initial inclusions of the CAPS in the 2003 MCBA until the Supreme Court decided the *M&G Polymers USA, LLC v. Tackett* case. In a ruling on January 26, 2015, the Supreme Court held that retiree health insurance benefits provided in collective bargaining agreements do not carry an inference that they are vested or guaranteed to continue for life and that the "vesting" issue must be decided pursuant to ordinary principles of contract law. The stay of the proceedings has been lifted and the case is again proceeding in the normal course. Based on the Supreme Court's ruling, Honeywell is confident that the CAPS will be upheld and that its liability for healthcare coverage premiums with respect to the putative class will be limited as negotiated and expressly set forth in the applicable MCBAs. In the event of an adverse ruling, however, Honeywell's other postretirement benefits for pre-2003 retirees would increase by approximately $180 million, reflecting the estimated value of these CAPS.

In December 2013, the UAW and certain of the plaintiffs filed a motion for partial summary judgment with respect to those retirees who retired after the initial inclusion of the CAPS in the 2003 MCBA. The UAW sought a ruling that the 2003 MCBA did not limit Honeywell's obligation to contribute to healthcare coverage for the post-2003 retirees. That motion remains pending. Honeywell is confident that the Court will find that the 2003 MCBA does, in fact, limit Honeywell's retiree healthcare obligation for post-2003 retirees. In the event of an adverse ruling, however, Honeywell's other postretirement benefits for post-2003 retirees would increase by approximately $120 million, reflecting the estimated value of these CAPS.

Joint Strike Fighter Investigation—In 2013 the Company received subpoenas from the Department of Justice requesting information relating primarily to parts manufactured in the United Kingdom and China used in the F-35 fighter jet. The Company is cooperating fully with the investigation. While we believe that Honeywell has complied with all relevant U.S. laws and regulations regarding the manufacture of these sensors, it is not possible to predict the outcome of the investigation or what action, if any, may result from it.

Given the uncertainty inherent in litigation and investigations (including the specific matters referenced above), we do not believe it is possible to develop estimates of reasonably possible loss in excess of current accruals for these matters (other than as specifically set forth above). Considering our past experience and existing accruals, we do not expect the outcome of these matters, either individually or in the aggregate, to have a material adverse effect on our consolidated financial position. Because most contingencies are resolved over long periods of time, potential liabilities are subject to change due to new developments, changes in settlement strategy or the impact of evidentiary requirements, which could cause us to pay damage awards or settlements (or become subject to equitable remedies) that could have a material adverse effect on our results of operations or operating cash flows in the periods recognized or paid.

ITEM 2. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)**
(Dollars in millions, except per share amounts)

The following MD&A is intended to help the reader understand the results of operations and financial condition of Honeywell International Inc. and its consolidated subsidiaries (Honeywell or the Company) for the three and six months ended June 30, 2015. The financial information as of June 30, 2015 should be read in conjunction with the financial statements for the year ended December 31, 2014 contained in our 2014 Annual Report on Form 10-K.

A. Results of Operations – three and six months ended June 30, 2015 compared with the three and six months ended June 30, 2014

Net Sales

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net sales	$ 9,775	$ 10,253	$ 18,988	$ 19,932
% change compared with prior period	(5)%		(5)%	

The change in net sales compared to the prior year period is attributable to the following:

	Three Months	Year to Date
Volume	2%	1%
Foreign Exchange	(5)%	(5)%
Acquisitions/Divestitures	(2)%	(1)%
	(5)%	(5)%

A discussion of net sales by segment can be found in the Review of Business Segments section of this MD&A.

Cost of Products and Services Sold

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Cost of products and services sold	$ 6,814	$ 7,296	$ 13,176	$ 14,263
% change compared with prior period	(7)%		(8)%	
Gross Margin percentage	30.3%	28.8%	30.6%	28.4%

Cost of products and services sold decreased in the quarter ended June 30, 2015 principally due to a decrease in direct and indirect material costs of approximately $320 million (driven primarily by the favorable impact of foreign exchange and productivity, partially offset by higher sales volume) and a decrease in labor costs of approximately $140 million.

Cost of products and services sold decreased in the six months ended June 30, 2015 principally due to a decrease in direct and indirect material costs of approximately $680 million (driven primarily by the favorable impact of foreign exchange and productivity, partially offset by higher sales volume), a decrease in labor costs of approximately $260 million and lower repositioning and other charges of approximately $70 million.

Gross margin percentage increased in the quarter ended June 30, 2015 primarily due to higher segment gross margin in all business segments (approximately 1.2 percentage point impact) and increased pension income (approximately 0.2 percentage point impact).

Gross margin percentage increased in the six months ended June 30, 2015 primarily due to higher gross margin in all business segments (approximately 1.5 percentage point impact), lower repositioning and other charges (approximately 0.3 percentage point impact) and increased pension income (approximately 0.2 percentage point impact).

Selling, General and Administrative Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Selling, general and administrative expense	$ 1,242	$ 1,375	$ 2,472	$ 2,714
Percent of sales	12.7%	13.4%	13.0%	13.6%

Selling, general and administrative expenses (SG&A) decreased in the quarter and six months ended June 30, 2015 primarily driven by the favorable impact from foreign exchange, decreased indirect costs and increased pension income.

Tax Expense

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Tax expense	$ 440	$ 397	$ 858	$ 772
Effective tax rate	26.5%	26.1%	26.6%	26.3%

The effective tax rate increased by 0.4 percentage points in the quarter ended June 30, 2015 primarily due to decreased tax benefits from the resolution of tax audits.

The effective tax rate increased by 0.3 percentage points in the six months ended June 30, 2015 primarily due to decreased tax benefits from the resolution of tax audits, partially offset by decreased tax expense for reserves in 2015.

The effective tax rates for the three and six month periods ended in 2015 and 2014 were lower than the U.S. federal statutory rate of 35% due, in part, to non-U.S. earnings taxed at lower rates and benefits from manufacturing incentives.

Net Income Attributable to Honeywell

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net income attributable to Honeywell	$ 1,194	$ 1,099	$ 2,310	$ 2,116
Earnings per share of common stock – assuming dilution	$ 1.51	$ 1.38	$ 2.91	$ 2.66

Earnings per share of common stock – assuming dilution increased in the quarter ended June 30, 2015 primarily driven by increased segment profit in each business segment and increased pension income, partially offset by increased tax expense.

Earnings per share of common stock – assuming dilution increased in the six months ended June 30, 2015 primarily due to increased segment profit in each business segment, increased pension income and lower repositioning and other charges, partially offset by lower other income (principally due to the absence of a realized gain related to the prior year sale of marketable equity securities) and increased tax expense.

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	% Change	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	% Change
Aerospace Sales						
Commercial Original Equipment	$ 741	$ 696	6%	$ 1,424	$ 1,380	3%
Commercial Aftermarket	1,143	1,118	2%	2,225	2,200	1%
Defense and Space	1,178	1,177	—	2,253	2,269	(1)%
Transportation Systems	765	1,019	(25)%	1,532	2,012	(24)%
Total Aerospace Sales	3,827	4,010		7,434	7,861	
Automation and Control Solutions Sales						
Energy Safety & Security	2,389	2,394	—	4,623	4,695	(2)%
Building Solutions & Distribution	1,164	1,213	(4)%	2,194	2,274	(4)%
Total Automation and Control Solutions Sales	3,553	3,607		6,817	6,969	
Performance Materials and Technologies						
UOP	745	828	(10)%	1,659	1,674	(1)%
Process Solutions	687	786	(13)%	1,319	1,498	(12)%
Advanced Materials	963	1,022	(6)%	1,759	1,930	(9)%
Total Performance Materials and Technologies Sales	2,395	2,636		4,737	5,102	
Net Sales	$ 9,775	$ 10,253		$ 18,988	$ 19,932	

Aerospace

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	% Change	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014	% Change
Net sales	$ 3,827	$ 4,010	(5)%	$ 7,434	$ 7,861	(5)%
Cost of products and services sold	2,818	3,008		5,437	5,911	
Selling, general and administrative expenses	156	179		317	355	
Other	76	64		151	133	
Segment profit	$ 777	$ 759	2%	$ 1,529	$ 1,462	5%

	2015 vs. 2014			
	Three Months Ended June 30,		Six Months Ended June 30,	
Factors Contributing to Year-Over-Year Change	Sales	Segment Profit	Sales	Segment Profit
Organic growth/ Operational segment profit	3%	6%	2%	9%
Foreign exchange	(4)%	(5)%	(3)%	(5)%
Acquisitions, divestitures and other, net	(4)%	1%	(4)%	1%
Total % Change	(5)%	2%	(5)%	5%

Aerospace sales decreased in the quarter and six months ended June 30, 2015 primarily due to the Friction Materials divestiture and unfavorable impact from foreign exchange, partially offset by an increase in organic sales.

- Commercial Original Equipment sales increased 6% (increased 6% organic) in the quarter ended June 30, 2015 and increased 3% (increased 4% organic) in the six months ended June 30, 2015 primarily driven by higher business and general aviation engine shipments.

- Commercial Aftermarket sales increased 2% (increased 3% organic) in the quarter ended June 30, 2015 and increased 1% (increased 2% organic) in the six months ended June 30, 2015 primarily driven by higher repair and overhaul activities, partially offset by lower retrofits, modifications and upgrades for business and general aviation customers.

- Defense and Space sales were flat (increased 1% organic) in the quarter ended June 30, 2015 primarily driven by growth in international programs, offset by lower U.S. government sales.

  Defense and Space sales decreased 1% (flat organic) in the six months ended June 30, 2015 primarily due to lower U.S. government sales, partially offset by growth in international programs.

- Transportation Systems sales decreased 25% (increased 5% organic) in the quarter ended June 30, 2015 and decreased 24% (increased 5% organic) in the six months ended June 30, 2015 primarily due to the Friction Materials divestiture, the unfavorable impact from foreign exchange and lower commercial vehicle production, partially offset by continued growth from new platform launches and higher global gas turbo penetration.

Aerospace segment profit increased in the quarter and six months ended June 30, 2015 primarily driven by an increase in operational segment profit, partially offset by the unfavorable impact of foreign exchange. The increase in operational segment profit is primarily driven by productivity, net of inflation, and favorable pricing, partially offset by continued investments for growth. Cost of products and services sold decreased $190 million in the quarter ended June 30, 2015 and $474 million in the six months ended June 30, 2015 primarily driven by the favorable impact of foreign exchange and productivity, net of inflation, partially offset by continued investments for growth.

Automation and Control Solutions

	Three Months Ended June 30,			Six Months Ended June 30,		
	2015	2014	% Change	2015	2014	% Change
Net sales	$ 3,553	$ 3,607	(1)%	$ 6,817	$ 6,969	(2)%
Cost of products and services sold	2,314	2,362		4,403	4,550	
Selling, general and administrative expenses	599	649		1,186	1,286	
Other	73	63		145	129	
Segment profit	$ 567	$ 533	6%	$ 1,083	$ 1,004	8%

	2015 vs. 2014			
	Three Months Ended June 30,		Six Months Ended June 30,	
Factors Contributing to Year-Over-Year Change	Sales	Segment Profit	Sales	Segment Profit
Organic growth/ Operational segment profit	4%	10%	4%	13%
Foreign exchange	(6)%	(5)%	(6)%	(5)%
Acquisitions and divestitures, net	1%	1%	—	—
Total % Change	(1%)	6%	(2%)	8%

Automation and Control Solutions (ACS) sales decreased in the quarter and six months ended June 30, 2015 primarily due to the unfavorable impact of foreign exchange partially offset by organic sales growth and growth from acquisitions, net of divestitures in the second quarter.

- Sales in Energy, Safety & Security were flat (increased 5% organic) in the quarter ended June 30, 2015 principally due to the unfavorable impact of foreign exchange partially offset by organic sales growth and acquisitions, net of divestitures. Organic sales growth was primarily due to increases in sales volumes, most significantly in Scanning and Mobility, driven by contract wins, as well as in Fire Safety.

  Sales in Energy, Safety & Security decreased 2% (increased 4% organic) in the six months ended June 30, 2015 principally due to the unfavorable impact of foreign exchange partially offset by organic sales growth. Organic sales growth was primarily due to increases in sales volumes, most significantly in Scanning and Mobility driven by contract wins.

- Sales in Building Solutions & Distribution decreased 4% (increased 3% organic) in the quarter ended June 30, 2015 and decreased 4% (increased 3% organic) in the six months ended June 30, 2015 principally due to the unfavorable impact of foreign exchange partially offset by increased sales volume in Americas Distribution.

ACS segment profit increased in the quarter and six months ended June 30, 2015 due to an increase in operational segment profit and acquisitions, net of divestitures in the second quarter partially offset by the unfavorable impact of foreign exchange. The increase in operational segment profit is primarily due to the positive impact of productivity net of inflation and higher organic sales volumes partially offset by continued investments for growth. Cost of products and services sold decreased $48 million and $147 million in the quarter and six months ended June 30, 2015 which is primarily due to the favorable impact of foreign exchange and productivity partially offset by higher organic sales volume and inflation.

Performance Materials and Technologies

	Three Months Ended June 30,			Six Months Ended June 30,		
	2015	2014	% Change	2015	2014	% Change
Net sales	$ 2,395	$ 2,636	(9)%	$ 4,737	$ 5,102	(7)%
Cost of products and services sold	1,636	1,857		3,218	3,563	
Selling, general and administrative expenses	218	269		440	523	
Other	32	35		67	68	
Segment profit	$ 509	$ 475	7%	$ 1,012	$ 948	7%

	2015 vs. 2014			
	Three Months Ended June 30, 2015		Six Months Ended June 30, 2015	
Factors Contributing to Year-Over-Year Change	Sales	Segment Profit	Sales	Segment Profit
Organic growth/ Operational segment profit	(5)%	12%	(3)%	11%
Foreign exchange	(4)%	(5)%	(4)%	(4)%
Total % Change	(9%)	7%	(7%)	7%

Performance Materials and Technologies (PMT) sales decreased in the quarter and six months ended June 30, 2015 due to decreased organic sales volumes and the unfavorable impact of foreign exchange.

- UOP sales decreased 10% (decreased 8% organic) in the quarter ended June 30, 2015 driven primarily by lower engineering and gas processing revenues due to delays in customer projects, which are expected to continue, and decreased catalyst revenues.

  UOP sales decreased 1% (increased 1% organic) in the six months ended June 30, 2015 driven primarily by lower engineering revenues due to delays in customer projects, which are expected to continue, partially offset by higher gas processing revenues.

- Process Solutions sales decreased 13% (decreased 4% organic) in the quarter ended June 30, 2015 and decreased 12% (decreased 3% organic) in the six months ended June 30, 2015 principally due to the unfavorable impact of foreign exchange and lower volumes due to delays in customer projects, which are expected to continue, partially offset by volume growth in advanced solutions software and services.

- Advanced Materials sales decreased 6% (decreased 2% organic) in the quarter ended June 30, 2015 and decreased 9% (decreased 5% organic) in the six months ended June 30, 2015 primarily driven by unfavorable pricing and unplanned plant outages in Resins and Chemicals in the first quarter partially offset by increased volumes in Fluorine Products and Specialty Products. We anticipate unfavorable pricing to continue in 2015 primarily in Resins and Chemicals where sales fluctuate with the market price of certain raw materials, which are correlated to the price of oil.

PMT segment profit increased in the quarter and six months ended June 30, 2015 due to an increase in operational segment profit partially offset by the unfavorable impact of foreign exchange. The increase in operational segment profit is primarily due to price and productivity net of inflation. Cost of products and services sold decreased $221 million and $345 million in the quarter and six months ended June 30, 2015 primarily due to the favorable impacts of inflation and foreign exchange, partially offset by continued investments for growth.

Repositioning and Other Charges

Our repositioning actions are expected to generate incremental pretax savings of $100 million to $125 million in 2015 compared with 2014 principally from planned workforce reductions. Cash spending related to our repositioning actions was $50 million in the six months ended June 30, 2015 and was funded through operating cash flows. We expect cash spending for repositioning actions to be approximately $125 million in 2015 and to be funded through operating cash flows.

B. Liquidity and Capital Resources

Cash Flow Summary

	Six Months Ended June 30,	
	2015	2014
Cash provided by (used for):		
Operating activities	$ 1,829	$ 2,029
Investing activities	(2,545)	(1,205)
Financing activities	(70)	(694)
Effect of exchange rate changes on cash	(219)	30
Net (decrease) increase in cash and cash equivalents	$ (1,005)	$ 160

Cash provided by operating activities decreased by $200 million primarily due to (i) a $416 million decrease in accrued liabilities (primarily a $199 million decrease in customer advances and deferred income and $151 million in incentive payments to Aerospace Original Equipment manufacturers (ii) increased net payments for repositioning and other charges of $81 million (primarily due to the collection of a $130 million asbestos receivable due from one of our insurance carriers in the prior year) and (iii) increased cash tax payments of $60 million, partially offset by a $248 million favorable impact from working capital and increased net income of $206 million.

Cash used for investing activities increased by $1,340 million primarily due to a net $1,026 million increase in investments (primarily short-term marketable securities), an increase in cash paid for acquisitions of $183 million and an increase of $137 million in settlement payments of foreign currency exchange contracts used as economic hedges on certain non-functional currency denominated monetary assets and liabilities.

Cash used for financing activities decreased by $624 million primarily due to an increase in the net proceeds from debt issuances of $703 million partially offset by an increase in cash dividends paid of $115 million.

Liquidity

The Company continues to manage its businesses to maximize operating cash flows as the primary source of liquidity. In addition to our available cash and operating cash flows, additional sources of liquidity include committed credit lines, short-term debt from the commercial paper market, long-term borrowings, as well as access to the public debt and equity markets. We continue to balance our cash and financing uses through investment in our existing core businesses, debt reduction, acquisition activity, share repurchases and dividends.

We continuously assess the relative strength of each business in our portfolio as to strategic fit, market position, profit and cash flow contribution in order to upgrade our combined portfolio and identify business 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 business units that do not fit into our long-term strategic plan based on their market position, relative profitability or growth potential. These businesses are considered for potential divestiture, restructuring or other repositioning actions subject to regulatory constraints.

In 2015, we are not required to make contributions to our U.S. pension plans. We plan to make contributions of cash and/or marketable securities of approximately $140 million to our non-U.S. plans to satisfy regulatory funding standards, of which $126 million were made in the six months ended June 30, 2015. The timing and amount of contributions to both our U.S. and non-U.S. plans may be impacted by a number of factors, including the funded status of the plans.

During the second quarter of 2015, the Company repurchased $123 million of outstanding shares. Under the Company's previously reported $5 billion share repurchase program, $3.6 billion remained available as of June 30, 2015 for additional share repurchases. Honeywell presently expects to repurchase outstanding shares from time to time to offset the dilutive impact of employee stock based compensation plans, including future option exercises, restricted unit vesting and matching contributions under our savings plans. In addition, the Company may repurchase additional shares if and when its net cash (cash and cash equivalents plus short-term available for sale investments less commercial paper, current maturities of long-term debt and long-term debt) exceeds $1 to $2 billion. The amount and timing of future repurchases may vary depending on market conditions and the level of operating, financing and other investing activities.

	June 30, 2015	December 31, 2014
Cash and cash equivalents	$ 5,954	$ 6,959
Short-term available for sale investments	3,162	1,463
Total	9,116	8,422
Commercial paper	2,795	1,647
Current maturities of long-term debt	1,337	939
Long-term debt	5,562	6,046
Debt	9,694	8,632
Net cash	$ (578)	$ (210)

On July 10, 2015, the Company entered into a $4 billion Amended and Restated Five Year Credit Agreement with a syndicate of banks which amends and restates the previous $4 billion five year credit agreement. See Note 7, Long-term Debt, of Notes to Financial Statements for further discussion.

C. Other Matters

Litigation

We are subject to a number of lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of our business. See Note 12, Commitments and Contingencies, of Notes to Financial Statements for further discussion of environmental, asbestos and other litigation matters.

Critical Accounting Policies

The financial information as of June 30, 2015 should be read in conjunction with the financial statements for the year ended December 31, 2014 contained in our 2014 Annual Report on Form 10-K.

For a discussion of the Company's critical accounting policies, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2014 Annual Report on Form 10-K.

Recent Accounting Pronouncements

See Note 2, Recent Accounting Pronouncements, of Notes to Financial Statements for a discussion of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risks

See our 2014 Annual Report on Form 10-K (Item 7A). As of June 30, 2015, there has been no material change in this information**.**

Item 4. Controls and Procedures

Honeywell management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that such disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q to ensure information required to be disclosed in the reports that Honeywell files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that it is accumulated and communicated to our management, including our CEO, our CFO, and our Controller, as appropriate, to allow timely decisions regarding required disclosure. There have been no changes that have materially affected, or are reasonably likely to materially affect, Honeywell's internal control over financial reporting that have occurred during the period covered by this Quarterly Report on Form 10-Q.

Part II. Other Information

Item 1. Legal Proceedings

General Legal Matters

We are subject to a number of lawsuits, investigations and claims (some of which involve substantial amounts) arising out of the conduct of our business. See a discussion of environmental, asbestos and other litigation matters in Note 12, Commitments and Contingencies, of Notes to Financial Statements.

Environmental Matters Involving Potential Monetary Sanctions in Excess of $100,000

The Virginia Department of Environmental Quality (DEQ) has alleged that Honeywell's facility in Hopewell, Virginia failed to comply with certain conditions of its wastewater discharge permit at various times between August 2013 and March 2015. Honeywell has met with the DEQ about this matter and negotiations to resolve it are ongoing. We do not believe that it will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Item 2. Changes in Securities and Use of Proceeds

Honeywell purchased 1,200,000 shares of its common stock, par value $1 per share, in the quarter ended June 30, 2015. The following table summarizes Honeywell's purchase of its common stock for the quarter ended June 30, 2015:

Issuer Purchases of Equity Securities

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Approximate Dollar Value of Shares that May Yet be Purchased Under Plans or Programs (Dollars in millions)
May 2015	1,200,000	$102.48	1,200,000	$3,590

Item 6. EXHIBITS

(a) Exhibits. See the Exhibit Index on page 31 of this Quarterly Report on Form 10-Q.

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: July 17, 2015

By: /s/ Adam M. Matteo

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

EXHIBIT INDEX

Exhibit No.	Description
10.1*	Amendment to the Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of Honeywell International Inc. and its Subsidiaries (filed herewith)
11	Computation of Per Share Earnings [(1)]
12	Computation of Ratio of Earnings to Fixed Charges (filed herewith)
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
101.INS	XBRL Instance Document (filed herewith)
101.SCH	XBRL Taxonomy Extension Schema (filed herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase (filed herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase (filed herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase (filed herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase (filed herewith)

(1) Data required is provided in Note 4, Earnings Per Share, of Notes to Financial Statements.

The Exhibits identified above with an asterisk (*) are management contracts or compensatory plans or arrangements.

AMENDMENT TO THE
SUPPLEMENTAL NON-QUALIFIED SAVINGS PLAN FOR
HIGHLY COMPENSATED EMPLOYEES OF
HONEYWELL INTERNATIONAL INC.
AND ITS SUBSIDIARIES

(as amended and restated effective January 1, 2009)

Effective July 1, 2015 (the "Effective Date"), the Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of Honeywell International Inc. and its Subsidiaries (the "Plan") is hereby amended to separate the Plan into two plans for all legal purposes, as follows:

1. One plan, to be known on and after the Effective Date as the "Excess Benefit Plan of Honeywell International Inc. and its Subsidiaries (as amended and restated as of July 1, 2015)" (the "Excess Benefit Plan") shall provide only for the benefits or contributions that would be provided under the Qualified Savings Plans but for any benefit or limitations set forth in the Code, including any amounts credited to each Participant's Account as of the Effective Date that would have been so characterized at the time such amounts were credited, and including (for purposes of clarity) all Plan Employer Contributions described in Section 5(b) of the Plan. The Excess Benefit Plan shall consist of, be governed by and be subject to, the terms of the Plan excluding Section 5(a)(ii) thereof and the other provisions of the Plan to the extent relating to Section 5(a)(ii).

2. A second plan, to be known on and after the Effective Date as the "Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of Honeywell International Inc. and its Subsidiaries (as amended and restated as of July 1, 2015)" (the "Supplemental Savings Plan"), shall provide for all other benefits or contributions under the Plan. The Supplemental Savings Plan shall consist of, be governed by and be subject to, the terms of the Plan excluding Section 5(a)(i) and 5(b) thereof and the other provisions of the Plan to the extent relating to Sections 5(a)(i) and 5(b).

3. Section 1 of each of Excess Benefit Plan and the Supplemental Savings Plan shall be revised to read in its entirety as follows:

> 1. History. Honeywell International Inc. (the "Corporation") initially established this Excess Benefit Plan of Honeywell International Inc. and its Subsidiaries (the "Plan") effective January 1, 2006 when the Supplemental Non-Qualified Savings Plan For Highly Compensated Employees Of Honeywell International Inc. and Its Subsidiaries (Career Band 5 and Below) (the "Supplemental Savings Plan") was merged with and into the Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of Honeywell International Inc. and its Subsidiaries (Career Band 6 and above) (the "Executive Supplemental Savings Plan") and the resulting plan from this merger became known as the Plan. The Plan was amended and restated, effective as of January 1, 2009, to implement changes required pursuant to and consistent with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the corresponding rules

and final regulations issued under Section 409A of the Code with respect to amounts subject to such requirements. This Plan document covers any Participant (as defined below) who was entitled to receive a benefit from the Plan as of December 31, 2008, but did not receive full payment of such benefit under the Plan as of such date, as well as any individual who becomes a Participant in the Plan on or after January 1, 2009. Plan benefit payments commencing prior to January 1, 2009 are governed by the terms of Plan as they existed prior to this amendment and restatement and are either grandfathered from the requirements of Section 409A of the Code or payable pursuant to a fixed schedule as required by, and in compliance with, Section 409A of the Code. Between January 1, 2005 and December 31, 2008, with respect to payments that are subject to the requirements of Section 409A of the Code, the Plan has been operated in accordance with transition relief established by the Treasury Department and Internal Revenue Service pursuant to Section 409A of the Code. This amendment and restatement is adopted in conformity with final regulations under Section 409A of the Code issued by the Treasury Department on April 10, 2007 and effective January 1, 2009. The Plan resulting from the merger of the Supplemental Savings Plan and the Executive Supplemental Savings Plan, as so amended, was then separated into two separate plans for all legal purposes, in order to ensure the in order to ensure its qualification as an Excess Benefit Plan within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended. The following provisions constitute and govern the terms of those two plans as follows:

(x) The Excess Benefit Plan of Honeywell International Inc. and its Subsidiaries (as amended and restated as of July 1, 2015) (the "Excess Benefit Plan") provides only for the benefits or contributions that would be provided under the Qualified Savings Plans but for any benefit or limitations set forth in the Code, including any amounts credited to each Participant's Account as of July 1, 2015, that would have been so characterized at the time such amounts were credited, and including (for purposes of clarity) all Plan Employer Contributions described in Section 5(b) below. The Excess Benefit Plan shall consist of, be governed by and be subject to, the terms set forth below excluding Section 5(a)(ii) below and the other provisions of the Plan to the extent relating to Section 5(a)(ii); and

(y) The Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of Honeywell International Inc. and its Subsidiaries (as amended and restated as of July 1, 2015) (the "Supplemental Savings Plan") provides for all other benefits or contributions set forth below. The Supplemental Savings Plan shall consist of, be governed by and be subject to, the terms set forth below excluding Section 5(a)(i) and 5(b) below and the other provisions of the Plan to the extent relating to Sections 5(a)(i) and 5(b).

Capitalized terms used in this Section 1 and not defined in this Section 1 have the meanings ascribed to them below.

4. The header of the Plan shall be revised to read in its entirety as follows:

"The Excess Benefit Plan of Honeywell International Inc. and its Subsidiaries and the Supplemental Non-Qualified Savings Plan for Highly Compensated Employees of

Honeywell International Inc. and its Subsidiaries (each as amended and restated as of July 1, 2015)”

5. Capitalized terms used herein and not defined herein shall have the meanings assigned to them under the Plan.

HONEYWELL INTERNATIONAL INC.
STATEMENT RE: COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
Six Months Ended
June 30, 2015
(Dollars in millions)

Determination of Earnings:		
Income before taxes	$	3,226
Add (Deduct):		
Amortization of capitalized interest		10
Fixed charges		177
Equity income, net of distributions		(16)
Total earnings, as defined	$	3,397
Fixed Charges:		
Rents[(a)]	$	23
Interest and other financial charges		154
		177
Capitalized interest		10
Total fixed charges	$	187
Ratio of Earnings to Fixed Charges		**18.17**

(a) Denotes the equivalent of an appropriate portion of rentals representative of the interest factor on all rentals other than for capitalized leases.

EXHIBIT 31.1

**CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, David M. Cote, Chief Executive Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Honeywell International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 17, 2015

By: /s/ David M. Cote
David M. Cote
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas A. Szlosek, Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Honeywell International Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 17, 2015

By: /s/ Thomas A. Szlosek
Thomas A. Szlosek
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, David M. Cote, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 17, 2015

By: /s/ David M. Cote
David M. Cote
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Honeywell International Inc. (the Company) on Form 10-Q for the period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Thomas A. Szlosek, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 17, 2015

By: /s/ Thomas A. Szlosek
Thomas A. Szlosek
Chief Financial Officer