Appendix

Reconciliation of non-GAAP Measures to GAAP Measures

Reconciliation of Segment Profit to Operating Income and Calculation of Segment Profit and Operating Income Margin

Honeywell

($B)	2007	2008	2009	2010	2011	2012E
Segment Profit	$4.6	$4.8	$4.0	$4.5	$5.4	$5.7 - 5.9
Stock Based Compensation [1]	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	~($0.2)
Repositioning and Other [1, 2]	(0.5)	(1.1)	(0.5)	(0.6)	(0.8)	~($0.4)
Pension Expense-ongoing [1]	0.1	0.1	(0.3)	(0.2)	(0.1)	~($0.1)
Pension Expense-mark to market [1]	0.0	(3.3)	(0.7)	(0.5)	(1.8)	TBD
OPEB Income (Expense) [1]	(0.2)	(0.1)	0.0	(0.0)	0.1	~($0.1)
Operating Income	$3.9	$0.3	$2.4	$3.0	$2.6	$4.9 - 5.1
Segment Profit	$4.6	$4.8	$4.0	$4.5	$5.4	$5.7 - 5.9
÷ Sales	$33.5	$35.5	$30.0	$32.4	$36.5	$37.8 - 38.9
Segment Profit Margin %	13.6%	13.5%	13.3%	13.9%	14.7%	15.0 - 15.3%
Operating Income	$3.9	$0.3	$2.4	$3.0	$2.6	$4.9 - 5.1
÷ Sales	$33.5	$35.5	$30.0	$32.4	$36.5	$37.8 - 38.9
Operating Income Margin %	11.6%	0.8%	7.9%	9.3%	7.0%	13.0 - 13.3%

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

(2) Includes repositioning, asbestos, environmental expenses and equity income (beginning 1/1/2008).

Reconciliation of EPS to EPS, Excluding Mark-to-Market Pension Adjustment

Honeywell

	2007 (1)	2008 (1)	2009 (1)	2010 (1)	2011 (1)
EPS	$3.35	$1.08	$2.05	$2.59	$2.61
Mark-To-Market Pension Adjustment	0.01	2.74	0.64	0.41	1.44
EPS, Excluding Mark-to Market Pension Adjustment (Proforma)	$3.36	$3.82	$2.69	$3.00	$4.05

(1) Utilizes weighted average shares outstanding and the effective tax rate for the period. Mark-to-market uses a tax rate of 30.0%, 38.2%, 34.4%, 32.3% and 36.9% for 2007, 2008, 2009, 2010 and 2011, respectively.

Reconciliation of Free Cash Flow, Prior to U.S. Pension Cash Contributions, to Cash Provided By Operating Activities

Honeywell

($B)	2007	2008	2009	2010	2011
Cash Provided by Operating Activities	$3.9	$3.8	$3.9	$4.2	$2.8
Expenditures for Property, Plant and Equipment	(0.8)	(0.9)	(0.6)	(0.6)	(0.8)
Free Cash Flow	3.1	2.9	3.3	3.6	2.0
Cash taxes relating to the sale of the Consumables Solutions business	0.0	0.2	0.0	0.0	0.0
Free cash flow excluding cash taxes relating to the sale of the Consumables Solutions business	3.1	3.1	3.3	3.6	2.0
U.S. Pension Cash Contributions	0.0	0.0	0.0	0.6	1.7
Free Cash Flow, prior to U.S. Pension Cash Contributions	$3.1	$3.1	$3.3	$4.2	$3.7