Table 1

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

	Quarter Ended March 31, 2014	Quarter Ended March 31, 2015	Percent Change
Net sales	$5,812	$5,400	(7)%
Costs and expenses:			
Cost of sales	3,417	3,234	
SG&A expenses	1,394	1,318	
Gain on sale of business	—	932	
Other deductions, net	137	136	
Interest expense, net	47	40	
Earnings before income taxes	817	1,604	96%
Income taxes	263	625	
Net earnings	554	979	77%
Less: Noncontrolling interests in earnings of subsidiaries	7	6	
Net earnings common stockholders	$547	$973	78%
Diluted avg. shares outstanding	705.2	684.1	
Diluted earnings per share common stockholders	$0.77	$1.42	84%

	Quarter Ended March 31, 2014	Quarter Ended March 31, 2015
Other deductions, net		
Amortization of intangibles	$58	$53
Rationalization of operations	21	44
Artesyn equity loss	34	—
Other	24	39
Total	$137	$136

Table 2

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

	Six Months Ended March 31 2014	Six Months Ended March 31 2015	Percent Change
Net sales	$11,418	$10,987	(4)%
Costs and expenses:			
Cost of sales	6,787	6,541	
SG&A expenses	2,838	2,723	
Gain on sale of business	—	932	
Other deductions, net	232	200	
Interest expense, net	101	86	
Earnings before income taxes	1,460	2,369	62%
Income taxes	429	861	
Net earnings	1,031	1,508	46%
Less: Noncontrolling interests in earnings of subsidiaries	22	10	
Net earnings common stockholders	$1,009	$1,498	48%
Diluted avg. shares outstanding	706.7	689.4	
Diluted earnings per share common stockholders	$1.42	$2.17	53%

	Six Months Ended March 31 2014	Six Months Ended March 31 2015
Other deductions, net		
Amortization of intangibles	$115	$108
Rationalization of operations	34	53
Artesyn equity loss	34	—
Other	49	39
Total	$232	$200

Table 3

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

	Quarter Ended March 31,	
	2014	2015
Assets		
Cash and equivalents	$2,724	$3,256
Receivables, net	4,563	4,299
Inventories	2,233	2,107
Other current assets	683	682
Total current assets	10,203	10,344
Property, plant & equipment, net	3,692	3,570
Goodwill	7,875	6,805
Other intangible assets	1,810	1,555
Other	766	694
Total assets	$24,346	$22,968
Liabilities and equity		
Short-term borrowings and current maturities of long-term debt	$2,661	$3,358
Accounts payables	2,522	2,407
Accrued expenses	2,583	2,595
Income taxes	66	410
Total current liabilities	7,832	8,770
Long-term debt	3,836	3,272
Other liabilities	2,153	1,958
Total equity	10,525	8,968
Total liabilities and equity	$24,346	$22,968

Table 4

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

	Six Months Ended March 31	
	2014	2015
Operating activities		
Net earnings	$1,031	$1,508
Depreciation and amortization	419	412
Changes in operating working capital	(273)	(530)
Gain on sale of business, net of tax	—	(528)
Other, net	89	67
Net cash provided by operating activities	1,266	929
Investing activities		
Capital expenditures	(397)	(359)
Purchase of businesses, net of cash and equivalents acquired	(576)	(145)
Divestitures of businesses	268	1,391
Other, net	(55)	(86)
Net cash (used by) provided by investing activities	(760)	801
Financing activities		
Net increase in short-term borrowings	1,090	854
Principal payments of long-term debt	(321)	(251)
Dividends paid	(606)	(647)
Purchases of common stock	(596)	(1,351)
Purchases of noncontrolling interests	(574)	—
Other, net	(37)	(20)
Net cash used by financing activities	(1,044)	(1,415)
Effect of exchange rate changes on cash and equivalents	(13)	(208)
Increase (decrease) in cash and equivalents	(551)	107
Beginning cash and equivalents	3,275	3,149
Ending cash and equivalents	$2,724	$3,256

Table 5

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

	Quarter Ended March 31,	
	2014	2015
Sales		
Process Management	$2,108	$2,042
Industrial Automation	1,232	1,034
Network Power	1,171	1,063
Climate Technologies	1,041	982
Commercial & Residential Solutions	460	465
	6,012	5,586
Eliminations	(200)	(186)
Net sales	$5,812	$5,400
Earnings		
Process Management	$383	$299
Industrial Automation	187	144
Network Power	96	34
Climate Technologies	186	170
Commercial & Residential Solutions	99	91
	951	738
Differences in accounting methods	60	53
Corporate and other	(147)	853
Interest expense, net	(47)	(40)
Earnings before income taxes	$817	$1,604
Rationalization of operations		
Process Management	$5	$22
Industrial Automation	3	2
Network Power	6	13
Climate Technologies	7	4
Commercial & Residential Solutions	—	3
Total	$21	$44

Table 6

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

	Six Months Ended March 31	
	2014	2015
Sales		
Process Management	$4,149	$4,141
Industrial Automation	2,381	2,186
Network Power	2,474	2,182
Climate Technologies	1,827	1,882
Commercial & Residential Solutions	926	945
	11,757	11,336
Eliminations	(339)	(349)
Net sales	$11,418	$10,987
Earnings		
Process Management	$756	$691
Industrial Automation	349	308
Network Power	179	113
Climate Technologies	293	296
Commercial & Residential Solutions	199	194
	1,776	1,602
Differences in accounting methods	117	111
Corporate and other	(332)	742
Interest expense, net	(101)	(86)
Earnings before income taxes	$1,460	$2,369
Rationalization of operations		
Process Management	$8	$25
Industrial Automation	5	4
Network Power	10	14
Climate Technologies	10	6
Commercial & Residential Solutions	1	4
Total	$34	$53

Reconciliations of Non-GAAP Financial Measures & Other **Table 7**

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

Q2 sales change	Process Mgmt	Industrial Auto	Network Power	Climate Tech	Comm & Res Solns	Total
Underlying*	2 %	(2)%	(3)%	(3)%	3 %	— %
Acq/Div	— %	(8)%	(1)%	— %	— %	(2)%
FX	(5)%	(6)%	(5)%	(3)%	(2)%	(5)%
Reported	(3)%	(16)%	(9)%	(6)%	1 %	(7)%

2015E sales change	
Underlying*	~0-2%
Acq/Div	~(2)%
FX	~(5)%
Reported	~(7)-(5)%

EPS

	Q2 2014	Q2 2015	% Change
Reported	$0.77	$1.42	84%
Gain on sale of power transmission solutions	—	($0.77)	(100)%
Adjusted*	$0.77	$0.65	(16)%

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