

JOHNSON CONTROLS INC  
Form 8-K  
October 06, 2006

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

October 6, 2006

JOHNSON CONTROLS, INC.

(Exact name of registrant as specified in its charter)

Wisconsin

1-5097

39-0380010

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

5757 North Green Bay Avenue, P.O. Box 591,  
Milwaukee, Wisconsin

53201-0591

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

414-524-1200

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



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**Item 8.01 Other Events.**

Johnson Controls, Inc. ("Johnson Controls" or "the Company") desires to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 by filing this Current Report on Form 8-K. By filing this Form 8-K, which supersedes Current Reports on Form 8-K issued on January 19, 2006 and October 7, 2005, the Company wishes to caution readers that the following important factors, among others, in some cases have affected, and in the future could affect, the Company's actual results and could cause its actual consolidated results for the current period, and beyond, to differ materially from those expressed in any forward-looking statements made by, or on behalf of, Johnson Controls.

The Company performs an assessment at least quarterly of important business and risk factors that could cause actual results to differ materially from the expectations of Johnson Controls or its management and provides this disclosure for purposes of Regulation FD.

**CHANGES IN THE COMMERCIAL MARKETPLACE**

A significant decline in the automobile production rate in the United States, Europe, South America, Japan and/or other Asia/Pacific Rim countries; cyclical nature of the automobile industry, including changes in consumer demand for sport utility vehicles and light-duty trucks; plant closures and restructuring activities at major original equipment automotive manufacturers in North America; a significant decline in the construction of new commercial buildings requiring interior control systems; delays or cancellations of new vehicle programs; changes in automobile battery supply contracts with Johnson Controls' major customers; market and financial consequences of any recalls that may be required on Company products; delays or difficulties in new product development; the potential introduction of disruptive technologies; financial or market declines of the Company's customers or suppliers; availability of raw materials necessary for automotive, heating, ventilating, air conditioning and refrigeration ("HVAC&R") and controls production; rapid increases and volatility of commodity prices; a significant decline in the residential construction markets (particularly in North America); major changes in energy costs or governmental regulations that would decrease the incentive for customers to update or improve their interior HVAC&R and control systems; decline in the outsourcing of facility management services.

**CHANGES IN LABOR FORCE**

The effects of labor strikes/work stoppages, or other interruptions at the Company's manufacturing facilities or those of its significant customers and/or suppliers; difficulties in securing employees in major markets where the Company purchases material, components, and supplies or where the Company's products are produced, distributed or sold; the ability to successfully implement and complete previously announced and planned headcount reductions and changes to the Company's global manufacturing footprint.

**CHANGES IN COMPETITION**

Increased pressure to reduce the selling price for Johnson Controls' products with resulting effects on margins; increased entries of new competitors into markets; the Company's continued ability to successfully achieve cost reductions to offset or exceed agreed upon price reductions; ability to offset and/or recover lead, steel, copper, aluminum, resin and other petrochemical based commodity price increases from our customers.

**CHANGES IN COMPANY STRUCTURE**

Start-up expenses incurred by expanding the Company, including inefficiencies and delays; the continued successful implementation of the Company's restructuring initiatives as well as other profitability improvement programs; underutilization of plants and factories, including plant expansions, resulting in production inefficiencies and higher costs; the Company's ability to recover engineering and tooling costs; the successful completion of acquisitions and divestitures; the Company's ability to realize acquisition related integration benefits; amount, rate and growth in Johnson Controls' selling, general and administrative expenses (e.g., healthcare and/or pension costs); impact of unusual items resulting from on-going evaluations of business strategies, asset valuations, acquisitions, divestitures and organizational structures.

**CHANGES IN WEATHER CONDITIONS**

Unseasonably cool weather in various parts of the world could adversely affect the Company's global air conditioning equipment sales.

**CHANGES IN REGULATORY, FINANCIAL AND POLITICAL ENVIRONMENTS**

Effects stemming from changes in trade policies, laws, regulations, activities of governmental agencies, environmental and other regulations governing the HVAC&R markets, monetary policies, fiscal policies, and other social economic conditions such as trade restrictions or prohibitions; inflation and other monetary fluctuations; the effect of adoption of new accounting standards; import and other charges or taxes; currency exchange rate fluctuations and Johnson Controls' ability to hedge against foreign exchange rates; the existence of unstable governments and legal systems which may impact Johnson Controls' continuity of business and ability to obtain authorizations and licensing; possible effects of new legislation; changes in domestic and foreign tax regulations, and the successful resolution of ongoing and pending tax audits that may affect the Company's applicable tax rates.

**CHANGES IN LEGAL PROCEEDINGS**

The costs and other effects of legal and administrative cases and proceedings (whether civil, such as environmental, income tax related and product-related, or criminal), settlements, investigations, claims, and changes in those items; the costs associated with any recalls for products manufactured by Johnson Controls; increases in the Company's warranty costs; developments or assertions by or against Johnson Controls

relating to intellectual property rights and intellectual property licenses.

#### CHANGES IN THE ECONOMY

Persistence of long-term economic uncertainty in Asia, Latin and South America, eastern Europe, the Middle East and other emerging markets in which Johnson Controls competes; other economic changes that may effect the adequacy of cash flows from operations to cover capital needs and debt.

#### CHANGES DUE TO THE WAR ON TERRORISM

Effects of potential terrorist sponsored events on the Company's business, which could include accelerating or exacerbating automotive or controls industry risks such as those noted above in this disclosure, heightening Johnson Controls' business interruption-related risk such as disruption in supply chains, or increasing liability claims against the Company arising out of commercial facilities the Company has operated or to which the Company has supplied building equipment and systems.

#### ACCURACY OF ASSUMPTIONS

The occurrence of events as a result of which assumptions made by the Company on which forward-looking statements are based, some of which are referred to in, or as part of, the forward-looking statements, prove to be inaccurate or do not prove to be correct.

#### INTERNATIONAL BUSINESS

Risks associated with international operations and sales, including political, religious and economic instability, local labor market conditions, the imposition of foreign tariffs and other trade barriers, the impact of foreign government regulations, the effects of income and withholding taxes, governmental expropriation, protectionist measures that may prohibit acquisitions or joint ventures and differences in business practices; realization of deferred income tax assets; increased costs to the Company and delays or disruptions that the Company may experience in product deliveries and payments in connection with international manufacturing and sales; and unfavorable changes in political, regulatory and business climates.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JOHNSON CONTROLS, INC.

*October 6, 2006*

By: *R. Bruce McDonald*

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*Name: R. Bruce McDonald*

*Title: Executive Vice President and Chief Financial Officer*