

TABLE 1

EMERSON AND SUBSIDIARIES
CONSOLIDATED OPERATING RESULTS
(AMOUNTS IN MILLIONS EXCEPT PER SHARE, UNAUDITED)

	<u>Quarter Ended March 31,</u>		<u>Percent Change</u>
	<u>2008</u>	<u>2009</u>	
Net sales	\$6,023	\$5,087	-16%
Less: Costs and expenses			
Cost of sales	3,781	3,250	
SG&A expenses	1,252	1,119	
Other deductions, net	67	121	
Interest expense, net	<u>51</u>	<u>50</u>	
Earnings from continuing operations before income taxes	872	547	-37%
Income taxes	<u>274</u>	<u>174</u>	
Earnings from continuing operations	<u>\$ 598</u>	<u>\$ 373</u>	-38%
Discontinued Operations, net of tax	<u>(51)</u>	<u>-</u>	
Net earnings	<u>\$ 547</u>	<u>\$ 373</u>	
Diluted avg. shares outstanding	792.0	756.9	
Diluted earnings per common share:			
Earnings from continuing operations	\$ 0.75	\$ 0.49	-35%
Discontinued operations	<u>(0.06)</u>	<u>-</u>	
Diluted earnings per common share	<u>\$ 0.69</u>	<u>\$ 0.49</u>	-29%

	<u>Quarter Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Other deductions, net		
Rationalization of operations	\$ 16	\$ 64
Amortization of intangibles	22	24
Other	29	58
Gains	<u>-</u>	<u>(25)</u>
Total	<u>\$ 67</u>	<u>\$ 121</u>

TABLE 2

EMERSON AND SUBSIDIARIES
CONSOLIDATED OPERATING RESULTS
(AMOUNTS IN MILLIONS EXCEPT PER SHARE, UNAUDITED)

	<u>Six Months Ended March 31,</u>		<u>Percent Change</u>
	<u>2008</u>	<u>2009</u>	
Net sales	\$ 11,543	\$ 10,502	-9%
Less: Costs and expenses			
Cost of sales	7,291	6,669	
SG&A expenses	2,436	2,312	
Other deductions, net	70	212	
Interest expense, net	<u>101</u>	<u>93</u>	
Earnings from continuing operations before income taxes	1,645	1,216	-26%
Income taxes	<u>528</u>	<u>385</u>	
Earnings from continuing operations	<u>\$ 1,117</u>	<u>\$ 831</u>	-26%
Discontinued Operations, net of tax	<u>(5)</u>	<u>-</u>	
Net earnings	<u>\$ 1,112</u>	<u>\$ 831</u>	
Diluted avg. shares outstanding	794.2	762.4	
Diluted earnings per common share:			
Earnings from continuing operations	\$ 1.41	\$ 1.09	-23%
Discontinued operations	<u>(0.01)</u>	<u>-</u>	
Diluted earnings per common share	<u>\$ 1.40</u>	<u>\$ 1.09</u>	-22%

	<u>Six Months Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Other deductions, net		
Rationalization of operations	\$ 25	\$ 107
Amortization of intangibles	39	47
Other	70	87
Gains	<u>(64)</u>	<u>(29)</u>
Total	<u>\$ 70</u>	<u>\$ 212</u>

TABLE 3

EMERSON AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS, UNAUDITED)

	<u>March 31,</u>	
	<u>2008</u>	<u>2009</u>
Assets		
Cash and equivalents	\$ 1,767	\$ 1,507
Receivables, net	4,377	3,757
Inventories	2,532	2,257
Other current assets	<u>762</u>	<u>611</u>
Total current assets	9,438	8,132
Property, plant & equipment, net	3,413	3,447
Goodwill	6,658	6,616
Other	<u>1,941</u>	<u>1,796</u>
	<u>\$ 21,450</u>	<u>\$ 19,991</u>
Liabilities and Stockholders' Equity		
Short-term borrowings and current maturities of long-term debt	\$ 1,609	\$ 1,722
Accounts payable	2,403	1,871
Accrued expenses	2,342	2,316
Income taxes	<u>234</u>	<u>38</u>
Total current liabilities	6,588	5,947
Long-term debt	3,338	3,696
Other liabilities	2,044	2,136
Stockholders' equity	<u>9,480</u>	<u>8,212</u>
	<u>\$ 21,450</u>	<u>\$ 19,991</u>

TABLE 4

EMERSON AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN MILLIONS, UNAUDITED)

	<u>Six Months Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Operating Activities		
Net earnings	\$ 1,112	\$ 831
Depreciation and amortization	350	358
Changes in operating working capital	(319)	(355)
Pension funding	-	(148)
Pension deferred tax benefit	-	111
Other	<u>28</u>	<u>21</u>
Net cash provided by operating activities	<u>1,171</u>	<u>818</u>
Investing Activities		
Capital expenditures	(306)	(272)
Purchases of businesses, net of cash and equivalents acquired	(440)	(433)
Other	<u>168</u>	<u>37</u>
Net cash used in investing activities	<u>(578)</u>	<u>(668)</u>
Financing Activities		
Net increase in short-term borrowings	688	886
Proceeds from long-term debt	399	500
Principal payments on long-term debt	(1)	(438)
Dividends paid	(473)	(502)
Purchases of treasury stock	(483)	(718)
Other	<u>(45)</u>	<u>(43)</u>
Net cash provided by (used in) financing activities	<u>85</u>	<u>(315)</u>
Effect of exchange rate changes on cash and equivalents	<u>81</u>	<u>(105)</u>
Increase (Decrease) in cash and equivalents	759	(270)
Beginning cash and equivalents	<u>1,008</u>	<u>1,777</u>
Ending cash and equivalents	<u>\$ 1,767</u>	<u>\$ 1,507</u>

TABLE 5

EMERSON AND SUBSIDIARIES
SEGMENT SALES AND EARNINGS
(DOLLARS IN MILLIONS, UNAUDITED)

	<u>Quarter Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Sales		
Process Management	\$ 1,597	\$ 1,530
Industrial Automation	1,176	960
Network Power	1,520	1,280
Climate Technologies	956	733
Appliance and Tools	<u>956</u>	<u>727</u>
	6,205	5,230
Eliminations	<u>(182)</u>	<u>(143)</u>
Net Sales	<u>\$ 6,023</u>	<u>\$ 5,087</u>
	<u>Quarter Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Earnings		
Process Management	\$ 286	\$ 258
Industrial Automation	171	97
Network Power	187	105
Climate Technologies	142	66
Appliance and Tools	<u>139</u>	<u>61</u>
	925	587
Differences in accounting methods	57	47
Corporate and other	(59)	(37)
Interest expense, net	<u>(51)</u>	<u>(50)</u>
Earnings from continuing operations before income taxes	<u>\$ 872</u>	<u>\$ 547</u>
	<u>Quarter Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Rationalization of operations		
Process Management	\$ 3	\$ 6
Industrial Automation	3	9
Network Power	5	30
Climate Technologies	4	8
Appliance and Tools	<u>1</u>	<u>11</u>
Total Emerson	<u>\$ 16</u>	<u>\$ 64</u>

TABLE 6

EMERSON AND SUBSIDIARIES
SEGMENT SALES AND EARNINGS
(DOLLARS IN MILLIONS, UNAUDITED)

	<u>Six Months Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Sales		
Process Management	\$ 3,033	\$ 3,083
Industrial Automation	2,301	2,063
Network Power	2,926	2,715
Climate Technologies	1,722	1,425
Appliance and Tools	<u>1,888</u>	<u>1,498</u>
	11,870	10,784
Eliminations	<u>(327)</u>	<u>(282)</u>
Net Sales	<u>\$11,543</u>	<u>\$10,502</u>
	<u>Six Months Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Earnings		
Process Management	\$ 544	\$ 560
Industrial Automation	342	250
Network Power	367	254
Climate Technologies	244	119
Appliance and Tools	<u>271</u>	<u>140</u>
	1,768	1,323
Differences in accounting methods	110	97
Corporate and other	(132)	(111)
Interest expense, net	<u>(101)</u>	<u>(93)</u>
Earnings from continuing operations before income taxes	<u>\$ 1,645</u>	<u>\$ 1,216</u>
	<u>Six Months Ended March 31,</u>	
	<u>2008</u>	<u>2009</u>
Rationalization of operations		
Process Management	\$ 4	\$ 8
Industrial Automation	6	12
Network Power	8	50
Climate Technologies	5	22
Appliance and Tools	<u>2</u>	<u>15</u>
Total Emerson	<u>\$ 25</u>	<u>\$ 107</u>

TABLE 7**Reconciliations of Non-GAAP Financial Measures**

The following reconciles non-GAAP measures with the most directly comparable GAAP measures (dollars in millions):

Second Quarter Operating Profit	<u>2008</u>	<u>2009</u>	<u>% Change</u>
Operating Profit (Non-GAAP)	\$ 990	\$ 718	-27%
Operating Profit Margin% (Non-GAAP)	16.4%	14.1%	
Other Deductions, Net	67	121	
Interest Expense, Net	<u>51</u>	<u>50</u>	
Pretax Earnings	\$ 872	\$ 547	-37%
Pretax Earnings Margin %	14.5%	10.8%	

Free Cash Flow

	<u>Q2 2009</u>
Operating Cash Flow	\$ 499
Capital Expenditures	<u>(140)</u>
Free Cash Flow (Non-GAAP)	\$ 359

Net Sales

	<u>Q2 2009</u>	<u>Forecast Fiscal 2009</u>
Underlying Sales (Non-GAAP)	-11%	~ -9 to -11%
Currency	-5%	-5%
Completed Acquisitions	<u>-</u>	<u>1%</u>
Net Sales	-16%	~ -13 to -15%

Forecast Fiscal Year 2009 Operating Profit

	<u>Forecast Fiscal 2009</u>
Operating Profit (Non-GAAP)	~\$3,290 - 3,465
Operating Profit Margin % (Non-GAAP)	15.7% - 16.0%
Interest Expense and Other Deductions, Net	<u>~ (\$600 - 640)</u>
Pretax Earnings	~ \$2,650 - 2,865
Pretax Earnings Margin %	12.6% - 13.2%

Free Cash Flow (dollars in billions)

	<u>Forecast Fiscal 2009</u>
Operating Cash Flow	~\$3.1 - \$3.3
Capital Expenditures	<u>~\$0.6</u>
Free Cash Flow (Non-GAAP)	~\$2.5 - \$2.7

All amounts above are GAAP financial measures except as noted.