Energy Efficiency and SmartGrid Solutions

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This report contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of fact, that address activities, events or developments that we or our management intend, expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on management’s assumptions and assessments in 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. We identify the principal risks and uncertainties that affect our performance in our Form 10-K and other filings with the Securities and Exchange Commission.
Honeywell Today

- A Fortune 100 company – ~$32B 2010E sales
- 120,000 employees in 120 countries
- ~30,000 active and pending patents

Global Scope, Great Positions In Good Industries
Energy Efficiency Focus

- Air Traffic Modernization
- Biofuels
- Green Buildings
- Reduced Emissions
- Fuel Efficiency
- Industrial Process Efficiency
- Energy Efficiency, Demand Response & Smart Grid
- Energy Performance Contracts

Nearly 50% Of Honeywell’s Product Portfolio Is Linked To Energy Efficiency
Automation and Control Solutions

$12.6 Billion in Sales in 2009 60,000 Global Employees

What We Do...

- Safety
- Security
- Comfort
- Convenience
- Productivity
- Energy Efficiency
- Homes
- Buildings
- Industrial

Positioned To Capitalize On Key Trends
ACS Portfolio

2009 Sales: $12.6 Billion

2009 vs. 2008
- Sales down 10%, Increased Share in 6 of 7 Businesses
- Operating Profit Flat (Price, Cost Controls)

Great Performance In A Challenging Economy
Honeywell Building Solutions (HBS) Profile

$2.5B+ Sales   11,000 Employees   120 Countries

- Global reach/ footprint
- Large Installed Base
- Energy Efficiency / SmartGrid

- Productivity culture
- Major Projects Implementation
- Critical Infrastructure Protection

High Value Solutions, World Class ROI
Recent Highlights

• **Strong Results**
  - Orders and Op Profit Growth
  - Traction on Energy and Smart Grid projects
  - Increased backlog by 15% in 2009

• **Rising Energy Services Demand**

• **Great Wins Around the Globe**
  - Florida Power and Electric
  - Biosciences Research Centre
  - Kennedy Space Center
  - Marina Bay Sands Integrated Resort
  - Vancouver Olympics Perimeter Security

**Outperforming The Market**
**U.S. Energy Consumption (All Sources)**

- **Buildings** (electricity) 40%
  - Residential 22%
  - Commercial 18%

- **Transportation** (oil) 28%

- **Industry** (gas) 32%


**Building Automation Can Control 66%**
**Of Energy Consumption In Homes And Buildings**

- **Residential**
  - Heating 31%
  - Lights 26%
  - Water Heat 12%
  - Cooling 12%
  - Refrigeration 8%
  - Electronics 7%
  - Wet Clean 5%
  - Cooking 5%
  - Computers 1%
  - Other 4%

- **Commercial**
  - Heating 14%
  - Lights 13%
  - Water Heat 7%
  - Ventilation 6%
  - Office Equipment 6%
  - Refrigeration 4%
  - Computers 3%
  - Cooking 2%
  - Other 13%

- **Industry**
  - Heating 31%
  - Cooling 12%
  - Lights 11%
  - Refrigeration 8%
  - Electronics 7%
  - Wet Clean 5%
  - Cooking 5%
  - Computers 1%
  - Other 4%

Note: The diagram includes a breakdown of energy consumption by category, with percentages for each. The text highlights the potential impact of building automation on energy consumption in homes and buildings, suggesting it can control 66% of energy consumption.
Lifecycle Of A Customer

Win The Right Customers, Serve Them Forever
Integrated Solutions

• Converged buildings
• Advanced energy management
• Design process involvement

Differentiated Integrated Solutions Capabilities
Commercial Energy Efficiency

- Energy Savings Performance Contracting: a proven, effective solution
- A comprehensive “self-funded” program
  - New technology to upgrade buildings paid by guaranteed energy and operational savings
- Significant savings potential with existing projects

From Pioneers In Energy Efficiency...
Building Optimization Analytics

1. Fault Detection and Diagnostics
2. Equipment Performance Monitoring
3. Control System Optimization
4. Energy Management

...To Next Generation Building Energy Optimization
Sustainability Services

• Comprehensive Solutions
  – Act Earth: Energy Education for K-12 Schools
  – Energy Manager
  – Greenhouse Gas Inventories
  – Energy Dashboards
  – Sustainable Staffing

Customer Driven Value-Add
• Benefiting from macro trends: regulations and global demand

• “One Honeywell”: all businesses under one umbrella

• Growing presence in fastest growing markets

• Global delivery, local services
• 1M+ demand response devices installed
• Baltimore Gas & Electric program
  – 450,000 load control devices
    ➢ 40 months
    ➢ 47% penetration
  – Comprehensive marketing
  – 24/7 professional call center
    Honeywell certified field technicians
  – Honeywell UtilityPRO™ and switches
City Of Tallahassee, Florida

- A smarter Smart Grid:
  - Electric, Gas and Water Smart Grid
  - Advanced AMI Features
  - Meter Data Management System
  - In-Home Communication
  - AutoDR (Commercial Demand Response)
Smart Grid Vision

Set the coolest cooling temperature allowed during:
Low-Peak pricing

More Comfort  Save Money

74°

Back  Cancel  Next

The Smart Grid Integrated Solution
RESIDENTIAL AND COMMERCIAL APPLICATIONS
Commercial Auto Demand Response

**Honeywell**
- Program development
- Customer enrollment
- Customer site optimization
- Program management
- Monitoring and reporting

**DR Automation Server**
- Event Control
- Utility Dashboard

**SmartGrid Controller**
- Compatible with 99+% of BAS systems
- Customer Dashboard

**Utility Benefits**
- Maintain system integrity
- Drive energy conservation
- Promote dynamic pricing
- Enable behavior change
- Real time reporting

**Customer Benefits**
- Turnkey energy cost savings
- Automated participation
- Self funding opportunities
- Monitoring / reporting of results

*Attractive Adjacency Builds On Our Legacy*
Honeywell Building Solutions Key Themes

• Leading global franchise
  - Extensive reach
  - Portfolio aligned to macro trends (Energy, Security)

• Investing for growth
  - Globalization
  - Innovation leadership
  - SmartGrid Solutions

• World class ROI business
  - Focus on service & high value segments
  - Standard work shares best practices and lowers cost

More Efficient, More Secure, More Comfortable
Energy Efficiency and SmartGrid Solutions

Thank You