

Common Questions & Answers

Summary of Advantages

Honeywell has proven manufacturing and design capability, distribution expertise and the field training/support necessary for a successful partnership with our customers.

Reliability

End to end – our products are designed, manufactured and supported by Honeywell.

Flexibility

Choose from GSM radio, Internet or a combination of both for alarm data and uploading/downloading.

Remote Services

We offer user-initiated and event-initiated services that can be viewed and controlled by a variety of devices.

- Any browser enabled device via GPRS or the Internet
- Cell phone using our unique SMS text messaging
- Receive e-mail messages about alarm and non-alarm events

Easy to install

Product development and a new web tool were designed to provide a simple transition from AMPS to GSM and to facilitate easy installations and programming.

Cost effective

Our combined GSM/Internet design is the most economical way to provide alarm communication and remote services.

Backward compatible

Communications can be added to the existing installed base allowing our customers to obtain additional customer loyalty and RMR.

The Sunset Clause

What is the Sunset Clause?

The Federal Communications Commission (FCC) has established February 18, 2008 as the date after which cellular carriers may choose to discontinue support of analog wireless networks known as AMPS (Advanced Mobile Phone Services). Referred to as the Sunset Clause, it ensures that carriers provide existing services until that date.

Who is responsible?

The Federal Communications Commission (FCC), a government agency, is responsible for this decision.

How does the Sunset Clause impact our business?

As a manufacturer of cellular radios used for the transmission of alarm system events, we must react to this change by putting viable alternatives in place to help our customers be prepared for adapting to this change. As a provider of services that enable the transmission of alarm system events, we must work to ensure that our customers have a seamless transition from AMPS to GSM.

How does this impact our customers?

Our customers must prepare for the transition. Hundreds of thousands of AMPS radios are in use and our customers may choose to switch them over to GSM between now and February 18, 2008. In addition, our customers are faced with deciding what product to use on new installations. New and replacement equipment featuring GSM technology means substantial costs to the customers. Add to that the time and cost of labor.

What is Honeywell doing to address the sunset clause?

Honeywell is looking at this issue in 3 phases:

Phase I: Address the immediate need for those customers who must replace their AMPS radio.

Phase II: Adds Internet capability to the product to address customers who no longer have a POTS line (or don't want to use one) to report alarm signals.

Phase III: Adds additional AlarmNet services that will increase a dealer's opportunity for RMR.

Common Questions & Answers (continued)

Glossary of Terms

What is GSM?

An abbreviation for **Global System for Mobile Communications**, it is one of the leading digital cellular systems in use. GSM differs significantly from its predecessors in that both signaling and speech channels are Digital call quality, which means that it is considered a second generation mobile phone system. This fact has also meant that data communication was built into the system from very early on.

What is GPRS?

An abbreviation for **General Packet Radio Service**, it is a standard for wireless communication which runs at speeds up to 115,000 bits per second (current GSM runs at 9600 bits per second). GPRS supports a wide range of bandwidths and is an efficient use of limited bandwidth by having multiple users share the same transmission channel, and only transmitting when they have data to send. It is particularly suited for sending and receiving large volumes of data.

What is SMS?

Abbreviation of **Short Message Service**, it is the transmission of short text based messages to and from a mobile or fixed telephone, fax machine and/or IP address. The messages must be no longer than 160 alpha-numeric characters and contain no images or graphics. The sent message is received by a Short Message Service Center (SMSC), which must then get it to the appropriate device. If the message cannot get to its prescribed destination, then the SMSC will hold onto the message for a period of time. When the receiving unit becomes available a notification is sent to the SMSC, and the SMSC will attempt delivery. Once the SMSC receives verification that the message was received by the end user, it categorizes the message as "sent" and will not attempt to send again.

What are the differences between GPRS and SMS?

GPRS is a reliable wireless communication method that is widely used in the cell phone market. It has a higher priority in the cellular network to minimize transmission delays and increase the amount of data that can be delivered reliably. SMS is less robust and does not allow for data communication packets. It is similar to sending text messages on a cell phone.

Dialer: The control panel's built-in communicator used to call the central station receiver and deliver messages from the control panel. It uses a standard telephone line for transmission.

IP: Abbreviation of **Internet Protocol**. IP specifies the format of packets, and the addressing scheme. Most networks combine IP with a higher-level protocol called Transport Control Protocol (TCP), which establishes a virtual connection between a destination and a source. IP by itself is like the postal system- it allows you to address a package and drop it in the system, but there's no direct link between you and the recipient. TCP/IP, on the other hand, establishes a connection between two devices so that they can send messages back and forth for a period of time.

Kiss-off: A signal sent by a central station receiver to indicate successful receipt of a message from the control's communicator.

Network Operating Center: A facility similar to AlarmNet where signals are received, decoded and acted on based on previous instructions.

TCP: Abbreviation of **Transport Control Protocol**. TCP is one of the main protocols in TCP/IP networks. The IP protocol deals only with packets, but it is TCP that enables two devices to establish a connection and exchange data. The TCP guarantees delivery of data and also guarantees that packets, will be delivered in the same order in which they were sent.

UDP: Abbreviation of **User Datagram Protocol**. It is a TCP/IP protocol which allows for connectionless communications between two network hosts. Retries are not handled and packet delivery is not guaranteed. Packets may also arrive out of sequence.

Common Questions & Answers (continued)

About the Honeywell Offering

What can our customers expect from the Honeywell product?

The Honeywell GSM communicator product was initially released for new installations, or as replacements for existing AMPS radios. The communication service Honeywell selected is GPRS which provides better data communication than other services. This product will be followed by a product that adds Internet communication that allows alarm signals to be communicated over the internet. This product communicates primarily over the Internet and switches to GPRS if the internet is unavailable.

When will we see a product available from Honeywell?

Product for new installations and to replace the existing AMPS radios is available now. The combination Internet and GPRS unit is expected to be available June, 2007. The addition of remote services is scheduled for early summer, 2007.

What is unique about the Honeywell solution?

Honeywell developed a more robust product by utilizing the GPRS network to communicate alarm signals and uses the SMS network as a backup if the GPRS network is unavailable. GPRS allows for better data communication so that additional services and information can be transported. SMS is also a reliable network, but is better suited for text type of information and would not support the level of data services we will introduce in the future.

What exclusive features do you receive with Honeywell?

Honeywell is the first manufacturer to offer dual communication technology, selecting GPRS as a primary communication path and SMS as a backup path. And we are first to offer a triple communication product that combines GPRS, SMS and the Internet for system communication and control. No other manufacturer has a product offering like Honeywell. Additionally, Honeywell is backward compatible to our existing installed control panels because we are the first manufacturer to develop products that connect to the control panel's data bus (ECP).

Why are we better?

Honeywell's products are designed with the future in mind. We incorporate dual communication technology, selecting GPRS as a primary communication path and utilizing SMS as a secondary path if GPRS is unavailable for greater reliability. Furthermore, GPRS allows greater data communication to provide future services without phone lines.

GPRS – created for data transmission, is the primary communication path

- GPRS is a connection-based service, meaning that the transmitter and receiver confirm that a connection is established prior to the transmission of data
- GPRS transmits real data communication packets
 - Enables downloading through Compass (of compatible controls)
 - Opens the door to future features and services

SMS back-up – created for simple text messages – sends alarms in case GPRS service is not available

- Does not send data – can't download with SMS
- Complimentary to GPRS in Honeywell's application

Integration with Internet Communicator

- Least costly alarm reporting path is automatically selected
- Three communication paths in one (four if POTS communicator is used) – protects against communication outages

What about future changes in the industry?

The Honeywell solution to the challenges presented by the Sunset Clause is "Future-Proof." This means that our new products have been designed with a modular design, making upgrading and repairs simple and quick, saving our customers money and valuable time. By investing in these Honeywell products, our customers have a solution that will not only address the concerns of the Sunset Clause, but will leave them ready for future changes.

Common Questions & Answers (continued)

What products will be available?

7845GSM – Dual-Path Digital Wireless Communicator

- GPRS for alarm reporting and data transmission
- SMS back-up of alarm reporting if GPRS is unavailable
- Enables remote services
- Quick AMPS replacement

7845i-GSM – Triple-Path Digital Communicator

- Includes Internet communicator in same package as above
- Internet is primary communication method with GPRS back-up if internet is unavailable

7845i

- Internet only
- No router programming or set-up required
- Enables remote services at the lowest cost

What comes in the box?

Honeywell includes the transformer, on-board power supply and back-up battery that will keep the unit functioning for 24 hours. No additional hardware or software is required. The battery is located in the unit and does not require a separate housing.

Can the competition do downloading?

Currently Honeywell is the only company that can download their control panels using wireless communications. This is because we utilized the GPRS network as the main communication method.

Will the AMPS network “go black” on 2/18/08?

As radio towers and infrastructure become obsolete and fail, carriers will not incur the expense to support AMPS technology. This will cause C radios to gradually go off line and stop working. Because nobody knows where or when this will happen, replacing C radios with G radios now is the advisable solution.

Do we still use Control Channel Cellular?

No. GPRS and SMS are used for the communication of data signals wirelessly and is not like Control Channel Cellular.

Is the coverage from the GSM network better than the current AMPS network?

Currently the AMPS network and the GSM network are similar in coverage. However, as the AMPS infrastructure becomes obsolete and is not replaced or supported by the carriers, GSM coverage will become more predominate.

Will carriers continue to support the AMPS network because GM/Onstar uses AMPS?

GM no longer supports the AMPS network with new cars sold and has announced upgrade programs for their existing customers to migrate away from AMPS as well.

Should the Sunset Clause be taken seriously?

Yes. Dealers can not rely on the FCC to change their decision.

Is an antenna required for operation of the Honeywell radio?

The Honeywell radio comes with an internal antenna that will support most installation requirements. If additional signal strength is required, Honeywell has an externally mounted indoor and a externally mounted outdoor antenna that can be installed to increase signal strength.

Common Questions & Answers (continued)

Technical

What does the central station need to do to be ready for GSM?

Nothing. Honeywell has made the investment in the infrastructure that allows us to connect directly to the carrier so central stations have no additional cost or programming to use our services.

What listings will the Honeywell product have?

Initially, our products will be UL listed for residential burglary, commercial burglary and household fire. AA Line Security and commercial fire will be added at a later date.

How are we addressing uploading and downloading?

Our VISTA-20P and VISTA-128BP panels currently allow uploading and downloading. Other select VISTA panels will feature uploading and downloading in mid 2007.

Why did Honeywell continue to sell the AMPS radio?

The existing AMPS network will continue to function through February 18, 2008 and may continue after that date. This network currently provides extensive coverage in the United States and Canada, and is a valuable solution for control panel back up. Many customers made the decision to continue to use this service and upgrade to digital service when it became available from Honeywell.

What steps are needed to install a new GSM radio?

There are four steps to an installation:

- Check the signal strength at the mounting location
- Mount and wire the module, including power
- Power up and program the module
- Register the module

What is necessary to register a GSM radio on the AlarmNet network?

Similar to C radios, GSM radios can be easily registered three different ways:

- Using the 7720P programmer on site
- Via AlarmNet Direct and using the on-line programmer
- Calling AlarmNet at 800-222-6525 and selecting option 1 for the TAC center

What information do I need to replace a C radio with a GSM radio?

If you use the 7720P programming tool, you will need the PIN number for the new unit. The PIN number is the last four digits of the C radio's MIN number, and subscriber information (provided by the central station), including city code, CSID and subscriber ID.

If you are using AlarmNet Direct or you call AlarmNet Technical Assistance you will need the following:

- MAC address (12 digit hexadecimal) and CRC value (4 digit hexadecimal) of new unit located on a label which is visible once the cover is removed.
- Subscriber information (provided by central station), including city code, CSID and subscriber ID.
- 10 digit MIN number of the C radio (starts with 175 or 176) which is located on a label which is visible once the cover is removed.

How will the new Honeywell products help with end users that are using VoIP?

In some instances, VoIP does not allow the digital dialer of the control panel to communicate with the central station. By installing a Honeywell GSM or i-GSM radio, the end user's voice lines can be by-passed so all control panel communication is done via the cellular network or the internet.

Can the new GSM products be programmed over the Internet?

Yes. New web-based programming services are available through AlarmNet Direct. The Dealer Direct services web site has been incorporated into the AlarmNet Direct site.

Common Questions & Answers (continued)

How will dealers gain access to this?

Dealers will be provided with company-specific login credentials.

What about new dealers?

New dealers will have the opportunity to sign up on the AlarmNet Direct website and receive log-in credentials for the purpose of utilizing our new web-based programming services.

Can a dealer have multiple users?

Yes. Dealers will be provided with a user-management feature that will enable the master user to assign sub-users that can access data.

Will this be easy to use?

Yes. Dealers will find this to be very user friendly.

What if a dealer needs help?

Step-by-step on screen help is available.

Will the new site accommodate future needs or changes?

Yes. This has been developed to allow for additional features in the future.

AlarmNet Services

What additional services will AlarmNet be offering and when?

Beginning in mid 2007, AlarmNet will be introducing a variety of both user-initiated and event-initiated services. These unique value added services will provide end users with many exciting options for system control and notification that are not available from any other alarm communications provider.

These services include:

- SMS-based remote system control
- Web-based remote system control
- Text notification of system events
- Video notification of system events

How will SMS-based remote system control work?

Any SMS text messaging device (e.g., cell phone, PDA) can control the system and receive information. This service will allow the user to request system status, arm or disarm the system, bypass specific zones and control outputs. Both the GSM radio and the Internet communicator can provide this service.

What systems will this be compatible with?

This service will be backward compatible with most installed Honeywell/ADEMCO systems.

What is web-based remote control and how will it work?

This is another service we have developed for release in mid 2007. This will be accomplished via Internet communicator or GSM radio. The system can be controlled with a "virtual keypad" on any web browser, via PC, PDA or web-enabled cell phone. Whatever can be done on a real keypad can be done on the "virtual keypad."

What is text notification of system events and how will it work?

Available mid 2007, customers who desire more personal reporting will be able to receive text notification of specified system events through Internet communicator or GSM radio. Personal reporting of system events happens via e-mail to any capable device, even cell phones. In addition to arming and disarming status, users can receive e-mails if a gun cabinet is opened, kitchen cabinet with chemicals is opened, liquor cabinet and doors to restricted areas as examples.

What is video notification of system events and how will it work?

Video notification is accomplished through the addition of Optiflex cameras to the system. A picture or series of pictures can be sent to a PDA, cell phone or e-mail address upon an alarm or a pre-programmed non-critical event. The user can also initiate this process by requesting information from a mobile device, or by viewing live streaming video through a PC or a Symphony touchscreen keypad.