

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: September 26, 2007

Re: **Johnson Controls, Inc. (JCI) - 3 for 1 Stock Split**

In an effort to avoid rounding strike prices, The Securities Committee has decided to employ a new adjustment methodology. The contract adjustment described below utilizes the new method of contract adjustment wherein strike prices, number of contracts, and premium/strike multipliers are unchanged for certain kinds of stock splits and stock dividends. It is important that option investors be aware that it will be necessary to calculate the current market value of the adjusted option deliverable to correctly determine the option's in-the-money status.

Johnson Controls, Inc. (JCI) has declared a 3 for 1 stock split payable to share holders of record on Friday, September 14, 2007. Distribution date for the stock split will be Tuesday, October 2, 2007. **Ex-distribution date for the stock split will be Wednesday, October 3, 2007.**

Adjusted Date: **Wednesday, October 3, 2007**
 Symbol(s): **JCI/VQU/WII becomes JFU/XKA/KIQ, respectively**
 Strike Price: **No Change**
 Pos/Exercise Limit: **750,000 contracts until January 2010 expiration; where limits become 250,000 contracts**
 Multiplier: **100 (e.g., Premium of 1.00 = \$100)**
 New Deliverable: **1) 300 Johnson Controls, Inc. (JCI) Common Shares**

The resulting list of adjusted strike prices and symbols is as follows:

Johnson Controls, Inc. (JCI) (Before 10/3/2007) (1 Contract)					Johnson Controls, Inc. (JFU) (Beginning 10/3/2007) (See new deliverable above)				
			Calls	Puts			Calls	Puts	
JCI	OCT	85	JQ	VQ	JFU	OCT	85	JQ	VQ
JCI	OCT	90	JR	VR	JFU	OCT	90	JR	VR
JCI	OCT	95	JS	VS	JFU	OCT	95	JS	VS
JCI	OCT	100	JT	VT	JFU	OCT	100	JT	VT
JCI	OCT	105	JA	VA	JFU	OCT	105	JA	VA
JCI	OCT	110	JB	VB	JFU	OCT	110	JB	VB
JCI	OCT	115	JC	VC	JFU	OCT	115	JC	VC
JCI	OCT	120	JD	VD	JFU	OCT	120	JD	VD
JCI	OCT	125	JE	VE	JFU	OCT	125	JE	VE
JCI	OCT	130	JF	VF	JFU	OCT	130	JF	VF
JCI	OCT	135	JY	VY	JFU	OCT	135	JY	VY
JCI	OCT	140	JZ	VZ	JFU	OCT	140	JZ	VZ
JCI	OCT	145	JU	VU	JFU	OCT	145	JU	VU
JCI	NOV	105	KA	WA	JFU	NOV	105	KA	WA
JCI	NOV	110	KB	WB	JFU	NOV	110	KB	WB
JCI	NOV	115	KC	WC	JFU	NOV	115	KC	WC
JCI	NOV	120	KD	WD	JFU	NOV	120	KD	WD
JCI	NOV	125	KE	WE	JFU	NOV	125	KE	WE
JCI	NOV	130	KF	WF	JFU	NOV	130	KF	WF
JCI	JAN	35	AG	MG	JFU	JAN	35	AG	MG
JCI	JAN	40	AH	MH	JFU	JAN	40	AH	MH
JCI	JAN	45	AI	MI	JFU	JAN	45	AI	MI

JCI	JAN	50	AJ	MJ	JFU	JAN	50	AJ	MJ
JCI	JAN	55	AK	MK	JFU	JAN	55	AK	MK
JCI	JAN	60	AL	ML	JFU	JAN	60	AL	ML
JCI	JAN	65	AM	MM	JFU	JAN	65	AM	MM
JCI	JAN	70	AN	MN	JFU	JAN	70	AN	MN
JCI	JAN	75	AO	MO	JFU	JAN	75	AO	MO
JCI	JAN	80	AP	MP	JFU	JAN	80	AP	MP
JCI	JAN	85	AQ	MQ	JFU	JAN	85	AQ	MQ
JCI	JAN	90	AR	MR	JFU	JAN	90	AR	MR
JCI	JAN	95	AS	MS	JFU	JAN	95	AS	MS
JCI	JAN	100	AT	MT	JFU	JAN	100	AT	MT
JCI	JAN	105	AA	MA	JFU	JAN	105	AA	MA
JCI	JAN	110	AB	MB	JFU	JAN	110	AB	MB
JCI	JAN	115	AC	MC	JFU	JAN	115	AC	MC
JCI	JAN	120	AD	MD	JFU	JAN	120	AD	MD
JCI	JAN	125	AE	ME	JFU	JAN	125	AE	ME
JCI	JAN	130	AF	MF	JFU	JAN	130	AF	MF
JCI	JAN	135	AY	MY	JFU	JAN	135	AY	MY
JCI	JAN	140	AZ	MZ	JFU	JAN	140	AZ	MZ
JCI	JAN	145	AU	MU	JFU	JAN	145	AU	MU
JCI	JAN	150	AV	MV	JFU	JAN	150	AV	MV
JCI	JAN	155	AW	MW	JFU	JAN	155	AW	MW
JCI	APR	80	DP	PP	JFU	APR	80	DP	PP
JCI	APR	85	DQ	PQ	JFU	APR	85	DQ	PQ
JCI	APR	90	DR	PR	JFU	APR	90	DR	PR
JCI	APR	95	DS	PS	JFU	APR	95	DS	PS
JCI	APR	100	DT	PT	JFU	APR	100	DT	PT
JCI	APR	105	DA	PA	JFU	APR	105	DA	PA
JCI	APR	110	DB	PB	JFU	APR	110	DB	PB
JCI	APR	115	DC	PC	JFU	APR	115	DC	PC
JCI	APR	120	DD	PD	JFU	APR	120	DD	PD
JCI	APR	125	DE	PE	JFU	APR	125	DE	PE
JCI	APR	130	DF	PF	JFU	APR	130	DF	PF
JCI	APR	135	DY	PY	JFU	APR	135	DY	PY
JCI	APR	140	DZ	PZ	JFU	APR	140	DZ	PZ
JCI	APR	145	DU	PU	JFU	APR	145	DU	PU
JCI	APR	150	DV	PV	JFU	APR	150	DV	PV
JCI	APR	155	DW	PW	JFU	APR	155	DW	PW

Johnson Controls, Inc. - 2009 Leap (VQU)
(Before 10/3/2007)
(1 Contract)

			Calls	Put
VQU	JAN	55	AK	MK
VQU	JAN	60	AL	ML
VQU	JAN	70	AN	MN
VQU	JAN	80	AP	MP
VQU	JAN	85	AQ	MQ
VQU	JAN	90	AR	MR
VQU	JAN	100	AT	MT
VQU	JAN	110	AB	MB
VQU	JAN	120	AD	MD
VQU	JAN	130	AF	MF
VQU	JAN	140	AH	MH
VQU	JAN	150	AJ	MJ
VQU	JAN	160	AX	MX
VQU	JAN	170	AY	MY
VQU	JAN	180	AZ	MZ

Johnson Controls, Inc. - 2009 Leap (XKA)
(Beginning 10/3/2007)
(See new deliverable above)

			Calls	Put
XKA	JAN	55	AK	MK
XKA	JAN	60	AL	ML
XKA	JAN	70	AN	MN
XKA	JAN	80	AP	MP
XKA	JAN	85	AQ	MQ
XKA	JAN	90	AR	MR
XKA	JAN	100	AT	MT
XKA	JAN	110	AB	MB
XKA	JAN	120	AD	MD
XKA	JAN	130	AF	MF
XKA	JAN	140	AH	MH
XKA	JAN	150	AJ	MJ
XKA	JAN	160	AX	MX
XKA	JAN	170	AY	MY
XKA	JAN	180	AZ	MZ

Johnson Controls, Inc. - 2010 Leap (WII)
 (Before 10/3/2007)
 (1 Contract)

			Calls	Put
WII	JAN	80	AP	MP
WII	JAN	90	AR	MR
WII	JAN	100	AT	MT
WII	JAN	110	AB	MB
WII	JAN	120	AD	MD
WII	JAN	130	AF	MF
WII	JAN	140	AZ	MZ
WII	JAN	150	AV	MV

Johnson Controls, Inc. - 2010 Leap (KIQ)
 (Beginning 10/3/2007)
 (See new deliverable above)

			Calls	Put
KIQ	JAN	80	AP	MP
KIQ	JAN	90	AR	MR
KIQ	JAN	100	AT	MT
KIQ	JAN	110	AB	MB
KIQ	JAN	120	AD	MD
KIQ	JAN	130	AF	MF
KIQ	JAN	140	AZ	MZ
KIQ	JAN	150	AV	MV

Any additional JCI series that are added prior to the ex-date will also be adjusted in the manner described above.

With this new method of adjustment, it is no longer possible to determine if an adjusted option is in- or out-of-the-money by simply comparing the stock price to the option strike price. When the new method is used, the stock price must always be adjusted by the appropriate factor(s) in order to correctly determine in-the-money amounts or premiums. Option investors must be aware of the number of shares (and possible cash amounts) in the deliverable and the fact that the multiplier used for premium and strike dollar extensions remains unchanged.

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the ex-distribution or effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.