Auto Recovery Boosts Johnson Controls 3Q Profit

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NEW YORK (AP) -- A recovery in car and truck production helped Johnson Controls Inc. more than double its net income in the fiscal third quarter, the maker of automotive batteries and building climate-control systems said Friday.

But its shares fell more than 3 percent in premarket trading as it narrowed its earnings outlook for the year, setting it below Wall Street expectsations.

The company, based in Milwaukee, said higher auto production and new vehicle launches reversed a money-losing quarter in its automotive business last year. Automakers have ramped up auto production this year, with sales of new cars and trucks up 17 percent so far in 2010.

Separately, Johnson Controls said it agreed to boost its stake to 90 percent in an existing South Korean joint venture with Delkor Corp. Johnson Controls will pay $90 million for the higher stake in the automotive battery maker. The remainder will be owned by local management.

Johnson Controls said net income in the quarter ended June 30 rose to $418 million, or 61 cents per share, from $167 million, or 26 cents per share, in the same period last year.

Excluding one-time items, the company earned 54 cents per share.

Revenue rose 22 percent to $8.54 billion. Sales of automotive components -- which include lead-acid batteries, hybrid batteries and vehicle interiors -- rose 43 percent to $4.2 billion.

Analysts surveyed by Thomson Reuters expected earnings of 55 cents per share on $8.48 billion in revenue, on average. Such estimates typically exclude one-time items.

The company narrowed its earnings outlook for 2010, saying it now expects to earn $1.95 per share for the year. Previously, it expected earnings in a range of $1.90 to $1.95 per share. It left its revenue guidance unchanged at $33.5 billion.

Analysts expected higher earnings of $2 per share for the year on $33.77 billion in revenue.

Shares lost $1.10, or 3.6 percent, to $29.38 in premarket trading.

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