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JOHNSON CONTROLS INC  
Form 425  
March 08, 2016

Filed by Johnson Controls, Inc.  
pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934  
Subject Company: Johnson Controls, Inc.  
Commission File No.: 1-5097

*The below statement was posted to Johnson Controls Inc.'s external website.*

Setting the record straight Johnson Controls never took auto bailout funds

In this political season, our recently announced merger with Tyco has become fair game. Unfortunately, it has been portrayed that Johnson Controls accepted money from the Federal government in 2008 as part of the U.S. auto industry bailout.

That is simply not true. Johnson Controls did not request and did not receive aid from the government during the financial crisis. Nor did the company declare bankruptcy.

In fact, Johnson Controls did not even request an appearance before Congress on this subject. Rather, we were asked by customers and the Senate Banking Committee to testify in 2008 on behalf of automotive suppliers on proposed government support to U.S. automakers, who were struggling due to the financial crisis.

As a representative of the broad supply chain, our President and Chief Operating Officer at the time, Keith Wandell, encouraged Congress to support the automakers, noting that failure of even one of them would have devastating consequences for the entire industry, including many U.S. suppliers, particularly many small, women, and minority-owned businesses.

Let me set the record straight for our customers, suppliers, employees as well as interested citizens by referring to what the company actually did, as stated in our 2008 testimony.

Truth: Johnson Controls was not in financial distress and did not request aid from the government.

The testimony: We are diversified, profitable and have a strong balance sheet. Unlike many automotive suppliers, we would weather this storm.

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In fact, Johnson Controls testified that it was financially strong enough to step in and had taken action itself to help support the industry.

The testimony: Recently, a minority supplier to Johnson Controls, Plastech Engineered Products, failed and went into bankruptcy. This supplier had \$800 million of revenue providing parts to 52 vehicle assembly plants. Had Johnson Controls and the first-tier lending group not acquired Plastech's assets out of bankruptcy the supplier would have been liquidated, and forced the shutdown of these 52 assembly plants.

The company's participation and testimony in the Senate hearing was focused on the overall auto industry, not on Johnson Controls.

The testimony: Our main concern is that once cascading supply chain interruptions would begin, many suppliers will fail due to the interdependence of the supply chain. Many of the companies which would be impacted are small, women and minority-owned businesses.

I encourage you to read the entire transcript, which is available on our company website, [johnsoncontrols.com](http://johnsoncontrols.com).

Since the financial downturn, Johnson Controls has played a vital role in the recovery and growth of the U.S. economy, and continued to thrive as a leading global multi-industrial company.

Johnson Controls has been and will remain a major employer in the U.S. with nearly 36,000 employees. Since the low point of the financial crisis, Johnson Controls employment in the U.S. has grown by 8,000 jobs.

And we continue to invest in the U.S., spending \$400 - \$600 million per year in capital expenditures. In recent years, the company invested an additional half billion dollars on new IT initiatives in the U.S. Including our equity joint ventures, our U.S. capital investments swell by another \$100 - \$200 million annually.

We spend approximately \$500 million per year in the U.S. on research and development, including work to develop advanced battery technologies for hybrid and electric vehicles.

This fall, Johnson Controls will spin off its automotive seating business into the independent automotive seating company Adient. The two companies will continue to pay significant U.S.

taxes in excess of \$300 million annually in federal and state income taxes as well as \$50 to 100 million in property tax, sales and use tax and excise tax. In addition, the companies will continue to pay hundreds of millions in payroll taxes related to our U.S. employees.

At about the same time, Johnson Controls will merge with Tyco International, the next step in the company's journey to grow in the U.S. and globally, drive innovation and make buildings smarter, more secure and energy efficient. This merger is not motivated by taxes, as has been suggested, but rather an incredible opportunity to combine two global leaders, which will lead to continued investments and expanded opportunities for our U.S. workforce.

While we will be separate companies, Johnson Controls and Adient remain committed to growing and investing in the U.S. We won't allow distractions of the campaign season to divert us from the decisions we make every day to invest in channels, markets and products that create growth, serve customers and increase shareholder value.

Sincerely,

Alex Molinaroli,

Chairman, President and CEO, Johnson Controls

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#### **NO OFFER OR SOLICITATION**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.

#### **ADDITIONAL INFORMATION AND WHERE TO FIND IT**

In connection with the proposed transaction between Johnson Controls, Inc. ( Johnson Controls ) and Tyco International plc ( Tyco ), Tyco will file with the U.S. Securities and Exchange Commission (the SEC ) a registration statement on Form S-4 that will include a joint proxy statement of Johnson Controls and Tyco that also constitutes a prospectus of Tyco (the Joint Proxy Statement/Prospectus ). Johnson Controls and Tyco plan to mail to their respective shareholders the definitive Joint Proxy Statement/Prospectus in connection with the transaction.



INVESTORS AND SECURITY HOLDERS OF JOHNSON CONTROLS AND TYCO ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT JOHNSON CONTROLS, TYCO, THE TRANSACTION AND RELATED MATTERS. Investors and security holders will be able to obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC by Johnson Controls and Tyco through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders will be able to obtain free copies of the documents filed with the SEC by Johnson Controls by contacting Johnson Controls Shareholder Services at [Shareholder.Services@jci.com](mailto:Shareholder.Services@jci.com) or by calling (800) 524-6220 and will be able to obtain free copies of the documents filed with the SEC by Tyco by contacting Tyco Investor Relations at [Investorrelations@Tyco.com](mailto:Investorrelations@Tyco.com) or by calling (609) 720-4333.

#### **PARTICIPANTS IN THE SOLICITATION**

Johnson Controls, Tyco and certain of their respective directors, executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective shareholders of Johnson Controls and Tyco in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Joint Proxy Statement/Prospectus when it is filed with the SEC. Information regarding Johnson Controls' directors and executive officers is contained in Johnson Controls' proxy statement for its 2016 annual meeting of shareholders, which was filed with the SEC on December 14, 2015. Information regarding Tyco's directors and executive officers is contained in Tyco's proxy statement for its 2016 annual meeting of shareholders, which was filed with the SEC on January 15, 2016.

#### **Johnson Controls Cautionary Statement Regarding Forward-Looking Statements**

There may be statements in this communication that are, or could be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and, therefore, subject to risks and uncertainties, including, but not limited to, statements regarding Johnson Controls or the combined company's future financial position, sales, costs, earnings,

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cash flows, other measures of results of operations, capital expenditures or debt levels are forward-looking statements. Words such as may, will, expect, intend, estimate, anticipate, believe, should, forecast, project or plan or terms of similar meaning are also generally intended to be forward-looking statements. Johnson Controls cautions that these statements are subject to numerous important risks, uncertainties, assumptions and other factors, some of which are beyond Johnson Controls' control, that could cause Johnson Controls or the combined company's actual results to differ materially from those expressed or implied by such forward-looking statements, including, among others, risks related to: Johnson Controls' and/or Tyco's ability to obtain necessary regulatory approvals and shareholder approvals or to satisfy any of the other conditions to the transaction on a timely basis or at all, any delay or inability of the combined company to realize the expected benefits and synergies of the transaction, changes in tax laws, regulations, rates, policies or interpretations, the loss of key senior management, anticipated tax treatment of the combined company, the value of the Tyco shares to be issued in the transaction, significant transaction costs and/or unknown liabilities, potential litigation relating to the proposed transaction, the risk that disruptions from the proposed transaction will harm Johnson Controls' business, competitive responses to the proposed transaction and general economic and business conditions that affect the combined company following the transaction. A detailed discussion of risks related to Johnson Controls' business is included in the section entitled "Risk Factors" in Johnson Controls' Annual Report on Form 10-K for the fiscal year ended September 30, 2015 filed with the SEC on November 18, 2015 and available at [www.sec.gov](http://www.sec.gov) and [www.johnsoncontrols.com](http://www.johnsoncontrols.com) under the "Investors" tab. Any forward-looking statements in this communication are only made as of the date of this communication, unless otherwise specified, and, except as required by law, Johnson Controls assumes no obligation, and disclaims any obligation, to update such statements to reflect events or circumstances occurring after the date of this communication.

#### **Tyco Cautionary Statement Regarding Forward-Looking Statements**

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, Tyco's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as believe, expect, anticipate, intend, target, estimate, continue, positions, plan, predict, provide guidance, goal, objective, prospects, possible or potential, by future conditional verbs such as assume, will, would, should, could, variations of such words or by similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made and we assume no duty to update forward-looking statements. Actual results may differ materially from current projections.

Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction. Many factors could cause actual results to differ materially from these forward-looking statements, including, in addition to factors previously disclosed in Tyco's reports filed with the SEC, which are available at [www.sec.gov](http://www.sec.gov) and [www.Tyco.com](http://www.Tyco.com) under the "Investor Relations" tab, and those identified elsewhere in this communication, risks relating to the completion of the proposed transaction on anticipated terms and timing, including obtaining shareholder and regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of the new combined company's operations, the ability of Tyco and Johnson Controls to integrate their businesses successfully and to achieve anticipated synergies, changes in tax laws or interpretations, access to available financing, potential litigation relating to the proposed transaction, and the risk that disruptions from the proposed transaction will harm Tyco's business.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

#### **Statement Required by the Irish Takeover Rules**

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The directors of Johnson Controls accept responsibility for the information contained in this communication other than that relating to Tyco and the Tyco group of companies and the directors of Tyco and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Johnson Controls (who have taken all reasonable care to ensure that such is the case), the information contained in this communication for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Tyco accept responsibility for the information contained in this communication relating to Tyco and the directors of Tyco and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Tyco (who have taken all reasonable care to ensure such is the case), the information contained in this communication for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

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Centerview Partners LLC is a broker dealer registered with the United States Securities and Exchange Commission and is acting as financial advisor to Johnson Controls and no one else in connection with the proposed transaction. In connection with the proposed transaction, Centerview Partners LLC, its affiliates and related entities and its and their respective partners, directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than Johnson Controls for providing the protections afforded to their clients or for giving advice in connection with the proposed transaction or any other matter referred to in this announcement.

Barclays Capital Inc. is a broker dealer registered with the United States Securities and Exchange Commission and is acting as financial advisor to Johnson Controls and no one else in connection with the proposed transaction. In connection with the proposed transaction, Barclays Capital Inc., its affiliates and related entities and its and their respective partners, directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than Johnson Controls for providing the protections afforded to their clients or for giving advice in connection with the proposed transaction or any other matter referred to in this announcement.

Lazard Freres & Co. LLC, which is a registered broker dealer with the SEC, is acting for Tyco and no one else in connection with the proposed transaction and will not be responsible to anyone other than Tyco for providing the protections afforded to clients of Lazard Freres & Co. LLC, or for giving advice in connection with the proposed transaction or any matter referred to herein.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

This communication is not intended to be and is not a prospectus for the purposes of Part 23 of the Companies Act 2014 of Ireland (the 2014 Act ), Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005) of Ireland (as amended from time to time) or the Prospectus Rules issued by the Central Bank of Ireland pursuant to section 1363 of the 2014 Act, and the Central Bank of Ireland ( CBI ) has not approved this communication.

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