Johnson Controls

Creating a more comfortable, safe and sustainable world

Clay Nesler (clay.g.nesler@jci.com)
VP, Global Energy and Sustainability

Johnson Controls

Three global businesses focused on sustainability

Building Efficiency

Commercial/residential systems & equipment

Technical, workplace & energy services

Energy efficiency, comfort and security

Power Solutions

Starting batteries – new & replacement

Hybrid batteries (lead acid, NiMH, Li-Ion)

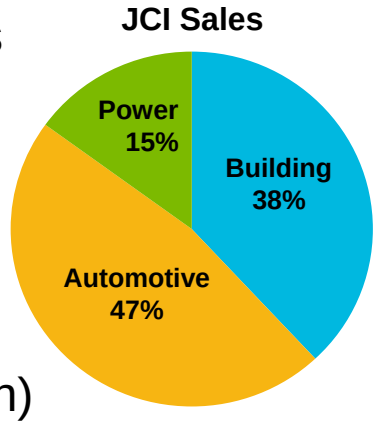
Battery recycling, reliability and safety

Automotive Experience

Seating, interiors and electronics

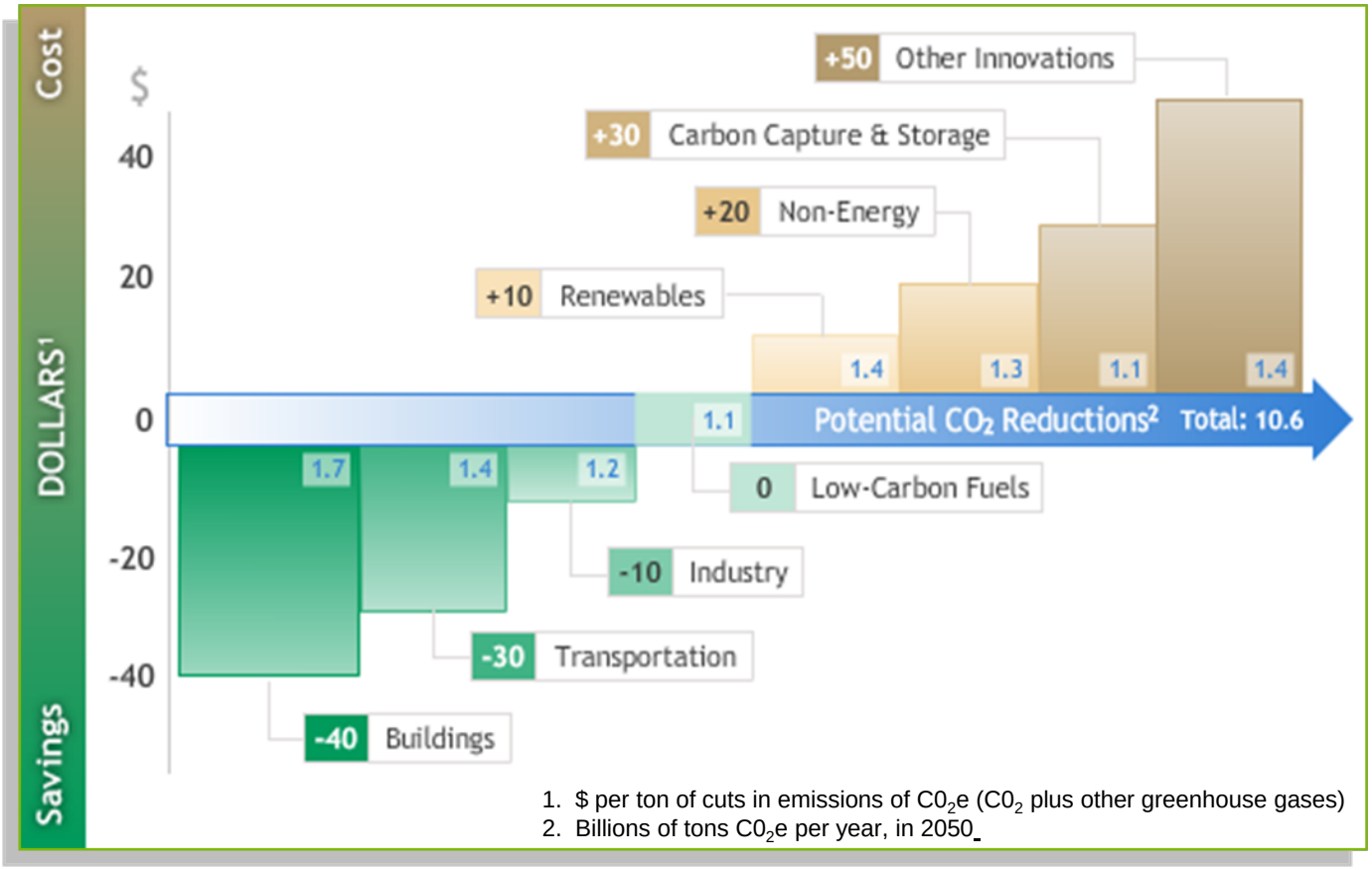
Light-weighting, bio-materials and recycling

Fuel efficiency, comfort and safety



Johnson Controls

Focused on efficiency in buildings and vehicles



Green actions have a **positive net present value** while avoiding GHG emissions ($/ton)

Brown actions have a **negative net present value** while avoiding GHG emissions ($/ton)

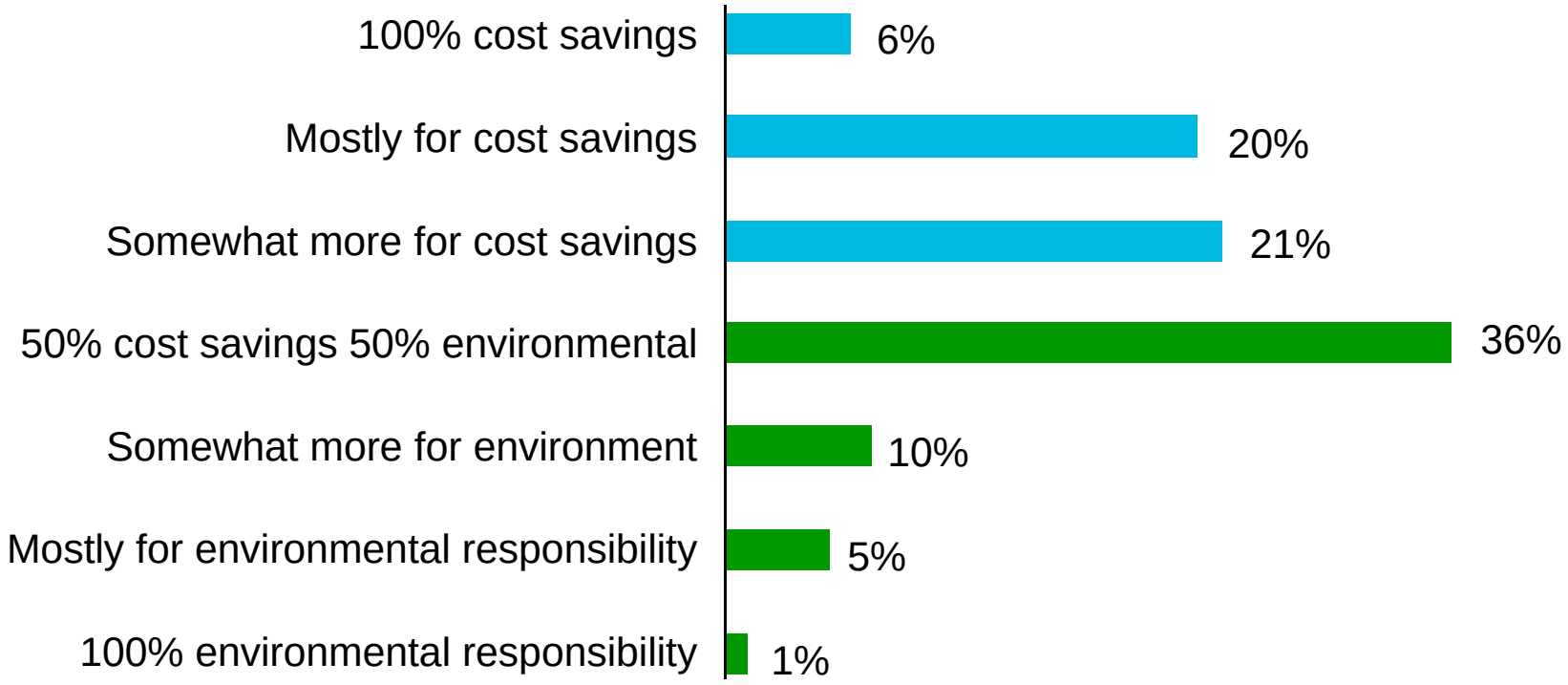
Blue values describe how many **GHGs are avoided in billions of tons** per block

Source: Natural Resource Defense Council (NRDC); extrapolations from McKinsey Global Institute

Johnson Controls

Business motivation for energy efficiency

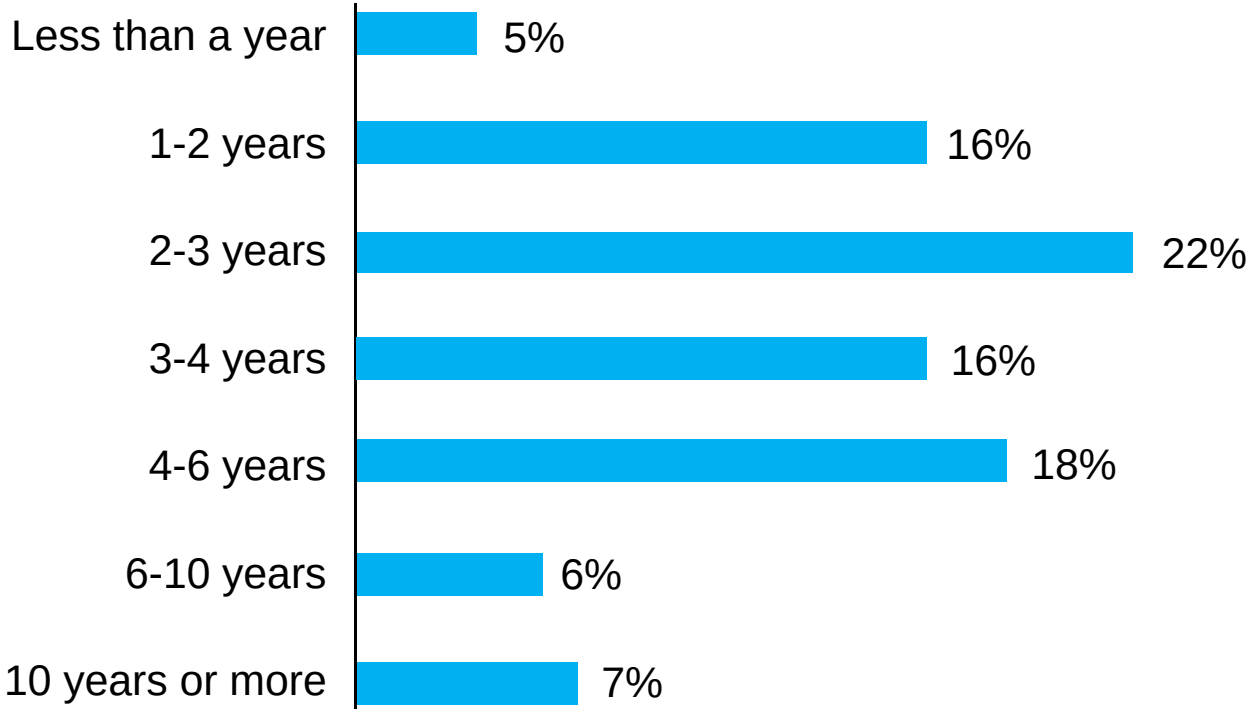
52% of survey participants feel that environmental responsibility is at least as strong a motivator as cost savings



Source: JCI on-line survey conducted in March 2008 of 1145 North American executives/managers responsible for energy management decisions

Payback expectations for efficiency investments

- **The average payback expectation is 3.6 years**
- **21% allow longer paybacks today than five years ago**



Source: 2008 Energy Efficiency Indicator Research Report, Johnson Controls, Inc.

Johnson Controls

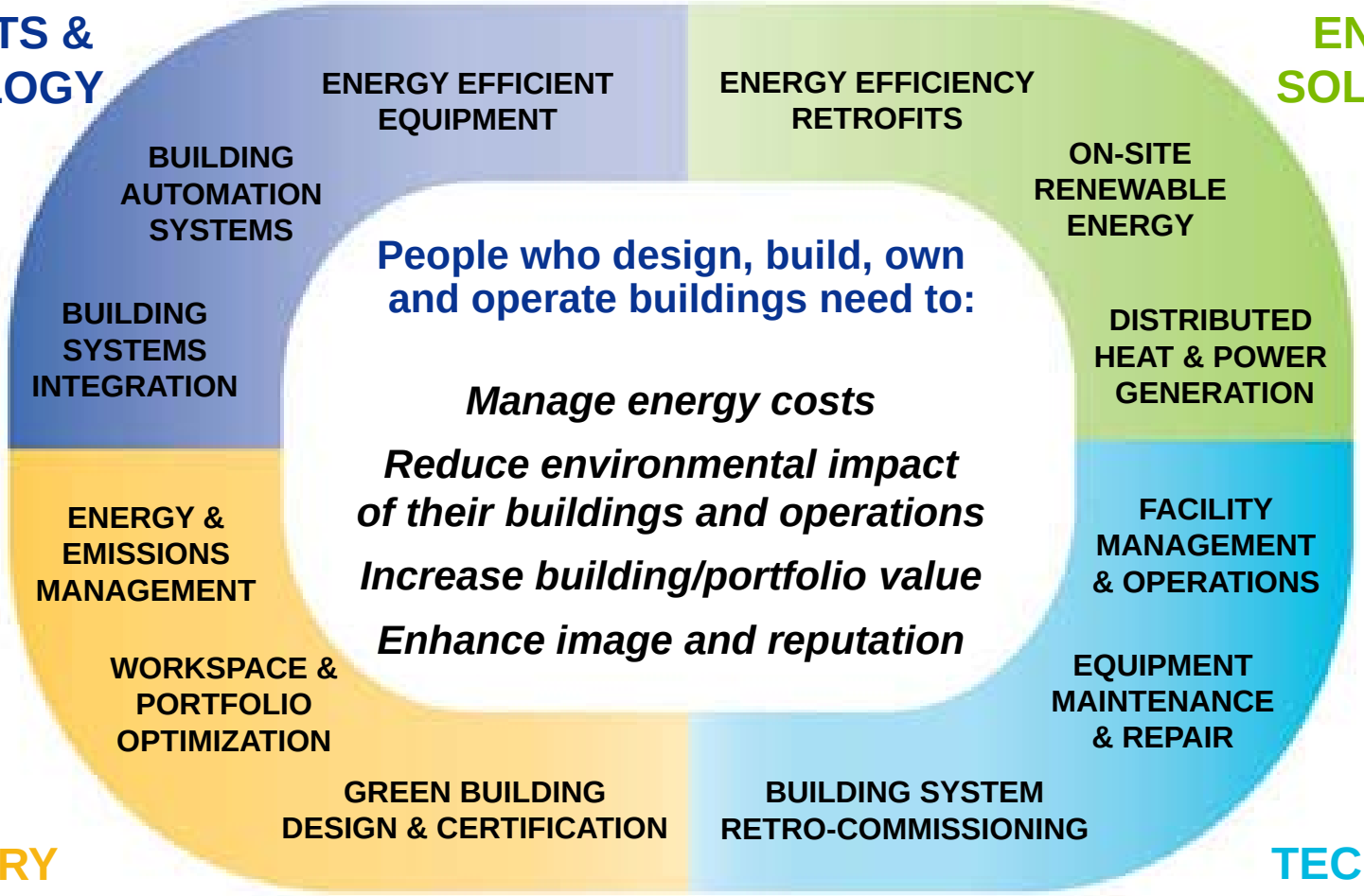
Priorities for energy efficiency investments

- 20% of participants view energy management as extremely important to their organization (up from 15% last year)
  - 56% expect to make energy efficiency capital investments over the next year (9% of capital budget will be used)
  - 61% expect to fund energy efficiency improvements through operating budgets (7% of operating budget will be used)
- These improvements are expected to reduce energy consumption by an average 9% per year (up from 8% last year)
  - 78% are installing energy efficient lighting (up from 67% last year)
  - 41% are replacing inefficient equipment before the end of life (up from 28% last year)
  - 38% are considering solar PV in new construction and retrofit projects
- 60% state that climate change is a significant factor in efficiency investment decisions (28% rated it very/extremely significant)

Source: 2008 Energy Efficiency Indicator Research Report, Johnson Controls, Inc.

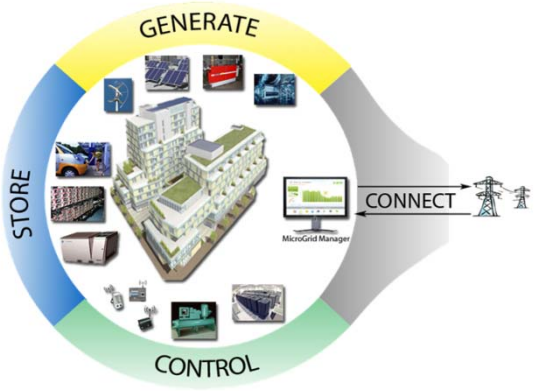
Johnson Controls

Products and services for building efficiency



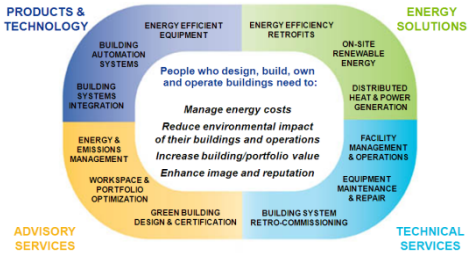
Johnson Controls

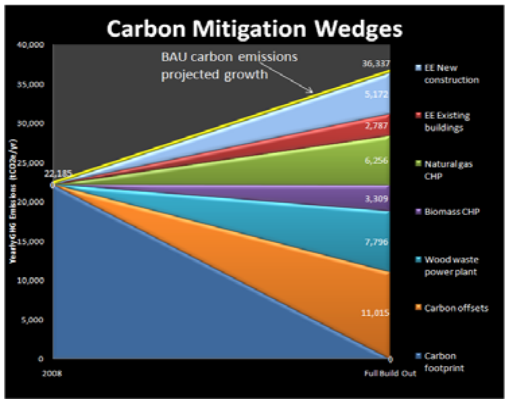
Business solutions for energy efficiency



MicroGrid Management

Net Zero Energy Buildings



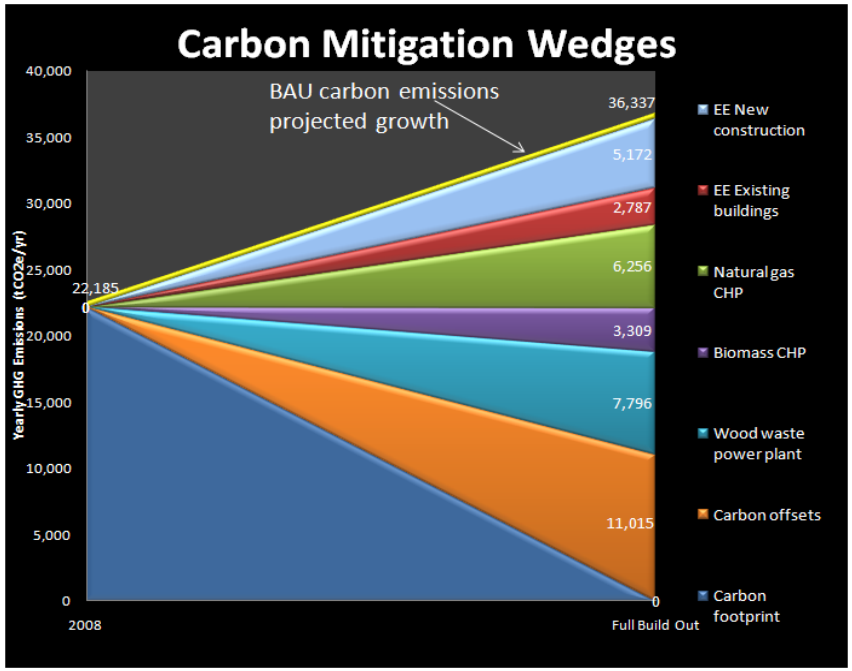


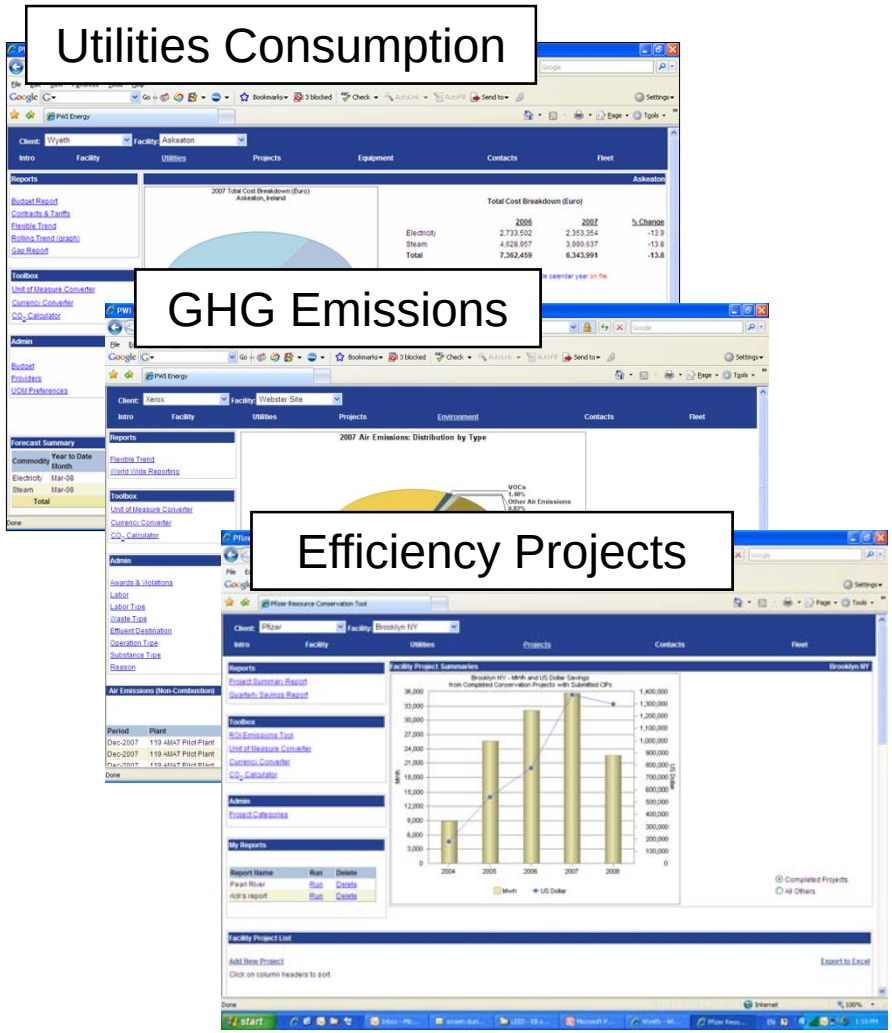
Energy & Emissions Management

Enterprise Data Integration

Johnson Controls

Efficiency through energy & emissions management

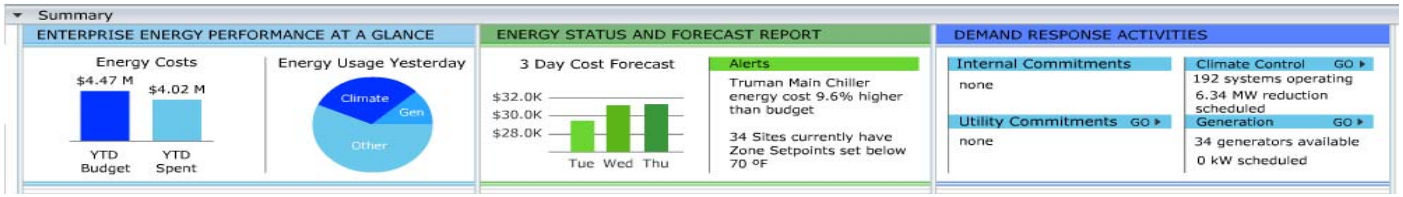




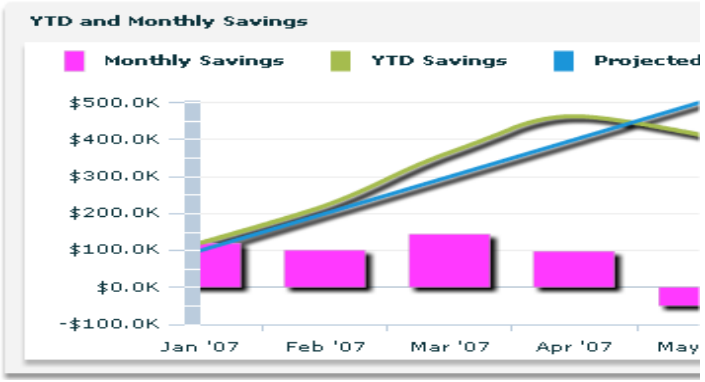
- Bill Audit, Rate/Tariff Analysis
- Bill Processing & Payment
- Energy Forecasting & Budgeting
- GHG Emissions Reporting
- Enterprise Energy Benchmarking

Johnson Controls

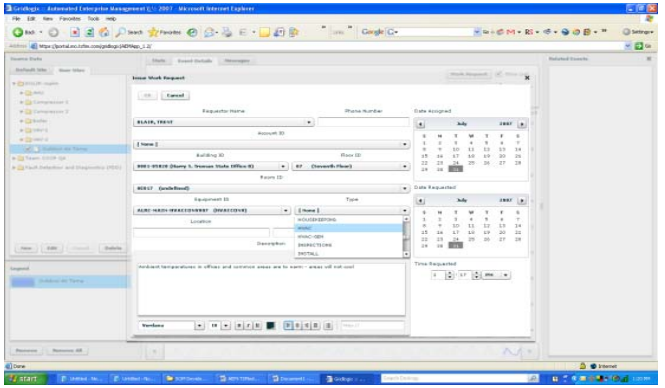
Efficiency through enterprise-wide integration



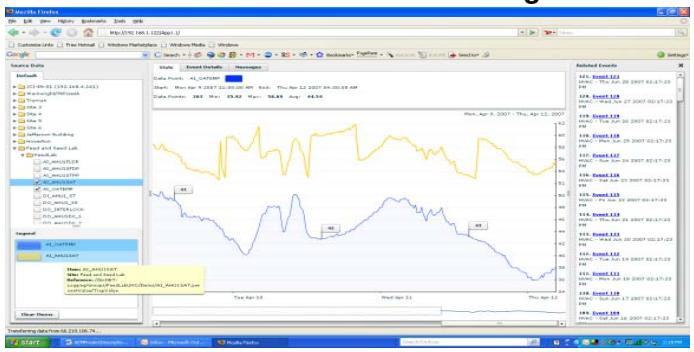
Executive Dashboard



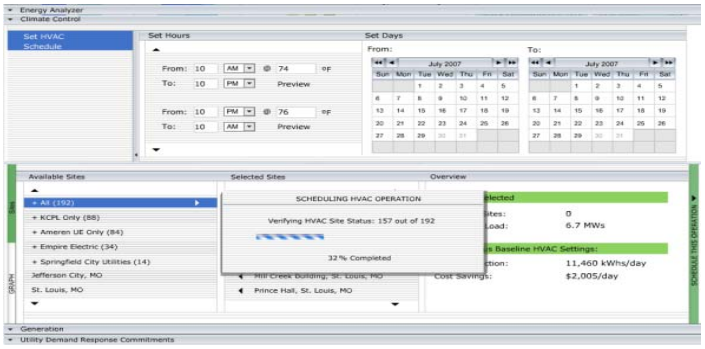
Performance Forecasting



Work Order Integration



Fault Detection and Analysis



Temperature Setback and Control

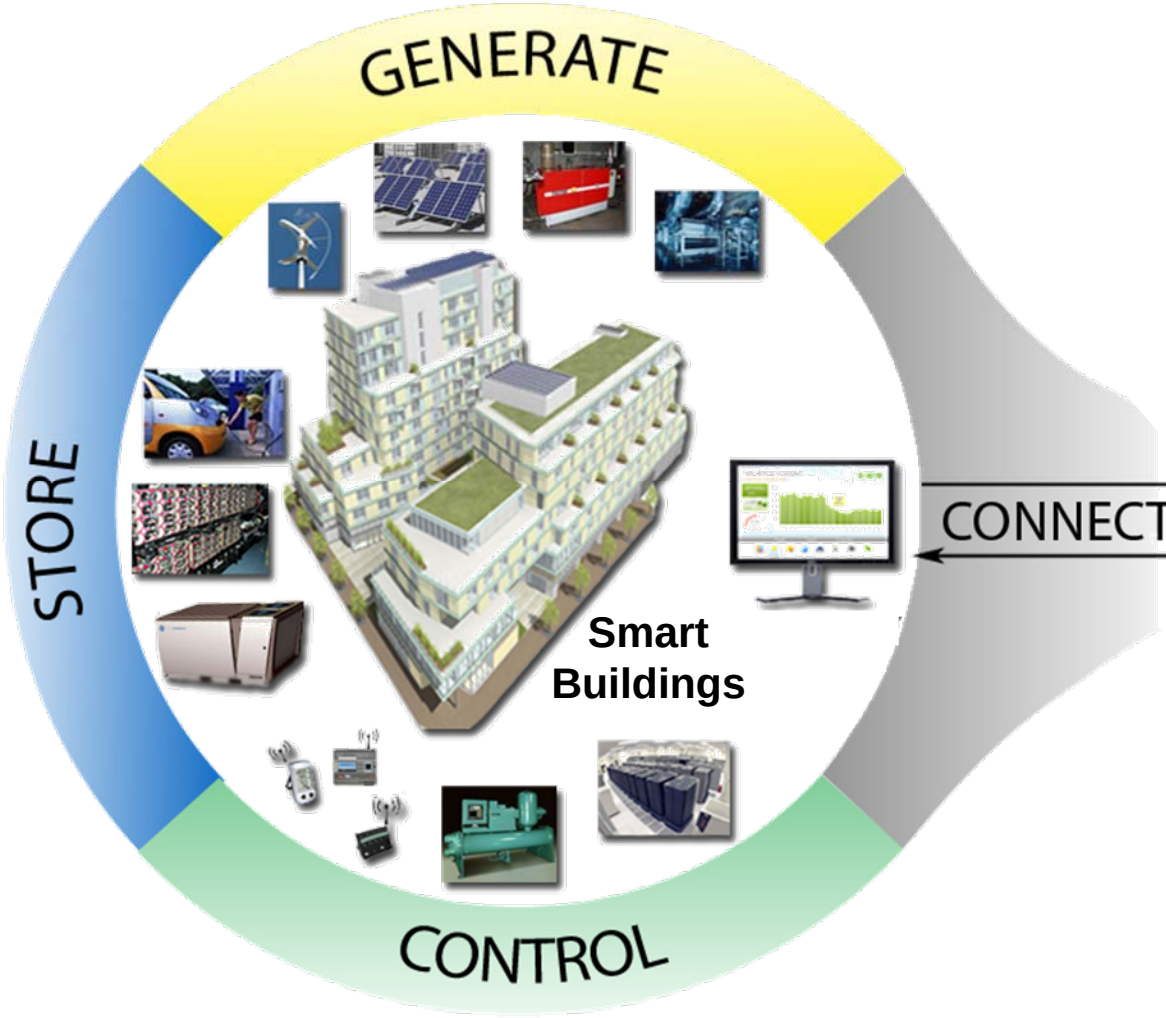
Johnson Controls

Efficiency through net zero energy buildings

- Integrated Design Associates - San Jose, CA
- Commercial Office Building Retrofit Project
- Geothermal heat pump with floor-based radiant heating and cooling and dedicated high efficiency outdoor air ventilation unit
- PV-integrated membrane roofing
- High efficiency windows and lighting with dimming control
- 40% better than 2005 California Title 24 energy requirements

Johnson Controls

Efficiency through Smart Building integration



Drivers

- Energy costs
- Environmental concerns
- Grid reliability concerns
- IT convergence
- Operational complexity

Intelligent Grid
"SmartGrid"

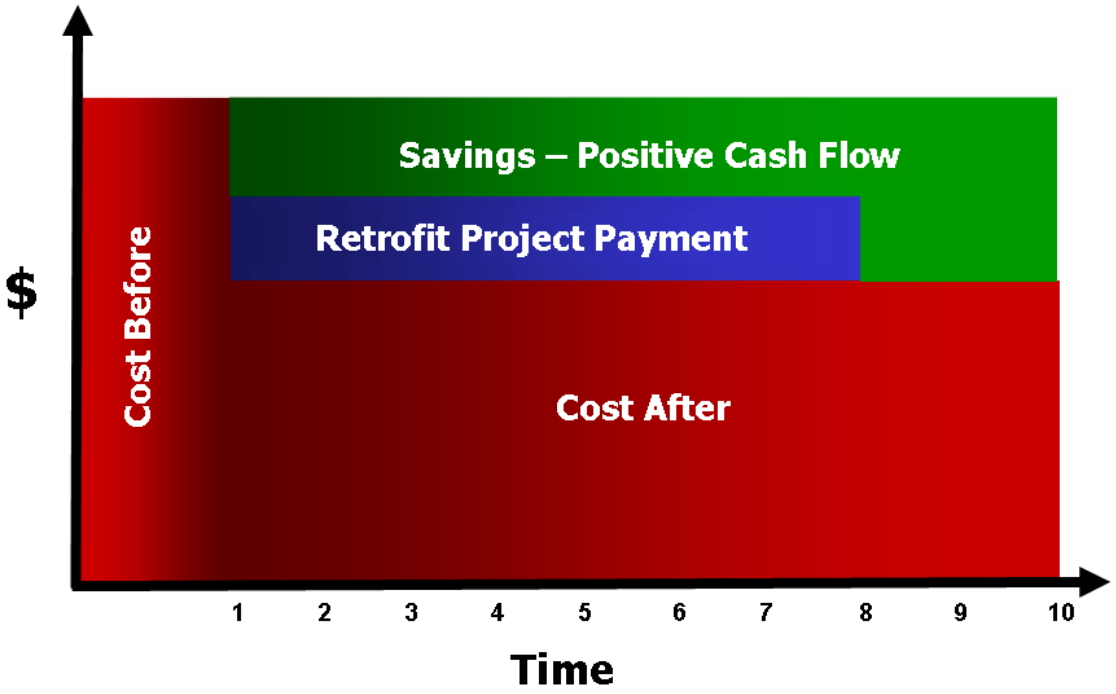
Benefits

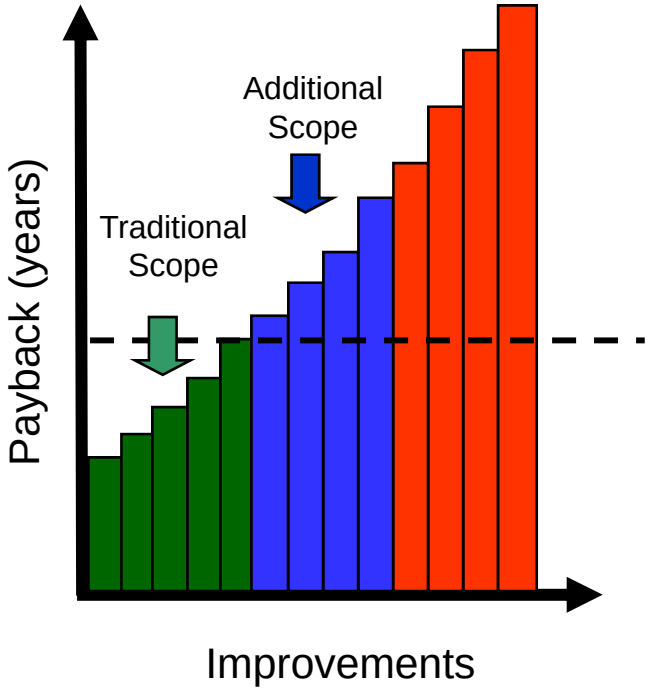
- Reduced energy usage
- Peak demand reduction
- Flattened load profile
- Greater capacity utilization
- Cleaner energy profile

Johnson Controls

Efficiency through performance contracting

Performance contracting is a proven model for financing large-scale energy efficiency retrofit projects in the public sector based on guaranteed energy savings



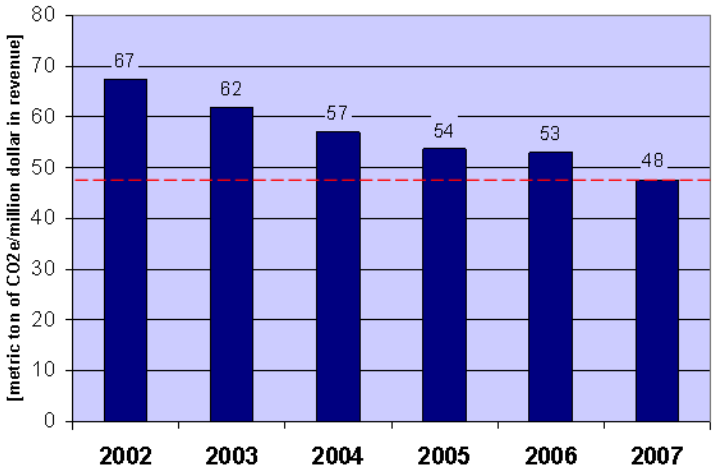


Johnson Controls

Efficiency accountability through action

- 30% global GHG intensity reduction goal from 2002 to 2012
  - Energy efficiency improvements
  - On-site renewable energy
  - Process improvements in manufacturing
  - Fleet efficiency improvements
  - Footprint optimization
- We track the GHG reductions from our customer projects where we have measured, verified and guaranteed the energy savings

Johnson Controls GHG Emission Reductions



Customer GHG Emission Reductions

Dow Jones Sustainability Indexes Member 2006/07

FTSE4Good

KLD Global Climate 100 INDEX

Johnson Controls