

The logo for American Standard Companies is centered in the upper half of the slide. It consists of the words "AMERICAN", "STANDARD", and "COMPANIES" stacked vertically in a white, serif, all-caps font. Each word is separated from the one below it by a thin white horizontal line. The entire logo is contained within a white square border, which is itself set against a dark blue square background with a subtle gradient.

AMERICAN
—
STANDARD
—
COMPANIES

JPMorgan Basics & Industrials Conference

New York, New York

June 5, 2006

Disclosure Statement

Comments in this presentation contain certain forward-looking statements, which are based on management's good faith expectations concerning future developments. Actual results may differ materially from these expectations as a result of many factors, relevant examples of which are set forth in the Company's 2005 Annual Report on Form 10-K and in the "Management's Discussion and Analysis" section of the Company's Quarterly Reports on Form 10-Q.

This presentation contains certain non-GAAP financial measures as that term is defined by the SEC. Non-GAAP financial measures are generally identified by "Adj." or "Adjusted" and also include the term "free cash flow". Reconciliations of the non-GAAP financial measures to the most comparable GAAP measures are set forth on the last slides of this presentation which can be found at American Standard's website (www.americanstandard.com)

All market and industry data, including American Standard's percentage of market shares, are based on company estimates.

View of Markets

**Assumes Constant Currencies to Y/E'05*

A/C
Commercial
- Equipment

'05ASD
Sales

Original 2006 Plan*
Market **ASD**

Current Outlook / Status

\$2.6B

5+%

7+%

+

- Continue To See Order Strength
- Balanced – Applied & Unitary

Parts, Service & Solutions

\$1.8B

Not Reported

8 to 10%

+

- Nice Start to Year (1Q +13%)
- 4 Consecutive Quarters of 10%+

Residential

\$1.6B

Down in Units
Up in \$

10+%
in \$

+/=

- Inventories & Price Look Good

Original A/C Outlook: Up 8 to 11%

Bath & Kitchen

- Europe
- Americas
- Asia

\$1.2B

1 to 3%

1 to 3%

=

- Europe Prod. Availability Better

\$1.0B

1 to 3%

1 to 3%

=

- New Product Launches On Track

\$0.2B

2 to 4%

6 to 8%

=

- Growth in Developing Markets

Original B&K Outlook: Up 2 to 4%

Vehicle Controls

- Europe
- Americas
- Asia

\$1.4B

Flat to Down
(1) to +2%

Flat to Up
2 to 4%

+/=

- Truck Build FCST Slightly Better

\$0.3B

5 to 7%

10 to 12%

+/=

- Aftermarket Growing Nicely

\$0.1B

5 to 7%

10 to 12%

=

- Growth in Electronic Content

Original VCS Outlook: Flattish+

Total Company \$10.3B

Outlook Up 7-8%, Better Than Plan

Fred's Weather Forecast*

April '06

+ 4.5° Warmer
Than 100 yr. Avg.

May '06

+ 2.0° Warmer
Than May '05

Total Cooling Season Forecast:

Northeast – Near Normal to Warmer
South – Hot and Dry
Northwest – Temperature Swings



* AKA: AccuWeather, National Oceanic & Atmospheric Administration (NOAA)

Looks Like Another Warmer Than Normal Season

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Residential HVAC: 13 SEER & Indoor Air Quality

13 SEER Transition

1Q'06 Recap:

- Market Volume Up 12%
- Our Sales Up 29% (Volumes +9%)
- Market Inventory Levels down (4%)
- Our Inventory down (13%) EOQ

Things Looked Good Then...

Current Trends:

- Price Increase in April / May ~ 5%
 - Industry-wide
- Price Levels For 13 SEER On Target
- Inventory Continues To Be Fine
- April Weather Good...Forecast Warm
- Commodity Costs May Drive Price ↑

Things Look Good Still...

13 SEER Transition + New Products On Track

Indoor Air Quality

- ~ 70M Households With Central Air - 45% Have A Resident With Respiratory Issues
- 7M Have "High Efficiency" Filtration



CleanEffects™ & AccuClean™

- 100X Better Than Typical 1" Filter
- 99.98% Efficient @ 0.3 Microns
- Sales Expectations:
 - \$50M+ in 2006; ≥ 3X by 2008
- Significant Marketing Investment

Initial Product Launch (1Q'06):

- Whole-House Accessory
- Upgrade Kits for Installed Trane Media & Electronic Air Cleaners

Next Steps / Product Launches:

- Integrated Into Air Handlers & Furnaces 3Q'06
- Upgrade Kits For Installed Competitive Cleaners – 4Q'06

Commercial HVAC: Trends & Outlook

Unitary Equipment:

- 1Q'06 Americas Sales up 23%
- Orders up Double Digit 4 Straight Quarters and 5 Out of Last 6 Quarters
- Continue To See Strong Order Pace

Applied Equipment:

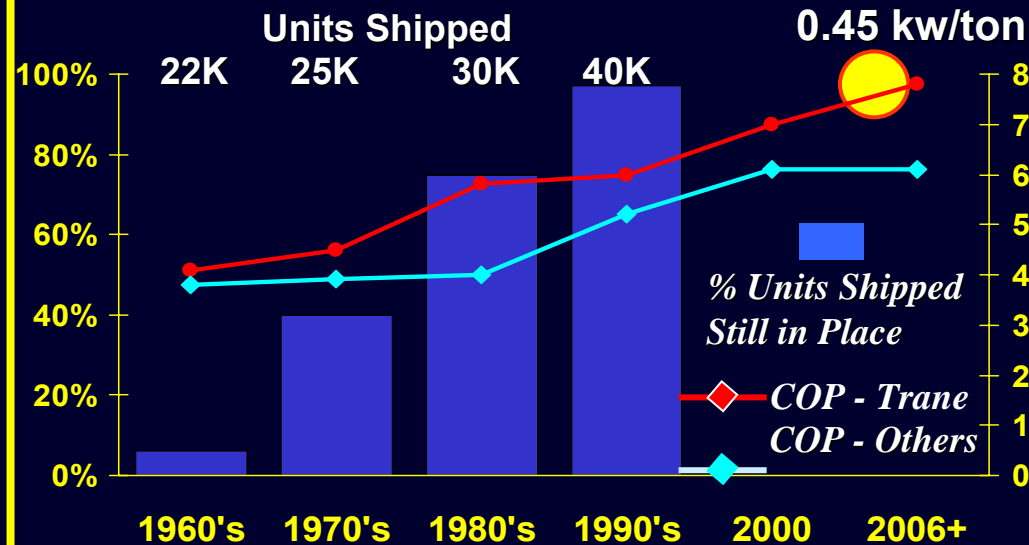
- 1Q'06 Americas Sales up 3%
- Fifth Consecutive Quarter of Sales Growth
- Orders Have Been Choppier Than Unitary But Continue To Be Strong

Equipment Backlog up 14% in 1Q'06

Parts, Services & Solutions:

- 1Q'06 Sales up 13% -- Fourth Consecutive Quarter With Double Digit Growth
- Continue To Build Momentum With Solution Sales versus "Just Equipment"

Trane Efficiency Advantage



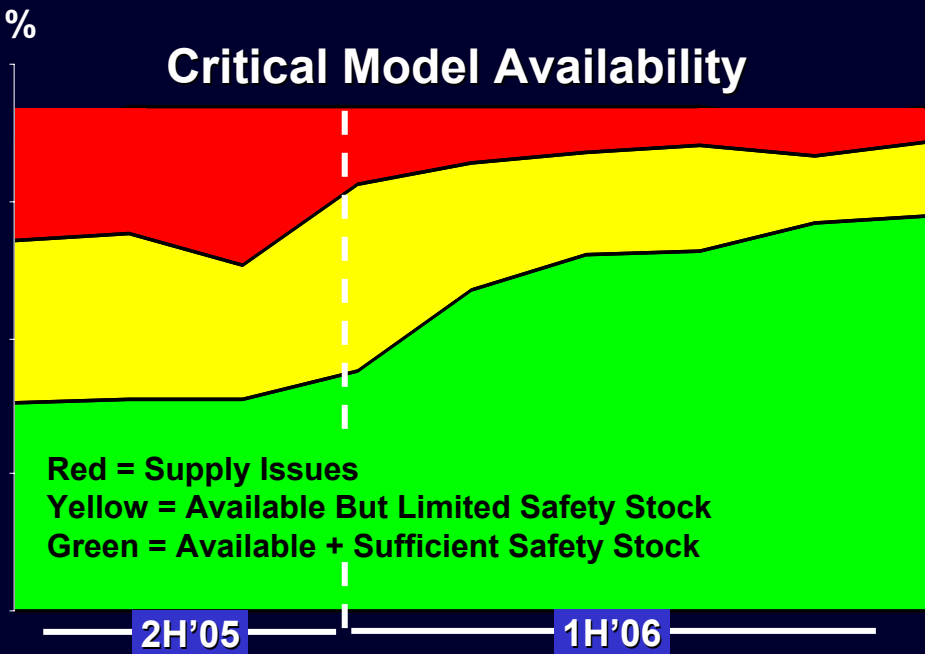
Situation

- Commercial Building Energy Usage ~ 21% Of U.S. Total
- HVAC Usage Averages 26% Of Building Energy Consumption
- ~ 35,000 Large Chillers Installed Operating At Low/Medium Efficiency
- Replacement Can Provide 15-50% Improvement In Energy Consumption

We Are Well-Positioned

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Bath & Kitchen: European Product Availability



Fixing Availability Issue:

# Suites w/ Avail. Issues	Q2'05	YE'05	Target Q2'06	May '06
	12	8	0	2

- Increased Focus on "Big 5" Suites
- Yields & Fill Rates Improved
- Start to See Payoff in 2H'06

Major Re-Launches Taking Place

Action Plan

- Assessed Production Capability
- Weekly Reviews: Cross Functional SOIP
- Coordinate: SKU Reduction + Level Loading
- Productivity Reviews: Monthly

Status

Completed 4Q'05 ✓
Ongoing ✓
Completed ✓
Ongoing ✓

Products In Showroom, Availability Is The Key

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Bath & Kitchen: Americas' New Products

Jetted Bath Tubs



"Lifetime"

4Q'05 to 1Q'06

Mid-Line Toilet



"Cadet 3"

1Q'06 to 2Q'06

Faucets & Drains



"EverClean"

2Q'06 to 3Q'06



"Speed Connect"



Lifetime Jetted Tub

- In all Home Depot Stores
- 50% of Tub Volume in '06
- Expanding to Wholesale 2H'06
- More Features

**Load-In
Complete**

Cadet 3 Toilet

- In Wholesale & Showrooms
- Leverage "Cadet" Name
- Retail Launch 2H'06
- Design + Features

**Demand Is
Good**

EverClean / Speed Connect

- Launching 2Q'06
- Faucets ~ 30% of US Sales
- Wholesale + Retail
- Design + Features

**Launch On
Target**

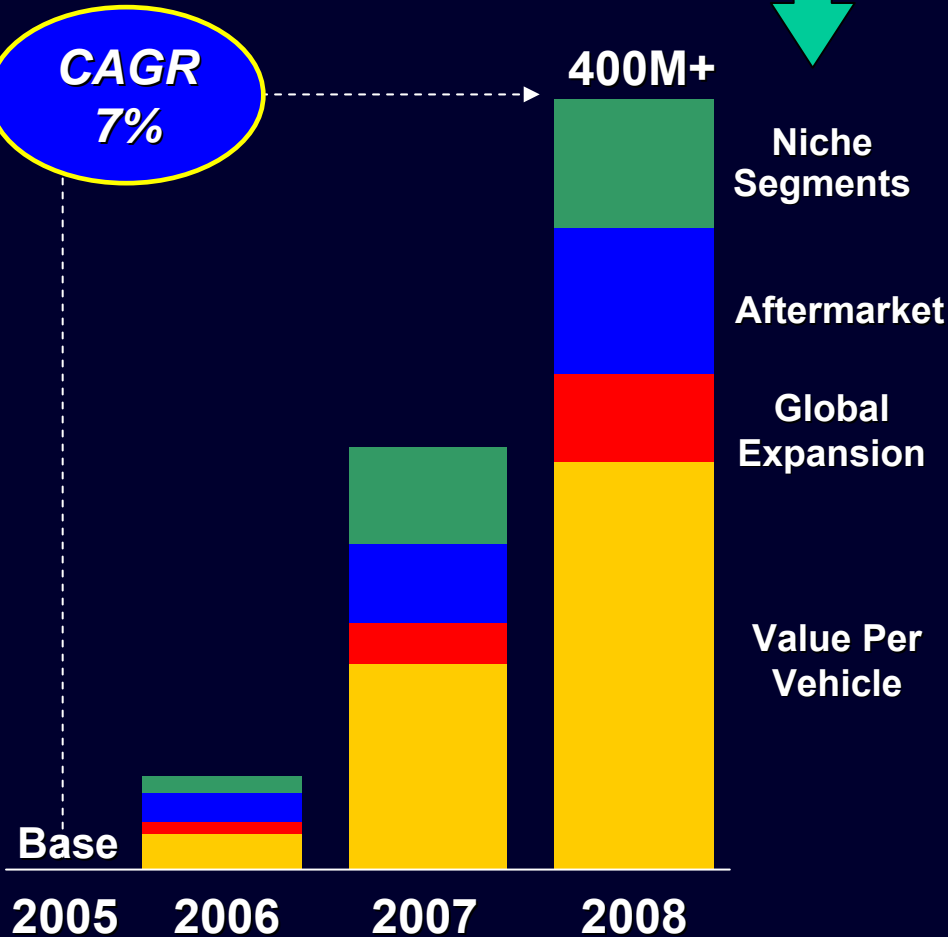
Will Represent ~ 50% of Sales At Year-End '06

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Vehicle Controls Growth

Our Sales Grow \$400M – Even if Markets are Flat, Because of Increases in...

**CAGR
7%**



Value per Vehicle

- Air Disc Brakes
- EBS 2nd Generation (Truck and Trailer)
- Automated Transmission Controls
- Advanced Air Processing
- Adaptive Cruise Control
- Tire Pressure Monitoring
- Stability Control

Global Expansion

- China
- Eastern Europe

Aftermarket

- Enhanced Penetration
- New Product Ranges
- New Services (e.g.; Diagnostics, Training)
- East Europe, North America and APAC

Niche Segments

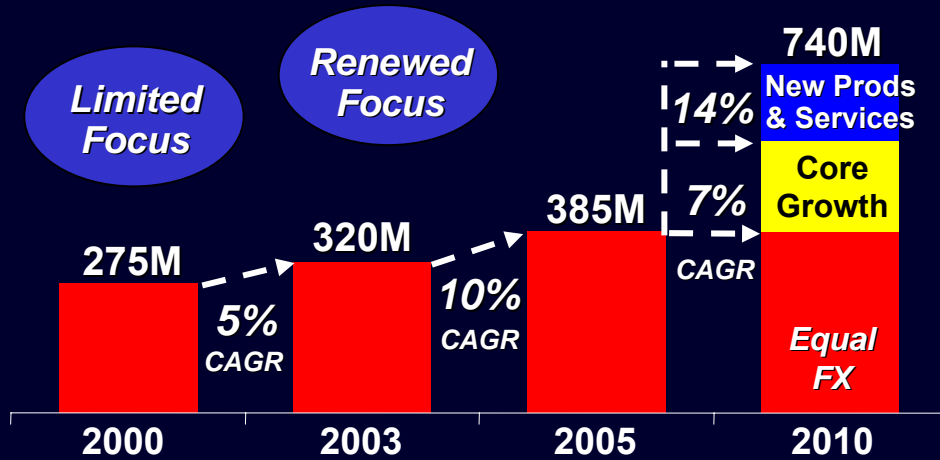
- Passenger Car Air Suspension

Multiple Ways To Drive Above-Market Growth

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Vehicle Controls: Aftermarket Innovation

Build on Current Strategy



Implementing New Services Growth Strategy

Limited Focus

Renewed Focus

Core Growth

- Launching Targeted Product Initiatives
- Expanding Geographically: EE, EMEA,...
- Improving Service Provided To Customers (e.g., Fill Rate, Product Availability)

New Product & Services

- Developing a SERVICE Organization (e.g., Diagnostics, Training)
- Introducing New AM Products

Example – Vehicle Diagnostics



WABCO Systems

- Electronic Brake System
- Trailer Central Electronics
- Electronic Shock Absorber
- Integrated Tire Pressure Monitoring

Generic Systems

- Engine Control
- Airbag Control
- Gear Box Control
- CAN Control
- Knorr ABS / EBS MAN

Pneumatic Systems

- Pressure Sensing

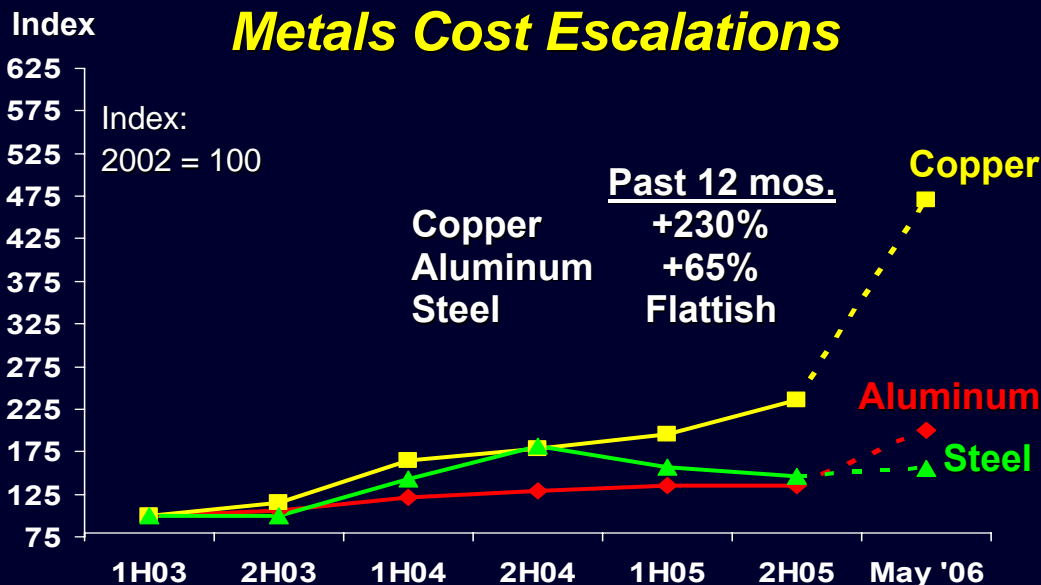
A True Multifunctional Diagnostic Solution For Workshops & Operators

Accelerating Growth In Our High Margin Aftermarket

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Commodity Costs & Price

Metals Cost Escalations

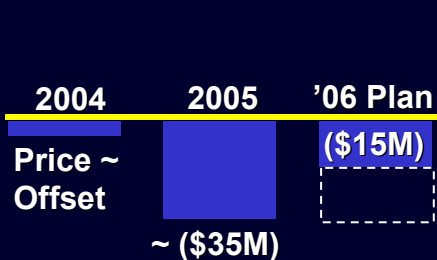


HVAC U.S. Price Increases*

	<u># of Increases</u>	<u>Average Increase</u>
Commercial	5	+2 to 3%
Residential	4	+3 to 4%

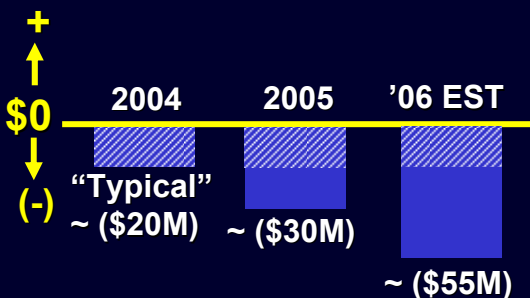
*Since 2Q'04 and As of 6/01/06

Bath & Kitchen Commodity / Price



Getting Some Price

Vehicle Controls Commodity / Price



Little Commodity Recovery

Total ASD Price vs. All Commodities "Balance"



(\$100M)+ Cumulative Deficit

Seeking Price To Offset Higher Commodities

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Our Basic Premise In 2000

**Sustain
5 to 7% Sales Growth**

+

**Move to
6% Productivity**



**0.5 pt Margin
Improvement Each
Year**

*Demonstrated
Performance*

*Got Some, But Not
Enough*

The Reality:

Historically, Margins have Been Flat at 10.5%

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Anatomy of Our Operating Margins

Historical
10.5%

Target: 0.5 pts / yr

2005 Goal
13.0%

Stuff Happens

*Recent
History*

Our Initiatives

Impact on
Op. Margins

Impact on
Op. Margins

- Still Behind the Commodity/ Price Curve – “Economics” ~(-1.0) pts
- Commodities / Price Pass-Through – “The Math” ~(-0.5) pts
- B&K 2005 Performance ~(-1.0) pts

- Volume/Mix, Net of Investments ~0.3 pts
- 2-3% Productivity ~3.7 pts
- Inflation Offset ~(1.5) pts

*Cost Us (2.5) pts
of Margin*

*Improved Us by 2.5 pts
of Margin*

Working to Make Go Away

Working to Make More Powerful

Historically -- Margins Flat at 10.5%

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Long-Term Objectives

- **Grow Sales 6-7 % per Year**
- **Improve Op. Margins by 0.3 to 0.5% Points Per Year**
- **Grow EPS by 13 to 17% Per Year**
- **Increase Free Cash Flow by ~12% Per Year**

Growth Drivers

- **Global Market Growth / Presence**
- **Expanded Market Definition**
- **New Products & Designs**
- **Better Performance, New Features**
- **Expanded Service & Aftermarket Capability**

Growing List of Organic Opportunities

Productivity Drivers

- **Materials Management**
- **Conversion Cost & Quality**
- **Capacity Productivity**
- **Product Redesigns**
- **Business Process Improvements**

Stepping Up Productivity

Focused on Shareowner Value

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Anatomy of Our EPS – Going Forward

Over The Long Term....

**Impact on EPS
Annual Growth Rate**

• 6-7% Sales Growth @ Flat Margins

+7 to 9%

Two Ways to Enhance Margins

• Fix What's Happened

~+5%

• Step Up Productivity by 1 Point

~+5%

ASD Strong Cash Generation Adds

• Share Buyback

+3 to 4%

EPS Growth Rate

Say 13 to 17%

Driven by Sales, Fixes, Productivity & Buyback

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Cash Flow Performance

	<u>\$Millions</u>		<u>\$Millions</u>
2002	352	2006	575 - 600
2003	459	2007	655
2004	505	2008	735
2005	<u>512</u>	2009	<u>825</u>
Cum. FCF	\$1,828M	Cum. FCF	~\$2,800M
Add'l CF	<u>~\$ 200M</u>	Add'l CF	<u>~\$ 200M</u>
Total CF	\$2,028M	Total CF	~\$3,000M

} **~12+%
Growth**



Delivering More Cash to Shareowners

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Thank You!

Appendix

Reconciliation of Non-GAAP Financial Measures

Cash Flow Reconciliation

\$M

2002 2003 2004 2005 2006 2007 2008 2009

**Net Cash Provided by Operating
Activities**

624 651 765 820 835+ 915+ 995+ 1085+

Adj. For Items incl. in Net Cash

Provided By Operating Activities:

Net Cash Used by Discontinued

Operations

-- -- -- -- -- -- -- --

Proceeds from Initial Sale of

Receivables

(81) -- (27) -- -- -- -- --

Purchases of Property, Plant

**Equipment and Computer
Software**

(212) (215) (262) (337) (285)+ (285)+ (285)+ (285)+

Proceeds from Disposals of

Property

21 23 29 28 25+ 25+ 25+ 25+

Proceeds from Sales and

Leasebacks

-- -- -- -- -- -- -- --

Free Cash Flow

352 459 505 512 575+ 655+ 735+ 825+

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