

**Table 1**

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

	<u>Quarter Ended December 31,</u>		<u>Percent Change</u>
	<u>2013</u>	<u>2014</u>	
<b>Net sales</b>	\$ 5,606	\$ 5,587	—%
Costs and expenses:			
Cost of sales	3,370	3,307	
SG&A expenses	1,444	1,405	
Other deductions, net	95	64	
Interest expense, net	54	46	
<b>Earnings before income taxes</b>	<u>643</u>	<u>765</u>	19%
Income taxes	166	236	
<b>Net earnings</b>	<u>477</u>	<u>529</u>	11%
Less: Noncontrolling interests in earnings of subsidiaries	15	4	
<b>Net earnings common shareholders</b>	<u>\$ 462</u>	<u>\$ 525</u>	14%
Diluted avg. shares outstanding	708.1	694.7	
<b>Diluted earnings per common share</b>	\$ 0.65	\$ 0.75	15%

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	<u>Quarter Ended December 31,</u>	
	<u>2013</u>	<u>2014</u>
<b>Other deductions, net</b>		
Amortization of intangibles	\$ 57	\$ 55
Rationalization of operations	13	9
Currency loss/(gain)	13	(6)
Other	12	6
Total	<u>\$ 95</u>	<u>\$ 64</u>

**Table 2**

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

	<u>Quarter Ended December 31,</u>	
	<u>2013</u>	<u>2014</u>
<b>Assets</b>		
Cash and equivalents	\$ 2,737	\$ 3,122
Receivables, net	4,429	4,404
Inventories	2,162	2,121
Other current assets	671	836
<b>Total current assets</b>	<u>9,999</u>	<u>10,483</u>
Property, plant & equipment, net	3,639	3,631
Goodwill	7,871	6,940
Other intangible assets	1,839	1,649
Other	776	1,021
<b>Total assets</b>	<u>\$ 24,124</u>	<u>\$ 23,724</u>
<b>Liabilities and equity</b>		
Short-term borrowings and current maturities of long-term debt	\$ 1,958	\$ 3,484
Accounts payables	2,425	2,468
Accrued expenses	2,526	2,640
Income taxes	199	285
<b>Total current liabilities</b>	<u>7,108</u>	<u>8,877</u>
Long-term debt	3,834	3,289
Other liabilities	2,299	2,002
Total equity	10,883	9,556
<b>Total liabilities and equity</b>	<u>\$ 24,124</u>	<u>\$ 23,724</u>

**Table 3**

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

	<u>Quarter Ended December 31,</u>	
	<u>2013</u>	<u>2014</u>
<b>Operating activities</b>		
Net earnings	\$ 477	\$ 529
Depreciation and amortization	209	207
Changes in operating working capital	(54)	(192)
Other, net	59	27
Net cash provided by operating activities	<u>691</u>	<u>571</u>
<b>Investing activities</b>		
Capital expenditures	(236)	(207)
Purchase of businesses, net of cash and equivalents acquired	(576)	(143)
Divestiture of business	268	—
Other, net	(11)	(26)
Net cash used by investing activities	<u>(555)</u>	<u>(376)</u>
<b>Financing activities</b>		
Net increase in short-term borrowings	387	999
Principal payments of long-term debt	(314)	(251)
Dividends paid	(304)	(326)
Purchases of common stock	(390)	(509)
Other, net	(54)	(59)
Net cash used by financing activities	<u>(675)</u>	<u>(146)</u>
Effect of exchange rate changes on cash and equivalents	<u>1</u>	<u>(76)</u>
<b>Increase (decrease) in cash and equivalents</b>	<b>(538)</b>	<b>(27)</b>
Beginning cash and equivalents	<u>3,275</u>	<u>3,149</u>
<b>Ending cash and equivalents</b>	<u>\$ 2,737</u>	<u>\$ 3,122</u>

**Table 4**

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

	<u>Quarter Ended December 31,</u>	
	<u>2013</u>	<u>2014</u>
<b>Sales</b>		
Process Management	\$ 2,041	\$ 2,099
Industrial Automation	1,149	1,152
Network Power	1,303	1,119
Climate Technologies	786	900
Commercial & Residential Solutions	466	480
	<u>5,745</u>	<u>5,750</u>
Eliminations	(139)	(163)
Net sales	<u>\$ 5,606</u>	<u>\$ 5,587</u>
<b>Earnings</b>		
Process Management	\$ 373	\$ 392
Industrial Automation	162	164
Network Power	83	79
Climate Technologies	107	126
Commercial & Residential Solutions	100	103
	<u>825</u>	<u>864</u>
Differences in accounting methods	57	58
Corporate and other	(185)	(111)
Interest expense, net	(54)	(46)
Earnings before income taxes	<u>\$ 643</u>	<u>\$ 765</u>
<b>Rationalization of operations</b>		
Process Management	\$ 3	\$ 3
Industrial Automation	2	2
Network Power	4	1
Climate Technologies	3	2
Commercial & Residential Solutions	1	1
Total	<u>\$ 13</u>	<u>\$ 9</u>

**Reconciliations of Non-GAAP Financial Measures & Other****Table 5**

The following reconciles non-GAAP measures (denoted by \*) with the most directly comparable GAAP measure (dollars in millions, except per share amounts):

<b>Q1 sales change</b>	<b>Process <u>Mgmt</u></b>	<b>Industrial <u>Auto</u></b>	<b>Network <u>Power</u></b>	<b>Climate <u>Tech</u></b>	<b>Comm &amp; <u>Res Solns</u></b>	<b><u>Total</u></b>
Underlying*	6 %	4 %	1 %	17 %	4 %	6 %
Acq/Div	— %	— %	(12)%	— %	— %	(3)%
FX	(3)%	(4)%	(3)%	(2)%	(1)%	(3)%
Reported	<u>3 %</u>	<u>— %</u>	<u>(14)%</u>	<u>15 %</u>	<u>3 %</u>	<u>— %</u>

**2015E sales change**

Underlying*	~3-5%
Acq/Div	~(2)%
FX	~(5)-(4)%
Reported	<u>~(4)-(1)%</u>

Note: Underlying sales and orders exclude the impact of acquisitions, divestitures and currency translation.