Honeywell Automation & Control Solutions
Energy Efficiency & Sustainability

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Automation and Control Solutions

What We Do...

- Safety
- Security
- Comfort
- Convenience
- Productivity
- Energy Efficiency

- Homes
- Buildings
- Industrial

Positioned To Capitalize On Key Trends
Honeywell ACS Overview

Financials

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($B)</th>
<th>Segment Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$11.0</td>
<td>11.1%</td>
</tr>
<tr>
<td>2007</td>
<td>$12.5</td>
<td>11.3%</td>
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<tr>
<td>2008</td>
<td>$14.0</td>
<td>11.6%</td>
</tr>
<tr>
<td>2009E</td>
<td>~$12.6</td>
<td>12.0 - 12.5%</td>
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</tbody>
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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%
- Security 18%
- Life Safety 16%
- ECC 19%
- S&C 4%
- Scanning & Mobility 3%

Geographic Mix

- US 42%
- Europe 36%
- ROW 22%
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
Honeywell Smart Grid Vision

The Smart Grid Integrated Solution
RESIDENTIAL AND COMMERCIAL APPLICATIONS
Efficient Homes Are Smart Homes

Prestige™ & Portable Comfort Control™

UtilityPRO – Demand Response

Honeywell WV8840 Water Heater Control
Commercial Buildings Products And Services

Honeywell
Economizers

Variable Frequency Drives (VFDs)

Building Management Systems
Building Energy Management Systems
Industrial Energy Efficiency Offerings

**Improve Monitoring & Operation**
- Operator effectiveness tools to operate within limits and avoid process upsets
- Sensing to detect early equipment failure

**Reduce Waste & Improve Equipment Performance**
- Reduce heat leakage and waste by monitoring performance
- Advanced wireless sensing technologies to determine hot spots/leaks

**Online Control & Optimization**
- Optimize energy intensive units with advanced control
- Balance connected processes to avoid loss of yields
- Improve startup and shutdown

**Balance Supply & Demand**
- Purchase energy feedstock at best prices
- Accurately forecast and monitor energy demand with planning tools
- Sell extra energy to grid

15% Efficiency Improvement Available Today
Future Industrial Sector Opportunities

Process/Automation Co-design

- Sensor, Control and Process Co-design
  - Co-optimized UOP process designs and control strategies operability vs. heat integration
  - Sensing quality, efficiency and constraint variables
  - Low-cost, fast and reliable sensing

Clean Coal Technologies

- Upfront Liquefaction, Oxy-fuel Combustion, Gasification and IGCC, CCS
  - Packaged automation and control
  - Sensors
  - Coal characterization
  - Burner technology
  - Hg removal

Renewables Processing Automation

- Automation of Emerging Renewables Processing Technology
  - Control strategies/platforms
  - Unmanned plants/remote supervision
  - Small scale, lower cost, repeatable production units

Extending AES Solutions

- AES Extensions
  - Combined cycle, gas turbine and HRSG systems
  - Pulp and paper fired heaters, fueled on waste wood, biomass, black liquor

25% Achievable With New Ideas
Honeywell Building Solutions (HBS) Profile

2009E: ~$2.7B Sales, 11,000 Employees

- Global reach/footprint
- Growing offering portfolio
- Strong customer base
- Productivity culture

Proven Foundations, Great Success, High ROI
Energy And Environment Key Drivers In Down Cycle

- Energy efficiency and reliability concerns
- Increased environmental and sustainability policies/concerns
- Rising operating costs
  - Life-cycle cost focus for new installations
- Infrastructure/border security awareness
  - Efficiency focus on life extensions/retrofits

Macro Trends
Lifecycle Of A Customer

Installation/new systems

On-going maintenance

Energy retrofits & sustainability

Building lifecycle:

New system

Service

Add/changes

Service

Add/changes

Major retrofit

Year 1

ongoing

Win The Right Customers, Serve Them Forever
2009 Highlights

• Strong Leading Indicators
  - High customer retention
  - Traction on stimulus and Smart Grid projects
  - Increased deferred mtce spend starting Q3
  - Strong energy services demand

• Great Wins Around the Globe
  – City of Melbourne, Australia
  – Smart Grid Investment Grant - Southern California Edison
  – Eastern Illinois University
  – Minneapolis Public Housing Authority
  – Ruby Hall Clinic, India
  – Vancouver Olympics, Canada

Outperforming The Market
Energy And Environment Portfolio

Focused Efforts Underway, Improving Metrics

- Building optimization
- LEED
- Renewables
- Sustainability
- Smart Grid
- GHG management
- Retrofits/Performance contracting

Solutions:

- Utilities
- India
- UK
- Australia
- DoD/Munis/Education (ARRA)

Growth Segments:

Solutions: 

- Building optimization
- LEED
- Renewables
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- Smart Grid
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Energy Performance Contracts & Clinton Climate Initiative

- Energy Savings Performance Contracting (ESPC) model
- Pioneered by Honeywell, playing to HBS strengths/history
- $5B+ global opportunity

Adopted by CCI to drive global “green” agenda

Top 40 world cities commitment

Governments, banks, industry

Technology And Solutions Impacting The Environment
Building Optimization Analytics

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

- Converged buildings
- Advanced energy management
- Design process involvement
Critical Infrastructure Protection

- 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

Honeywell Chemical Plant, Geismar Louisiana
Advanced Radar & Video Technology
Global Highlight: India

- Innovative and award winning energy, service & projects leadership
- Participation in major commercial, industrial and infrastructure programs
- Emphasis on life cycle optimization using energy and service
- East to East (E2E) to East for West (E4W)

Global Engineering Center, Pune
Honeywell Operating System

Phase 1: Operational Readiness (Pre-Launch)
Phase 2: Baseline and Planning
Phase 3: Learning Through Observation
Phase 4: Work Process Improvement
Phase 5: Pursuing Excellence

• The SDC completed 5 phases of deployment over 14 months and has achieved Bronze Level

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Lean Manufacturing Concepts In A Non-Factory Environment