

HONEYWELL INTERNATIONAL INC  
Form 10-Q  
July 19, 2013  
United States  
Securities and Exchange Commission  
Washington, D.C. 20549

**Form 10-Q**

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

For the quarterly period ended June 30, 2013

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-8974

**Honeywell International Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

22-2640650  
(I.R.S. Employer  
Identification No.)

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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

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

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  Non-Accelerated filer  Smaller reporting company

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

There were 784,843,143 shares of Common Stock outstanding at June 30, 2013.

**Honeywell International Inc.**

**Index**

	<b>Page No.</b>
<b><u>Part I.</u></b>	
<b><u>Financial Information</u></b>	
<u>Item 1. Financial Statements:</u>	
<u>Consolidated Statement of Operations (unaudited) –     Three and Six Months Ended June 30, 2013 and 2012</u>	3
<u>Consolidated Statement of Comprehensive Income (unaudited) –     Three and Six Months Ended June 30, 2013 and 2012</u>	4
<u>Consolidated Balance Sheet (unaudited) –     June 30, 2013 and December 31, 2012</u>	5
<u>Consolidated Statement of Cash Flows (unaudited) –     Six Months Ended June 30, 2013 and 2012</u>	6
<u>Notes to Financial Statements (unaudited)</u>	7
<u>Report of Independent Registered Public Accounting Firm</u>	31
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	32
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	44
<u>Item 4. Controls and Procedures</u>	44
<b><u>Part II.</u></b>	
<b><u>Other Information</u></b>	
<u>Item 1. Legal Proceedings</u>	45
<u>Item 2. Changes in Securities and Use of Proceeds</u>	45
<u>Item 6. Exhibits</u>	45
<u>Signatures</u>	46
 <u>Cautionary Statement about Forward-Looking Statements</u>	

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 Form 10-K for the year ended December 31, 2012.

## PART I. FINANCIAL INFORMATION

The financial information as of June 30, 2013 should be read in conjunction with the financial statements for the year ended December 31, 2012 contained in our Form 10-K filed on February 15, 2013.

ITEM 1. FINANCIAL STATEMENTS**Honeywell International Inc.****Consolidated Statement of Operations****(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(Dollars in millions, except per share amounts)			
Product sales	\$7,744	\$7,475	\$15,218	\$14,852
Service sales	1,949	1,960	3,803	3,890
Net sales	9,693	9,435	19,021	18,742
Costs, expenses and other				
Cost of products sold	5,750	5,582	11,317	11,153
Cost of services sold	1,277	1,340	2,493	2,649
	7,027	6,922	13,810	13,802
Selling, general and administrative expenses	1,281	1,226	2,510	2,457
Other (income) expense	(24 )	(23 )	(52 )	(38 )
Interest and other financial charges	80	87	164	176
	8,364	8,212	16,432	16,397
Income before taxes	1,329	1,223	2,589	2,345
Tax expense	307	318	598	615
Net income	1,022	905	1,991	1,730
Less: Net income attributable to the noncontrolling interest	1	3	4	5
Net income attributable to Honeywell	\$1,021	\$902	\$1,987	\$1,725
Earnings per share of common stock - basic:	\$1.30	\$1.15	\$2.53	\$2.21
Earnings per share of common stock - assuming dilution:	\$1.28	\$1.14	\$2.49	\$2.19
Cash dividends per share of common stock	\$0.4100	\$0.3725	\$0.8200	\$0.7450

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

3

**HONEYWELL INTERNATIONAL INC.****Consolidated Statement of Comprehensive Income****(Unaudited)**

	Three Months Ended June 30, 2013		Six Months Ended June 30, 2012	
	(Dollars in millions)		(Dollars in millions)	
Net income	\$1,022	\$905	\$1,991	\$1,730
Other comprehensive income (loss), net of tax				
Foreign exchange translation adjustment	(75 )	(420)	(456 )	(231 )
Actuarial gains	—	5	—	5
Prior service costs recognized during the year	2	1	5	3
Actuarial losses recognized during year	6	3	12	10
Transition obligation recognized during year	1	1	1	1
Settlements and curtailments	(26 )	(4 )	(26 )	(2 )
Pension and other postretirement benefits adjustments	(17 )	6	(8 )	17
Unrealized gains (losses) for the period	3	(5 )	57	38
Changes in fair value of available for sale investments	3	(5 )	57	38
Effective portion of cash flow hedges recognized in other comprehensive income (loss)	(28 )	(48 )	(28 )	(23 )
Less: Reclassification adjustment for gains (losses) included in net income	(6 )	(12 )	(7 )	(6 )
Changes in fair value of effective cash flow hedges	(22 )	(36 )	(21 )	(17 )
Other comprehensive income (loss), net of tax	(111 )	(455)	(428 )	(193 )
Comprehensive income	911	450	1,563	1,537
Less: Comprehensive income (loss) attributable to noncontrolling interest	(2 )	(1 )	1	3
Comprehensive income attributable to Honeywell	\$913	\$451	\$1,562	\$1,534

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

**Honeywell International Inc.****Consolidated Balance Sheet****(Unaudited)**

	June 30, 2013	December 31, 2012
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(Dollars in millions)

**ASSETS**

## Current assets:

Cash and cash equivalents	\$4,549	\$ 4,634
Accounts, notes and other receivables	7,655	7,429
Inventories	4,295	4,235
Deferred income taxes	670	669
Investments and other current assets	680	631
Total current assets	17,849	17,598

Investments and long-term receivables	756	623
Property, plant and equipment - net	4,997	5,001
Goodwill	12,640	12,425
Other intangible assets - net	2,393	2,449
Insurance recoveries for asbestos related liabilities	658	663
Deferred income taxes	1,701	1,889
Other assets	1,172	1,205
Total assets	\$42,166	\$ 41,853

**LIABILITIES**

## Current liabilities:

Accounts payable	\$4,718	\$ 4,736
Short-term borrowings	91	76
Commercial paper	1,200	400
Current maturities of long-term debt	632	