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.
Agenda

• Key Themes
• Honeywell Process Solutions Overview
• Comprehensive Solutions and Customer Success
• Growth Strategies
• Automation Industry Trends
• Enablers and People
• Summary
HPS Investors Day: Key Themes

• Industry conditions
  – Shifting customer and energy demands
  – Aging assets and workforce
  – Intensifying environmental regulations
  – Data generation more than 40 exabytes ($4.0 \times 10^{19}$th power)
  – Industrial challenges in maximizing profitability

• HPS is positioned as industry leader
  – Leadership position with global customers
  – Providing competitive advantages through technology and services
  – Large installed base to support and optimize
  – World leading advanced applications
  – Global footprint with world class, localized project execution
Honeywell ACS - Broad Portfolio

Honeywell Automation & Control Solutions (ACS)

’09: $12.6B Sales  60,000+ Employees  Over 1,000 Facilities
Honeywell Process Solutions

’09: $2.5B Sales

11,100 Employees

Field Solutions
Level 1
Field Instruments and Engineering Solutions that increase reliability and efficiency in field operations, including wireless

Control Systems
Level 2
Control Systems that run process plants, pulp mills and utilities efficiently and safely

Advanced Solutions
Levels 3 & 4
Software Solutions to optimize the business by providing outcome-based solutions, to enhance performance, reduce energy & improve reliability

Lifecycle
Solutions
Service solutions to ensure up time, sustain benefits and extend asset life

Refining
Oil & Gas
Power
Chemicals
Metals, Minerals & Mining
Pulp, Paper & Printing
Life Sciences
Batch Processing

HPS Is The Industrial Channel For Honeywell ACS
Across Oil & Gas, Pulp, Printing & Paper, Chemicals, Life Sciences, Metals, Minerals & Mining, Refining and Power, HPS is currently executing projects globally worth $2B.
HPS Business Overview

**Business Units**

**EMEA** – sells control systems, advanced solutions and lifecycle solutions to EMEA region

**APAC** -- sells control systems, advanced solutions and lifecycle solutions to Asia including China and India

**Americas** -- sells control systems, advanced solutions and lifecycle solutions to North and South America

**Field Solutions** – sells RMG by Honeywell, Honeywell Enraf, field and process instruments on a global basis through channels partners, distributors and direct

**Revenue by Market**

- Refining
- Chemicals
- MMM
- O&G
- Other

**Revenue by Region**

- US
- Canada
- Latin America
- Northern Europe
- Eastern Europe
- Middle East
- Southern Europe
- Africa
- SE Asia
- China
- Japan
- Korea

**Revenue by Business Type**

- Lifecycle Solutions
- Control Systems
- Field Solutions
- Advanced Solutions
HPS has more than 30,000 installations worth $17 Billion in over 8000 sites globally.
## Industry Growth

<table>
<thead>
<tr>
<th>Industry</th>
<th>CAPEX in 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>$500B</td>
</tr>
<tr>
<td>Refining</td>
<td>$125B</td>
</tr>
<tr>
<td>Power Generation</td>
<td>$600B</td>
</tr>
<tr>
<td>Chemicals</td>
<td>$300B</td>
</tr>
<tr>
<td>Pulp &amp; Paper</td>
<td>$45B</td>
</tr>
</tbody>
</table>
In the process automation system industry alone, there are $65 billion worth of process automation systems that are nearing the end of their useful life.

Source: ARC Group, 2009
Integrated Offerings from Across Honeywell

Demand variability

Process Instruments

Raw material variability

Enterprise Wide Solutions
Integrated Offerings from Across Honeywell

Demand variability

Level 5

Level 4

Level 3

Level 2

Level 1

Raw material variability

Enterprise Wide Solutions
Integrated Offerings from Across Honeywell

Demand variability

Level 5

Level 4

Level 3

Level 2

Level 1

Field Instruments

Raw material variability

Alarm Mgmt

Process Optimization

Operator Training

Blending & Movements

Camera Systems

DCS

Common HMI

Safety, F&G

Access Control

* After acquisition is closed

Enterprise Wide Solutions
Integrated Offerings from Across Honeywell

Demand variability

Raw material variability

Enterprise Wide Solutions

* After acquisition is closed
Integrated Offerings from Across Honeywell

Corporate Planning and Logistics - ERP

Manufacturing Execution System
- Plan & Scheduling
- Energy Management
- Production Management
- Operations Management

Advanced Applications

Control System Platforms

Field Instruments

Enterprise Wide Solutions

Demand variability

Raw material variability
Integrated Offerings from Across Honeywell

Corporate Planning and Logistics - ERP
- Business Applications (MES)
- Advanced Applications
- Control System Platforms

Field Instruments

Demand variability

Raw material variability

Enterprise Wide Solutions
Quick Facts

UOP is the world’s largest provider of process technology to the refining & petrochemical industries with 2600+ patents.
HPS Along the Oil & Gas Value Chain

Well: Extraction and Pretreatment: O+G fields, Gas only, Shale Gas, Coal bed gas

Gas or Heavy Oil processing Plant

Coal to Gas Plant

Gas Processing and LNG (liquefaction) plant

LNG Terminal: downloading Storage, re-gasification

Industrial Plants (e.g. Cement or Fertilizers Plants)

Pipeline Transportation

Power Plant

GTL Plant

LNG Shipping

City Gate Station

Industrial user

Commercial & Industrial user

Residential user

Commercial user

Fire & Gas Systems

Distributed Control System

Security, Surveillance, Access Control

Simulation, Optimization, ERP Software

Distributed Measurement

Wireless Measurement

SCADA

Distributed Control System

Measurement

Software

Safety Instrumented Systems

Fire & Gas Systems

Integrated Portfolio Serves Whole Industry
If every oil producer in the world used Honeywell’s advanced control solutions, they would yield an additional 1.5 billion barrels of oil every year from current reserves.
Major Global Customers

THIS SLIDE LEFT INTENTIONALLY BLANK
We efficiently deliver more than 6 million man hours of engineering design annually - that’s more hours than it took the ancient Egyptians to build a pyramid.
HPS is Winning Globally in the Usual Places

THIS SLIDE LEFT INTENTIONALLY BLANK
...And in Places You May Not Us For

THIS SLIDE LEFT
INTENTIONALLY BLANK
PetroChina uses Honeywell’s control and safety systems for the world’s longest gas pipeline which spans 8,704-kilometers.
HPS in World’s Largest Gas to Liquids Plant

THIS SLIDE LEFT INTENTIONALLY BLANK
2010 Executing on Growth Levers

THIS SLIDE LEFT INTENTIONALLY BLANK
Over 70% of HPS sales now come from outside the United States.
# Accelerating Growth in Emerging Regions

## CIS Countries
- Operating in USSR since 1974
- Offices in Russia, Ukraine, Kazakhstan, Uzbekistan, Azerbaijan with over 500 employees in the region
- Growing installed base
- Upstream and downstream Oil & Gas, Gas transport / distribution, Advanced Solutions, and P3

## Africa
- Strong Installed Base
- Large potential for growth in Angola and Nigeria
- Oil & Gas, Industrial Security, Power
- 9 offices including new ones in Nigeria and Libya
- Total staff employed 275

## Middle East
- Operating for 30+ Years
- Present in 11 countries
- 6 offices in Saudi including new one in Yanbu
- Over 243 employees exl JVs
- Upstream and downstream Oil & Gas, gas transport / distribution and power
- 3,000 sq.m integration center in Abu Dhabi

---

**Strong Presence In Emerging Regions**
### Accelerating Growth in Emerging Regions

#### India
- 1800 employees in locations
- 1 manufacturing location in Pune
- Leading position for last several years in Refining, Oil & Gas, Power
- Large engineering center

#### China
- 570 employees working in 9 offices
- 1 manufacturing facility in TJ
- Successful business in Oil & Gas, Paper, Refining
- New products aligned to local needs

#### Brazil
- Stable economy; growing region
- Oil & Gas, mining and pulp & paper represent major opportunities
- Increasing resources and partnerships to support HPS growth

...And Growing Double Digits
Growth into Adjacent Markets

• Expanding sales channels through new system integrator program – 46 globally and rapidly growing

• Expanding vertical reach to adjacent markets
  – Specialty chemicals
  – Food and beverage
  – Life sciences

• Expanding ability to offer small systems in core markets

• Expanding product investment into smaller hybrid systems

Experion For Any Size Process
Growth Through Enhanced Services

• Profitable
  – Key profit contributor

• Resilient
  – 7% growth in support contract base (through recession)
  – 21% annual growth in Emerging Regions

• Brand Loyalty
  – Maintain customer loyalty through investment protection (provide clear, sensible upgrade options)

• Adaptive
  – Continuously expanding services portfolio into adjacent markets
  – Leveraging technology advances
  – New program R&D spend is 40% of service investment
Honeywell Process Solutions
Investors Day – June 16, 2010

Jason Urso
Vice President of Technology
Quick Facts

HPS has over 1400 employees focused on research & development.
Solving Key Customer Business Challenges

**Safety & Security**
- Billions lost per year due to process incidents
- Greater need for security

**Reliability**
- Tight margins require maximum asset availability

**Efficiency**
- Higher energy costs and energy security driving needs
New Technology

From Control Systems

Control & Safety
- Terminal Automation
- Steam Turbine Control
- Integrated Safety, Fire & Gas

Wireless
- Tank Level
- Gas Detection & People Location
- Pump Monitoring

Applications
- Energy & Emissions Optimization
- Collaborative Planning
- Blending & Movement Automation

Significant New Product Introductions In Growth Areas

Migrate HMI
Process Safety and Security

Preserve Operations
Avoid billions lost per year due to process incidents

Process Safety Incidents Cost the U.S. Petrochemical Industry $20B Per Year

Source: ASM Consortium
Why do Process Safety Incidents Occur?

A disastrous situation occurs when the escalation of the issue from normal operation to a critical situation is very quick.

**Equipment Failure**
- Safety System Controlled

**Emergency Shutdown Action**
- Critical Situation

**Operator Action**
- Upset Condition

**Process Control Action**
- Normal Operation

**Time**

<table>
<thead>
<tr>
<th>Offering</th>
<th>HPS Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response, Evacuation Rescue</td>
<td>N/A</td>
</tr>
<tr>
<td>Safety System</td>
<td>#2</td>
</tr>
<tr>
<td>Operator Training</td>
<td>#1</td>
</tr>
<tr>
<td>Alarm System</td>
<td>#1</td>
</tr>
<tr>
<td>Advanced Control</td>
<td>#1</td>
</tr>
<tr>
<td>Control System</td>
<td>#2</td>
</tr>
</tbody>
</table>
What Can Be Done?

The 1994 explosion and fires at the Texaco Milford Haven refinery injured twenty-six people and caused damage of around £48 million and significant production loss. Key factors that emerged from the Health and Safety Executive’s (HSE’s) investigation were:

- There were too many alarms and they were poorly prioritised.
- The control room displays did not help the operators to understand what was happening.
- There had been inadequate training for dealing with a stressful and sustained plant upset.

In the last 11 minutes before the explosion the two operators had to recognise, acknowledge and act on 275 alarms.

Improve Situational Awareness
Operator Training Simulators

Honeywell: #1
Invensys: #2
Emerson: N/A
Yokogawa: N/A

Alarm Management

Product Led
- Honeywell

Consulting Led
- Matrikon *

The most complete offering to the market

*Post acquisition
UOP Training Simulator with UniSim

Embedded UOP Kinetic Models

NEW

CCR Platforming™
CycleMAX™ Regenerator
Distillate Unionfining™ (Hydrotreating)
Fluidized Catalytic Cracking

Providing The Best Representation Of Process Dynamics
Process Safety: ‘Highly Hazardous Conditions’

The State of Process Safety
in the Unionized U.S. Oil Refining Industry

A Report on the USW Refinery Survey
October 2007

a. **Eliminate all atmospheric vents on process units** that could release untreated explosive, flammable, or toxic materials to the atmosphere.

b. **Manage instrumentation and alarms** in a manner that ensures that they are sufficient and functional for all anticipated potential conditions and that there are no start-ups without tested and documented functioning of these systems.

c. **Create a definition of “safe siting”** that when followed will ensure that refiners locate all trailers or other unprotected buildings in areas that could not expose occupants to harm from explosions, fires, or toxic exposures. Work in creating this definition is currently under way through the American Petroleum Institute.

d. **Ensure that all non-essential personnel are outside of hazardous areas** (vulnerability zones), especially during start-ups, shutdowns, or other unstable operating conditions.

**Non-Essential Personnel:** Seventy percent (70%) of respondents (35 of 50) reported their sites engaged in process start-ups or shutdowns with non-essential personnel in vulnerable areas in the past three years (22% reported no, and 8% don’t know). Fifty-four per-
Wireless Gas Detection and People Location

Honeywell is the leading supplier of gas detection devices in process facilities.

Wireless Gas Detection and Location

Invensys: N/A
Emerson: N/A
Yokogawa: N/A

New Opportunity Enabled By Wireless -- $1M Per Location
A disastrous situation occurs when the escalation of the issue from normal operation to a critical situation is very quick.
Industry Leading Integrated DCS, Safety and F&G

<table>
<thead>
<tr>
<th>Company</th>
<th>Position</th>
<th>Integrated DCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invensys</td>
<td>1</td>
<td>No</td>
</tr>
<tr>
<td>HPS</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>Rockwell</td>
<td>3</td>
<td>No</td>
</tr>
<tr>
<td>Yokogawa</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>Emerson</td>
<td>7</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Reliability

Honeywell.com/ps

Increase Uptime
Maximize your asset availability

~$10-$20m Benefit Opportunity For 80% Of Market
Rotating Equipment Health Monitoring

100 Vital Assets

- Wired
  - Continuous Monitoring
  - $20K / Asset
- Portable
  - Weekly Monitoring
  - $2K / Asset

500 Balance of Plant Assets

- Portable
  - Monthly Monitoring
  - $1K / Asset

Incumbents

- SKF
- GE
- Emerson

Wireless Provides Same Capability as Wired Monitoring -- But at Price of a Portable -- $1-2k / Asset

Wireless Technology Will Disrupt This Market
Wireless Pump Monitoring

Monitor 50 Vital Assets and 200 BoP = $500k Opportunity Per Site

**NEW**

**Sensors**  **OneWireless Sensor Mux**

**Vital Assets:**
More Economic
- A wireless point can be 10x lower to install then wired

**BoP Assets:**
Addresses Walk Around Unit issues at Similar Price
- Insufficient frequency, insufficient manpower, inconsistent results

Wired Vibration Monitoring Solution At A Fraction Of The Price
Energy Efficiency

Impact of U.S. Industries on Resources

- **32%** Primary Energy Use
- **30%** CO₂ Emissions
- **27%** Electricity Consumption
- **35%** Gas Consumption
- **25%** Petroleum Consumption

Reduce Cost
Reduce energy & operations costs while improving throughput

Achieve Operational Excellence
# Industrial Energy Efficiency—Refining

<table>
<thead>
<tr>
<th>Area of Saving</th>
<th>Energy Improvement %</th>
<th>Energy Saving MM$/yr</th>
<th>CO₂ Reduction kMt/yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve Monitoring and Operation</td>
<td>2-4</td>
<td>1.5-3</td>
<td>24-48</td>
</tr>
<tr>
<td>Online Control Optimization &amp; Co-Design</td>
<td>2-6</td>
<td>1.5-2.5</td>
<td>24-36</td>
</tr>
<tr>
<td>Balance Supply and Demand</td>
<td>1-2</td>
<td>1-1.5</td>
<td>12-24</td>
</tr>
<tr>
<td>Reduce Waste</td>
<td>4-8</td>
<td>3-6</td>
<td>48-96</td>
</tr>
<tr>
<td>Energy Management</td>
<td>3-5</td>
<td>3-6</td>
<td>36-96</td>
</tr>
<tr>
<td>Incorporate Renewables (1000 BPD Ecofining Unit)</td>
<td>CO₂ Credit</td>
<td>4</td>
<td>116</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12 - 25</strong></td>
<td><strong>14 - 23</strong></td>
<td><strong>144 - 416</strong></td>
</tr>
</tbody>
</table>

*Basis: For a 100 kBPD refinery; nat. gas cost @ $6/MMbtu*
Energy Management Solutions

**NEW**

**Improve Monitoring & Operation**

*Energy Dashboard*

**Sustain Benefits**

- UOP Remote Performance Monitoring
- BGMax – APC Remote Support

**Online Control & Optimization**

- Advanced Energy Solutions
- Utility Supply / Demand Optimization

**Process Design Improvement**

- UniSim Design – Optimize Heat Recovery
- UOP Technology, Catalysts & Ecofining
- Callidus and Maxon High Efficiency Burners

Achieve 25% Energy And Emission Reduction In Refining
Energy Management & Greenhouse Gas Reporting

**Template Reports**
- Basic report templates for EPA compliance

**Simple Visualization**
- View relative size and impact of energy and emissions in each unit

**Modeling Tools**
- Identifies optimal performance for comparison against actuals

EPA mandating GHG emission reporting starting 2010 for 8500 industrial sites (greater than 25K ton/yr of GHG)

Reduce Energy Costs
Growth in Core Markets

THIS SLIDE LEFT INTENTIONALLY BLANK
Quick Facts

Honeywell has made 9 acquisitions in the industrial space since 2005.

* Pending
Growth Through HPS Acquisitions

• With Matrikon*, Honeywell will have the broadest advanced solutions portfolio

  $142M deal
  $80M in sales (2009)
  530 employees

• With RMG, Honeywell now offers one of the most complete automation solution in the transportation fuel supply chain

  $400M deal
  $290M in sales (2009)
  1078 employees
  17% organic growth rate

• With Honeywell Enraf, Honeywell has expanded capabilities to meet increasing demand for loading automation, blending and additive injection

  $260M deal
  >$600M installed base
  426 employees
  12% organic growth rate

* after acquisition closes
HPS is truly a global company with more than 11,000 employees - of whom 60% are engineers - in over 120 countries.
HPS Leadership Team

THIS SLIDE LEFT INTENTIONALLY BLANK
Conclusion

- In the last 5 years, HPS has demonstrated strong growth, improved OPI margin and cash generation.
- HPS has a significant installed base ($17B) and a leading position in the $23 Billion automation space, serving global customers across all levels of industry from field instruments to advanced applications.
- HPS continues to be a leader in globalization with ventures, plants, engineering centers and execution capability across the globe and in all emerging regions.
- HPS is well positioned for growth and success in the next 5 years thanks to its people, its acquisition strategy and our continued investment in talent and technology.
Thank you

Honeywell