

JOHNSON CONTROLS INC

Form 8-K

January 07, 2004

**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): January 7, 2004

Commission File Number 1-5097

**JOHNSON CONTROLS, INC.**

(Exact name of registrant as specified in its charter)

Wisconsin  
(State of Incorporation)

39-0380010  
(I.R.S. Employer Identification No.)

5757 N. Green Bay Avenue  
P.O. Box 591  
Milwaukee, Wisconsin  
(Address of principal executive offices)

53201  
(Zip Code)

Registrant's telephone number, including area code: (414) 524-1200

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ITEM 5 OTHER EVENTS

Johnson Controls, Inc. ( Johnson Controls or the Company ) wishes to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 by filing this Form 8-K. By filing this form, Johnson Controls wishes to caution readers that the following important factors, among others, in some cases have affected, and in the future could affect, Johnson Controls 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.

Johnson Controls annually performs an assessment 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; changes in automobile battery supply contracts with Johnson Controls major customers; constraints placed upon automobile manufacturers which limit their ability to subcontract for component parts, such as collective bargaining agreements and union negotiations; delays or cancellations of new vehicle programs; market and financial consequences of any recalls that may be required on Company products; delays or difficulties in new product development; financial or market declines of the Company s customers; limitations of raw materials necessary for automotive and controls production due to availability and pricing; cyclical nature of the automobile parts industry; a significant decline in the construction of new commercial buildings requiring interior control systems; major changes in energy costs or governmental regulations that would decrease the incentive for customers to update or improve their interior control systems; decline in the outsourcing of facility management or insourcing of facility management of government facilities.

**CHANGES IN LABOR FORCE**

The effects of labor strikes, work stoppages, or other interruptions; 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.

**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.

**CHANGES IN COMPANY STRUCTURE**

Start-up expenses incurred by expanding the Company, including inefficiencies and delays; the successful implementation of European 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; amount, rate and growth in Johnson Controls selling, general and administrative expenses (e.g., healthcare, pension and/or insurance costs); impact of unusual items resulting from on-going evaluations of business strategies, asset valuations, acquisitions, divestitures and organizational structures.

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

Effects stemming from changes in trade policies, laws, regulations, activities of governmental agencies, 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 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 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 ECONOMY**

Persistence of long-term economic uncertainty in Asia, South America 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**

Effect of potential terrorist sponsored events on Company's business. These events could have the effect of accelerating or exacerbating automotive or controls industry risks such as those noted above in this disclosure. In addition, these events could have the potential to heighten Johnson Controls business interruption related risk such as disruption in supply chains, or liability claims arising out of commercial facilities the Company has operated or supplied building systems to.

**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.

BY: /s/ Stephen A. Roell

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Stephen A. Roell  
Senior Vice President and  
Chief Financial Officer

Date: January 7, 2004