



Sale of Global Workplace Solutions to CBRE

March 31, 2015



Agreement to sell Global Workplace Solutions to CBRE

Transaction Details

- Definitive agreement to sell Global Workplace Solutions (GWS) business to CBRE for approximately \$1.475 billion
- Represents the culmination of the GWS sale process initially announced on Sept. 30, 2014
- Combined with previously announced sale of GWS JV interests to Brookfield, total proceeds of \$1.675 billion; multiple of 11.7 x EBITDA
- Includes 10-year strategic partnership providing new channels and incremental revenue opportunities for Johnson Controls
- Transaction subject to customary closing conditions and regulatory approvals
- Closing expected near the end of fiscal 2015

- Transaction is aligned with Johnson Controls strategies to invest in product businesses and become a multi-industry company
 - Increased product focus in Building Efficiency (ADT acquisition, Hitachi HVAC joint venture)
 - Reduced automotive industry exposure
 - Divestiture of auto electronics business
 - Auto interiors joint venture with China's Yanfeng

Global Workplace Solutions to be treated as a discontinued operation in Q2 2015

Global Strategic Alliance Expected to Generate Incremental Revenues

Transaction includes formation of a 10-year global strategic alliance

- Expect incremental annual revenues of up to \$500 million a year, once fully implemented
- Jointly funded innovation lab to provide insights, solutions and services to clients
 - Focused at the intersection between building systems, energy management and real estate portfolio management
- Strong organizational fit and cultural compatibility to foster a collaborative ongoing relationship between the two organizations in the future

Alliance represents opportunity to increase revenues and create new shareholder value

- Provides access to large client base with the potential to generate significant truck-based service pull-through revenues over time
 - CBRE 3.8 billion square feet managed
 - GWS: 1.2 billion square feet managed
- Potential for JCI to become the “house brand” for capital projects where CBRE is the developer (Trammell Crow Company)
 - Chillers and other HVAC equipment
 - Building automation systems
 - Security systems
- Provides CBRE with a unique enhanced value proposition