Honeywell Fluorine Products

Terrence Hahn
Vice President and General Manager
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.
Who We Are

Honeywell Portfolio

- Aerospace 35%
- Automation & Control Solutions 41%
- Transportation Systems 12%
- Specialty Materials 13%

Honeywell and HVAC

- Automation & Control Solutions
  - Environmental Controls
  - Ventilation Systems
  - Humidification Systems
  - Air Cleaning
  - Building Solutions

Specialty Materials Portfolio

- UOP 38%
- Fluorine Products 22%
- Specialty Products 20%
- Resins & Chemicals 20%

- Specialty Materials Fluorine Products
  - Refrigerants
  - Insulation Materials
  - Weatherization Offerings
  - Energy Efficiency Solutions

*Based 2009 Actual Revenue

Major HVAC Enabler
Energy Efficiency And Environmental Compliance

Current Generation
- HVAC Montreal Protocol Compliance
- Insulation and Energy Efficiency

Next Generation
- Mobile Air Conditioning
- Stationary AC and More

New Applications / Adjacencies
- Downstream Value Chain Growth
- Energy Efficiency Solutions

Global Research Base
- Buffalo, NY
- Shanghai, China
- Delhi, India

Innovation
- Patents: Comprehensive Position
- Technology: Proven Processes and Know-How
- Best People:
  - Industry Experts
  - Perkin Medal Award Winner

Built On Fluorine Technology Expertise
Market Focused And Customer Value Driven

Increasing Earnings And Margin

Structural Enclosures

Heat Transfer

Nuclear Energy

Industrial Process Aids

Fluorine Products Portfolio

Income & Margin Expansion

Operating Income $ ±

2007 2008 2009 2010E

Margin Expansion

2010 Revenue Estimate

+ 2.3% + 4.0% + 1.2%

Increasing Earnings And Margin
Refrigerant Evolution…

CFCs → HCFCs → HFCs → LGWP

- CFCs: Excellent Refrigerant, Ozone Depletion Potential, Very High Global Warming Potential
- HCFCs: Excellent Refrigerant, Reduced Ozone Depletion Potential, High Global Warming Potential
- HFCs: Excellent Refrigerant, Zero Ozone Depletion Potential, High Global Warming Potential
- LGWP: Excellent Refrigerant, Zero Ozone Depletion Potential, Low Global Warming Potential

Higher Performance = Higher Technology
...Driven By Regulation...

CFCs
- Excellent Refrigerant
- Ozone Depletion Potential
- Very High Global Warming Potential

HCFCs
- Excellent Refrigerant
- Reduced Ozone Depletion Potential
- High Global Warming Potential

HFCs
- Excellent Refrigerant
- Zero Ozone Depletion Potential
- High Global Warming Potential

LGWP
- Excellent Refrigerant
- Zero Ozone Depletion Potential
- Low Global Warming Potential

New Product Creation Critical To Success
... Allows Honeywell To Remain A Leader

- Fragmented Industry Participants
- Low Barriers to Entry

- Many Industry Participants
- Low Barriers to Entry

- Several Industry Participants
- High Technology Needed
- Intellectual Property Critical

- Select Industry Participants
- Higher Technology Needed
- Intellectual Property Critical

Only Best Companies Able To Meet Need
Leading Supplier To HVAC / R Industry

Honeywell

Residential
- Residential Whole House
- Window Unit

Commercial
- Packaged Rooftop
- Packaged Terminal A/C

Refrigeration
- Supermarket & Deli Cases
- Supermarket Freezer Cases

HVAC Refrigerant Conversions

- Broadest Range of Refrigerants for Diverse Applications
- Demand Drivers:
  - US Conversion to 410A
  - Increasing Penetration of Air Conditioning in Asia
- Carrier / Haier Supplier Awards
- Market Development with HON ACS

HON HVAC Refrigerant Revenue

- 2010 Estimate
- Americas 60%
- Japan 15%
- China 13%
- Europe 8%
- Asia Other 4%

Technology Shift Drives Growth

*Source: American Chemistry Council
Insulation And Energy Efficiency Specialists

- **Demand Drivers:**
  - Energy Efficiency Drives Demand for Superior Insulating Materials
  - Increasing Penetration of HON Closed-Cell Insulations Replacing Alternatives

- **Enablers:**
  - NA Patent Position For HFC-245fa
  - Applications And Process Technology
  - Energy Star Requirements

**Technology Trumps Recession**
Next Generation Low-Global-Warming Auto Refrigerant

**Opportunity**

Global Light Vehicle Builds (M)*

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*Source: Global Insight

**Auto OEM Acceptance / Timetable**

- Global Warming Potential of 4 vs. 1430
- Comparable Cooling Efficiency
- Near drop-in Replacement
- SAE International Tested / Recommended
- Access with HON Turbo Relationships

**New Regulation**

**Europe:** New vehicle types to use refrigerants with GWP below 150

**US:** Trade-off with CAFE tailpipe emission for LGWP refrigerant replacement

**Joint Manufacturing Agreement**

- Joint Technology Development for OEMs
- Shared Investment for Manufacturing
- Supply of Product to Begin 4Q 2011

**Grow New Air Conditioning Segment**
Next Generation Stationary A/C And More

**Stationary Air Conditioning**
- Developed Molecules and Blends
- Sampling with Leading OEMs Globally
- Creating Near Drop In Replacements
- Multiple HVAC / R Range Applicability

**Aerosol**
- Leading LGWP Aerosol Solution
- Expanding into New Applications
- Broad Patent Portfolio
- Reducing GWP from 1430 to 6

**Blowing Agents**
- Extending from Current Leadership Position
- Sustaining Energy Efficiency Performance
- Reducing GWP from 1030 to 7
- Near Drop-in Replacement

**Comprehensive Pipeline Across Broad Applications**
Market Expansion Opportunities

**Downstream Value Growth**
- New Downstream Offerings
  - Ingredient Supplier
  - Formulator
  - Wholesale
  - Branded Solution
  - Contractor
  - Owner

**Market Driven Energy Solutions**
- Spray Foam Solution
- Heat Recovery Solution

- Energy Efficient Temporary Structures
- Improved / Safer Soldier Environment
- Efficiently Recovering Waste Heat
- No Greenhouse Gas Electrical Power

- Levers Material and Applications Skillset
- Honeywell Branded End Use Offerings
- Market Penetration with HON ACS

**From Ingredient Supplier To Solutions Provider**
Honeywell Fluorine Products

• Value Creating Portfolio Of Energy Efficiency And Environmental Solutions

• Technology Leadership Enables Growth And Profitability

• Market And Application Depth For Next Generation

• Committed To Current And Future Needs of HVAC Industry