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2. Business highlights
3. Strategy and investment highlights
4. HAIL’s financial overview
Section 1

Honeywell Automation India Limited (HAIL) overview
Honeywell Automation India Limited - Introduction

Honeywell International Inc. (HON)

- Honeywell is a $36.5bn diversified technology and manufacturing company

- Globally business organized around 4 strategic business groups (SBGs) – Automation and Control Solutions (ACS), Aerospace, Performance Materials and Technologies (PMT) and Transportation Systems (TS) with all SBGs present in India

- ACS largest SBG globally, with 7 strategic business units (SBUs) – Process Solutions (HPS), Building Solutions (HBS), Environmental and Combustion Controls (ECC), Sensing and Control (S&C), Security Group (HSG), Life Safety (HLS), and Scanning and Mobility (HSM)

Honeywell Automation India Limited (HAIL)

- 1987: Started as a JV between Honeywell and Tata

- 1989: Listed on the stock exchange as Tata Honeywell Limited. Honeywell and Tata shareholding at 39.54% each

- 2004: Honeywell Asia Pacific Inc. (wholly owned subsidiary of Honeywell International Inc.) bought Tata stake
  
  - Name changed to Honeywell Automation India Limited
  
  - Honeywell Asia Pacific Inc. current shareholding at 81.24%
**HAIL business overview**

### Process Solutions (HPS)
- Automation and control systems for process industries
- Lifecycle services
- Advanced solutions – simulation, optimisation
- Field instrumentation and solutions

### Building Solutions (HBS)
- Integrated Building Management Systems including HVAC, life safety and security
- Large, complex, integrated projects
- Energy saving performance contracts

### Environmental and Combustion Controls (ECC)
- Home comfort and energy solutions
- Building controls
- Field products
- Combustion controls

### Sensing and Control (S&C)
- Sensors
- Safety and limit switches
- Mission critical applications

### Global Manufacturing (GM)
- Project automation solutions: Experion and safety system
- Field products and solutions, pressure, temperature transmitter, flow controllers
- Airport solutions group

### Global Engineering Services (GES)
- Process automation
- Field instrumentation and design
- Building automation/commercial controls
- Development and software engineering services

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**Building on Diversified Portfolio for Business Growth**

1. The maintenance and growth of Honeywell’s business with HAIL is dependent upon HAIL’s ability, among other things, to meet Honeywell’s performance, delivery and pricing requirements and Honeywell’s strategies regarding the use of alternate opportunities to source the products and services that HAIL currently provides (including from alternate sources which Honeywell may acquire or develop within its own group), in all cases consistent with the contractual obligations of the parties as they may exist from time to time.
Aligned to global macro trends

HAIL Well Aligned with Strong Macro Trends
Section 2

Business highlights
Well positioned to benefit from India and global growth

Great Positions in Good Industries

Strong track record in India across business areas

Global manufacturing exports

Global engineering services

HAIL: Unique Listed Company with a Diversified Automation Portfolio
## Great Positions in Good Industries

**Industry** | **Sub-verticals served**
--- | ---
**Oil and Gas** | - E&P, refining, supply and distribution, LNG and gas processing, gas distribution, city Gas

**Chemical / Petrochemical** | - Petro-chemical, bulk and speciality chemicals, cement, fertilizer

**Metals and Mining** | - Iron ore, Steel, Aluminium, Copper, Zinc, minerals

**Infrastructure** | - Airports, metro, stadia

**Commercial Construction** | - IT/ITES, datacenters, BFSI, hotels and hospitality, offices, malls, education

**Residential** | - Gated apartments and houses, residential retro-fit

### Business segments

<table>
<thead>
<tr>
<th>Business segments</th>
<th>HON global position (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Solutions</td>
<td>2</td>
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<tr>
<td>Building Controls</td>
<td>1</td>
</tr>
<tr>
<td>Building Solutions</td>
<td>2</td>
</tr>
<tr>
<td>Home Comfort Controls</td>
<td>1</td>
</tr>
</tbody>
</table>

---

HAIL Building on HON Global Leadership in Good Industries

1. Source: Honeywell Inc. Investor Presentation (March 2012)
# Strong track record across business areas

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Description</th>
<th>Industries served</th>
<th>Customers served</th>
</tr>
</thead>
</table>
| **Process Solutions (HPS)** | - Large number of sites delivered  
- Annual services contracts with most of the sites delivered  
- Leading providers of industrial process automation with full portfolio: projects, services, software, field solution and products  
- Serve customers directly and through channels | - E&P  
- Refining  
- Petrochemical  
- Chemicals  
- Power  
- Metals and mining  
- Pharma  
- Pulp and paper | - OPAL  
- Reliance  
- NOCL  
- IOCL  
- HPCL  
- Vedanta |
| **Building Solutions (HBS)** | - Completes large number of installations annually with substantial multi-site installations  
- Services contracts annually  
- Annual energy performance contracts  
- Leading provider of building automation solutions with a comprehensive portfolio of security, safety, environmental controls and energy efficiency | - Infrastructure  
- Government  
- Education  
- Airport  
- Commercial  
- Transportation (Metros)  
- Telecom  
- Residential | - Kolkata Airport  
- TCS  
- CTS  
- Delhi Airport (DIAL)  
- AIIMS  
- Sahyadri Hospital  
- Mumbai Stadia  
- Dr. Reddy's Laboratories |
| **Environmental and Combustion Controls (ECC)** | - Building Management Systems installations since launch in 2006; multi-brand multi-channel approach  
- Wide variety of field products – valves, actuators, BTU meters  
- New drive into solar water heaters for commercial and residential  
- Pan-India distribution and customer support network | - Residential  
- Infrastructure  
- Government  
- Education  
- Airport  
- Commercial  
- Transportation  
- Industrial | - ITC Hotel  
- Formula 1  
- ESIC Hospitals |
| **Sensing and Control (S&C)** | - Engaged with leading off-highway / construction equipment manufacturers  
- Pursuing multiple programs with many defense and aerospace agencies  
- Offering sensors and switches with extreme duty applications and a globally proven track record  
- Pan-India distribution and customer support network | - Transport  
- Aerospace  
- Defense  
- Medical  
- Industrial  
- Test and Measurement | - Mahindra & Mahindra  
- Kirloskar Oil Engines |

All 4 Domestic Businesses Aligned and Strongly Connected to Global Strategic Business Units (SBUs)
Section 3

Strategy and investment highlights
HAIL: Continuing to build on strong track record

- Well-balanced portfolio with strong track record for growth
- Multi-brand and multi-channel approach for broad coverage
- Strong reach across India
- Strong support from Honeywell driving innovation
- Best-in-class management team and people capabilities
- High level of corporate governance with socially responsible behavior

*Build on Global Connections; Lead Local Segments*
Well-balanced portfolio with strong track record of growth

Balanced revenue mix across projects, products and services...

- Services (domestic and exports)
  - Annual and spot service support for installed base in industrial and buildings
  - Diversifying beyond hardware solutions to cutting-edge software and remote management platforms
  - Continuing to diversify and deepen Global Engineering Services expertise

- Products (including global manufacturing)
  - Addressing mid-markets through channels
  - Large reach across India
  - Wide portfolio of products and platforms from Honeywell

- Projects
  - Building strong and large installed base in process and building space
  - Leading position in core verticals - refining, petrochemicals, airport, telecom, information technology, datacenters, hospitality, healthcare

... with a healthy growth rate

- In 2005, majority of the revenues was contributed by Projects business with substantially smaller contribution coming from Services and marginal contribution by Products business

- The revenue mix has evolved over the years with Services and Products businesses growing faster than Projects business

- Services now represent a sizeable portion of overall business and Products business has also increased its share in the mix

Revenue Composition Changing in Favor of More Stable Products and Services Businesses
Strong reach across India

**Strong coverage and employee base**

- 25 years in India
- 8 regional offices
- Employee base of more than 3,000 people with majority of them contributing to the engineering talent pool of the company
- Sales and channel presence across all major cities in India, which is further supported by the sales and channel presence of HON in India

**Two channel types: System Integrators (SIs) and Distributors**

- Best-in-class training and support for SIs
- Business and technical support for SIs and distributors
- Strong management and business framework to enhance share of demand and HAIL margins from channel relationships

**Channel coverage for both industrial and buildings**

- Industrial: Large portfolio of SIs and distributors
- Buildings: Substantially high number of SIs and distributors
- Further access to a very large portfolio of SIs and distributors through other HON companies in India

**Broad Coverage and Presence Across India**
High level of corporate governance with socially responsible behavior

Corporate governance standards adopted by HAIL

- HAIL has an Independent Non-Executive Chairman and one-third of the total board as Independent Directors

- All transactions covered under related party transactions are regularly ratified and/or approved by the Board

- Independent auditors assess arm's length contracts based on international transfer pricing guideline best practices

- Strong and consistent compliance with all internal and external audit requirements

- Robust whistle blower policy

- Management controls risks through properly defined risk management procedures and framework

Corporate Social Responsibility (CSR) initiatives aligned to Honeywell Hometown Solutions

- Habitat and Conservation
- Housing and Shelter
- Humanitarian Relief Fund
- Family Safety and Security
- Math and Science

Strong Governance; Responsible Corporate Citizen
Section 4

HAIL’s financial overview
HAIL’s well balanced revenue profile

Evolution of revenue mix (INR cr)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>Exports</th>
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<tbody>
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<td>91</td>
<td>402</td>
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<tr>
<td>CY06</td>
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<tr>
<td>9M CY12</td>
<td>743</td>
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</tr>
</tbody>
</table>

2005 – 2011 CAGR

- Exports: 34.4%
- Domestic: 17.8%

Sustaining strong revenue growth in both exports and domestic segments

Competitive pricing in services business and projects impacted revenue and margin in 2010

EBITDA (INR cr)

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
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<td>CY08</td>
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<td>CY09</td>
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<td>9.5%</td>
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<tr>
<td>9M CY12</td>
<td>6.0%</td>
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</table>

9M CY2012 performance impacted due to:

- slowdown in capex cycle
- changes to billing rate as announced in December 2011
- cost inflation and adverse FX trends resulting in higher cost against project estimates
Profitability and dividend pay-out matrix

Net Income (INR cr)

<table>
<thead>
<tr>
<th>% of Revenues</th>
<th>CY05</th>
<th>CY06</th>
<th>CY07</th>
<th>CY08</th>
<th>CY09</th>
<th>CY10</th>
<th>CY11</th>
<th>9M CY11</th>
<th>9M CY12</th>
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<td>58</td>
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</table>

EPS (INR per share)

<table>
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<tr>
<th>CY05</th>
<th>CY06</th>
<th>CY07</th>
<th>CY08</th>
<th>CY09</th>
<th>CY10</th>
<th>CY11</th>
<th>9M CY11</th>
<th>9M CY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>38.5</td>
<td>65.6</td>
<td>73.6</td>
<td>92.6</td>
<td>118.8</td>
<td>121.2</td>
<td>81.9</td>
<td>56.0</td>
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</table>

Consistent dividend pay-out\(^{(1)}\) track record

<table>
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<tr>
<th>CY05</th>
<th>CY06</th>
<th>CY07</th>
<th>CY08</th>
<th>CY09</th>
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<th>CY11</th>
<th>9M CY11</th>
<th>9M CY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.8%</td>
<td>17.4%</td>
<td>16.3%</td>
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</table>

Consistent profitable performance with dividend pay-out track record

1. Dividend as a % of Profit after Tax

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Strong balance sheet position with attractive return ratios

Total Capital (INR cr)

<table>
<thead>
<tr>
<th>Year</th>
<th>Shareholder funds</th>
<th>Total debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY05</td>
<td>132</td>
<td>36</td>
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<td>234</td>
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<td>CY11</td>
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<td>630</td>
</tr>
<tr>
<td>9M CY12</td>
<td>680</td>
<td>680</td>
</tr>
</tbody>
</table>

Pre-tax Return on Invested Capital

1. Calculated as EBIT / (Net Fixed Assets + Net Working Capital); Net Working Capital is Net Current Assets less Cash and Bank Balances and less Provisions
2. 9M CY2012 RoIC is based on 9 months EBIT

Strong Balance Sheet, With ~25% of Equity in Cash

1. Calculated as EBIT / (Net Fixed Assets + Net Working Capital); Net Working Capital is Net Current Assets less Cash and Bank Balances and less Provisions
2. 9M CY2012 RoIC is based on 9 months EBIT
## Summary

- Diversified portfolio aligned to key macro trends and growth drivers
- Unique listed company well positioned to benefit from India and global growth
- Balanced strategy of building on strong Honeywell support, strong India track record and reach, and leading with local innovations in India
- Attractive domestic and export growth with strong financial position