

American Standard Conference Call Write Up
Goldman Sachs Capital Goods Conference
CEO – Frederic Poses presenting
November 6, 2001

Reiterated previous guidance from 9/25/01. On 9/25/01, ASD had reduced 2001 EPS target:

- 2001 Sales down 1-2% from 2000
- Margins increase slightly but below 0.5% target
- 2001 EPS up 4-5%, but below long term target of 13-15%
- 2001 free cash flow of \$300+ MM vs \$208 MM in 2000

Main reason for reduced EPS was difficult economic environment, exacerbated by September 11th.

Management remained positive on long term growth of AC business. Growth driven by new construction (more new buildings have AC) and by replacement of old, inefficient AC units.

Trane well positioned vs competitors with most efficient chilling unit.

Takeaway for Wright Fund: Continue to hold stock as ASD is still on target with Free Cash Flow Growth. Free cash flow growth was the primary driver for purchasing the stock.