

Johnson Controls



Strategic Review and 2015 Financial Outlook

December 2, 2014

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Alex Molinaroli
Chairman
and Chief Executive Officer

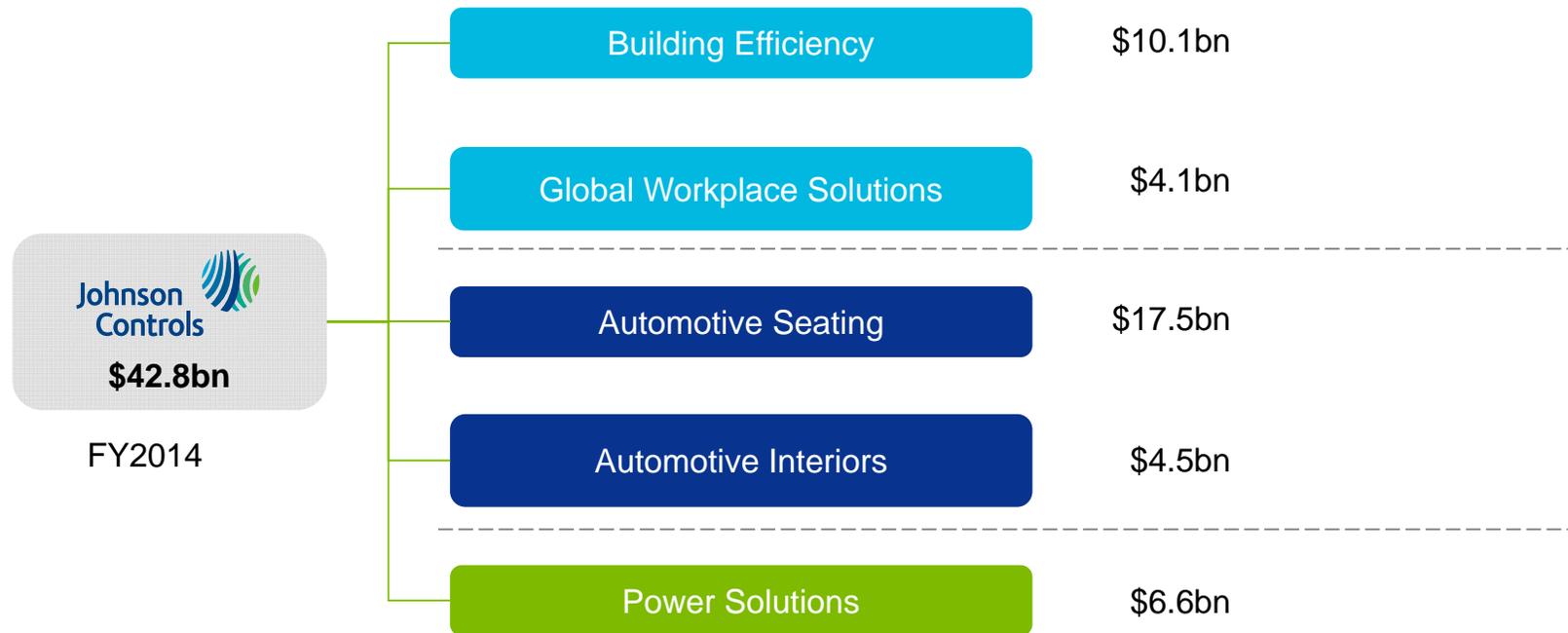


Today's presentations Highlights

- We are executing on our strategies to be a leading multi industry company
- Significant progress made in re-shaping the portfolio; near term focus on execution and integration
- Strategic and operating plans to drive profitable growth having impact
- JCI operating system: leveraging our strengths
- Strong free cash flow to balance investment with returns to shareholders
- Strong outlook; positioning to drive sustainable growth and improved shareholder returns

Positioning for success, focused on execution

Johnson Controls Portfolio of strong global businesses



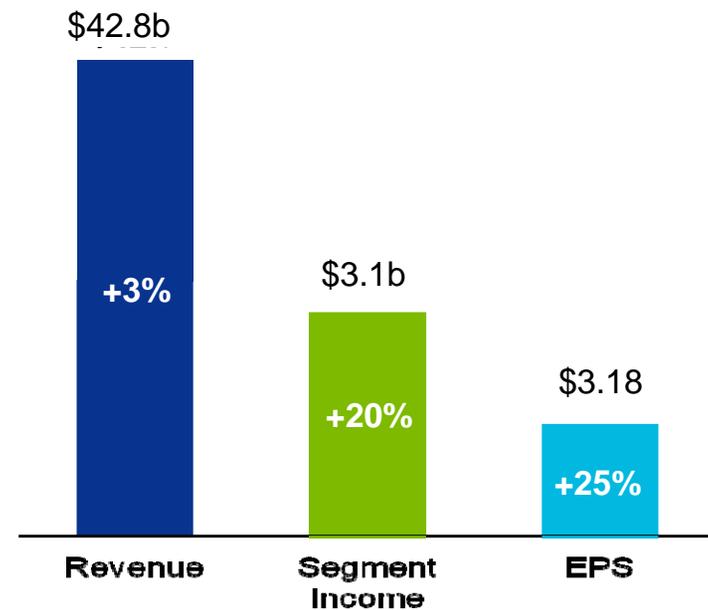
Strong operational momentum FY 2014 Results*

Executing well

- Record full year revenue and earnings
 - AE segment income margin, +160bps Y-o-Y
 - PS segment income margin, +60bps Y-o-Y
 - BE segment income margin, +30bps Y-o-Y
- Cash returned to shareholders: \$1.8 billion
- Strong balance sheet



FY 2014 Results*



*Excluding non-recurring / unusual items and transaction / integration costs.

Review of 2014

Portfolio Changes <i>(completed and in-progress)</i>	Acquisition	<ul style="list-style-type: none"> ■ ADT
	JVs	<ul style="list-style-type: none"> ■ Interiors ■ Hitachi
	Divestitures	<ul style="list-style-type: none"> ■ Electronics ■ Global Workplace Solutions
Profitable Growth	PS	<ul style="list-style-type: none"> ■ Market share, advanced battery success, new manufacturing capacity in China
	AE	<ul style="list-style-type: none"> ■ Overall China growth, metals share
	BE	<ul style="list-style-type: none"> ■ New technologies / products, broader distribution

Review of 2014

Balanced capital allocation; enhanced return of capital	Share repurchase	<ul style="list-style-type: none"> ■ \$1.2 billion repurchase in 2014 ■ \$600 million repurchase in Q1 2015
	Dividend	<ul style="list-style-type: none"> ■ Increased dividend 16% ■ +18% for 2015
	Capital expenditures	<ul style="list-style-type: none"> ■ Disciplined spend: \$1.2 billion in 2014
Deliver on financial commitments	Guidance	<ul style="list-style-type: none"> ■ EPS in-line or higher than Street consensus throughout 2014
	Profitability improvement	<ul style="list-style-type: none"> ■ Margin improvement in all three businesses
Johnson Controls Operating System	Leveraging our strengths	<ul style="list-style-type: none"> ■ Instituted new organizational structures; beta testing initial initiatives ■ Quality, productivity, and cost-saving actions translating into improved profitability ■ \$2 billion opportunity identified

Johnson Controls Strategic Review and 2015 Outlook
December 2, 2014



Enterprise strategy



Johnson Controls, Inc. — #JCIAnalystDay

#JCIAnalystDay

Enterprise strategy Our plan to win

Playing to our strengths

- Making deliberate and explicit choices that align with where we excel

Our strategies

- Delivering the most value to our customers and shareholders

The Johnson Controls Operating System

- Implementing the “Johnson Controls Way”



Enterprise strategy Our plan to win

Playing to our strengths

- We are a manufacturing , engineering and supply chain company
- We succeed in businesses that scale
- We invest in and manage strategic customer relationships
- We distribute our products through superior channels, leveraging strong brand equity around the world
- We will further develop and leverage technology platforms unique to Johnson Controls
- We will make investments where we know we will succeed by leveraging these strengths
- Our choices will be aligned with long-term growth trends

Making portfolio decisions Align with where we excel

Where we choose to play

Which markets

- Supported by macro trends; growing above GDP
- Large enough for sustained organic and inorganic growth
- Where we can lead
- China and North American applications

Where within markets we will participate

Where positioned

- Defensible advantages
- Sustainable – long term customer needs served by technologies with long life cycles

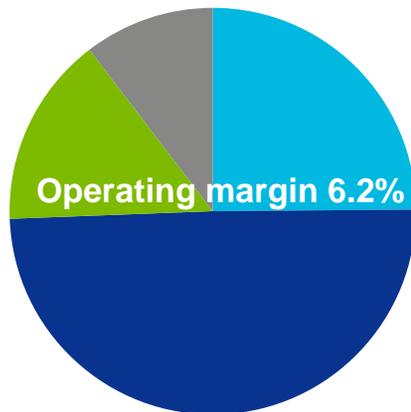
Matches our capabilities— where can we win

How does it fit *(JCI Operating System drives advantage)*

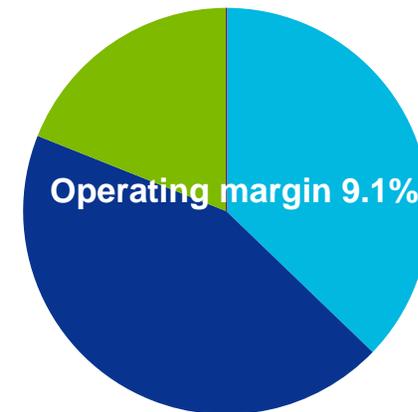
- Manufacturing and supply chain management
- Products requiring aftermarket or replacement services
- Engineered products

Rebalancing the portfolio

FY 2013 revenues



FY2016 revenues (est.)



Buildings
GWS
Automotive
Power

Going forward

- Less auto centric
- More product focused
- More China

Resulting portfolio aligns where we excel

Enterprise strategy Our plan to win

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Our strategies

- **Delivering the most value to our customers and shareholders**

The Johnson Controls Operating System

- Implementing the “Johnson Controls Way”



Multi-industry strategy Leveraging our portfolio of businesses

- Each of our core businesses contributes to fundamental capabilities which advantage the enterprise
- Long-time culture of innovation, best practice sharing and enterprise capability development
- Each business has unique strengths from which we can extract greater shareholder value
 - Building Efficiency – project management, commercial selling skills and relationship management
 - Power Solutions – continuous improvement, manufacturing and channel management
 - Automotive Experience – manufacturing, engineering, procurement and program management

Multi-industry model

- Leverage scale, expertise and footprint to drive above-market growth and profitability
- Greater value leveraging the enterprise versus only managing the parts

Executing on our strategies

Delivering the most value to our customers and shareholders

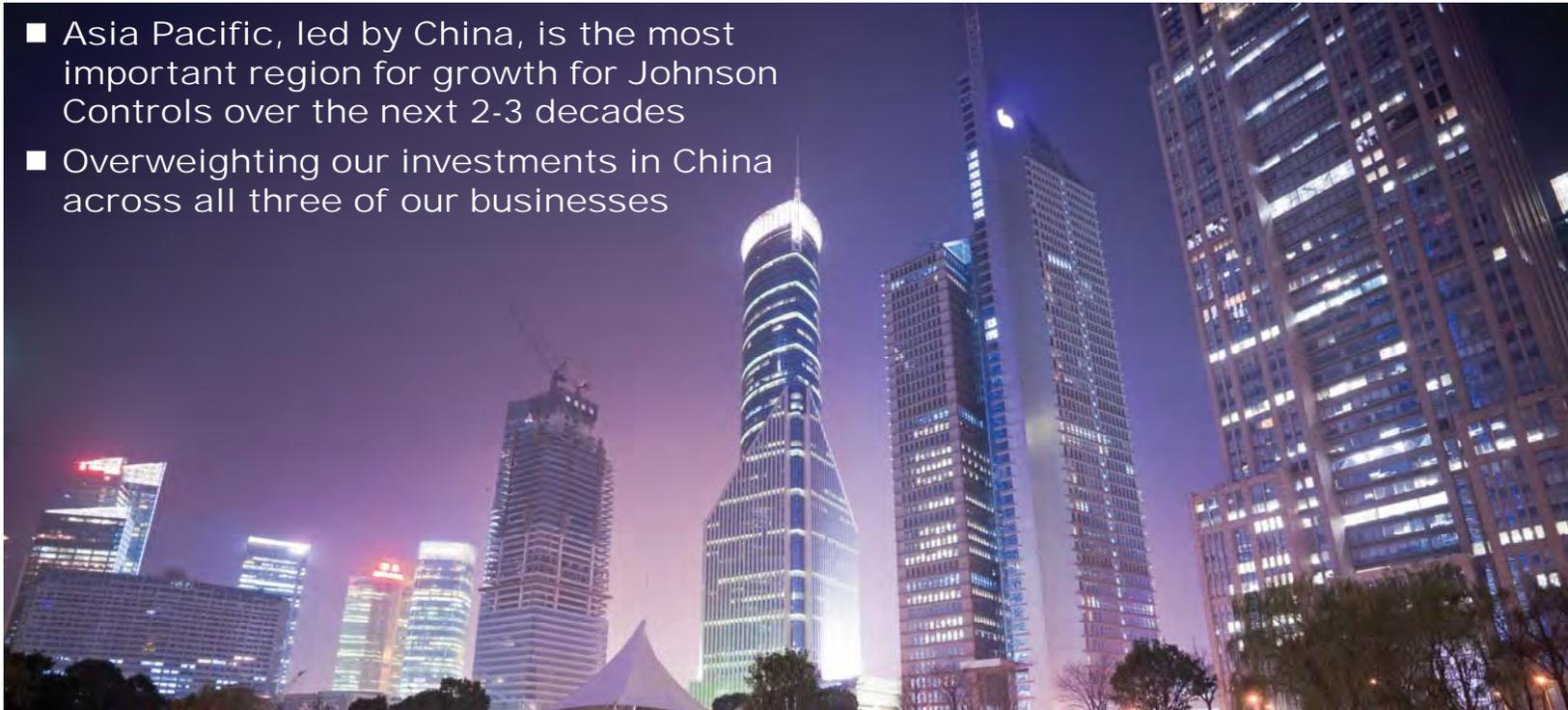
- Market-driven innovation and strategies
- Customer-driven business models
- Investments in growth platforms
- Balanced portfolio
- Optimized capital allocation
- Leverage the Johnson Controls Operating System
- Focused product management and new product development
- Play-to-win
- Market and brand leadership in China

...with a focus on execution



Executing on our strategies China

- Asia Pacific, led by China, is the most important region for growth for Johnson Controls over the next 2-3 decades
- Overweighting our investments in China across all three of our businesses



Executing on our strategies China: the premier growth market

Mega trends

By the beginning of the next decade....

- Real GDP per capita to double (2010 vs. 2020)
- 275 million additional people moving from rural areas to cities
 - >200 cities with >1 million inhabitants (double)
- Driving toward energy security and less dependence on carbon based energy sources

Impact to our markets

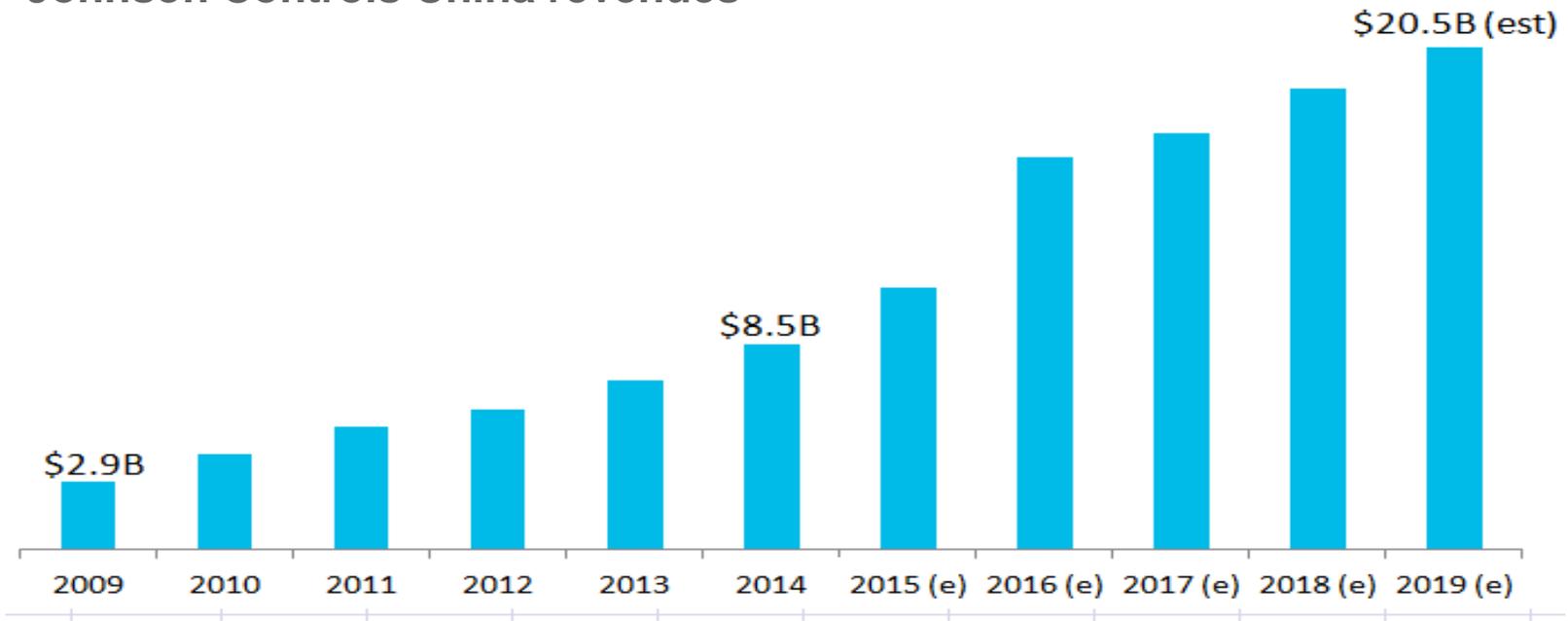
- World's largest automotive battery market
- Automotive production larger than North America and Europe combined (JCI current market share approx. 40%)
- 35,000 high-rise commercial buildings



Source: McKinsey Global Economics Intelligence Report

Executing on our strategies
China will continue to be increasingly important

Johnson Controls China revenues*



* includes non-consolidated JVs at 100%, including proposed automotive interiors joint venture



Executing on our strategies China: investing across our businesses

■ Automotive Experience

- 65% of seating backlog in China
- Rapid growth in metals
- Interiors JV: increased market share

■ Power Solutions

- Site selection for third manufacturing plant
- Adding AGM battery capacity

■ Building Efficiency

- 40 branch offices
- VRF manufacturing (via Hitachi JV)

Johnson Controls in China

- #1 Complete seats
- #1 Metals and mechanisms
- #1 HVAC OEM Service provider
- #1 Chilled water HVAC segment
- #1 Airside products
- #1 Industrial Refrigeration process market
- #2 VRF (with Hitachi JV)
- #1 stop / start (AGM) batteries



1) Including non-consolidated joint ventures

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Executing on our strategies Management changes

- Vice Chairman: Bruce McDonald
- Chief Financial Officer: Brian Stief
- Building Efficiency President: Bill Jackson
- Vice Chairman Asia and President, AE: Beda Bolzenius
- Chief Marketing Officer: Kim Metcalf-Kupres

Leadership expectations

- Accountable and decisive
- Diverse and inclusive
- Committed to integrity, sustainability and innovation
- Focused on leader development and succession planning



Enterprise strategy Our plan to win

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Our strategies

- Delivering the most value to our customers and shareholders

The Johnson Controls Operating System

- Implementing the “Johnson Controls Way”



Operationally excellent The Johnson Controls Operating System

The “Johnson Controls Way”

- Manufacturing
- Engineering
- Marketing and sales
- Procurement
- Supply chain
- Functional expertise
- Business systems
- Leader development



Our strategies result in a compelling outlook

Driving top-line growth

- Attractive industries, markets and geographies
- Growing faster than our markets
- Organic and inorganic opportunities

Driving bottom line profitability

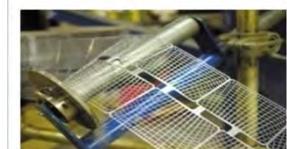
- Focus on productivity, execution and scale efficiencies
- Managing integrated supply chains
- Vertical integration investments
- Innovation that drives improved returns

Using multiple levers

- Not dependent on markets to drive earnings growth
- Shaping our own destiny by improving margins and playing where we can win

Fiscal 2015 and beyond

Positioning JCI to deliver sustainable growth, improving margins and consistent capital return resulting in compelling long-term returns



Today's presentations



Bruce McDonald

- Johnson Controls Operating System
- New enterprise functions
- Ongoing portfolio initiatives



Kim Metcalf - Kupres

- Business strategies
- Commercial excellence



Brian Stief

- Market assumptions
- 2015 financial guidance

- Questions and answers

The foundation of our success

The best way to define how we will become a leading global multi-industrial:

When we have a growth-oriented company that is operationally excellent built on an existing foundation of truly engaged employees and leaders



Bruce McDonald
Executive Vice President and
Vice Chairman



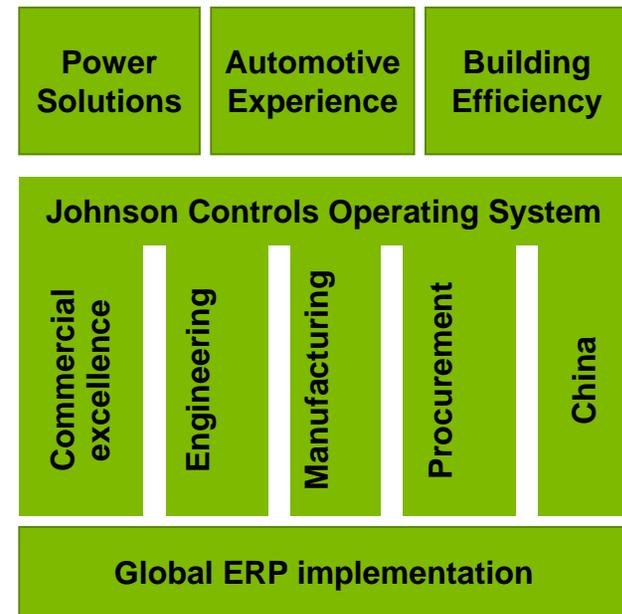
Vice Chairman Broadening management bandwidth

My new role

- Working with the business unit presidents to drive operational and financial performance
- Directing specific enterprise functions and strategic initiatives as part of the Johnson Controls Operating System
 - Procurement
 - Enterprise ERP
- Portfolio repositioning
 - Corporate development
 - Businesses held as discontinued operations

Johnson Controls Operating System Leveraging our strengths to improve the enterprise

- Each business has unique strengths from which we can extract greater shareholder value
 - Building Efficiency – project management, commercial excellence and relationship management
 - Power Solutions – continuous improvement, manufacturing and quality
 - Automotive Experience – manufacturing engineering, procurement and program management
- Leverage strengths across the organization to develop enterprise initiatives to drive consistent processes and systems
- Pillars of the Johnson Controls Operating System
 - Commercial excellence, engineering, manufacturing, procurement, China
 - Supported by a global ERP implementation to ensure standard processes



The Johnson Controls Operating System.21

What is it?

- Central to how we run the company
- Leverage and build upon in-house best practices

Why is it different?

- Organizational changes
- Supported by full-time resources

What will it mean?

- Johnson Controls will deliver the strong, consistent performance that defines best-in-class multi-industrial companies
- Leverage our talent across the organization
- Rapid M+A integration and synergy capture

The Johnson Controls Operating System will deliver sustainable competitive advantages: \$2 billion savings opportunity

Johnson Controls Operating System Global Manufacturing

Vision ...To become the most operationally capable company in the world

1

- Manufacturing System
- Quality Policy
- Safety System
- Plant “look/feel/brand”
- Plant leadership competency model



Savings from manufacturing focus

- Increase **productivity**
- Improve **quality**
- Attract and develop **talent**
- Enhance **sustainability**
- Eliminate **waste**
- Drive **customer satisfaction**

Model currently being implemented: expect to realize financial benefits beginning in 2015

Johnson Controls Operating System Global Engineering

Creating the optimum balance of quality, cost and delivery

- Identify internal best practices and the path to “industry best”
- Leverage and standardize internal lean engineering expertise
- Drive engineering footprint optimization
- Develop clear action plans to implement best practices across the business



Global Engineering Excellence Council

Improving cost, quality and time to market

- Initiatives started in mid-2014
- Assessed Engineering processes across 16 major technical centers

Johnson Controls Operating System Global procurement

- Appointment of Mike Bartschat as Chief Procurement Officer
- Deliver increased savings
 - Direct: Global commodity teams
 - Indirect: Centralized global procurement
- Improve free cash flow by increasing payables and reducing inventories
- Implement standard scorecard, processes and systems
- Coordinate with operations and engineering to build value from Integrated Supply Chain

Johnson Controls annual supplier spend



Increase our annual procurement savings

Corporate Development

In-house transformation team supporting enterprise financial goals and industry leadership plans

- Increase ability to deliver on business transformation, margin improvement objectives and growth plans
- Capability to change existing business models
 - Automotive Interiors
 - Global Workplace Solutions
- Increase the certainty of achieving long term sales and margin goals
- Bring world class expertise, methods, tools and process to ensure success

Key Responsibilities

- Performance improvement
- Acquisition management
- Valuation
- M+A, pipeline, divestitures
- Post-merger integration

Previously, M+A expertise was primarily within the business units; depth / breadth varied significantly

2015 Corporate Development priorities

Complete Interiors transaction

Complete Hitachi JV

Complete GWS divestiture

Deploy pipeline process

Identify and prioritize inorganic opportunities

Corporate Development - portfolio update Automotive Interiors Joint Venture with Yanfeng

Transaction details

- Creates world's largest automotive interiors supplier
- 2015 revenues of approximately \$7.5 billion, expected growth of 6-8% annually
- 15% estimated global market share (50% larger than next largest competitor)
- 25% share in fast-growing China market
- Expected 5-6% pre-tax margins

Transaction status

- Significant progress to date by Johnson Controls and YanFeng teams
- Chinese anti-trust approval received

Anticipated closing: July 1, 2015

Corporate Development - portfolio update Building Efficiency – Hitachi joint venture

- Strategic partnership with technology leader
- Complementary technologies and products to drive growth in Asia
 - Variable refrigerant flow (VRF)
 - Absorption chiller
- Access to expanded distribution

Johnson Controls / Hitachi joint venture

- Annual revenues: Approximately \$3 billion
- Ownership
 - Johnson Controls 60%
 - Hitachi 40%



Completion expected in fiscal 2015

Corporate Development - portfolio update Global Workplace Solutions (GWS) divestiture

Robust process underway

- JCI improved operating performance; business prepared for sale
- Strong interest from strategic and financial buyers
- Management presentations completed; due diligence currently underway

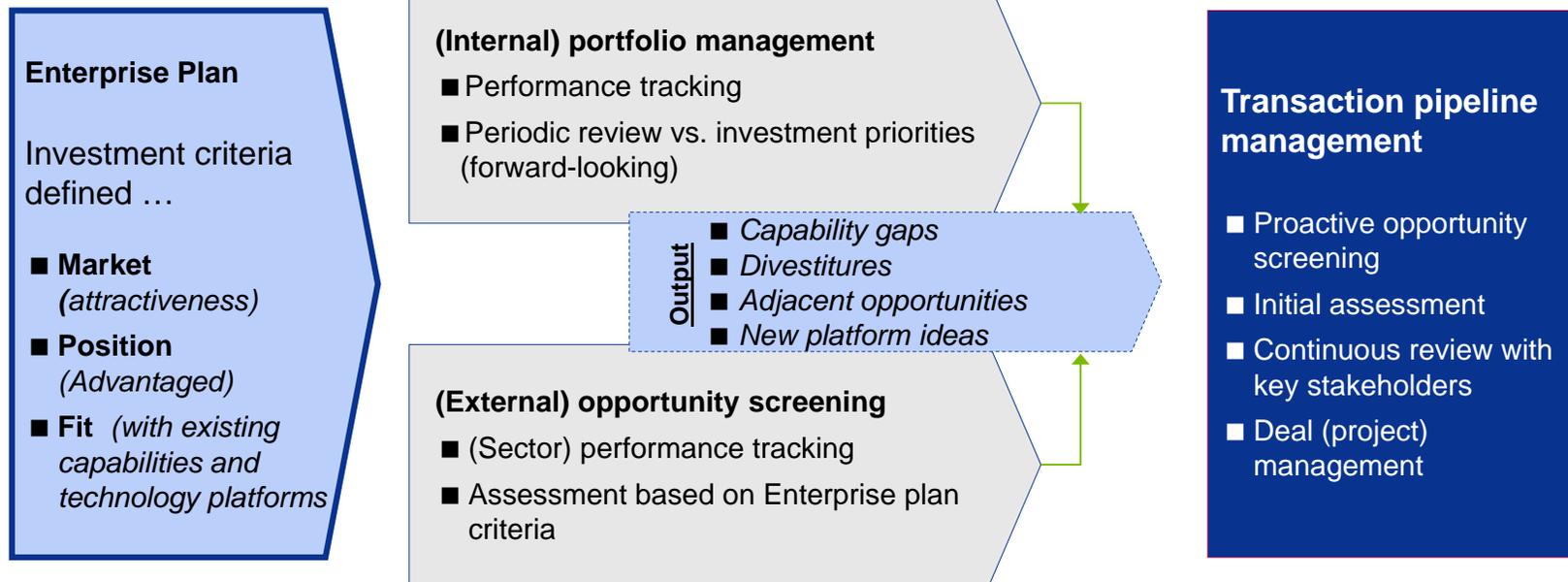
Divestiture of GWS

Divestiture is consistent with multi-industrial portfolio strategies

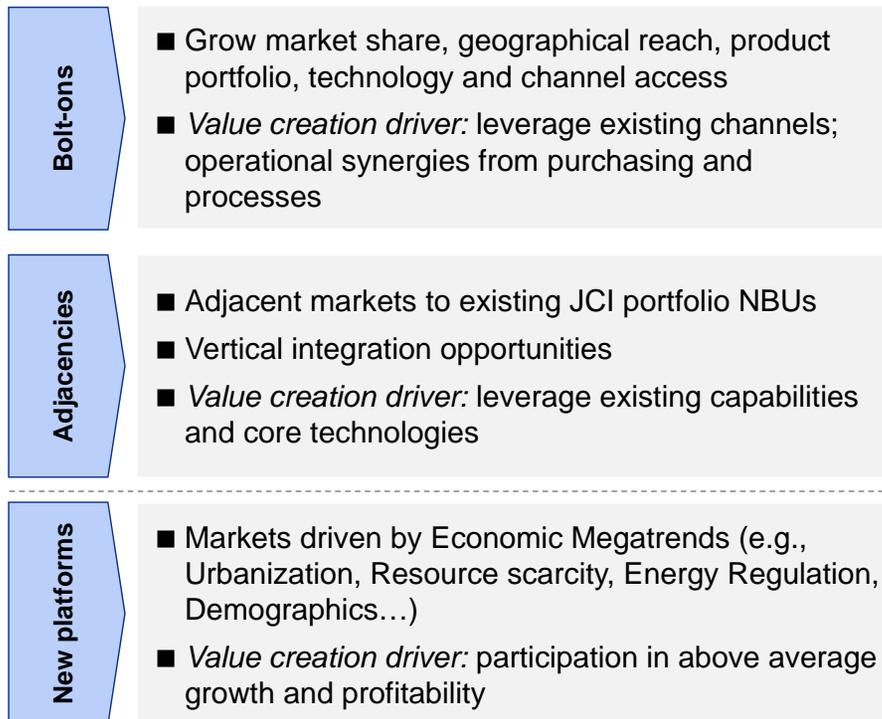
- JCI not the “best owner” of the business
- GWS is exclusively service-based
- Not core to the JCI manufacturing, engineering and product-based portfolio

**Process on track; completion expected
in fiscal 2015**

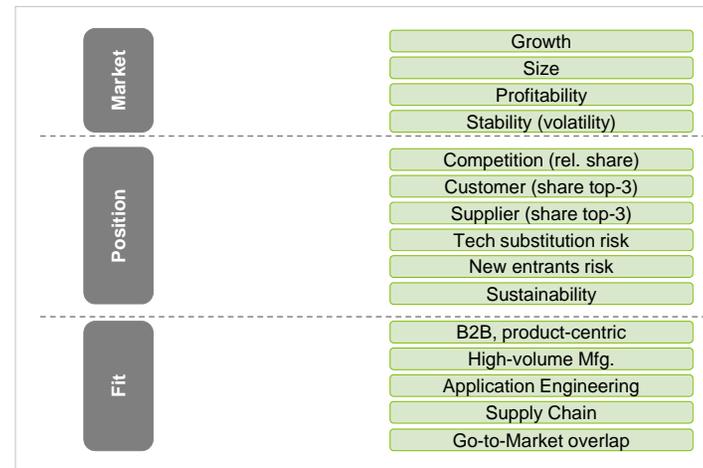
The Enterprise Plan provides a framework through our Natural Business Units to assess new market opportunities



Inorganic drivers of growth



Screening will follow Enterprise plan logic



Leveraging ...



1. Starting with definition based on NASIC

Kim Metcalf-Kupres
Vice President and Chief
Marketing Officer



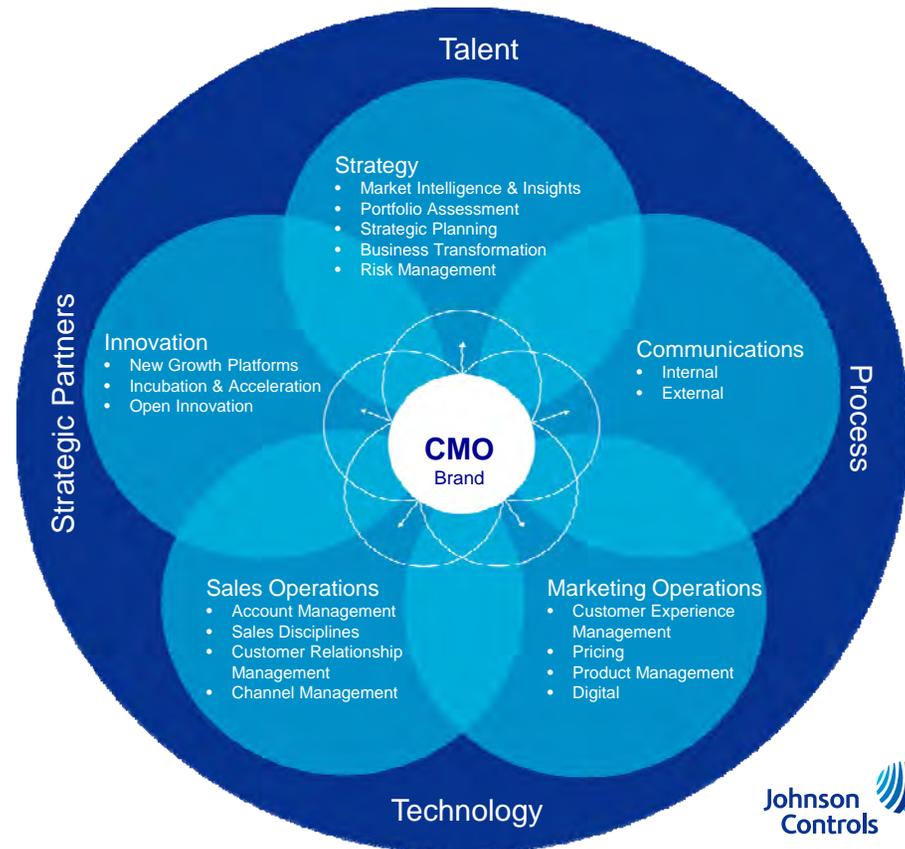
Chief Marketing Officer

My role

- Profitable growth
- New ways to bring value to customers
- Johnson Controls brand

Responsibilities:

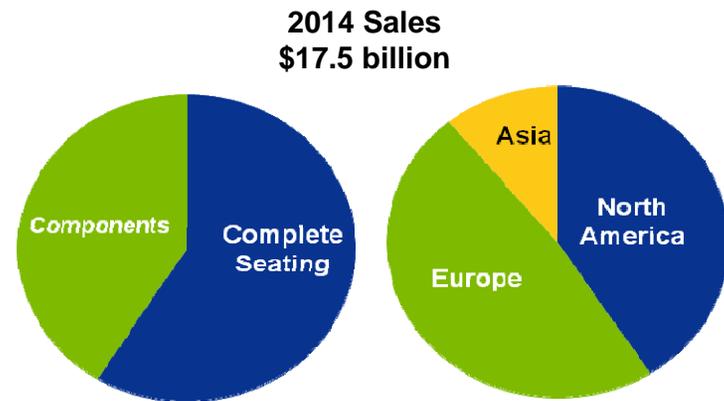
- Marketing & Sales capabilities
- Strategy and business transformation
- Innovation
- Product management
- Brand management
- Commercial excellence
- Communications



Automotive Seating

Leading global provider

- Global presence
- Diversified customer and product portfolios
- Established leader in growing Chinese market
- Vertical integration through complete seats and components
- Investing in technology and advanced development



¹Excludes unconsolidated JVs

Automotive Seating Stronger growth than our peers, competitors and markets

- Leading position in China
- Sustain share in mature markets
- Vertical integration creates content opportunities across programs
- Global footprint supports customers' global platforms
- Commercial excellence focus on strategic account management and customer experience

Enablers

- Industry-leading expertise
- Global development and manufacturing footprint
- Best-in-class component portfolio and manufacturing expertise
- Strong market position as world's leading seating supplier



China

Leveraging our advantages in the world's largest market

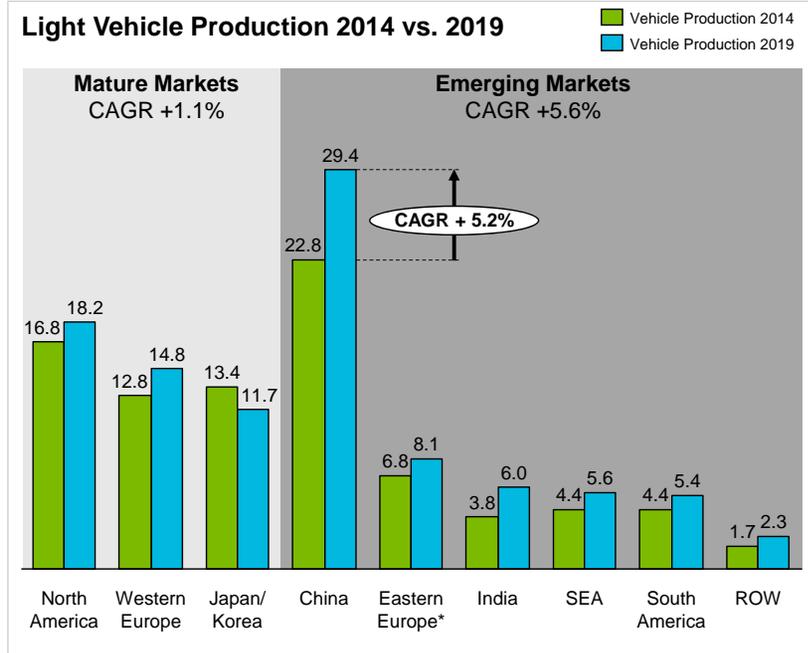
- Strong partnerships with global and local OEs
- Established technical capabilities
- Increasing vertical integration in metals
- Improving margins through best business practices, manufacturing optimization and standardization to drive productivity gains

Johnson Controls auto seating in China

- FY14 Sales Revenue: \$6.1 Billion *
- 42 Joint Ventures with 30 Strategic Partners
- 61 Manufacturing Plants in 30 Cities
- 27,512 Employees

*JVs at 100% of revenue

Light Vehicle Production 2014 vs. 2019



*. Incl. Russia & Turkey

in Million Units, in FY

Source: IHS global vehicle production forecast (03/2014)

CAGR=Compound Annual Growth Rate

Automotive Seating Operational Excellence

Improving profitability through better quality, cost, productivity, speed

- Driving sustainable improvement in our global Metals business
- Improvements in South America following commercial and restructuring initiatives
- Commercial disciplines and processes
- Continuous improvement culture
- Procurement management and savings

Best practices support enterprise operating systems for manufacturing and supply chain excellence



Building Efficiency

Johnson Controls makes buildings all around the world more comfortable, efficient and safe

- HVAC equipment, building controls and technologies with a broad range of value-added services
- Market leader in nonresidential building segments
- Our offerings provide comfortable and productive indoor environments with reduced energy and lower operating costs
- Broad product capabilities and increasing market penetration
- Mega trends are positive for growth
 - Global urbanization with high growth rates in emerging markets
 - Higher energy prices / energy shortages
 - Energy / green house gas legislation / regulation
 - Economic pressure to reduce operating costs across all segments

**2014 Sales
\$14.2 billion**



Building Efficiency Investing for profitable growth

Strategic choices

■ Winning in North America

- Systems & Service North America branch channel
- Expanding independent channels

■ Growth platforms in China and rest of Asia

■ Increasing product focus

- Chillers + parts
- Controls + contracting
- HVAC products and services
- Variable Refrigerant Flow (VRF)
- Air Distribution products

■ Optimizing market coverage globally

- Beyond large / complex building market focus
- Appropriate channels to best serve local markets



Building Efficiency

Refining our operating models around selected products and local markets

Product Businesses

- Compete on product
 - Technology leadership
 - Application coverage
 - Differentiated features
 - Product cost
 - Ease of installation / field cost
 - Operating cost implications (e.g. energy efficiency)
- Different categories are regional or global in scope and competition

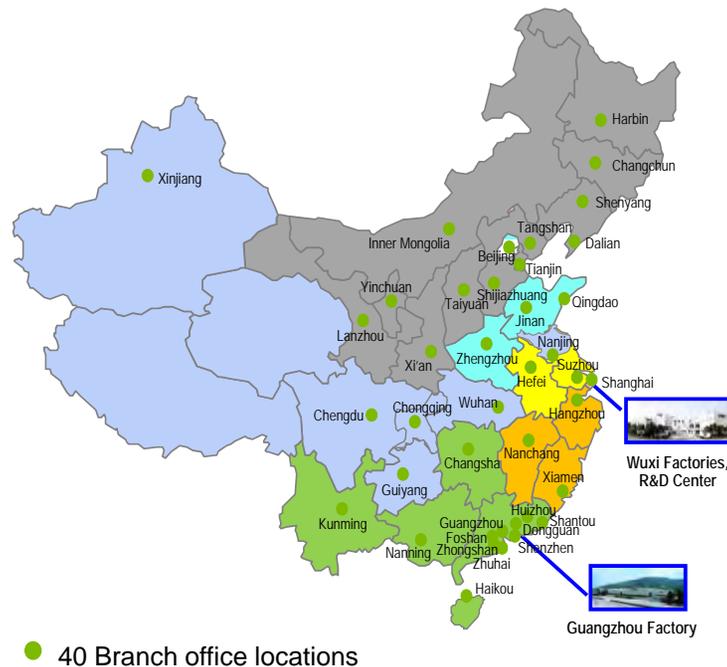


Field Businesses

- Compete on expertise, customer service and relationships
 - Proven track record
 - Local delivery capability
 - Cost competitiveness
 - Ability to influence requirements and selection (for construction events)
- Buildings are by nature local, and most owners operate locally
- Field businesses are most often local firms or networks of local operations



Building Efficiency Strong presence and well-positioned for growth in China



Opportunities

- Urbanization driving expansion of T2+ cities
 - 350 million people expected to move by 2025
 - 50,000 new high-rise buildings by 2025
 - 50% of all 10+ story buildings globally through 2020
- High growth HVAC segments e.g. Variable Refrigerant Flow (VRF)
- Government focus on energy and environment

Strategies

- Direct sales and service branch network
- Independent channels expansion
- Mid-market portfolio expansion incl. VRF, screw chiller, mid-market building automation
- Energy efficient /sustainable offerings

Air Distribution Technologies Strategic product focus and broadened distribution

Strong third-party distribution channels:

+185 non-residential sales relationships +4,000 residential distributor locations

Brands:



Products:



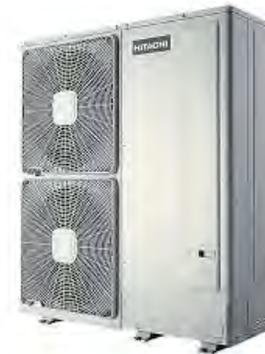
Hitachi Joint Venture Strategic product focus and broadened distribution

Johnson Controls - Hitachi JV MOU

- Complementary commercial and residential HVAC technologies, especially VRF
- More solutions for our customers
- Best in class distribution channels and strong brands
- Expanded manufacturing capabilities



HITACHI
Inspire the Next

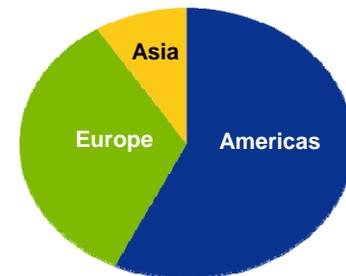
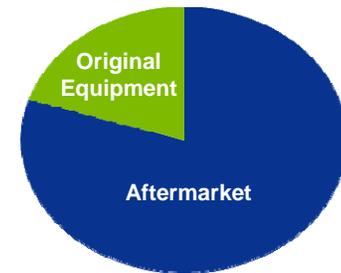


Power Solutions

Global market leader for vehicle energy storage systems, providing superior customer value at the best delivered cost

- 35% global market share for SLI batteries
- Strategic customer relationships and world class aftermarket business
- Original equipment batteries for top automakers worldwide
- Superior portfolio of aftermarket consumer brands
VARTA®, LTH®, Heliar®, Optima®, Energizer®, Champion®
- Technology leader
 - PowerFrame® grid technology
 - Advanced lead acid: Absorbent Glass Mat (AGM), Enhanced Flooded Batteries (EFB)
 - Lithium ion advanced batteries
- Quality, cost leadership
- Expanding global footprint

**2014 Sales
\$6.6 billion**



Power Solutions Global growth platforms

■ Mature Markets – North America & Western Europe

- Leverage core strengths to expand value delivery, reinforce strategic customer relationships and grow

■ Invest for high growth in China

■ Product & Technology

- Offer a complete portfolio of energy storage solutions to suit evolving requirements of current and future powertrains
- Best in class vertical integration, components and recycling capabilities

■ Emerging Markets

- Strong local positions in South America, Middle East and India
- Support growth in Eastern Europe, Southeast Asia and Africa through imports leveraging global footprint
- Prioritize investments as markets continue to develop



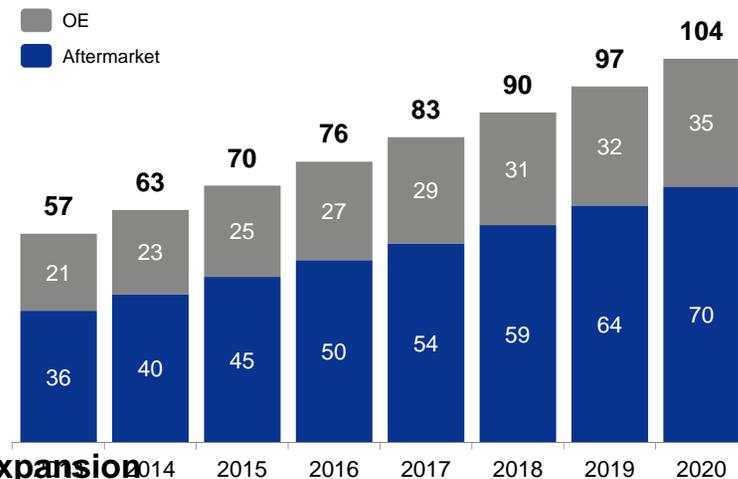
Power Solutions Positioning for aggressive growth in China

Investing in manufacturing and distribution

- **Original Equipment**
 - Strategic relationships
 - Advanced technology
- **Aftermarket**
 - Continue building VARTA brand in China
 - Expand distribution network in all regions
 - Extend product portfolio to mid-tier segments
- **Components & Supply Chain**
 - Drive cost and quality as factories mature
 - Develop regional supply chain capabilities
- **Continue to explore and prioritize investments in expansion and vertical integration**

Positioning Power Solutions expected to reach 25% market share by 2020

Chinese Automotive Battery Market Forecast



Largest automotive battery market in the world by 2020

Power Solutions Product & technology strategies



Advanced Start-Stop – Extending the lead-acid battery capability Dual battery system: 12 volt lead-acid battery + 12 volt Li-Ion battery

Advanced Start-Stop

- Extends Start-Stop functionality to capture energy from vehicle braking and reduce engine idling time
- Delivers 5-8% fuel efficiency over conventional vehicle technology
- Requires no changes to vehicle and powertrain architectures beyond alternator sizing

12 volt lithium-ion battery

- Enables coasting and electric boost
- Supports higher electrical loads
- In development with European automakers

12 volt lead-acid battery

- Engine cold cranking and key-off loads



12V Lithium ion Battery

Portfolio of strong global businesses, serving attractive end markets

Johnson Controls businesses

- Executing focused strategies for profitable growth
- Developing new ways to bring value to customers
- Differentiating core capabilities

**Attractive, sustainable
returns for our
shareholders**



Brian J. Stief

Executive Vice President and
Chief Financial Officer



Philosophies and personal background

Philosophies

- Consistent execution - no surprises
- Deliver on commitments - accountability
- Focus on value creation

Personal Background

- PricewaterhouseCoopers (1979 – 2010); admitted to partnership in 1989
- Served primarily global MNCs in the consumer and industrial products industries (Caterpillar, Johnson Controls, Miller Brewing, etc.)
- Held various Office Managing Partner and regional leadership roles at PwC
- Joined Johnson Controls in 2010 as VP & Corporate Controller
- Executive Vice President and Chief Financial Officer, September 2014

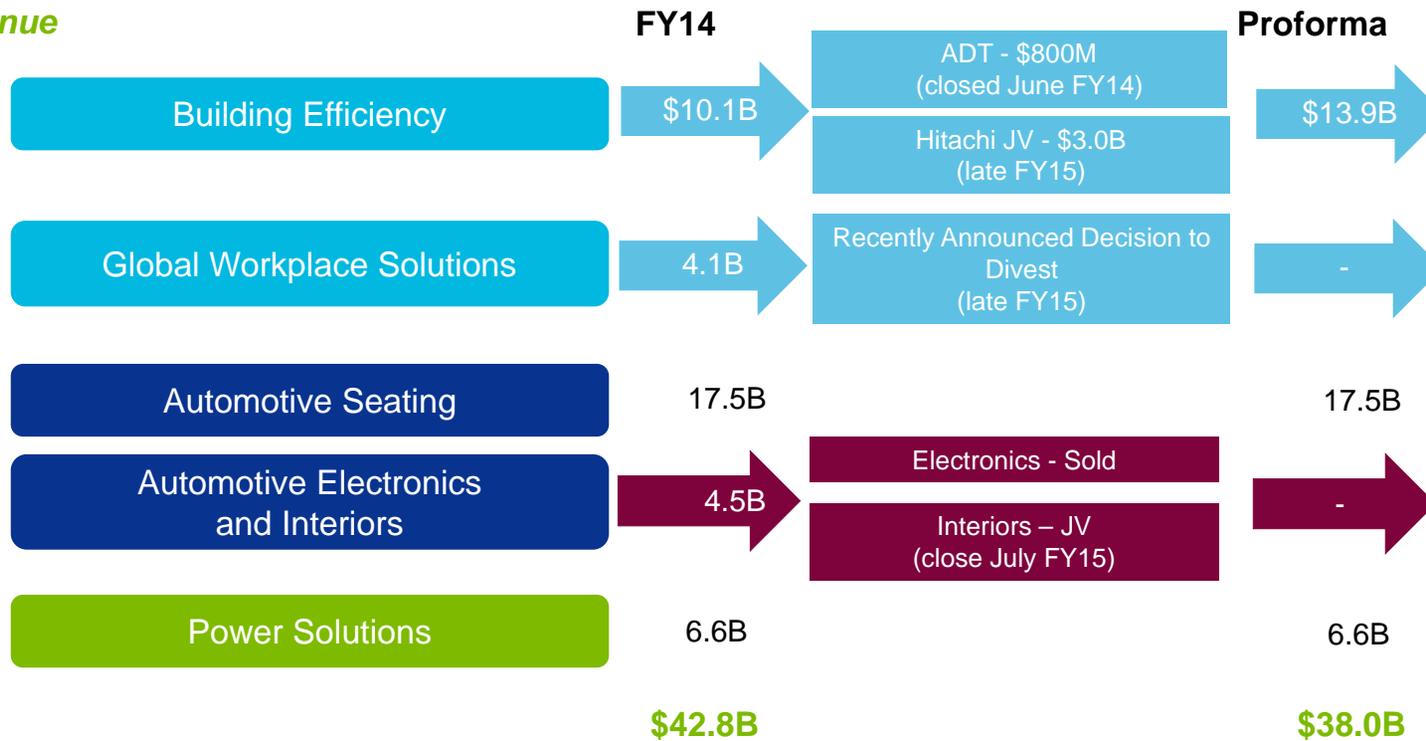
Johnson Controls financial model

- Clear portfolio choices, with a focus on where we can win and making the required investments
- Support business and operating model changes
- Significant attention to margin enhancement through cost reduction, commercial discipline and efficiency improvements; several initiatives underway
- Balanced allocation of capital to ensure highest return on investments; bias toward Building Efficiency and Power Solutions in the future
- Consistent and sustainable returns to our shareholders



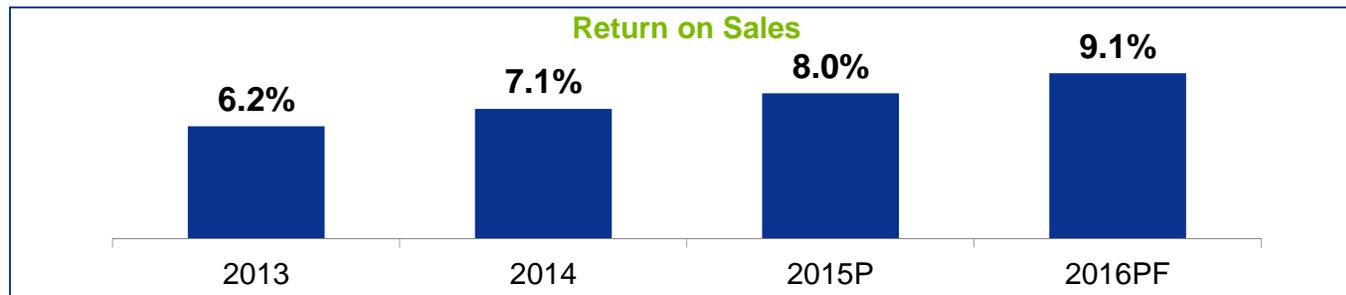
Clear portfolio choices

Revenue



Focus on margin enhancement

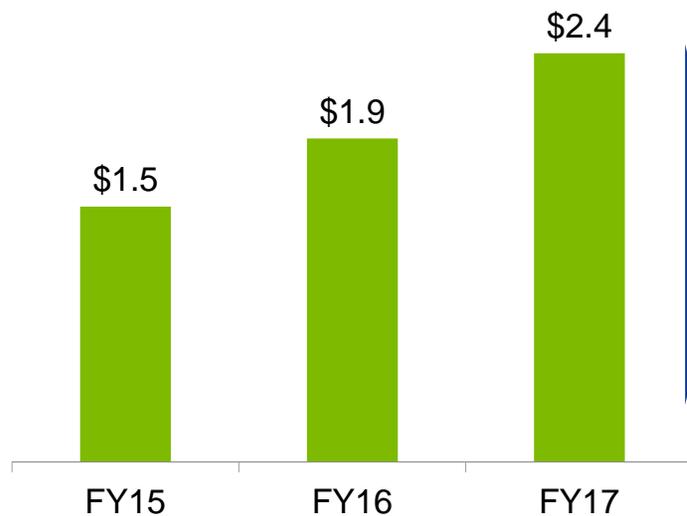
- Restructuring and turnaround initiatives across our businesses, including headcount reductions and global footprint changes
- Cost reduction, pricing and procurement initiatives
- Manufacturing, engineering and global SAP implementation initiatives underway to leverage scale and efficiencies
- Centralization of services model in various functional areas
- Vertical integration opportunities
- Divestiture of lower margin, non-core businesses



Balanced capital allocation framework Free cash flow

Significant Free Cash Flow (est.)

\$5.8 billion cumulative



Key Objectives

- BBB+ minimum rating
- Target 30 - 35% debt to capital
- Maintain financial flexibility

Balanced Capital Allocation Goals

Investing in
High ROI Capex

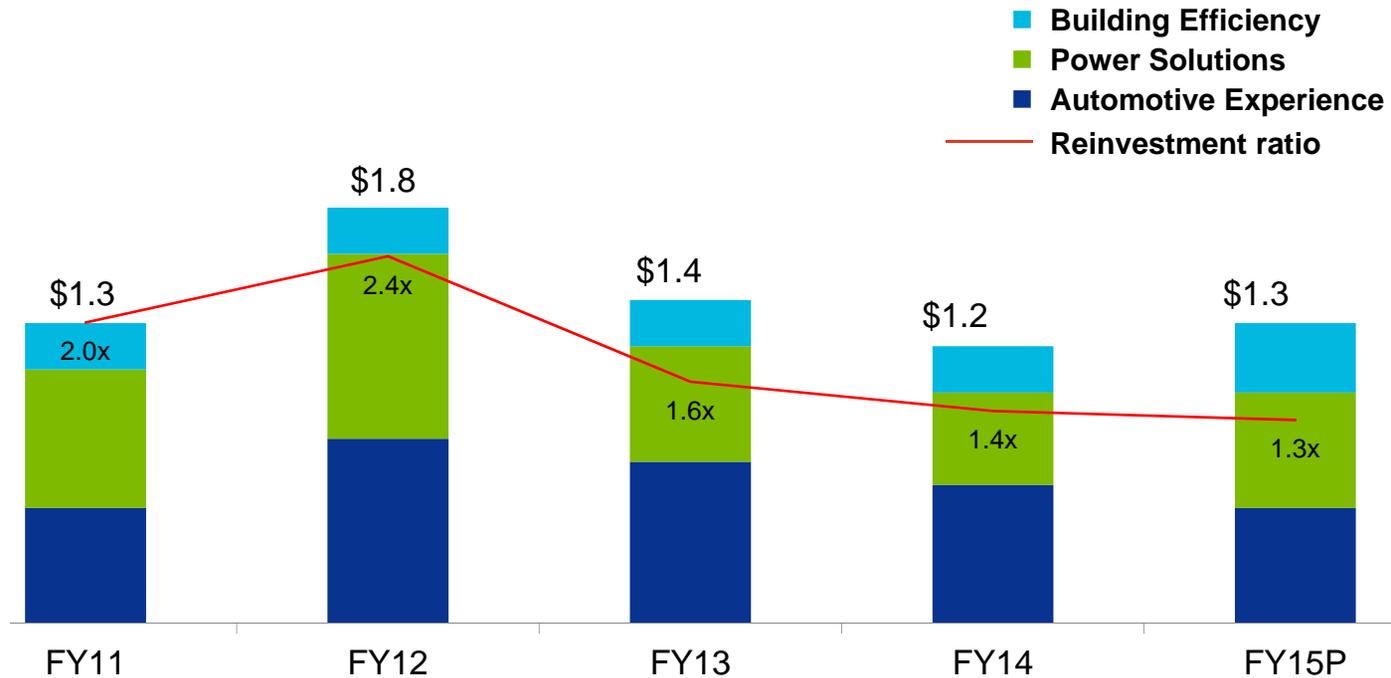
Paying a
Competitive Dividend

Pursuing Strategic M&A

Executing Share
Repurchase

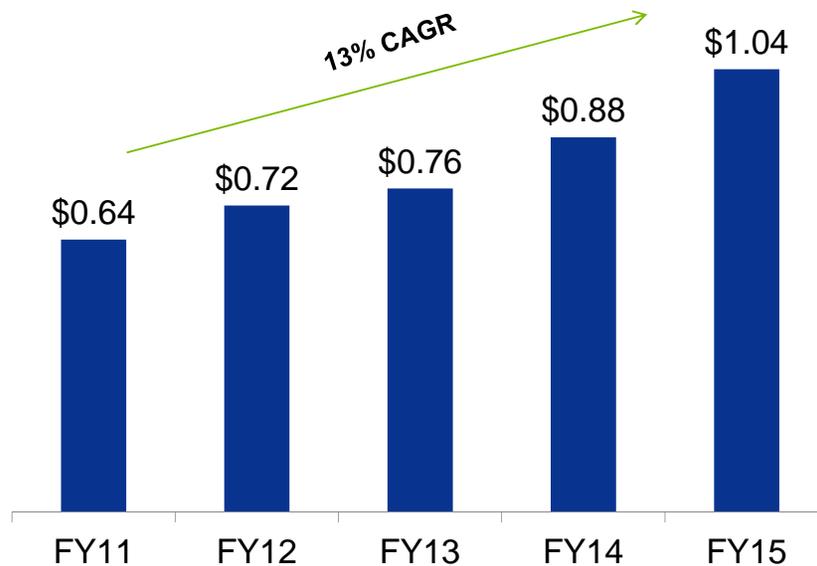
Balanced capital allocation framework Capex

(\$billion)



Shareholder returns Strong dividend track record continues

Dividends Per Share



- Consecutive dividend payments since 1887
- \$3.5 billion in cash returned to shareholders via dividends over the past 10 years
- 33 dividend increases in past 35 years
 - Recently announced FY15 increase to \$0.26 / share vs. \$0.22 / share
 - 18% increase

Dividend philosophy

- Increase dividends in line with earnings growth

Shareholder returns Share repurchase program

- Announced share repurchase program in FY14; total of \$3.65 billion over 3 years
 - \$1.25 billion completed in FY14
 - \$1.20 billion planned for FY15; \$600 million completed in Q1
 - \$1.20 billion planned for FY16

Repurchase philosophy

- Utilize share repurchases as means to return cash to our shareholders
- Maintain minimum credit rating of BBB+
- Maintain flexibility to pursue strategic acquisitions

Total cash returned to shareholders (share repurchases and dividend payments) is expected to exceed \$5.6 billion in FY14 through FY16

Entering FY15

Good Momentum

- Improving late-cycle markets
- Operational improvements continue
- Expect margin expansion across our businesses
- Investing for long-term growth and margin expansion
- Stronger cash flow generation
- Benefits of cost discipline and pricing initiatives
- Solid progress on portfolio changes



Taking Actions

- Portfolio – Interiors joint venture, Hitachi joint venture, GWS divestiture and ADT integration
- Execute restructuring and cost reduction activities
- Further investments in emerging markets
- Continuation of share repurchase program
- Focus on trade working capital improvements
- Strategic acquisitions

FY15 underlying key assumptions

Automotive Production

■ North America	17.2m	up 2%
■ Europe	25.0m	up 2%
■ China	24.5m	up 10%

Construction Spending

■ Non-residential – U.S.	+2%
– Europe	+1%
– Asia	+10%

Euro - \$1.30 (potential headwind)

Tax Rate - 19% in FY15 (19.4% in FY14)

M&A Activity

- Interiors joint venture closes on July 1, 2015; no segment income impact
- GWS results included for full year
- Hitachi joint venture results not included

Commodities

- Minimal exposure
 - Hedging strategies
 - Economics indexing in Automotive
- Lead at \$2,200/MT (average \$2,125 in FY14)

Johnson Controls Strategic Review and 2015 Outlook
December 2, 2014

FY15 outlook

Consolidated net sales

Approx \$42.3B (down 1%)

- Full year ADT (+\$800M)
- Continued growth in emerging markets across all businesses, particularly China
- Strong aftermarket volumes
- Deconsolidate Interiors business on July 1, 2015 (-\$0.9B)
- Planned AE capital constraints and targeted new business hurdles

Segment income growth*

Approx 11%

- Segment margin expansion of 90 bps
- Potential foreign exchange headwinds

EPS

Approx \$3.55 – \$3.70

- Restructuring, cost reduction and pricing initiatives
- Improved operational performance
- Excludes transaction / integration costs

Net financing charges

Approx \$300 million

- Higher average debt levels due to FY14 ADT acquisition and share repurchase program

Capital expenditures

Approx \$1.3 billion

- Selective automotive new business launches
- Capacity expansion in emerging markets
- Global SAP implementation

Net debt-to-capitalization

Approx 30% - 33%

- Weighted average debt maturity of 14 years (9 years in FY13)

Free cash flow

Approx \$1.5B

- Strong cash flow to fund capital expenditures, share repurchases and dividend payments

* Excluding 2014 one-time items

Building Efficiency - excluding Global Workplace Solutions (GWS) FY15 financial outlook

Sales growth of 9% to 11% (2% to 4% ex ADT)

- Modest North America market recovery
- Growth in China strong, but slowing
- Strong emerging market growth; Middle East and Latin America markets under pressure

Margin expansion to 9.4% - 9.6%

- Pricing and business model changes
 - North America reorganization
- Benefits of cost reduction, procurement and restructuring initiatives
- Improved Middle East performance

Building Efficiency segment reporting under review



Building Efficiency (excluding GWS) Mid-term outlook (through FY19)

Sales growth of 6% to 7%

- Late-cycle market recovery
- ADT synergies
- Growth in emerging markets



Margin expansion to 11.0% - 12.0%

- Average annual improvement of 40 to 50 bps
- ADT margins accretive
- Johnson Controls Operating System benefits
- Continuous improvement and supply chain management
- Pricing and cost reduction initiatives
- Emerging market growth



Automotive Experience - Seating FY15 financial outlook

Sales decline of 5% to 6%

- Higher volumes in North America and Europe
- Continued growth in emerging markets, particularly China
- Planned capital constraints and targeted new business hurdles



Margin expansion to 5.4% - 5.7%

- Ongoing operational improvements
 - Metals and South America turnaround programs
 - Restructuring benefits
 - Procurement initiatives
- Strong performance in China joint ventures
- Continued pricing pressure

Automotive Experience - Seating Mid-term outlook (through FY19)

Sales growth of 2% to 3%

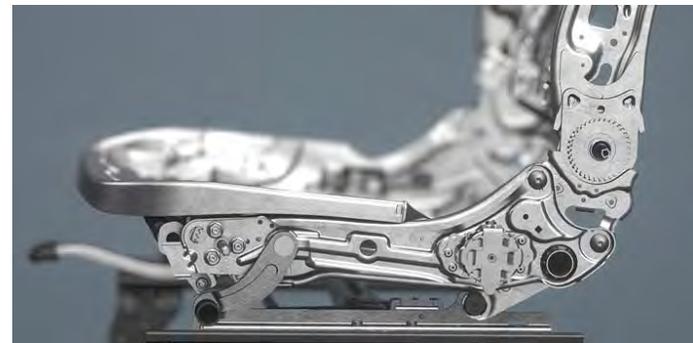
- Strong global production volumes
- Impact of lower capital expenditures and targeted new business hurdles

Margin expansion to 7.0% - 8.0%

- Average annual improvement of 50 to 60 bps
- Improved Metals and European profitability
- Johnson Controls Operating System benefits
- Operational improvements
- Commercial discipline
- Strong performance in China joint ventures

Seating: Three-year backlog

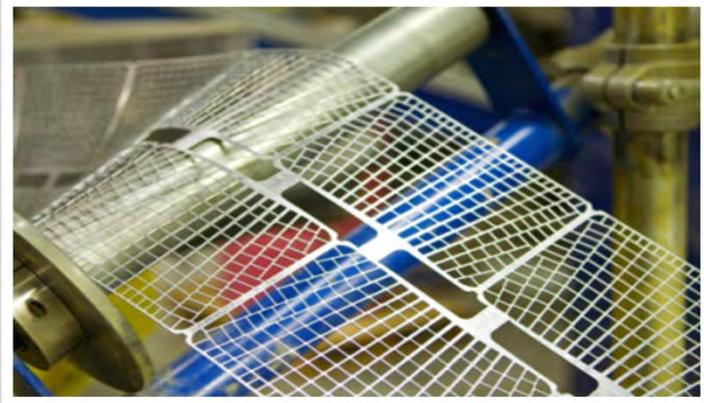
- \$3.4 billion vs. \$2.5 billion in prior year
- 65% in China



Power Solutions 2015 financial outlook

Sales growth of 8% to 10% (7% to 9% ex lead)

- Higher volumes across all regions and channels
- Continued improvement in China
- Market share growth
- Increasing production of AGM batteries



Margin expansion to 16.4% - 16.6% (16.5% - 16.7% ex lead)

- Operating leverage
 - Volume increases
 - Improving China profitability / AGM volume growth
- Operational improvements
 - Vertical integration
 - Procurement initiatives
 - Manufacturing efficiencies
- Pricing and cost reduction initiatives
- Continued China and advanced battery investments

Power Solutions Mid-term outlook (through FY19)

Sales growth of 5% to 6%

- Growth in China and other emerging markets
- Continued market share gains
- Advanced Battery volumes

Margin expansion to 18.0% - 19.0%

- Average annual improvement of 50 bps
- Improved product mix (AGM)
- Johnson Controls Operating System benefits
- Cost reduction initiatives
- Continued investment in Advanced Battery technologies



GWS & Interiors 2015 financial outlook

GWS

Sales flat to decline of 1%

- Several significant new business and renewal awards
- Commercial discipline

Margin expansion to 3.2% - 3.5%

- Operating model changes
- Benefits of restructuring and cost reduction initiatives

***GWS likely reported as discontinued operation
in FY15***

Interiors

Sales decline of 20% to 25%

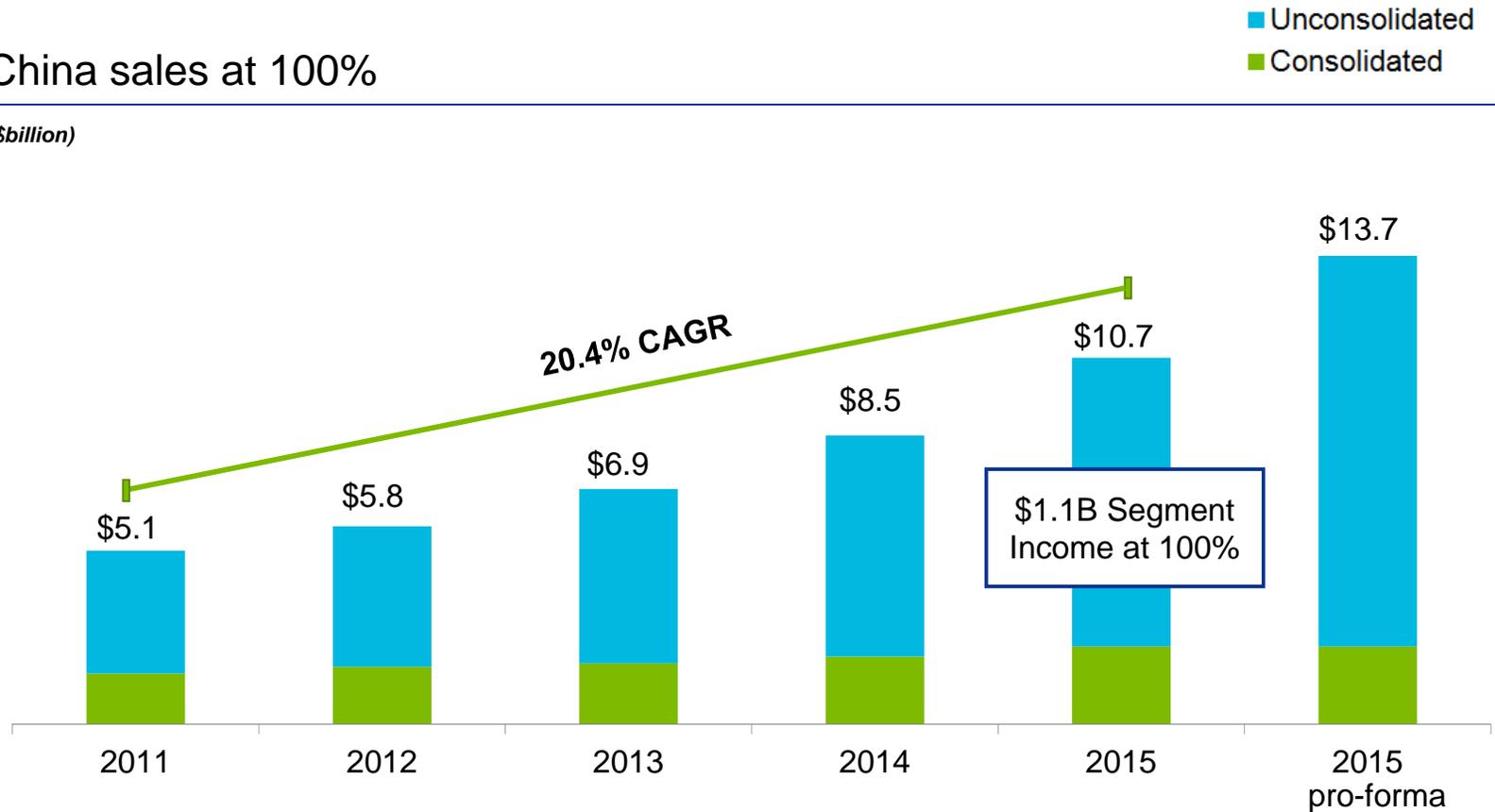
- Deconsolidate business on July 1, 2015 – maintain 30% equity interest in joint venture
- FY14 divestiture of sunvisor / headliner business

Margin expansion to 2.5% - 3.0%

- Continued execution of turnaround program
- Benefits of restructuring and cost reduction initiatives

China sales at 100%

(\$billion)



Johnson Controls A commitment to profitable, sustainable growth

- Focused on execution and delivering against our objectives
- Confident in our outlook for FY15

**Committed to delivering \$3.55 - \$3.70 /
share in FY15
(up 12% - 16% YOY)**





*Driving sustainable growth and returns
in attractive global markets where we can win*