

# ***Competing: Emerson Style***

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**Senior Executive Vice President**

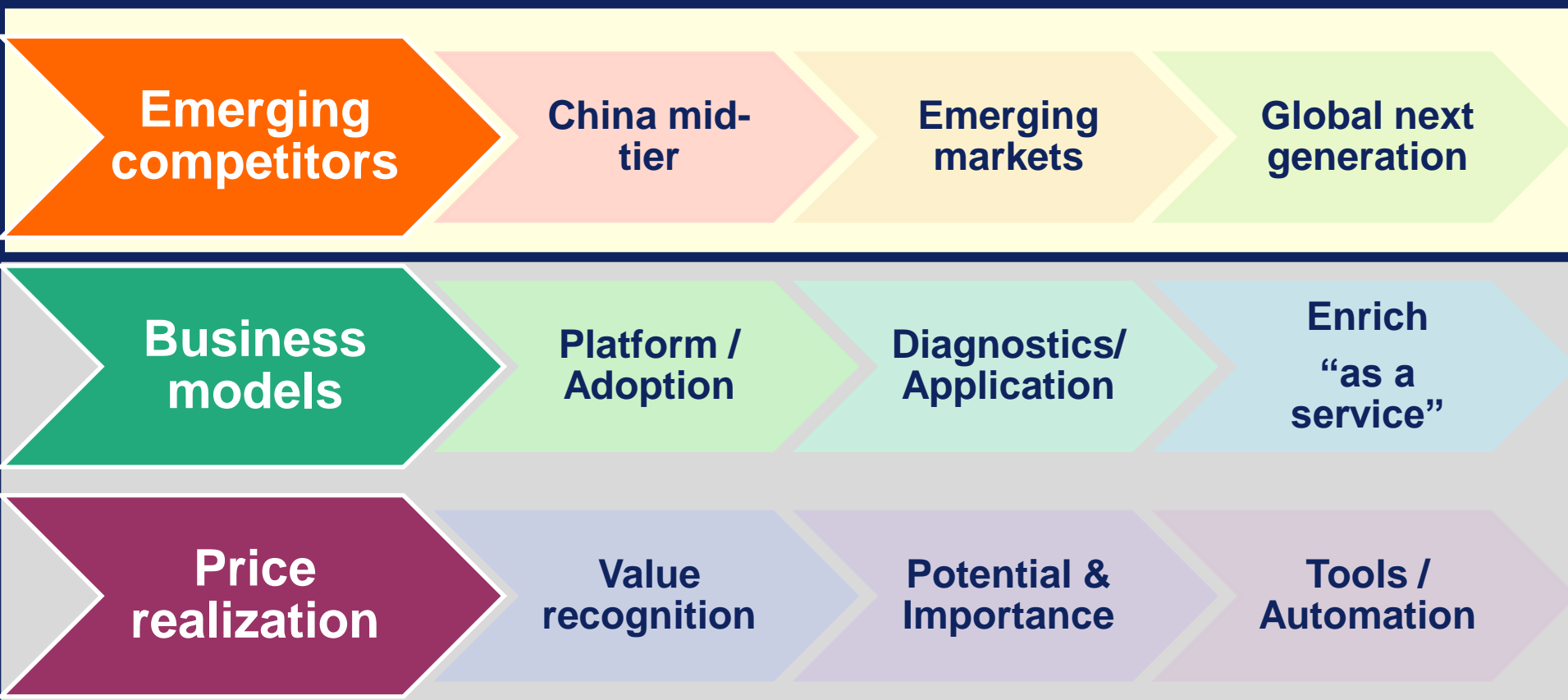
**February 14, 2012**



**EMERSON**

# Emerson's 2012 Imperatives

*Excelling at global competition*



IT'S NEVER  
BEEN DONE  
BEFORE



# Reconciliation of Non-GAAP Financial Measures

The following reconciles each non-GAAP measure (denoted with an \*) with the most comparable GAAP measure (\$M):

	2012E	Q4 FY11	Q4 FY10	2011	2010	2009	2008	2007
<b>Operating Profit*</b>	-4,400 - 4,565	1,251	1,019	4,229	3,509	3,144	4,023	3,436
<b>% of sales*</b>	~18%	19.1%	17.4%	17.5%	16.7%	15.6%	16.9%	16.4%
Interest Exp and OD, Net	~(640)	(158)	(181)	(598)	(630)	(694)	(378)	(329)
<b>Pretax Earnings</b>	-3,760 - 3,925	1,093	838	3,631	2,879	2,450	3,645	3,107
<b>% of sales</b>	~15.5%	16.7%	14.3%	15.0%	13.7%	12.2%	15.3%	14.8%

	2006	2005	2004	2003	2002	2001	2000
<b>Operating Profit*</b>	2,993	2,508	2,156	1,843	1,757	2,116	2,313
<b>% of sales*</b>	16.1%	15.9%	15.3%	14.7%	14.3%	15.3%	16.8%
Interest Exp and OD, Net	(298)	(358)	(360)	(473)	(232)	(565)	(303)
<b>Pretax Earnings</b>	2,695	2,150	1,796	1,370	1,525	1,551	2,010
<b>% of sales</b>	14.5%	13.6%	12.8%	10.9%	12.4%	11.2%	14.6%

# Reconciliation of Non-GAAP Financial Measures

The following reconciles each non-GAAP measure (denoted with an \*) with the most comparable GAAP measure (\$M):

	2012E	2011	2010	Q4 2011
Underlying Sales*	+4% - +6%	11%	-1%	9%
Currency/Acq/Div	~(2%)	4%	6%	3%
Net Sales	+2% - +4%	15%	5%	12%

	Process Management		Industrial Automation		Network Power		Climate Technologies		Commercial & Residential Solutions	
	2012E	2011	2012E	2011	2012E	2011	2012E	2011	2012E	2011
Underlying Sales*	12% - +13%	14%	+1% - +4%	21%	+1% - +3%	6%	(1%) - +2%	3%	+5% - +7%	5%
Currency/Acq/Div	(2%)	2%	(2%)	2%	(1%)	11%	(1%)	2%	(3%)	0%
Net Sales	10% - +11%	16%	(1%) - +2%	23%	0% - +2%	17%	(2%) - +1%	5%	+2% - +4%	5%

	2012E	2011	2010	2009	2008	2007	2006
Operating Cash Flow	~3,500	3,233	3,292	3,086	3,293	3,016	2,512
Capital Expenditures	~(700)	(647)	(524)	(531)	(714)	(681)	(601)
Free Cash Flow*	~2,800	2,586	2,768	2,555	2,579	2,335	1,911
<b>Sales<sup>(1)</sup></b>	~25,000	24,222	21,039	20,915	24,807	22,572	20,133
<b>% Sales</b>							
Operating Cash Flow	~14%	13.3%	15.6%	14.8%	13.3%	13.4%	12.5%
Capital Expenditures	~(3%)	-2.7%	-2.5%	-2.6%	-2.9%	-3.0%	-3.0%
Free Cash Flow*	~11%	10.6%	13.1%	12.2%	10.4%	10.3%	9.5%

(1) Sales as Originally Reported