Honeywell ACS Overview

Financials

Sales
Segment Margin %

2006 2007 2008 2009E

($B)

$11.0 $12.5 $14.0 ~$12.6

11.1% 11.3% 11.6% 12 - 12.5%

2009 Highlights

• ~400 New Product Introductions
• Norcross, Callidus, RMG Acquisitions
• HOS Deployed at 21 New Sites
• ~100 Repositioning Projects
• Investing in High Impact Areas

Business Units

Process Solutions 20%
Building Solutions 20%
Scanning & Mobility ~6%
Life Safety 18%
Security 18%
ECC 19%
S&C 4%

Geographic Mix

ROW 22%
US 42%
Europe 36%

Strong Portfolio Performing Well
## Market Outlook

<table>
<thead>
<tr>
<th></th>
<th>Market Growth</th>
<th>ACS % Sales*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial New</td>
<td></td>
<td>16%</td>
</tr>
<tr>
<td>Commercial Retrofit</td>
<td></td>
<td>27%</td>
</tr>
<tr>
<td>Residential New</td>
<td>↑</td>
<td>7%</td>
</tr>
<tr>
<td>Residential Retrofit</td>
<td>←↑</td>
<td>13%</td>
</tr>
<tr>
<td>Industrial (Process) New</td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>Industrial (Process) Retrofit</td>
<td>←↑</td>
<td>10%</td>
</tr>
<tr>
<td>Other (OEM, Gen. Industrial)</td>
<td>↑</td>
<td>18%</td>
</tr>
</tbody>
</table>

*Management Estimates

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**End Markets Continued To Soften In 2009**
### ACS Positions

<table>
<thead>
<tr>
<th></th>
<th>Market Growth</th>
<th>ACS % Sales*</th>
<th>ACS Positions</th>
<th>Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial New</td>
<td>↓</td>
<td>16%</td>
<td>#1 Building Controls</td>
<td>• Energy Efficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>#1 Fire Systems</td>
<td>• Safety, Regulation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>#3 Building Solutions</td>
<td>• Installed Base</td>
</tr>
<tr>
<td>Commercial Retrofit</td>
<td>↔</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential New</td>
<td>↑</td>
<td>7%</td>
<td>#1 Home Comfort</td>
<td>• Energy Efficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>#1 Security</td>
<td>• New Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Installed Base</td>
</tr>
<tr>
<td>Residential Retrofit</td>
<td>↔</td>
<td>13%</td>
<td>#2 Process Solutions</td>
<td>• Process Optimization</td>
</tr>
<tr>
<td>Industrial (Process) New</td>
<td>↓</td>
<td>9%</td>
<td></td>
<td>• Energy Efficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Installed Base</td>
</tr>
<tr>
<td>Industrial (Process) Retrofit</td>
<td>↔</td>
<td>10%</td>
<td>#3 Sensing</td>
<td>• Regulation</td>
</tr>
<tr>
<td>Other (OEM, Gen. Industrial)</td>
<td>↑</td>
<td>18%</td>
<td>#3 Personal Protection</td>
<td>• New Products</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Installed Base</td>
</tr>
</tbody>
</table>

*Management Estimates

**Strong Positions In Good Industries**
Q3 YTD Performance Relative To Competition

Note: Reported #s exclude certain 1-time adjustments; Intended data period was for the period 9 months YTD. Change in Sales was calculated YOY; Change in OP margin is the basis points difference in operating margin % YOY.
If data was not available, the most recent available data for 6 month period was used.
Following firms had reported data through Sept 2009: HON, UTC, GE, Emerson, Yokogawa (forecast), 3M, MSA, Sperian (sales), TI, Freescale

Outperforming Peers
<table>
<thead>
<tr>
<th>Segment</th>
<th>Seq. Trend</th>
<th>Drivers / Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECC</td>
<td>↑</td>
<td>New Products, Energy Efficiency / Res, Non-Res Outlook</td>
</tr>
<tr>
<td>S&amp;C</td>
<td>↑</td>
<td>Global Penetration, Transport / Industrial Outlook</td>
</tr>
<tr>
<td>Life Safety</td>
<td>↔</td>
<td>Gas, Safety Regulations / Res, Non-Res, Industrial CapEx</td>
</tr>
<tr>
<td>Security</td>
<td>↓</td>
<td>Global Penetration / Europe &amp; Res, Non-Res Outlook</td>
</tr>
<tr>
<td>Scanning/Mobility</td>
<td>↑</td>
<td>Transportation/Logistics, Healthcare / Retail</td>
</tr>
<tr>
<td>Building Solutions</td>
<td>↑</td>
<td>Energy Efficiency Demand / Credit Markets</td>
</tr>
<tr>
<td>Process Solutions</td>
<td>↓</td>
<td>Process Optimization / Customer Op Ex</td>
</tr>
</tbody>
</table>

**Diversified, Global Portfolio**
## ACS Transformation

<table>
<thead>
<tr>
<th>Then</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underperforming Prior to Downturn</td>
<td>Strong Backlog and Installed Base</td>
</tr>
<tr>
<td>Short-Term Focus</td>
<td>Intelligent Cost Control</td>
</tr>
<tr>
<td>No New Products</td>
<td>New Products and Growth Investments</td>
</tr>
<tr>
<td>Victim Mentality</td>
<td>Winning Culture / Partner of Choice</td>
</tr>
<tr>
<td>Weak Sales Force, Poor Marketing</td>
<td>Sales and Marketing Excellence</td>
</tr>
<tr>
<td>Internally Focused</td>
<td>Expanded Portfolio, Global Presence</td>
</tr>
</tbody>
</table>

### What’s Different?...Just About Everything
2009 Actions

Achieve Repositioning Benefits
- 100 Repositioning Projects in Process
- Savings Support Profitability Outlook

Aggressive Cost Management
- Policy-related Actions: Furloughs, Merit, Other
- Aggressive Indirect Cost Containment

Accelerate HOS Deployment
- 32 New Deployments Scheduled for 2010
- Achieve Four-Fold Increase in Bronze Sites
- Drive Continued Profitability / WC Benefits

Flawless ERP Rollout
- 8,000 Users, 25% Sales on ERP by Year-End
- Functional Transformation Leverage

Drive Acquisition Performance
- $40B+ Addressable Markets
- Integration Process Overdriving Synergies

Growth
- New Product Introductions
- Sales and Marketing Excellence
- Size and Scale Opportunity
Delivering Repositioning Benefits

$130M+ Incremental Repositioning Savings vs. 2008
- 50 Projects Completed
- 85 Projects Staffed and in Process

Focus Areas
- Supply Chain Rationalization
- Rooftop Consolidation
- Regional Cost Structure Alignment

Savings Drive Profitability Improvements
Honeywell Operating System Deployment

HOS Deployment Status

<table>
<thead>
<tr>
<th>Year</th>
<th>Sites Deployed</th>
<th>Bronze Certified</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>29</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>2009E</td>
<td>71</td>
<td>13</td>
</tr>
</tbody>
</table>

2009 Priorities

- 21 New HOS Deployments
- 13 Sites Attain Bronze Certification
- Strategic Sourcing Opportunities
- Drive SIOP and Cycle Time Improvements
- Applying HOS to Non-manufacturing sites

Mature HOS Site Results

- Defects (PPM): 48% Reduction
- Delivery (OTTR): 6 pt Improvement
- Inventory (DOS): 7 Day Improvement
- Conversion Cost: 2+ pt Improvement

Tangible Benefits; Building Momentum
ERP Rollout

**ERP Deployment Status**

- % Sales on ERP
- Users

**2009 Priorities**

- 35+ “Go-Live” Sites
- 4,000+ New Users
- Europe, US Deployments
- Functional Transformation Leverage

**Net ERP Benefits**

- $150M+ Run Rate

Successful Rollouts; Benefits Building
Driving Acquisition Performance

**Gas Detection**

- **Position / Performance**
  - Leading Position (Zellweger + FT)
  - Fixed and Portable Presence
  - Exceeding Sales and Profit Targets

- **Synergy Drivers**
  - G&A, R&D, Sales, Marketing Synergies
  - Channel Penetration

**Personal Protection Equipment**

- **Position / Performance**
  - Leading Position (Norcross)
  - Exceeding Sales and Profit Targets
  - Additional Roll-Up Potential

- **Synergy Drivers**
  - Synergies with Gas and HPS Positions
  - Factory Efficiency / Footprint

**Exceeding Expectations, Gaining Share**
Driving Acquisition Performance

**Industrial Combustion**
- **Position / Performance**
  - Leading Position (Core ECC + Maxon + Callidus)
  - Combustion Technology
- **Synergy Drivers**
  - HPS Installed Base
  - G&A Optimization
  - Facility Rationalization

**Lighting**
- **Position / Performance**
  - Strong Base (ED&S + Ex-Or + Lonon)
  - Controls and China Focus
- **Synergy Drivers**
  - Technology Synergies (Controls, Wireless, HTSL)
  - Lonon China Factory

**AIDC**
- **Position / Performance**
  - Leading Position (Hand Held + Metrologic)
  - Presence in Attractive Verticals
- **Synergy Drivers**
  - SG&A Efficiencies
  - Metrologic China Factory

$20B+ New Growth Markets
## Driving Acquisition Performance

### Oil - Enraf

- **Position / Performance**
  - Leading Position in Oil Storage & Distribution
  - Favorable Macro Trends
  - Exceeding Financial Targets

- **Synergy Drivers**
  - Sales Channel Synergies with UOP
  - Application of OneWireless

### Gas - RMG

- **Position / Performance**
  - Leading Position, High Growth NG Vertical
  - Broadens Coverage of NG Supply Chain
  - Exceeding Sales and Profit Targets

- **Synergy Drivers**
  - Sales Channel Synergies with HPS
  - Sourcing and Manufacturing Savings

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*Exceeding Expectations, Gaining Share*
Growth: Sales Excellence

- Who Is Buying? / What Is Selling?
  - Customer Segmentation
  - Energy, Productivity & Safety

- Sales Force Deployment
  - Owning Customer Relationships
  - Leading By Example

- Mass Selling Model
  - High Impact
  - Cost Effective

- Helping Our Customers Sell
  - Tiger Training
  - Partner of Choice

- “De-Risk” The Buying Decision
  - Convert Fixed to Variable Cost
  - Size and Strength

Playing Offense
Growth: New Geographies, Adjacencies And Products

- Accelerating Emerging Region Penetration
  - India
  - China
  - Middle East

- East-for-East / East-to-West New Products

- Existing Products in New Markets
  - Life Safety into Marine, Industrial Safety
  - Security into Critical Infrastructure Protection
  - S&C into Life Safety Channels
  - Public-Private Partnership (P3) Opportunities

- VPD™…A Competitive Edge
  - Extending Our Technology / Cost Lead

- NPI Focus: Wireless, Controls, User Interface
- Creating New Markets

Growing Faster Than Markets
Energy Efficiency Across ACS

- Innovative, game-changing products and solutions
- Clinton Climate Initiative
- Energy Performance Contracts
- Smart Grid wins
- Major energy savings and emissions reductions for homes, buildings, and industrial applications

60% of Products & Services Related to Energy Efficiency

Global Leader In Delivery Of Energy Efficiency
Summary

• Strong Portfolio Executing Well

• Outperforming Peers In Tough Market Conditions

• Margin Growth Amidst Declining Sales

• Continued Investment Driving Growth and Profitability

• Well Positioned for Economic Recovery