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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2001

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-278

EMERSON ELECTRIC CO.  
(Exact name of registrant as specified in its charter)

Missouri  
(State or other jurisdiction of  
incorporation or organization)

43-0259330  
(I.R.S. Employer  
Identification No.)

8000 W. Florissant Ave.  
P.O. Box 4100  
St. Louis, Missouri  
(Address of principal executive offices)

63136  
(Zip Code)

Registrant's telephone number, including area code: (314) 553-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock of \$.50 par value per share	New York Stock Exchange Chicago Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes (X) No ( )

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of the voting stock held by nonaffiliates of the registrant as of close of business on November 27, 2001: \$22,148 million.

Common stock outstanding at November 27, 2001: 420,636,930 shares.

Documents Incorporated by Reference

1. Portions of Emerson Electric Co. 2001 Annual Report to Stockholders (Parts I and II).
2. Portions of Emerson Electric Co. Notice of 2002 Annual Meeting of the Stockholders and Proxy Statement (Part III).

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## PART I

### Item 1. Business

Emerson was incorporated in Missouri in 1890. Originally engaged in the manufacture and sale of electric motors and fans, Emerson subsequently expanded its product lines through internal growth and acquisitions. Emerson is now engaged principally in the worldwide design, manufacture and sale of a broad range of electrical, electromechanical and electronic products and systems.

The divisions of Emerson are organized into the following business segments based on the nature of the products and services provided: Process Control; Industrial Automation; Electronics and Telecommunications; Heating, Ventilating and Air Conditioning; and Appliance and Tools. Sales, earnings before interest and income taxes, and total assets attributable to each segment for the three years ended September 30, 2001, are set forth in Note 12 of Notes to Consolidated Financial Statements on page 31 of the 2001 Annual Report, which note is hereby incorporated by reference. Information with respect to acquisition and divestiture activities by Emerson is set forth in Note 3 of Notes to Consolidated Financial Statements on pages 25 and 26 of the 2001 Annual Report, which note is hereby incorporated by reference.

#### PROCESS CONTROL

The Process Control segment is a leading worldwide producer of process management products including analytical instrumentation, valves and control systems for measurement and control of fluid flow, and integrated solutions for process and industrial applications. Products include various types of meters such as rotameters, positive displacement meters, magnetic flow meters, turbine meters, direct mass flow meters, radar based tank gauging and instruments to measure water quality. Other products include solid state telemetering equipment, various types of pressure and vacuum relief valves, distributed control systems, electronic measurement, data acquisition and condition monitoring equipment for use in industrial processing and personal computer-based software used for industrial automation applications. In addition, Emerson manufactures and sells temperature sensors, pressure sensors and transmitters used to measure and/or control temperature, pressure, level and rate and amount of flow. Also produced are process gas chromatographs, in-situ oxygen analyzers, infrared gas and process fluid analyzers, combustion analyzers and systems, and other analyzers which measure pH and conductivity. Emerson also manufactures and sells sliding stem valves, rotary valves, plastic-lined plug valves, butterfly valves, pressure regulators, and related actuators and controllers. In addition, Emerson provides repair services for many of these products, as well as engineered solutions and consulting services. Emerson utilizes smart device diagnostic, monitoring and control capabilities of the field-based plant architecture. Combined with consulting and implementation services, the architecture performs device loop monitoring and repair, plant optimization studies and project justification to systems integration and project management. Brand names of this segment include Bettis, Brooks, Daniel, Delta V, El-o-matic, Fisher, Fisher-Rosemount Systems, Intellution, Micro Motion, PlantWeb,

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EnTech, Kenonic Controls, Rosemount, SAAB Marine and Westinghouse Process Control. Products and services of this segment are provided to industrial end-users for process and industrial applications and solutions.

#### INDUSTRIAL AUTOMATION

The Industrial Automation segment provides industrial motors, drives, controls and equipment for industrial automation markets. Emerson's products for industrial automation include certain kinds of integral horsepower motors, gear drives, mechanical power transmissions, pump motors, alternators, and electronic variable speed drives. Emerson manufactures and sells components for the transmission and regulation of mechanical power, such as certain kinds of chains, sprockets, sheaves, gears, bearings, couplings and speed reducers, programmable motion controllers and automation accessories. These products are used primarily in industrial and commercial applications requiring the transmission of mechanical motion or drive systems of various types. Emerson also manufactures a line of multi-purpose pressure and solenoid valves, and pressure, vacuum and temperature switches widely used in the automation of equipment and industrial processes. Emerson also produces a variety of industrial and commercial ultrasonic products for applications such as

cleaning, sealing and welding. Other products include material preparation and microstructure analysis equipment. Emerson manufactures a broad line of components for current- and noncurrent- carrying electrical distribution devices such as panelboards, receptacles, fittings, cable handling reels and lighting products for use in hazardous and nonhazardous environments. Brand names of this segment include AMTECH, Appleton, ASCO, Branson, Browning, Buehler, Control Techniques, CSI, Emerson Motion Control, Joucomatic, KVT, Leroy Somer, McGill, MORSE and O-Z/Gedney. Products of this segment are sold to industrial distributors, original equipment manufacturers and end-users for automation applications.

#### ELECTRONICS AND TELECOMMUNICATIONS

The Electronics and Telecommunications segment is an industry leader in the design, manufacture, installation and maintenance of power and connectivity solutions for network-dependent businesses. Emerson provides power supplies and power distribution, protection and conversion equipment and fiber optic conduits for computer, industrial and telecommunications markets. Emerson produces and services electronic uninterruptible and primary power supplies, power conditioning, precise power distribution equipment, modular power systems, precision environmental control systems, cables and connectors, cellular site structures and electronic components used in computing, communications and information processing applications. Emerson also provides emergency and standby power transfer solutions and automatic transfer switches and power systems that safeguard data, telecommunications networks, industrial processes, and critical installations. Emerson also supplies and services energy solutions to the telecom market covering power supply, climate control, cabinets and housing, and network energy management with a wide breadth of power converter products. Brand names of this segment include ASCO, Astec, AVANSYS Power, Duraline, Emerson Energy Systems, HIROSS, Liebert and Liebert Global Services. Products and services of this segment are provided to distributors and end-users for computer, industrial and telecommunications applications.

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#### HEATING, VENTILATING AND AIR CONDITIONING

The Heating, Ventilating and Air Conditioning segment provides a variety of components and systems in virtually every aspect of climate-control engineering and manufacturing, spanning industrial, commercial and residential applications of air condition, refrigeration and heating. Emerson manufactures reciprocating and scroll compressors for commercial and residential refrigeration and air conditioning applications. Emerson also produces precision electronic and monitoring equipment, electronic flow controls and pumps for gas and electric heating systems, refrigeration and air conditioning equipment. Brand names of this segment include Alco Controls, Copeland, Fusite, Therm-O-Disc and White-Rodgers. Products of this segment are sold to distributors and original equipment manufacturers for inclusion in end products and systems (ultimately sold through commercial and residential building construction channels).

#### APPLIANCE AND TOOLS

The Appliance and Tools segment provides motors, controls and other components for appliances, refrigeration and comfort control applications, as well as disposers, tools and storage products. Emerson manufactures and sells hermetic motors for hermetically sealed compressors, and general and special purpose motors for selected appliance, office equipment, ventilating equipment, pump, heater and other motor-driven machine applications. Emerson also manufactures and sells a variety of electric heating elements and electrostatic air cleaners. Emerson manufactures and sells a line of electrical products primarily for the residential markets, including electric waste disposers, hot water dispensers, ventilating equipment and exhaust fans. Emerson is a producer of selected professional and hardware tools and accessories, and service equipment, principally for the professional tools and service equipment market including plumbing, heating and air conditioning contractors, construction and maintenance companies, petroleum and gas producers, refiners and processors, and farm and home consumers. Emerson produces free-standing and wall-mounted ventilated shelving and specialty storage products. Also produced by Emerson for marketing by major retailers are shop vacuum cleaners, a line of bench power tools for home workshop use and a line of hand tools including adjustable wrenches, screwdrivers, pliers and chisels. Brand names of this segment include Chromalox, ClosetMaid, Digital Appliance Controls, Emerson, In-Sink-Erator, Knaack, Mallory, METRO and RIDGID. Products of this segment are sold to distributors and original equipment manufacturers for inclusion in appliances, heating, ventilating, air conditioning and refrigeration equipment and to distributors and retailers for sale to consumers and the professional trades.

#### PRODUCTION

Emerson utilizes various production operations and methods. The principal production operations are metal stamping, forming, casting, machining, welding, plating, heat treating, painting and assembly. In addition, Emerson also uses specialized production operations, including automatic and semiautomatic testing, automated material handling and storage, ferrous and nonferrous machining and special furnaces for heat treating and foundry applications. Management believes the equipment, machinery and tooling used in these processes are of modern design and are well maintained.

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#### RAW MATERIALS AND ENERGY

Emerson's major requirements for basic raw materials include steel, copper, cast iron, aluminum and brass and, to a lesser extent, plastics and other petroleum-based chemicals. Emerson has multiple sources of supply for each of its major requirements and is not significantly dependent on any one supplier. The raw materials and various purchased components required for its products have generally been available in sufficient quantities. Emerson uses various forms of energy, principally natural gas and electricity, obtained from public utilities. A majority of the plants have the capability of being converted to use alternative sources of energy.

#### PATENTS, TRADEMARKS, LICENSES AND FRANCHISES

The Company has a number of patents, trademarks, licenses and franchises, obtained over a number of years and expiring at various times. While proprietary intellectual property is important to the Company, management believes the loss or expiration of any intellectual property rights would not materially impact the Company or any of its segments.

#### BACKLOG

The estimated consolidated order backlog of the Company was \$2,135 million and \$2,838 million at September 30, 2001 and 2000, respectively. Nearly all of the September 30, 2001 consolidated backlog amount is expected to be shipped within one year. The estimated backlog by business segment at September 30, 2001 and 2000, follows (dollars in millions):

	<u>2001</u>	<u>2000</u>
Process Control	\$ 834	665
Industrial Automation	349	417
Electronics and Telecommunications	414	1,078
Heating, Ventilating and Air Conditioning	233	314
Appliance and Tools	<u>305</u>	<u>364</u>
Consolidated Order Backlog	<u>\$2,135</u>	<u>2,838</u>

#### COMPETITION

Emerson's businesses are highly competitive, and Emerson competes on product performance, quality, service or price across the industries and markets served. A significant element of the Company's competitive strategy is its objective to manufacture high quality products at the lowest relevant global cost. Although no single company competes directly with Emerson in all of the Company's product lines, various companies compete in one or more product lines. Some of these companies have substantially greater sales and assets than Emerson, and Emerson also competes with many smaller companies. The

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number of Emerson's competitors varies by product line, and management believes that Emerson has a market leadership position in many of these product lines.

#### RESEARCH AND DEVELOPMENT

Costs associated with Company-sponsored research, new product development and product improvement were \$593.9 million in 2001 and 2000, and \$510.3 million in 1999.

#### ENVIRONMENT

The Company's manufacturing locations generate waste, the treatment, storage, transportation and disposal of which are subject to federal, state and/or local laws and regulations relating to the protection of the environment.

Compliance with laws regulating the discharge of materials into the environment of otherwise relating to the protection of the environment has not had a material effect upon Emerson's capital expenditures, earnings or competitive position. It is not anticipated that Emerson will have material capital expenditures for environmental control facilities during the next fiscal year.

#### EMPLOYEES

Emerson and its subsidiaries had an average of approximately 124,500 employees during 2001. Management believes that the Company's employee relations are favorable. Some of the Company's employees are represented under collective bargaining agreements, but none of these is considered significant.

#### DOMESTIC AND FOREIGN OPERATIONS

International sales were \$6,189 million in 2001, \$5,894 million in 2000 and \$5,713 million in 1999, including U.S. exports of \$1,008 million, \$1,049 million and \$960 million in 2001, 2000 and 1999, respectively. Although there are additional risks attendant to foreign operations, such as nationalization of facilities, currency fluctuations and restrictions on the movement of funds, Emerson's financial position has not been materially affected thereby to date. See Note 12 of Notes to Consolidated Financial Statements on page 31 of the 2001 Annual Report for further information with respect to foreign operations.

#### Item 2. Properties

At September 30, 2001, Emerson had approximately 360 manufacturing locations worldwide, of which approximately 200 were located outside the United States, primarily in Europe and to a lesser extent in Asia-Pacific, Canada and Latin America. The approximate number of manufacturing locations by business segment are: Process Control, 80; Industrial Automation, 90; Electronics and Telecommunications, 70; Heating, Ventilating and Air Conditioning, 60; and Appliance and Tools, 60. The majority of the locations are owned, with the remainder occupied under operating or capital leases. The Company considers its facilities suitable and adequate for the purposes for which they are used.

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#### Item 3. Legal Proceedings

Emerson is a party to a number of pending legal proceedings, several of which claim substantial amounts of damages. There are no pending legal proceedings that management believes will be material in relation to the Company's business or financial position.

#### Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the quarter ended September 30, 2001.

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Executive Officers of the Registrant

The following sets forth certain information as of December 2001 with respect to Emerson's executive officers. Fiscal Year column indicates the first year the executive served as an officer of the Company. These officers have been elected or appointed to terms which will expire February 5, 2002:

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Fiscal Year</u>
C. F. Knight*	Chairman of the Board	65	1972
D. N. Farr*	Chief Executive Officer	46	1985
J. G. Berges*	President	54	1989
W. J. Galvin*	Executive Vice President and Chief Financial Officer	55	1984
E. L. Monser	Chief Operating Officer	51	2002
C. A. Peters*	Senior Executive Vice President	46	1990
W. W. Withers	Senior Vice President, Secretary and General Counsel	61	1989

\*Also chairman and/or member of certain committees of the Board of Directors.

There are no family relationships among any of the executive officers and directors.

Each of the above has served as an officer or in a supervisory capacity with Emerson for the last six years.

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PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The information regarding the market for the Company's common stock, quarterly market price ranges and dividend payments set forth in Note 14 of Notes to Consolidated Financial Statements on page 32 of the 2001 Annual Report is hereby incorporated by reference. There were approximately 33,700 stockholders at September 30, 2001.

Item 6. Selected Financial Data

Years ended September 30

(Dollars in millions except per share amounts)

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Net sales	\$15,479.6	15,544.8	14,269.5	13,447.2	12,298.6
Net earnings	\$ 1,031.8	1,422.4	1,313.6	1,228.6	1,121.9
Basic earnings per common share	\$ 2.43	3.33	3.03	2.80	2.52
Diluted earnings per common share	\$ 2.40	3.30	3.00	2.77	2.50
Cash dividends per common share	\$ 1.53	1.43	1.30	1.18	1.08
Long-term debt	\$ 2,255.6	2,247.7	1,317.1	1,056.6	570.7
Total assets	\$15,046.4	15,164.3	13,623.5	12,659.8	11,463.3

See Note 3 of Notes to Consolidated Financial Statements on pages 25 and 26 of the 2001 Annual Report for information regarding the Company's acquisition and divestiture activities.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Narrative discussion appearing under "Results of Operations" and "Financial Position, Capital Resources and Liquidity" on pages 14 through 18, and the "Safe Harbor Statement" on page 38 of the 2001 Annual Report are hereby incorporated by reference.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Narrative discussion appearing under "Financial Instruments" on page 18 of the 2001 Annual Report is hereby incorporated by reference.

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Item 8. Financial Statements and Supplementary Data

The consolidated financial statements of the Company and its subsidiaries on pages 19 through 32 and the report thereon of KPMG LLP appearing on page 33 of the 2001 Annual Report are hereby incorporated by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information regarding nominees and directors appearing under "Nominees and Continuing Directors" in the Emerson Electric Co. Notice of Annual Meeting of the Stockholders and Proxy Statement for the February 2002 annual stockholders' meeting (the "2002 Proxy Statement") is hereby incorporated by reference. Information regarding executive officers is set forth in Part I of this report. Information appearing under "Section 16(a) Beneficial Ownership Reporting Compliance" in the 2002 Proxy Statement is hereby incorporated by reference.

Item 11. Executive Compensation

Information appearing under "Director Compensation" and "Executive Compensation" in the 2002 Proxy Statement is hereby incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information regarding beneficial ownership of shares by nominees and continuing directors and by all directors and executive officers as a group appearing under "Nominees and Continuing Directors" in the 2002 Proxy Statement is hereby incorporated by reference.

Item 13. Certain Relationships and Related Transactions

Information appearing under "Certain Business Relationships" in the 2002 Proxy Statement is hereby incorporated by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

A. Documents filed as a part of this report:

1. The consolidated financial statements of the Company and its subsidiaries on pages 19 through 32 and the report thereon of KPMG LLP appearing on page 33 of the 2001 Annual Report.
2. Financial Statement Schedules

All schedules are omitted because they are not required, not applicable

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or the information is given in the financial statements or notes thereto contained in the 2001 Annual Report.

3. Exhibits (Listed by numbers corresponding to the Exhibit Table of Item 601 in Regulation S-K).

- 3(a) Restated Articles of Incorporation of Emerson Electric Co., incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended March 31, 2001, Exhibit 3(a); Termination of Designated Shares of Stock and Certificate of Designation, Preferences and Rights of Series B Junior Participating Preferred Stock, incorporated by reference to Emerson Electric Co. 1998 Form 10-K, Exhibit 3(a).
- 3(b) Bylaws of Emerson Electric Co., as amended through November 6, 2001, filed herewith.
- 4(a) Indenture dated as of April 17, 1991, between Emerson Electric Co. and The Boatmen's National Bank of St. Louis, Trustee, incorporated by reference to Emerson Electric Co. Registration Statement on Form S-3, File No. 33-62545, Exhibit 4.1.

- 4(b) Indenture dated as of December 10, 1998, between Emerson Electric Co. and The Bank of New York, Trustee, incorporated by reference to Emerson Electric Co. 1998 Form 10-K, Exhibit 4(b).

No other long-term debt instruments are filed since the total amount of securities authorized under any such instrument does not exceed 10 percent of the total assets of Emerson Electric Co. and its subsidiaries on a consolidated basis. Emerson Electric Co. agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.

- 4(c) Rights Agreement dated as of November 1, 1998, between Emerson Electric Co. and ChaseMellon Shareholder Services, L.L.C. incorporated by reference to Emerson Electric Co. Form 8-A, dated October 6, 1998, Exhibit 1.
- 10(a)\* Employment Agreement made as of October 1, 1975, as amended January 9, 1987, October 22, 1997, and December 11, 2000, between Emerson Electric Co. and C. F. Knight, incorporated by reference to Emerson Electric Co. 2000 Form 10-K, Exhibit 10(a).
- 10(b)\* 1986 Stock Option Plan, as amended, incorporated by reference to Emerson Electric Co. 1992 Form 10-K, Exhibit 10(e), Form 10-Q for the quarter ended December 31, 1992, Exhibit 10(b), and Amendment No. 3 thereto, incorporated by reference to Emerson Electric Co. 2000 Form 10-K, Exhibit 10(b).
- 10(c)\* 1991 Stock Option Plan, as amended, incorporated by reference to Emerson Electric Co. 1997 Form 10-K, Exhibit 10(e) and Amendment No. 1 thereto, incorporated by reference to Emerson Electric Co. 2000 Form 10-K, Exhibit 10(c).

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- 10(d)\* Third Amendment to the Emerson Electric Co. 1993 Incentive Shares Plan, as restated, incorporated by reference to Emerson Electric Co. 1996 Form 10-K, Exhibit 10(g), and Fourth Amendment thereto, filed herewith.
- 10(e)\* Emerson Electric Co. Directors' Continuing Compensation Plan, incorporated by reference to Emerson Electric Co. 1987 Form 10-K, Exhibit 10(g), and Amendment incorporated by reference to Emerson Electric Co. 1996 Form 10-K, Exhibit 10(i).
- 10(f)\* Deferred Compensation Plan for non-Employee Directors, as amended, incorporated by reference to Emerson Electric Co. 1994 Form 10-K, Exhibit 10(k).
- 10(g)\* First Amendment to the Emerson Electric Co. Supplemental Executive Retirement Plan, incorporated by reference to Emerson Electric Co. 1999 Form 10-K, Exhibit 10(h).
- 10(h)\* Fifth Amendment to the Supplemental Executive Savings Investment Plan, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended March 31, 1999, Exhibit 10(j).
- 10(i)\* Annual Incentive Plan incorporated by reference to Emerson Electric Co. 1995 Proxy Statement dated December 14, 1994, Appendix A.
- 10(j)\* 1997 Incentive Shares Plan, incorporated by reference to Emerson Electric Co. 1997 Proxy Statement dated December 6, 1996, Exhibit A, and First Amendment thereto, filed herewith.
- 10(k)\* 1998 Stock Option Plan, incorporated by reference to Emerson Electric Co. 1998 Proxy Statement dated December 12, 1997, Appendix A, and Amendment No. 1 thereto, incorporated by reference to Emerson Electric Co. 2000 Form 10-K, Exhibit 10(l).

12 Ratio of Earnings to Fixed Charges.

13 Portions of Emerson Electric Co. Annual Report to Stockholders for the year ended September 30, 2001, incorporated by reference herein.

21 Subsidiaries of Emerson Electric Co.

23 Independent Auditors' Consent.

24 Power of Attorney.

\* Management contract or compensatory plan.

B) Pursuant to Item 9, the Company filed Reports on Form 8-K dated August 27, 2001 and September 25, 2001, furnishing Regulation FD disclosures.

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EMERSON ELECTRIC CO.

By /s/ W. J. Galvin

\_\_\_\_\_  
W. J. Galvin  
Executive Vice President and  
Chief Financial Officer (and  
Principal Accounting Officer)

Date: December 19, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on December 19, 2001, by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
* _____ C. F. Knight	Chairman of the Board and Director
* _____ D. N. Farr	Chief Executive Officer and Director
/s/ W. J. Galvin _____ W. J. Galvin	Executive Vice President and Chief Financial Officer (and Principal Accounting Officer) and Director
* _____ J. G. Berges	Director
* _____ L. L. Browning, Jr.	Director
* _____ A. A. Busch III	Director
* _____ D. C. Farrell	Director

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* _____ C. Fernandez G.	Director
* _____ J. A. Frates	Director
* _____ A. F. Golden	Director
* _____ R. B. Horton	Director
* _____ G. A. Lodge	Director
* _____ V. R. Loucks, Jr.	Director



*	
_____ R. B. Loynd	Director
*	
_____ C. A. Peters	Director
*	
_____ J. W. Prueher	Director
*	
_____ R. L. Ridgway	Director
*	
_____ W. M. Van Cleve	Director
*	
_____ E. E. Whitacre, Jr.	Director

\* By /s/ W. J. Galvin  
W. J. Galvin  
Attorney-in-fact

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#### INDEX TO EXHIBITS

Exhibits are listed by numbers corresponding to the Exhibit Table of Item 601 in Regulation S-K.

<u>Exhibit No.</u>	<u>Exhibit</u>
3(b)	Bylaws of Emerson Electric Co., as amended through November 6, 2001
10(d)	Fourth Amendment to the Emerson Electric Co. 1993 Incentive Shares Plan
10(j)	First Amendment to the Emerson Electric Co. 1997 Incentive Shares Plan
12	Ratio of Earnings to Fixed Charges
13	Portions of Annual Report to Stockholders for the year ended September 30, 2001, incorporated by reference herein
21	Subsidiaries of Emerson Electric Co.
23	Independent Auditors' Consent
24	Power of Attorney

See Item 14(A) (3) for a list of exhibits incorporated by reference.

EMERSON ELECTRIC CO.

BYLAWS

As Amended through November 6, 2001

EMERSON ELECTRIC CO.

BYLAWS

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#### EMERSON ELECTRIC CO.

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#### BYLAWS

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#### ARTICLE I

#### OFFICES; DEFINITIONS

Section 1. Registered Office. The registered office of Emerson Electric Co. (the "Corporation") shall be located in the County of St. Louis, State of Missouri.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Missouri as the Board may, from time to time, determine or the business of the Corporation may require.

Section 3. Definitions. Unless the context otherwise requires, defined terms herein shall have the meaning ascribed thereto in the Articles of Incorporation (the "Articles").

#### ARTICLE II

#### MEETINGS OF SHAREHOLDERS

Section 1. Place of Meeting. All meetings of the shareholders shall be held at such place within or without the State of Missouri as may be, from time to time, fixed or determined by the Board.

Section 2. Annual Meeting. The annual meeting of the shareholders shall be held on the first Tuesday in February of each year if not a legal holiday, or, if a legal holiday, then on the next business day following, at such hour as may be specified in the notice of the meeting; provided, however, that the day fixed for such meeting in any year may be changed by resolution of the Board to such other day not a legal holiday as the Board may deem desirable or appropriate. At the annual meeting the shareholders shall elect Directors in accordance with Article 5 of the Articles of Incorporation and Article III of these Bylaws, and shall transact such other business as may properly be brought before the meeting. If no other place for the annual meeting is determined by the Board of Directors and specified in the notice of such meeting, the annual meeting shall be held at the principal offices of the Corporation at 8000 West Florissant Avenue, St. Louis, Missouri.

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#### Section 3. Special Meetings.

(a) Unless otherwise limited by statute or by the Articles, special meetings of the shareholders, for any purpose or purposes, may be called at any time by the Chairman of the Board, the Chief Executive Officer, or a majority of the Board.

(b) A special meeting may also be called by the holders of not less than 85% of all of the outstanding shares entitled to vote at such meeting, upon written request delivered to the Secretary of the Corporation. Such request shall state the purpose or purposes of the proposed meeting. Upon receipt of any such request, it shall be the duty of the Secretary to call a special

meeting of the shareholders to be held at any time, not less than ten (10) nor more than seventy (70) days thereafter, as the Secretary may fix. If the Secretary shall neglect to issue such call, the person or persons making the request may issue the call.

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Section 4. Notice of Meetings. Written notice of every meeting of the shareholders, specifying the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered or mailed, postage prepaid, by or at the direction of the Secretary, not less than ten (10) nor more than seventy (70) days before the date of the meeting to each shareholder of record entitled to vote at such meeting.

Section 5. List of Shareholders Entitled to Vote. At least ten (10) days before each meeting of the shareholders, a complete list of the shareholders entitled to vote at such meeting shall be prepared and arranged in alphabetical order with the address of each shareholder and the number of shares held by each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in the State of Missouri, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of the shareholders. Failure to comply with the above requirements in respect of lists of shareholders shall not affect the validity of any action taken at such meeting.

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Section 6. Quorum. The holders of a majority of the issued and outstanding shares entitled to vote, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the shareholders for the transaction of business, except as otherwise provided by law, the Articles or by these Bylaws. The shareholders present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of such number of shareholders as to reduce the remaining shareholders to less than a quorum. Whether or not a quorum is present, the chairman of the meeting or a majority of the shareholders entitled to vote thereat, present in person or by proxy, shall have power, except as otherwise provided by statute, successively to adjourn the meeting to such time and place as they may determine, to a date not longer than ninety (90) days after each such adjournment, and no notice of any such adjournment need be given to shareholders other than the announcement of the adjournment at the meeting. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

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Section 7. Requisite Vote. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the shares entitled to vote which are present in person or represented by proxy shall decide any questions brought before such meeting, unless the question is one upon which, by express provision of law, the Articles or by these Bylaws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 8. Voting. Each shareholder shall, at every meeting of the shareholders, be entitled to one vote in person or by proxy for each share having voting power held by such shareholder, but no proxy shall be voted after eleven (11) months from the date of its execution unless otherwise provided in the proxy. In each election for Directors, no shareholder shall be entitled to vote cumulatively or to cumulate his votes.

Section 9. Notice of Shareholder Business at Annual Meetings. At any annual meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting. In addition to any other requirements imposed by or pursuant to law, the Articles or these Bylaws, each item of business to be properly brought before an annual meeting must (a) be specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board or the persons calling the meeting pursuant to the Articles; (b) be

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otherwise properly brought before the meeting by or at the direction of the Board; or (c) be otherwise properly brought before the meeting by a shareholder. For business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a shareholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the annual meeting; provided, however, that in the event less than 100 days' notice or prior public disclosure of the date of the annual meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not

later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure was made. For purposes of these Bylaws "public disclosure" shall mean disclosure in a press release reported by the Dow Jones, Associated Press, Reuters or comparable national news service, or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act"). A shareholder's notice to the Secretary shall set forth as to each matter he or she proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the shareholder(s) proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the proposing shareholder(s), and (d) any material interest of the proposing shareholder(s) in such business. Notwithstanding anything in

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these Bylaws to the contrary, but subject to Article III, Section 1(c) hereof, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section. The chairman of the annual meeting shall, if the facts warrant, determine and declare to the annual meeting that business was not properly brought before the annual meeting in accordance with the provisions of this Section; and if he or she should so determine, shall so declare to the meeting and any such business not properly brought before the annual meeting shall not be transacted. The chairman of the meeting shall have absolute authority to decide questions of compliance with the foregoing procedures, and his or her ruling thereon shall be final and conclusive. The provisions of this Section 9 shall also govern what constitutes timely notice for purposes of Rule 14a-4(c) under the 1934 Act.

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### ARTICLE III

#### DIRECTORS

##### Section 1. Number; Classification; Nominations; Election; Term of Office.

(a) The Board shall consist of such number of Directors as the Board may from time to time determine, provided that in no event shall the number of Directors be less than three (3), and provided further that no reduction in the number of Directors shall have the effect of shortening the term of any incumbent Director. In addition, the Board may, from time to time, appoint such number of "Advisory Directors" and "Directors Emeritus" as it may deem advisable.

(b) The Board of Directors (herein the "Board") shall be divided into three classes, as nearly equal in number as possible. In the event of any increase in the number of Directors, the additional Director(s) shall be added to such class(es) as may be necessary so that all classes shall be as nearly equal in number as possible. In the event of any decrease in the number of Directors, all classes of Directors shall be decreased as nearly equally as may be possible. Subject to the foregoing, the Board shall determine the class(es) to which any additional Director(s) shall be added and the class(es) which shall be decreased in the event of any decrease in the number of Directors.

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At each annual meeting of shareholders the successors to the class of Directors whose term shall then expire shall be elected for a term expiring at the third succeeding annual meeting after such election.

(c) In addition to the qualifications set out in Section 3 of this Article III, in order to be qualified for election as a Director, persons must be nominated in accordance with the following procedure:

Nominations of persons for election to the Board of the Corporation may be made at a meeting of shareholders by or at the direction of the Board or by any shareholder of the Corporation entitled to vote for the election of Directors at the meeting who complies with the procedures set forth in this Section 1(c). In order for persons nominated to the Board, other than those persons nominated by or at the direction of the Board, to be qualified to serve on the Board, such nominations shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a shareholder's notice shall be delivered to or mailed and received by the Secretary of the Corporation not less than 90 days nor more than 120 days prior to the meeting; provided, however, that in the event less than 100 days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, notice by the shareholder to be timely must be so received not later than the close of business on the 10th day following the day on

which such notice of the date of the meeting was mailed or such public disclosure was made. Such shareholder's notice shall set forth (i) as to each person whom the shareholder proposes to nominate for election or re-election as a Director, (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the Corporation which are beneficially owned by such person, (D) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, (including without limitation such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected) and (E) if the shareholder(s) making the nomination is an Interested Person, details of any relationship, agreement or understanding between the shareholder(s) and the nominee; and (ii) as to the shareholder(s) making the nomination (A) the name and address, as they appear on the Corporation's books, of such shareholder(s) and (B) the class and number of shares of the Corporation which are beneficially owned by such shareholder(s). At the request of the Board, any person nominated by the Board for election as a Director shall furnish to the Secretary of the Corporation that information required to be set forth in a

shareholder's notice of nomination which pertains to the nominee. No person shall be qualified for election as a Director of the Corporation unless nominated in accordance with the procedures set forth in this Section 1(c). The chairman of a meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws, and if he or she should so determine, shall so declare to the meeting, and the defective nomination shall be disregarded. The Chairman of a meeting shall have absolute authority to decide questions of compliance with the foregoing procedures, and his or her ruling thereon shall be final and conclusive.

(d) Directors shall be elected at annual meetings of the shareholders, except as provided in Section 2 of this Article III, and each Director shall hold office until his or her successor is elected and qualified.

Section 2. Filling of Vacancies. Vacancies and newly created directorships shall be filled only by a majority of the remaining Directors, though less than a quorum, and each person so elected shall be a Director until his or her successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders at which Directors of his or her class are elected or at any special meeting of shareholders duly called for that purpose and held prior thereto.

Section 3. Qualifications. Directors must be nominated in accordance with the procedure set out in Section 1(c) of this

Article III. Directors need not be shareholders. No person shall be eligible for election as a Director, either under Section 1 or Section 2 of this Article III, if such person's seventy-second (72d) birthday shall fall on a date prior to the commencement of the Term for which such Director is to be elected or appointed; provided, however, that this limitation shall not apply to persons who were Directors of the Corporation on April 4, 1967, and provided further that this limitation shall not apply to Mr. R. B. Loynd until the annual meeting of shareholders held in 2003. No person shall be qualified to be elected and to hold office as a Director if such person is determined by a majority of the whole Board to have acted in a manner contrary to the best interests of the Corporation, including, but not limited to, violation of either State or Federal law, maintenance of interests not properly authorized and in conflict with the interests of the Corporation, or breach of any agreement between such Director and the Corporation relating to such Director's services as a Director, employee or agent of the Corporation.

Section 4. Removal. By action of a majority of the whole Board, any Director may be removed from office for cause if such Director shall at the time of such removal fail to meet the qualifications for election as a Director as set forth under Article III, Section 3 hereof. Notice of the proposed removal shall be given to all Directors of the Corporation prior to action thereon. Directors may be otherwise removed only in the manner prescribed in the Articles.

Section 5. General Powers. The property and business of the Corporation shall be controlled and managed by its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not, by law, the Articles or by these Bylaws, directed or required to be exercised and done by the shareholders or the Continuing Directors.

Section 6. Place of Meetings. The Board may hold meetings, both regular and special, either within or without the State of Missouri.

Section 7. Regular Annual Meeting. A regular annual meeting of the Board, including newly elected Directors, shall be held immediately following the annual meeting of the shareholders and shall be held at the principal offices of the Corporation at 8000 West Florissant Avenue, St. Louis, Missouri, unless another time or place shall be fixed therefor by the Directors. No notice of such meeting shall be necessary to the Directors in order, legally, to constitute the meeting, provided a majority of the whole Board shall be present. In the event such annual meeting of the Board is not held at the time and place specified herein, or at such other time and place as may be fixed by the Directors, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for meetings of the Board, or as shall be specified in a written waiver signed by all of the Directors.

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Section 8. Additional Regular Meetings. Additional regular meetings of the Board shall be held once each month on the first Tuesday thereof, or on such other day thereof as the Board may, by resolution, prescribe, and at such hour of such day as shall be stated in the notice of the meeting; provided that the Chairman, in his or her discretion, may dispense with any one or more of such meetings, by having notice of the intention so to do given, by letter or telegram, to each Director not less than ten (10) days prior to the regularly scheduled date of each meeting so to be dispensed with. If the first Tuesday of any month shall be a legal holiday, the regular meeting for such month shall be held on the Thursday following, and if the Monday preceding the first Tuesday of any month shall be a legal holiday, the regular meeting for such month shall be held on the Wednesday following, in each case unless the Board shall otherwise prescribe by resolution. Notice of any regular meeting shall be given to each Director at least forty-eight (48) hours in advance thereof, either personally, by mail or by telegram.

Section 9. Special Meetings. Special meetings of the Board may be called by the Chairman or the Chief Executive Officer on notice given personally, by mail, by telephone, by telegram or by facsimile to each Director given twenty-four (24) hours in advance of such meeting. Special meetings shall be called by the Chairman or the Chief Executive Officer in like manner and on like notice on the written request of any two Directors.

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Section 10. Place of Meetings. Special meetings and regular meetings of the Board, other than the regular annual meeting, shall be held at such place within the City or County of St. Louis, Missouri, as may be specified in the notice of such meeting; provided that any meeting may be held elsewhere, within or without the State of Missouri, pursuant to resolution of the Board or pursuant to the call of the Chairman or the Chief Executive Officer. Members of the Board and its Committees may participate in meetings by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation shall constitute presence at the meeting.

Section 11. Notices. Notice of any meeting may be given by the Chairman, the Chief Executive Officer, any Vice Chairman, the President, any Vice President or the Secretary and shall specify the time and place of the meeting.

Section 12. Quorum. At all meetings of the Board a majority of Directors in office (the "whole Board") shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board, except as otherwise may be specifically provided by law or by the Articles. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than

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announcement at the meeting, until a quorum shall be present. So long as the whole Board shall consist of sixteen (16) or more members, a Director who may be disqualified, by reason of personal interest, from voting on any particular matter before a meeting of the Board may nevertheless be counted for the purpose of constituting a quorum of the Board.

Section 13. Compensation of Directors. Directors, as such, shall receive for their services such compensation as may be fixed, from time to time, by resolution of the Board, together with a stipend for attendance, and expenses of attendance, if any, for each meeting of the Board or meetings of any committee on which the Directors may serve; provided that nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.



Section 14. Executive Committee. The Board may, by resolution passed by a majority of the whole Board, designate two or more of its number to constitute an Executive Committee which, to the extent provided in such resolution, shall have and exercise the authority of the Board in the management and business of the Corporation.

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Section 15. Finance Committee. The Board may, by resolution passed by a majority of the whole Board, designate two or more of its number, one of whom shall be the Committee Chairman, as the Finance Committee of the Board, which to the extent provided in such resolution shall have and exercise the authority of the Board in the management and business of the Corporation. The Committee shall study and consider financial matters affecting the operations of the Corporation, including its long range financial requirements, shall advise the Board in respect thereto, and shall have such other duties as shall be specified by resolution of the Board.

Section 16. Other Committees of the Board. The Board may, by resolution passed by a majority of the whole Board, designate two or more of its members to constitute such other Committees of the Board as the Board by such resolution or resolutions may determine. To the extent provided in such resolution or resolutions, such Committees shall have and exercise the authority of the Board in the management and business of the Corporation.

Section 17. Committees-General Rules. Each Committee of the Board shall keep regular minutes of its proceedings and

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report the same to the Board when required. Vacancies in the membership of each Committee shall be filled by the Board at any regular or special meeting of the Board. A Director who may be disqualified, by reason of personal interest, from voting on any particular matter before a meeting of a Committee may nevertheless be counted for the purpose of constituting a quorum of the Committee. At all meetings of a Committee, a majority of the Committee members then in office shall constitute a quorum for the purpose of transacting business, and the acts of a majority of the Committee members present at any meeting at which there is a quorum shall be the acts of the Committee.

Section 18. Directors Emeritus and Advisory Directors. The Board may from time to time create one or more positions of Director Emeritus and Advisory Director, and may fill such position or positions for such term as the Board deems proper. Each Director Emeritus and Advisory Director shall have the privilege of attending meetings of the Board but shall do so solely as an observer. Notice of such meetings to a Director Emeritus or Advisory Director shall not be required under any applicable law, the Articles, or these Bylaws. Each Director Emeritus and Advisory Director shall be entitled to receive such compensation as may be fixed from time to time by the Board. No Director Emeritus or Advisory Director shall be entitled to vote on any business coming before the Board, nor shall they be counted as members of the Board for the purpose of determining the number of Directors necessary to constitute a quorum, for the purpose of determining whether a quorum is present, or for any other purpose whatsoever. In the case of a Director Emeritus or Advisory Director, the occurrence of any event which in the case of a Director would create a vacancy on the Board, shall be deemed to create a vacancy in such position; but the Board may declare the position terminated until such time as the Board shall again deem it proper to create and to fill the position.

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#### ARTICLE IV

##### NOTICES

Section 1. Service of Notice. Notices to Directors and shareholders shall be in writing and delivered personally or mailed or sent by telegram, telex or facsimile transmission to the Directors or shareholders at their addresses appearing on the books of the Corporation, except that notice to Directors of a special meeting of the Board may be given orally. Notice by mail shall be deemed to be given at the time when the same shall be mailed; notice by telegram when such notice is delivered to the telegraph company; notice by facsimile transmission when transmitted.

Section 2. Waiver of Notices. Whenever any notice is required to be given under the provisions of law, the Articles, or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

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## ARTICLE V

### OFFICERS

Section 1. Titles. The Officers of the Corporation shall be chosen by the Board of Directors and shall be a Chairman of the Board (herein the "Chairman"), a Chief Executive Officer, a President, at least one Vice President, a Secretary and a Treasurer. The Board may also elect one or more Vice Chairmen of the Board (herein "Vice Chairmen"), additional Vice Presidents, a Controller, one or more Assistant Controllers, and such other officers as the Board may deem appropriate. Any two or more of the aforesaid offices, except those of President and Vice President or President and Secretary, may be held by the same person. Vice Presidents of the Corporation may be given distinctive designations such as Executive Vice President, Group Vice President, Senior Vice President and the like.

Section 2. Election. The Board, at its annual meeting immediately following each annual meeting of the shareholders, shall elect a Chairman, a Chief Executive Officer and a President, and may elect one or more Vice Chairmen, all of whom shall be Directors or Advisory Directors; and the Board shall also at such annual meeting elect one or more Vice Presidents, a Secretary and a Treasurer, who may, but need not, be Directors or Advisory Directors. The Board may elect such other officers and agents as it shall determine necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. In connection with the election of any officer of the Corporation, the Board may determine that such officer, in addition to the title of the office to which he is elected, shall have a further title such as Chief Administrative Officer, Chief Operating Officer or such other title as the Board may designate, and the Board may prescribe powers to be exercised and duties to be performed by any such officer to whom any such additional title of office is given in addition to those powers and duties provided for by these Bylaws for such office.

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Section 3. Term. The officers of the Corporation shall hold office until their respective successors are elected and qualify. Any officer elected or appointed by the Board may be removed by the Board at any time with or without cause by the affirmative vote of a majority of the whole Board. Any vacancy occurring in any such office may be filled only by the Board.

Section 4. Chairman of the Board. The Chairman shall preside at all meetings of shareholders and Directors. The Chairman shall be Chairman of the Executive Committee of the Board of Directors and shall be an executive officer of the Corporation. The Chairman shall act in a consultative capacity to the Board and the executive officers and shall perform such other duties as the Board may prescribe. In the absence or disability of the Chief Executive Officer, the Chairman shall exercise all of the powers and discharge all of the duties of the Chief Executive Officer.

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Section 5. Chief Executive Officer. The Chief Executive Officer shall be responsible for the general and active management of the business and affairs of the Corporation, subject only to the control of the Board. The Chief Executive Officer shall see that all orders and resolutions of the Board of Directors are carried into effect and shall be responsible to the Board of Directors for the Corporation's strategic development and operational results and for the conduct of the Corporation's business and affairs in accordance with policies approved by the Board of Directors. The Chief Executive Officer shall have full authority in respect to the signing and execution of deeds, bonds, mortgages, contracts and other instruments of the Corporation. In the absence or disability of the Chairman, the Chief Executive Officer (i) shall preside at all meetings of shareholders, and (ii) if a member of the Board of Directors, shall preside at all meetings of the Directors and shall otherwise exercise all of the powers and discharge all of the duties of the Chairman. The Chief Executive Officer shall perform such other duties as the Board may prescribe.

Section 6. President. The President shall be an executive officer of the Corporation. The President, (i) in the absence or disability of the Chairman and the Chief Executive Officer, (a) shall preside at meetings of shareholders, (b) if a

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member of the Board of Directors, shall preside at meetings of the Directors and shall otherwise exercise all the powers and discharge all of the duties of the Chairman and of the Chief Executive Officer; and (ii) shall perform such other duties as the Chief Executive Officer or the Board shall prescribe. The President shall have equal authority with the Chief Executive Officer and the Vice Chairmen, if any, to sign and execute deeds, bonds, mortgages, contracts and other instruments of the Corporation.

Section 7. Vice Chairmen of the Board. Vice Chairmen, if any, may but need not be executive Officers of the Corporation. In the absence or disability of the Chief Executive Officer and the President, the Vice Chairmen, in order of their seniority with the Corporation, shall perform the duties and exercise the powers of the President. The Vice Chairmen shall perform such other duties, and have such other powers as the Chief Executive Officer or the Board may, from time to time, prescribe. Each Vice Chairman shall have equal authority with the Chief Executive Officer and the President with respect to the signing and execution of deeds, bonds, mortgages, contracts and other instruments of the Corporation.

Section 8. Vice Presidents. The Vice President, or if there shall be more than one, the Vice Presidents in order of seniority, in the absence or disability of the Chief Executive

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Officer, the President and all Vice Chairmen, shall perform the duties and exercise the powers of the President. Each Vice President shall perform such other duties and have such other powers as the Chief Executive Officer and the Board may, from time to time, prescribe.

Section 9. Secretary and Assistant Secretaries. The Secretary shall attend all meetings of the Board and all meetings of the shareholders and record all the proceedings of the meetings of the Corporation and of the Board in books to be kept for that purpose, shall perform like duties for Committees of the Board when required, and shall perform such other duties as may be prescribed by the Board, the Chief Executive Officer, any Vice Chairman, or the President. The Secretary shall keep in safe custody the seal of the Corporation and affix the same to any instrument requiring it, and, when so affixed, it shall be attested by his or her signature or by the signature of an Assistant Secretary. The Assistant Secretary, or, if there be more than one, the Assistant Secretaries, in the order determined by the Board, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board may, from time to time, prescribe.

Section 10. Treasurer and Assistant Treasurers. The Treasurer shall have charge of the funds of the Corporation; shall keep the same in depositories designated by the Board or by officers of the Corporation authorized by the Board to make such designation; shall cause said funds to be disbursed upon checks, drafts, bills of exchange or orders for the payment of

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money signed in such manner as the Board or authorized officers of the Corporation may, from time to time, direct; shall perform such other duties as directed by the Board, the Chief Executive Officer or other senior officers; and, if required by the Board, shall give bond for the faithful performance of his or her duties in such form and amount as may be determined by the Board. The Assistant Treasurer, or, if there be more than one, the Assistant Treasurers, in the order determined by the Board, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall have such other duties and powers as the Board may prescribe.

Section 11. Controller and Assistant Controllers. The Controller, if one is elected by the Board, shall have charge of the accounting records of the Corporation; shall keep full and accurate accounts of all receipts and disbursements in books and records belonging to the Corporation; shall maintain appropriate internal control and auditing of the Corporation; and shall perform such other duties as directed by the Board, the Chief Executive Officer or other senior officers. The Assistant Controller or, if there be more than one, the Assistant Controllers, in the order determined by the Board, shall, in the absence or disability of the Controller, perform the duties and exercise the powers of the Controller and shall have such other duties and powers as the Board may prescribe.

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Section 12. Appointed Officers. In addition to the corporate officers elected by the Board as hereinabove in this Article V provided, the Chief Executive Officer may, from time to time, appoint one or more other persons as appointed officers who shall not be deemed to be corporate officers, but may, respectively, be designated with such titles as the Chief Executive Officer may deem appropriate. The Chief Executive Officer may prescribe the powers to be exercised and the duties to be performed by each such appointed officer, may designate the term for which each such appointment is made, and may, from time to time, terminate any or all of such appointments with or without cause. Such appointments and termination of appointments shall be reported periodically to the Board.

## CERTIFICATES OF SHARES

Section 1. Certificates. The certificates of shares of the Corporation shall be numbered and registered in a share register as they are issued. They shall exhibit the name of the registered holder and the number and class of shares and the series, if any, represented thereby and the par value of each share or a statement that such shares are without par value as the case may be.

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Section 2. Signatures on Certificates. Every share certificate shall be signed by the Chairman of the Board, the Chief Executive Officer, the President or a Vice President; and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer; and shall be sealed with the Corporation's seal which may be facsimile, engraved or printed.

Section 3. Transfer Agents and Registrars; Facsimile Signatures. The Board may appoint one or more transfer agents or transfer clerks and one or more registrars and may require all certificates for shares to bear the signature or signatures of any of them. Where a certificate is signed (a) by a transfer agent or an assistant or co-transfer agent, or (b) by a transfer clerk or (c) by a registrar or co-registrar, the signature of any officer thereon may be facsimile. Where a certificate is signed by a registrar or co-registrar the certificate of any transfer agent or co-transfer agent thereon may be by facsimile signature of the authorized signatory of such transfer agent or co-transfer agent. In case any officer or officers of the Corporation who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers, whether because of death, resignation or otherwise, before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may, nevertheless, be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Corporation.

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Section 4. Lost Certificates. In case of loss or destruction of any certificate of stock or other security of the Corporation, another may be issued in its place upon satisfactory proof of such loss or destruction and upon the giving of a satisfactory bond of indemnity to the Corporation and to the transfer agents and registrars, if any, of such stock or other security, in such sum as the Board may provide. The Board may delegate to any officer or officers of the Corporation the authorization of the issue of such new certificate or certificates and the approval of the form and amount of such indemnity bond and the surety thereon.

Section 5. Transfer of Shares. Upon surrender to the Corporation or a transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation may issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 6. Registered Shareholders. The Corporation and its transfer agents shall be entitled to treat the holder of record of any share or shares as the holder in fact thereof and shall not be bound to recognize any equitable or other claims to, or interest in, such shares on the part of any other person and shall not be liable for any registration or transfer of shares which are registered, or to be registered, in the name of a fiduciary or the nominee of a fiduciary unless made with actual knowledge that a fiduciary, or nominee of a fiduciary, is committing a breach of trust in requesting such registration or transfer, or with knowledge of such facts that its participation therein amounts to bad faith.

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Section 7. Interested Shareholders. The provisions of these Bylaws, including without limitation the provisions of this Article VI as they apply to any Interested Person or shares beneficially owned by such Interested Person, are subject to the provisions of Article 9 of the Articles.

## ARTICLE VII

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 1. Actions Involving Directors, Officers or Employees. The Corporation shall indemnify any person who was or is a party (other than a party plaintiff suing on his own behalf or in the right of the Corporation), or who is threatened to be made such a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, but not limited to, an action by or in the right of the Corporation) by reason of the fact that he or she is or was a Director, officer or employee of the Corporation, or is or was serving at the request of the Corporation as a director, officer or employee of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred

by him or her in connection with such action, suit or proceeding; provided, that no such person shall be indemnified (a) except to the extent that the aggregate of losses to be indemnified under the provisions of this Article

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VII exceeds the amount of such losses for which the Director, officer or employee is insured pursuant to any directors and officers liability insurance policy maintained by the Corporation; (b) in respect to remuneration paid to such person if it shall be finally adjudged that such remuneration was in violation of law; (c) on account of any suit in which judgment is rendered against such person for an accounting of profits made from the purchase or sale by such person of securities of the Corporation pursuant to the provisions of Section 16(b) of the 1934 Act and amendments thereto or similar provisions of any federal, state or local statutory law; (d) on account of such person's conduct which is finally adjudged to have been knowingly fraudulent, deliberately dishonest or willful misconduct; and (e) if it shall be finally adjudged that such indemnification is not lawful.

Section 2. Actions Involving Agents. The Corporation may indemnify any person who was or is a party (other than a party plaintiff suing on his own behalf or in the right of the Corporation), or who is threatened to be made such a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including, but not limited to, an action by or in the right of the Corporation) by reason of the fact that he or she is an agent of the Corporation, or is or was serving at the request of the Corporation as an agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, all to the full extent permitted by law.

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Section 3. Determination of Right to Indemnification in Certain Instances.

(a) Any indemnification under Section 1 of this Article VII (unless ordered by a court) shall be made by the Corporation unless a determination is reasonably and promptly made that indemnification of the director, officer or employee is not proper in the circumstances because he or she has not satisfied the conditions set forth in such Section 1. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the shareholders; provided, that no such determination shall preclude an action brought in an appropriate court to challenge such determination.

(b) Any indemnification under Section 2 of this Article VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such Section 2. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the shareholders.

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Section 4. Advance Payment of Expenses. Expenses incurred by defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amounts unless it shall ultimately be determined that he or she is entitled to be indemnified by the Corporation as authorized in this Article.

Section 5. Successful Defense. Notwithstanding any other provision of this Article VII, to the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise (including the dismissal of an action without prejudice or the settlement of an action without admission of liability) in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article VII, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

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Section 6. Not Exclusive Right. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both

as to action in an official capacity and as to action in another capacity while holding such office. Without limiting the generality of the foregoing, in the event of conflict between the provisions of this Article VII and the provisions of any agreement adopted by the shareholders between the Corporation on the one hand, and any director, officer, employee or agent of the Corporation on the other, providing for indemnification, the terms of such agreement shall prevail. Any indemnification, whether required under this Bylaw or permitted by statute or otherwise, shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of the heirs, executors and administrators of such person.

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Section 7. Insurance. The Board shall have the power to cause the Corporation to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

Section 8. Subsidiaries of Corporation. For the purposes of this Article VII, (a) any officer, Director, or employee of the Corporation who shall serve as an officer, director, employee or agent of any other corporation, joint venture, trust or other enterprise of which the Corporation, directly or indirectly, is or was a stockholder or creditor, or in which the Corporation is or was in any way interested, or (b) any officer, director, or employee of any subsidiary corporation, venture, trust or other enterprise wholly owned by the Corporation, shall be deemed to be serving as such director, officer, employee or agent at the request of the Corporation, unless the Board shall determine otherwise. In all instances where any person shall serve as a director, officer, employee or agent of another corporation, joint venture, trust or other enterprise of which the Corporation is or was a stockholder or creditor, or in which it is or was otherwise interested, if it is not otherwise established that such person is or was serving as such director, officer, employee or agent at the request of the Corporation, the Board may determine whether such service is or was at the request of the Corporation, and it shall not be necessary to show any actual or prior request for such service.

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Note: The indemnification provided in the foregoing provisions of Article VII (and related matters) was approved by the stockholders of the Corporation on February 10, 1987.

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Section 9. Spousal Indemnification. The spouse of a person entitled to indemnification under Section 1 hereof or who is granted indemnification under Section 2 hereof, shall be entitled to be so indemnified; provided, that the spouse was or is a party (other than a party plaintiff suing on his or her own behalf or in the right of the Corporation), or was or is threatened to be made a party, to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (including, but not limited to, an action by or in the right of the Corporation), solely by reason of the spousal relationship to the person entitled to indemnification under Section 1 hereof or who is granted indemnification under Section 2 hereof.

## ARTICLE VIII

### GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the shares of the Corporation, subject to the provisions of the Articles, if any, may be declared by the Board at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock or other securities of the Corporation, in rights or warrants relating thereto, or in any other form authorized by law.

Section 2. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board, or officers authorized by the Board, may, from time to time, designate.

Section 3. Fiscal Year. The fiscal year of the Corporation shall commence on October 1, and close on September 30.

Section 4. Seal. The Corporation's seal shall have inscribed thereon the name of the Corporation, the numeral "1890" being the year of the incorporation of the Corporation, and the words "Corporate Seal, Missouri". The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed, reproduced or otherwise.

Section 5. Closing of Transfer Books and Fixing of Record Dates. The Board shall have power to close the share transfer books of the Corporation for a period not exceeding seventy (70) days preceding the date of any meeting of shareholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any

change, conversion or exchange of shares shall go into effect; provided, however, that, in lieu of closing the share transfer books as aforesaid, the Board may fix in advance a date, not exceeding seventy (70) days preceding the date of any meeting of shareholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares shall go into effect, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise rights in respect of any such change, conversion or exchange of shares; and, in each such case, such shareholders and only such shareholders as shall be shareholders of record on the date of closing the share transfer books, or on the record date so fixed, shall be entitled to notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares after such date of closing of the share transfer books or such record date fixed as aforesaid.

#### ARTICLE IX

#### AMENDMENTS

Section 1. These Bylaws may be altered, amended or repealed solely by a majority vote of the members of the whole Board at any regular or special meeting thereof duly called and convened.

FOURTH AMENDMENT TO THE  
EMERSON ELECTRIC CO.  
1993 INCENTIVE SHARES PLAN

WHEREAS, Emerson Electric Co. ("Company") previously adopted the Emerson Electric 1993 Incentive Shares Plan ("Plan") for the benefit of eligible employees; and

WHEREAS, the Compensation and Human Resources Committee of the Board of Directors of the Company ("Committee") is authorized to amend the Plan pursuant to Section 12 thereof; and

WHEREAS, the Committee desires to amend the Plan effective as of October 1, 2001:

NOW, THEREFORE, effective as of October 1, 2001, the Plan is amended as follows:

1. The following is added at the end of the first paragraph of Section 7:

However, the Committee may direct that a Participant as to whose compensation the Company's federal income tax deduction is not limited by Section 162(m) of the Internal Revenue Code of 1986, as amended, shall receive payment of an award before the determination that the applicable targeted performance objectives have been met, subject to adjustment and repayment of any such payment if the performance objectives are not met.

IN WITNESS WHEREOF, the foregoing amendment was adopted on the 1st day of October, 2001.



FIRST AMENDMENT TO THE  
EMERSON ELECTRIC CO.  
1997 INCENTIVE SHARES PLAN

WHEREAS, Emerson Electric Co. ("Company") previously adopted the Emerson Electric 1997 Incentive Shares Plan ("Plan") for the benefit of eligible employees; and

WHEREAS, the Compensation and Human Resources Committee of the Board of Directors of the Company ("Committee") is authorized to amend the Plan pursuant to Section 12 thereof; and

WHEREAS, the Committee desires to amend the Plan effective as of October 1, 2001:

NOW, THEREFORE, effective as of October 1, 2001, the Plan is amended as follows:

1. The following is added at the end of the first paragraph of Section 7:

However, the Committee may direct that a Participant as to whose compensation the Company's federal income tax deduction is not limited by Section 162(m) of the Internal Revenue Code of 1986, as amended, shall receive payment of an award before the determination that the applicable targeted performance objectives have been met, subject to adjustment and repayment of any such payment if the performance objectives are not met.

IN WITNESS WHEREOF, the foregoing amendment was adopted on the 1st day of October, 2001.

## EXHIBIT 12

EMERSON ELECTRIC CO. AND SUBSIDIARIES  
 COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES  
 (Dollars in Millions)

	<u>YEAR ENDED SEPTEMBER 30,</u>				
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Earnings:					
Income before income taxes (a)	\$ 1,821.7	2,002.3	2,064.0	2,212.9	1,624.3
Fixed charges	<u>176.5</u>	<u>218.2</u>	<u>258.1</u>	<u>359.5</u>	<u>377.3</u>
Earnings, as defined	<u>\$ 1,998.2</u>	<u>2,220.5</u>	<u>2,322.1</u>	<u>2,572.4</u>	<u>2,001.6</u>
Fixed Charges:					
Interest expense	\$ 124.2	161.4	199.0	292.4	304.3
One-third of all rents	<u>52.3</u>	<u>56.8</u>	<u>59.1</u>	<u>67.1</u>	<u>73.0</u>
Total fixed charges	<u>\$ 176.5</u>	<u>218.2</u>	<u>258.1</u>	<u>359.5</u>	<u>377.3</u>
Ratio of Earnings to Fixed Charges	<u>11.3x</u>	<u>10.2x</u>	<u>9.0x</u>	<u>7.2x</u>	<u>5.3x</u>

(a) Represents income before income taxes and minority interests in the income of consolidated subsidiaries with fixed charges.

## Results of Operations

## Net Sales

Sales for 2001 were \$15.5 billion, a decrease of \$65 million, or 0.4 percent, from 2000. Strong sales growth in the Process Control business from PlantWeb and solutions activities was negated by weakness in the Industrial Automation; Heating, Ventilating, and Air Conditioning (HVAC); and Appliance and Tools businesses. In addition, robust gains in the Electronics and Telecommunications business in the first half of 2001 reversed in the second half. Sales also were impacted by divestitures and a stronger U.S. dollar, with each reducing reported sales by more than 2 percent. Underlying sales realized slight growth excluding acquisitions, divestitures and the unfavorable impact from currency. U.S. sales decreased by approximately \$360 million, or 4 percent, while international sales increased approximately \$295 million, or 5 percent. New product sales, from products introduced in the past five years, were \$5.4 billion, representing 35 percent of sales.

In 2000, sales were \$15.5 billion, up \$1,275 million, or 8.9 percent, from 1999. The strong sales growth was driven by robust demand for network power and connectivity products and services, the continued success of other major growth initiatives, and the contribution of acquisitions. Excluding the impact of divestitures, all businesses reported sales increases. U.S. sales increased approximately \$1,094 million, or 13 percent, while international sales increased approximately \$181 million, or 3 percent. Underlying sales growth was led by robust demand in the Electronics and Telecommunications business worldwide, while the HVAC business achieved a very strong performance internationally. New product sales, from products introduced in the past five years, increased approximately \$614 million, to a record \$5.6 billion, representing 36 percent of sales.

## International Sales

International sales, including U.S. exports, increased 5 percent, to a record \$6.2 billion in 2001, representing 40 percent of the Company's total sales. U.S. exports were in line with a year ago, at \$1.0 billion. Sales by non-U.S. subsidiaries were \$5.3 billion in 2001, up 7 percent from 2000. International subsidiary sales increased 8 percent excluding acquisitions, divestitures and the unfavorable impact of currency translation of approximately \$310 million. Very strong growth in Asia and Latin America and moderate growth in Europe was slightly offset by the impact of currency exchange.

In 2000, international sales increased over 3 percent to \$5.9 billion, representing 38 percent of the Company's total sales. U.S. exports increased 9 percent to \$1.0 billion. Sales by non-U.S. subsidiaries were \$5.0 billion in 2000, up 3 percent from 1999. International subsidiary sales increased 8 percent excluding acquisitions, divestitures and the unfavorable impact of currency translation of approximately \$320 million. Strong growth in Canada, Asia and Latin America and moderate growth in Europe was dampened by the impact of currency exchange.

## Business Segment Sales - 2001 vs. 2000

The Process Control business sales increased 8 percent to \$3.3 billion in 2001, reflecting continued high customer demand for PlantWeb technology and strong growth in the solutions and services areas. These capabilities have dramatically increased the Company's end-market opportunity, and the uniqueness of Emerson's offerings has allowed the Company to firmly establish a leading position. The Company's product strength in control systems, valve and measurement devices also played a key role in the growth, as general maintenance and repair spending returned to more normalized levels after a challenging 2000 and 1999. Very strong growth in the United States and Asia and moderate growth in Europe were dampened by the impact of currency exchange.

Sales of the Industrial Automation business declined 7 percent to \$3.0 billion in 2001, due to a modest decline in underlying sales, unfavorable currency exchange and the Krautkramer and Sweco divestitures. U.S. capital goods markets showed considerable weakness, while underlying European sales increased moderately and Asian sales grew modestly versus 2000.

The Electronics and Telecommunications business reported a 9 percent increase in sales, to \$3.6 billion in 2001, due to the acquisitions of Jordan Telecommunication Products, Inc. and Ericsson Energy Systems in 2000. Underlying sales increased modestly, excluding the impact of acquisitions, divestitures and currency exchange. After a 30 percent underlying increase in the first half of 2001, sales declined over 20 percent in the second half. Fiber-optic and embedded power products were the first to be impacted by the overall downturn in computing and communications markets, and systems sales declined as the year progressed. U.S. sales declined slightly, partially offsetting very strong growth in Europe, Asia and Latin America, with all regions slowing dramatically in the second half of the year.

billion, primarily due to lower U.S. demand for air conditioning and refrigeration products at the residential, commercial and industrial levels. Underlying sales decreased slightly, excluding the unfavorable impact from currency exchange, with very strong gains in Asia and solid gains in Europe more than offset by a moderate decline in U.S. sales, which comprise approximately 65 percent of sales in this business. New growth opportunities for scroll compressor technology continue to develop, with Copeland Scroll sales reaching nearly \$900 million in 2001.

The Appliance and Tools business reported \$3.5 billion in sales in 2001, an 8 percent decrease from 2000. This decline is primarily the result of the Vermont American divestiture in fiscal 2000, the weak U.S. capital goods environment and a challenging appliances market. Underlying tools sales were flat versus 2000. A moderate overall decline in underlying sales was due to softness in both domestic and international markets.

#### Business Segment Sales - 2000 vs. 1999

The Process Control business achieved a 5 percent sales increase to \$3.1 billion in 2000. This increase was driven by the Daniel Industries, Inc. acquisition and customers embracing PlantWeb technology, partially offset by difficult market conditions, particularly in Asia and Europe, and the impact of currency exchange. Underlying sales for the year decreased slightly but turned positive in the fourth quarter, the first organic sales improvement since the process markets began to cycle down in 1998.

Sales of the Industrial Automation business were \$3.2 billion in 2000, down 7 percent. Solid underlying improvement in Europe and other international regions, the late-1999 acquisitions of Kato and MagneTek's alternator operations, and stabilization in U.S. capital goods markets were negatively impacted by the stronger U.S. dollar and the F.G. Wilson and Krautkramer divestitures.

The Electronics and Telecommunications business achieved outstanding performance, with sales increasing 59 percent, to \$3.3 billion. The increase was the result of underlying growth of nearly 30 percent, reflecting strong worldwide demand for reliable power and networking products, and two strategic acquisitions in 2000 - Jordan and Ericsson. All product and service areas increased sharply, with particular strength in large UPS and precision air conditioning systems for Web-hosting centers and DC/DC embedded modules for applications such as next-generation routers and telecom switching.

Sales of the HVAC business were \$2.5 billion in 2000, a 5 percent increase from 1999, dampened slightly by unfavorable currency exchange. Europe, Asia and Latin America all achieved very strong underlying sales growth, primarily due to improved market conditions and continued penetration of Copeland's scroll compressor technology.

Sales of the Appliance and Tools business increased 1 percent to \$3.8 billion. Very strong underlying growth in the tools operations was offset by the impact of the Vermont American divestiture and unfavorable currency exchange. Tools sales through the rapidly growing home centers channel increased in 2000, particularly the successful relationship with The Home Depot, which capitalizes on the RIDGID-branded line of professional quality tools. Underlying appliance - related sales were relatively flat for the year, due in part to distribution issues faced by some key customers.

#### Acquisitions, Divestitures and Repositioning

The Company continued to reposition into faster-growth markets, acquiring several businesses, divesting two slower-growth businesses and contributing another business into a joint venture in 2001. Subsequent to year-end, the Company agreed to exchange its ENI semiconductor equipment division for an equity interest in MKS Instruments, Inc. of 12 million common shares. The Company also announced the divestiture of its Chromalox industrial heating solutions business. These five divested businesses had combined annualized sales of approximately \$500 million. Additionally, in the first quarter of 2002, the Company acquired Avansys Power Co., Ltd., a provider of network power products to the telecommunications industry in China, for approximately \$750 million in cash. The 2001 divestitures and the final F.G. Wilson proceeds resulted in total gains of \$187 million in 2001, which were offset by ongoing costs incurred for the rationalization of operations and other items.

To accelerate cost reductions and better position the Company for the global economic environment, in the fourth quarter of 2001, the Company recognized a pretax incremental repositioning charge of \$377 million (\$260 million after-tax, or \$0.61 per share). Cost of sales, selling, general and administrative expenses and other deductions, net include charges of \$89 million, \$51 million and \$237 million, respectively. The charge was primarily non-cash and was mainly associated with the planned disposition of facilities, exiting the manufacturing of non-strategic product lines and the writedown of inventory. See note 3 for additional information.

#### Total Costs and Expenses

Cost of sales was \$10.1 billion in 2001, an increase of 1.0 percent. In 2000, cost of sales was \$10.0 billion, compared with \$9.2 billion in 1999. Cost of sales as a percent of net sales was 65.4 percent in 2001 and 64.4 percent in 2000 and 1999. Despite slowing business conditions, the impact of recent

acquisitions and the repositioning charge, gross profit margins have remained at high levels as a result of a disciplined ongoing focus on cost reductions, including the companywide intranet-based consolidation of material purchases and other e-business activities, which continue to drive solid margins.

Selling, general and administrative (SG&A) expenses were \$3.1 billion, \$3.0 billion and \$2.8 billion in 2001, 2000 and 1999, respectively. As a percent of net sales, SG&A expenses were 19.9 percent, 19.2 percent and 19.4 percent in 2001, 2000 and 1999, respectively. The increase in SG&A as a percent of net sales in 2001 was primarily due to the impact of recent acquisitions and the effect of the repositioning charge. The Company continued its commitment to technology investment with engineering and development expense of \$594 million in 2001 and 2000, and \$510 million in 1999.

Interest expense increased to \$304 million in 2001 from \$288 million in the prior year. In 2000, interest expense increased from \$190 million in 1999. These increases primarily reflect higher average borrowings resulting from acquisitions and share repurchases.

Other deductions, net, including amortization of intangibles, were \$386 million in 2001, compared with \$75 million and \$95 million in 2000 and 1999, respectively. The increase in 2001 was primarily due to the repositioning charge discussed above. Fiscal 2001 included a gain of \$60 million from the disposition of the Sweco specialty separation business and a gain of \$55 million from the disposition of the Xomox valve business. Also in 2001, the Company and Crane Co. formed a joint venture combining Emerson's Commercial Cam Co. subsidiary and Crane Co.'s Ferguson Company division, which resulted in a gain of \$24 million. Fiscal 2000 included a gain of \$80 million from the disposition of the Company's interest in the Krautkramer non-destructive testing business and a gain of approximately \$37 million due to the disposition of the Company's interest in Vermont American. Fiscal 1999 included a gain of \$64 million from the disposition of the Company's interest in F.G. Wilson. These gains were offset by costs incurred for the rationalization of operations and other items.

#### Income Before Income Taxes

Income before income taxes decreased \$590 million, or 27.1 percent, to \$1.6 billion in 2001. These results were led by a sharp decline in second-half sales, reflecting an unprecedented decline in customer demand for network power products in the Electronics and Telecommunications business, and rationalization and other charges. The following discussions of segment earnings exclude the incremental repositioning charges. Earnings before interest and income taxes in the Process Control business were \$360 million in 2001, a 28 percent increase from 2000, reflecting broad strength across virtually all areas of the business and rationalization of the cost structure completed over the past two years. The Industrial Automation business earnings were \$400 million in 2001, a decrease of 14 percent from 2000, due to the steep downturn in industrial capital goods spending, divestitures and a stronger U.S. dollar. Earnings of the Electronics and Telecommunications business were \$359 million in 2001, a decrease from 2000, reflecting the deleverage impact on profits resulting from the declining sales volume and higher costs for the rationalization of operations. Earnings of the HVAC business decreased \$35 million, or 9 percent, to \$347 million in 2001, due to lower U.S. demand for air conditioning and refrigeration products in all markets. The Appliance and Tools business earnings decreased to \$503 million, or 13 percent, from 2000, primarily due to decreases in volume and the Vermont American divestiture. See note 12 for additional information by business segment and geographic area.

Income before income taxes increased \$157 million, or 7.8 percent, to \$2.2 billion in 2000, reflecting a strong sales increase, programs to generate improvement in underlying margins and the negative impact of currency translation. Earnings before interest and income taxes in the Process Control business were \$281 million in 2000, a decrease from 1999, reflecting weak demand in the process markets and a stronger U.S. dollar. The Industrial Automation business earnings were \$466 million in 2000, in line with 1999, due to moderate sales growth and acquisitions, offset by divestitures and currency exchange. Earnings of the Electronics and Telecommunications business increased \$213 million, or 91 percent, to \$447 million in 2000, due to robust sales growth and acquisitions. Earnings of the HVAC business increased \$21 million, or 6 percent, to \$382 million in 2000, driven by very strong sales growth in international markets. The Appliance and Tools business earnings decreased \$7 million, to \$581 million, with increased underlying sales volume in the tools operations offset by the Vermont American divestiture.

#### Income Taxes

Income taxes were \$557 million, \$756 million and \$707 million in 2001, 2000 and 1999, respectively. The effective tax rate was 35.1 percent in 2001, compared with 34.7 percent in 2000 and 35.0 percent in 1999, reflecting the net effect of ongoing global tax planning strategies and the impact of acquisitions and divestitures.

#### Net Earnings and Return on Equity

Net earnings for 2001 were \$1.0 billion, down 27.5 percent from \$1.4 billion in 2000. Net earnings as a percent of sales was 6.7 percent in 2001 and 9.2 percent in 2000. Diluted earnings per common share were \$2.40 in 2001, down 27.3 percent

from \$3.30 in 2000. Excluding the repositioning charge, earnings were \$1.3 billion and earnings per share were \$3.01 in 2001, both down 9 percent from 2000. Earnings per share excluding the charge and goodwill amortization were \$3.36 in 2001, down 7 percent from \$3.63 in 2000. Return on average stockholders' equity was 16.5 percent, 22.6 percent and 21.9 percent in 2001, 2000 and 1999, respectively. Net earnings for 2000 were up 8.3 percent from \$1.3 billion in 1999. Diluted earnings per common share in 2000 were up 10.0 percent from \$3.00 in 1999. Earnings per share excluding goodwill amortization in 2000 were up 11.0 percent from \$3.27 in the prior year.

#### Financial Position, Capital Resources and Liquidity

The Company continues to generate substantial cash from operations and remains in a strong financial position with resources available for reinvestment in existing businesses, strategic acquisitions and managing the capital structure on a short- and long-term basis.

#### Cash Flow

Emerson generated operating cash flow of \$1.7 billion in 2001, down 7.2 percent from the prior year. Operating cash flow in 2000 increased 1.6 percent compared with 1999. Decreases in operating working capital as a percentage of sales have been offset by increased pension contributions. In 2001, average operating working capital as a percentage of sales was 14.1 percent compared with 14.7 percent and 15.8 percent in 2000 and 1999, respectively.

Free cash flow (operating cash flow less capital expenditures) increased in 2001, driven by a 20 percent decrease in capital spending. Capital expenditures were \$554 million, \$692 million and \$592 million in 2001, 2000 and 1999, respectively. The Company expects to again reduce capital spending in 2002. Cash paid in connection with Emerson's purchase acquisitions was \$200 million, \$1,972 million and \$1,202 million in 2001, 2000 and 1999, respectively.

Dividends were a record \$654 million (\$1.53 per share, up 7 percent) in 2001, compared with \$613 million (\$1.43 per share) in 2000, and \$566 million (\$1.30 per share) in 1999. In November 2001, the Board of Directors voted to increase the quarterly cash dividend to an annualized rate of \$1.55 per share and authorized an additional 40 million shares of the Company's outstanding common stock to be repurchased over approximately the next five years. Nearly all of the 40 million shares, previously authorized in November 1996, were repurchased by the end of 2001. Net purchases of treasury stock totaled \$534 million, \$376 million and \$324 million in 2001, 2000 and 1999, respectively.

#### Leverage/Capitalization

Total debt increased to \$4.7 billion in 2001, from \$4.6 billion in 2000 and \$3.3 billion in 1999, reflecting the impact of acquisitions and the Company's share repurchase program. The total debt-to-capital ratio was 43.5 percent at year-end 2001, compared with 41.8 percent in 2000 and 34.6 percent in 1999. At September 30, 2001, net debt (total debt less cash and equivalents and short-term investments) was 41.5 percent of net capital, compared with 40.2 percent of net capital in 2000 and 32.7 percent in 1999. The Company's interest coverage ratio (income before income taxes and interest expense divided by interest expense) was 6.2 times in 2001, compared with 8.6 times in 2000 and 11.7 times in 1999, primarily reflecting lower earnings and higher average borrowings resulting from acquisitions and share repurchases. See notes 3, 5 and 6 for additional information.

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At year-end 2001, the Company and its subsidiaries maintained lines of credit amounting to \$3 billion to support commercial paper and had available non-U.S. bank credit facilities of \$440 million to support non-U.S. operations. Lines of credit totaling \$1.5 billion are effective until 2005, with the remainder through April 2002. These lines of credit and bank credit facilities assure the availability of funds at prevailing interest rates. In addition, as of September 30, 2001, the Company could issue up to \$2 billion of additional debt securities under its shelf registration with the Securities and Exchange Commission. Subsequent to year-end, the Company issued \$250 million of 5.75%, 10-year notes and \$250 million of 5 5/8%, 12-year notes which were used to reduce commercial paper borrowings.

#### Financial Instruments

The Company is exposed to market risk related to changes in interest rates, copper and other commodity prices and European and other foreign currency exchange rates, and selectively uses derivative financial instruments, including forwards, swaps and purchased options, to manage these risks. The Company does not hold derivatives for trading purposes. The value of market risk sensitive derivative and other financial instruments is subject to change as a result of movements in market rates and prices. Sensitivity analysis is one technique used to evaluate these impacts. Based on a hypothetical ten-percent increase in interest rates, ten-percent decrease in commodity prices or ten-percent weakening in the U.S. dollar across all currencies, the potential losses in future earnings, fair value and cash flows are immaterial. This method has limitations; for example, a weaker U.S. dollar would benefit future earnings through favorable translation of non-U.S. operating results and lower commodity prices would benefit future earnings through lower cost of

sales. See notes 1, 4, 5 and 6.

#### Recent Accounting Pronouncements

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." FAS 142, which Emerson has the option to adopt in fiscal 2002 or 2003, requires, among other things, the discontinuance of goodwill amortization for business combinations before July 1, 2001, and completion of a transitional goodwill impairment test within six months from the date of adoption. The Company is in the process of reviewing the provisions of this statement and evaluating its impact on the financial statements. Goodwill amortization was \$164 million in 2001, and will be discontinued upon adoption.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which addresses the impairment or disposal of long-lived assets and the reporting of discontinued operations. The Company is in the process of reviewing the provisions of this statement, which must be adopted by 2003, to evaluate its impact on the financial statements.

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#### Consolidated Statements of Earnings

##### Emerson Electric Co. and Subsidiaries

Years ended September 30

(Dollars in millions except per share amounts)

<TABLE>

<CAPTION>

	2001	2000	1999
	<C>	<C>	<C>
Net sales	\$ 15,479.6	15,544.8	14,269.5
Costs and expenses:			
Cost of sales	10,118.5	10,016.0	9,193.8
Selling, general and administrative expenses	3,081.9	2,987.9	2,770.2
Interest expense	304.3	287.6	189.7
Other deductions, net	386.3	75.0	94.9
Total costs and expenses	13,891.0	13,366.5	12,248.6
Income before income taxes	1,588.6	2,178.3	2,020.9
Income taxes	556.8	755.9	707.3
Net earnings	\$ 1,031.8	1,422.4	1,313.6
Basic earnings per common share	\$ 2.43	3.33	3.03
Diluted earnings per common share	\$ 2.40	3.30	3.00

</TABLE>

See accompanying notes to consolidated financial statements.

19

#### Consolidated Balance Sheets

##### Emerson Electric Co. and Subsidiaries

September 30  
(Dollars in millions except per share amounts)

<TABLE>  
<CAPTION>

Assets	2001	2000
	-----	-----
<S>	<C>	<C>
Current assets		
Cash and equivalents	\$ 355.7	280.8
Receivables, less allowances of \$79.0 in 2001 and \$58.5 in 2000	2,551.2	2,705.6
Inventories:		
Finished products	722.8	861.8
Raw materials and work in process	1,174.0	1,190.9
Total inventories	1,896.8	2,052.7
Other current assets	516.4	443.6
Total current assets	5,320.1	5,482.7
	-----	-----
Property, plant and equipment		
Land	172.0	174.9
Buildings	1,303.5	1,261.9
Machinery and equipment	4,821.2	4,558.1
Construction in progress	367.5	416.7
	-----	-----
	6,664.2	6,411.6
Less accumulated depreciation	3,376.2	3,168.2
	-----	-----
Property, plant and equipment, net	3,288.0	3,243.4
	-----	-----
Other assets		
Goodwill, less accumulated amortization of \$922.2 in 2001 and \$852.2 in 2000	5,182.0	5,320.0
Other	1,256.3	1,118.2
	-----	-----
Total other assets	6,438.3	6,438.2
	-----	-----
	\$ 15,046.4	15,164.3
	=====	=====

</TABLE>

See accompanying notes to consolidated financial statements.

<TABLE>  
<CAPTION>

Liabilities and Stockholders' Equity	2001	2000
	-----	-----
<S>	<C>	<C>
Current liabilities		
Short-term borrowings and current maturities of long-term debt	\$2,447.5	2,352.7
Accounts payable	1,127.5	1,210.6
Accrued expenses	1,619.4	1,390.6
Income taxes	184.7	264.9
	-----	-----
Total current liabilities	5,379.1	5,218.8
	-----	-----
Long-term debt	2,255.6	2,247.7
	-----	-----
Other liabilities	1,297.7	1,295.0
	-----	-----
Stockholders' equity		
Preferred stock of \$2.50 par value per share.		
Authorized 5,400,000 shares; issued - none	-	-
Common stock of \$.50 par value per share. Authorized 1,200,000,000 shares; issued 476,677,006 shares in		



2001 and 2000	238.3	238.3
Additional paid-in capital	30.9	53.0
Retained earnings	8,990.7	8,612.9
Accumulated other nonstockholder changes in equity	(741.3)	(578.6)
	-----	-----
	8,518.6	8,325.6
Less cost of common stock in treasury, 57,051,435 shares in 2001 and 49,200,165 shares in 2000	2,404.6	1,922.8
	-----	-----
Total stockholders' equity	6,114.0	6,402.8
	-----	-----
	\$15,046.4	15,164.3
	=====	=====

</TABLE>

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# Consolidated Statements of Stockholders' Equity

Emerson Electric Co. and Subsidiaries

Years ended September 30

(Dollars in millions except per share amounts)

<TABLE>

<CAPTION>

	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Common stock	\$ 238.3	238.3	238.3
	-----	-----	-----
Additional paid-in capital			
Beginning balance	53.0	23.9	27.9
Stock plans and other	(22.1)	29.1	(4.0)
	-----	-----	-----
Ending balance	30.9	53.0	23.9
	-----	-----	-----
Retained earnings			
Beginning balance	8,612.9	7,803.7	7,056.5
Net earnings	1,031.8	1,422.4	1,313.6
Cash dividends (per share: 2001, \$1.53; 2000, \$1.43; 1999, \$1.30)	(654.0)	(613.2)	(566.4)
	-----	-----	-----
Ending balance	8,990.7	8,612.9	7,803.7
	-----	-----	-----
Accumulated other nonstockholder changes in equity			
Beginning balance	(578.6)	(271.6)	(236.2)
Translation adjustments	(100.5)	(307.0)	(35.4)
Cash flow hedges and other	(62.2)	-	-
	-----	-----	-----
Ending balance	(741.3)	(578.6)	(271.6)
	-----	-----	-----
Treasury stock			
Beginning balance	(1,922.8)	(1,613.8)	(1,283.2)
Acquired	(562.3)	(353.8)	(361.2)
Issued under stock plans and other	80.5	44.8	30.6
	-----	-----	-----
Ending balance	(2,404.6)	(1,922.8)	(1,613.8)
	-----	-----	-----
Total stockholders' equity	\$ 6,114.0	6,402.8	6,180.5
	=====	=====	=====
Nonstockholder changes in equity (Net earnings, Translation adjustments and Other)	\$ 869.1	1,115.4	1,278.2
	=====	=====	=====

</TABLE>

See accompanying notes to consolidated financial statements.

22

# Consolidated Statements of Cash Flows

Emerson Electric Co. and Subsidiaries

Years ended September 30

(Dollars in millions)

<TABLE>

<CAPTION>

	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Operating activities			
Net earnings	\$ 1,031.8	1,422.4	1,313.6
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	708.5	678.5	637.5
Changes in operating working capital	121.2	(104.9)	35.7
Gains on divestitures, pension funding and other	(153.8)	(156.2)	(176.3)
	-----	-----	-----
Net cash provided by operating activities	1,707.7	1,839.8	1,810.5
	-----	-----	-----
Investing activities			
Capital expenditures	(554.2)	(692.0)	(591.6)
Purchases of businesses, net of cash and equivalents acquired	(200.1)	(1,971.8)	(1,202.0)
Divestitures of businesses and other, net	206.6	168.6	215.5
	-----	-----	-----
Net cash used in investing activities	(547.7)	(2,495.2)	(1,578.1)
	-----	-----	-----
Financing activities			
Net increase in short-term borrowings	97.2	514.6	503.5
Proceeds from long-term debt	35.9	1,197.8	470.9
Principal payments on long-term debt	(25.2)	(18.4)	(257.0)
Net purchases of treasury stock	(533.7)	(376.2)	(323.7)
Dividends paid	(654.0)	(613.2)	(566.4)
	-----	-----	-----
Net cash (used in) provided by financing activities	(1,079.8)	704.6	(172.7)
	-----	-----	-----
Effect of exchange rate changes on cash and equivalents	(5.3)	(34.5)	(3.3)
	-----	-----	-----
Increase in cash and equivalents	74.9	14.7	56.4
	-----	-----	-----
Beginning cash and equivalents	280.8	266.1	209.7
	-----	-----	-----
Ending cash and equivalents	\$ 355.7	280.8	266.1
	-----	-----	-----
Changes in operating working capital			
Receivables	\$ 135.4	(235.5)	(23.1)
Inventories	99.4	(167.0)	69.0
Other current assets	(6.5)	(12.8)	(12.2)
Accounts payable	(76.6)	194.6	(25.4)
Accrued expenses	43.5	66.1	(31.5)
Income taxes	(74.0)	49.7	58.9
	-----	-----	-----
	\$ 121.2	(104.9)	35.7
	-----	-----	-----

</TABLE>

See accompanying notes to consolidated financial statements.

## Notes to Consolidated Financial Statements

Emerson Electric Co. and Subsidiaries

(Dollars in millions except per share amounts)

### (1) Summary of Significant Accounting Policies

#### Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled affiliates. All significant intercompany transactions, profits and balances are eliminated in consolidation. Other investments of 20 to 50 percent are accounted for by the equity method. Investments of less than 20 percent are carried at cost.

#### Foreign Currency Translation

The functional currency of nearly all of the Company's non-U.S. subsidiaries is the local currency. Adjustments resulting from the translation of financial statements are reflected as a separate component of stockholders' equity.

#### Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less.

#### Inventories

Inventories are stated at the lower of cost or market. The majority of inventory values are based upon standard costs which approximate average costs, while the remainder are principally valued on a first-in, first-out basis. Standard costs are revised at the beginning of the fiscal year. The effect of resetting standards and operating variances incurred during each period are allocated between inventories and cost of sales.

#### Property, Plant and Equipment

The Company records investments in land, buildings, and machinery and equipment at cost. Depreciation is computed principally using the straight-line method over estimated service lives. Service lives for principal assets are 30 to 40 years for buildings and 8 to 12 years for machinery and equipment. Long-lived assets are reviewed for impairment whenever events and changes in business circumstances indicate the carrying value of the assets may not be recoverable. Impairment losses are recognized based on fair value if expected future cash flows of the related assets are less than their carrying values.

#### Goodwill

Assets and liabilities related to business combinations accounted for as purchase transactions are recorded at their respective fair values. Goodwill is amortized on a straight-line basis to other deductions over the periods estimated to be benefited, not exceeding 40 years. In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141, "Business Combinations." FAS 141 requires the purchase method of accounting, eliminates the pooling-of-interests method, and eliminates the amortization of goodwill for business combinations after June 30, 2001.

#### Revenue Recognition

The Company recognizes substantially all of its revenues through the sale of manufactured products and records the sale as products are shipped and title passes to the customer.

#### Financial Instruments

Effective October 1, 2000, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which requires that all derivative instruments be reported on the balance sheet at fair value and establishes criteria for designation and effectiveness of hedging relationships. The adoption of FAS 133 did not have a material effect on the Company's financial statements. For derivative instruments designated as a cash flow hedge, the gain or loss on the derivative is deferred as a separate component of stockholders' equity until recognized in earnings with the underlying hedged item. For derivative instruments designated as a fair value hedge, the gain or loss on the derivative and the offsetting gain or loss on the hedged item are recognized immediately in earnings. Currency fluctuations on non-U.S. dollar obligations that have been designated as hedges of non-U.S. net asset exposures are included in accumulated other nonstockholder changes in equity.

#### Income Taxes

No provision is made for U.S. income taxes on the undistributed earnings of non-U.S. subsidiaries (approximately \$1,561 at September 30, 2001), primarily because retention of a significant portion of these earnings is considered essential for continuing operations. In those cases in which distributions have been made, additional income taxes, if any, have been minimal due to available foreign tax credits.

#### Nonstockholder Changes in Equity

Nonstockholder changes in equity are primarily comprised of net earnings and foreign currency translation adjustments. Accumulated translation adjustments were \$679 and \$579 at September 30, 2001 and 2000, respectively.

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#### Financial Statement Presentation

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. Certain prior year amounts have been reclassified to conform to the current year presentation.

#### (2) Weighted Average Common Shares

Basic earnings per common share consider only the weighted average of common shares outstanding while diluted earnings per common share consider the dilutive effects of stock options, incentive shares and convertible securities. Reconciliations of weighted average common shares for basic earnings per common share and diluted earnings per common share follow (shares in millions):

	2001	2000	1999
	-----	-----	-----
Basic.....	425.4	427.4	433.8
Dilutive shares.....	4.1	4.0	4.6
	-----	-----	-----
Diluted.....	429.5	431.4	438.4
	=====	=====	=====

### (3) Acquisitions, Divestitures and Repositioning

Cash paid in connection with the Company's purchase acquisitions follows:

	2001	2000	1999
	-----	-----	-----
Fair value of assets acquired.....	\$243.3	2,141.7	1,475.7
Less liabilities assumed.....	43.2	169.9	273.7
	-----	-----	-----
Cash paid (net of cash and equivalents acquired).....	\$200.1	1,971.8	1,202.0
	=====	=====	=====

In 2001, the Company acquired Saab Marine Electronics AB, a manufacturer of radar level gauging equipment, and other smaller businesses. During the first quarter of 2001, the Company received \$75 from the divestiture of the Sweco specialty separation business resulting in a pretax gain of \$60. The Company sold its Xomox valve business for \$145 resulting in a pretax gain of \$55 in the third quarter of 2001. During the fourth quarter of 2001, the Company and Crane Co. formed a joint venture combining Emerson's Commercial Cam Co. subsidiary and Crane Co.'s Ferguson Company division. The transaction resulted in a pretax gain of approximately \$24, and the venture is accounted for by the equity method. These transactions and the final F.G. Wilson proceeds resulted in total gains of \$187 related to divestitures in 2001, which were offset by ongoing costs for the rationalization of operations and other items. In the first quarter of 2002, the Company acquired Avansys Power Co., Ltd., a provider of network power products to the telecommunications industry in China, for approximately \$750 in cash.

In the fourth quarter of 2001, the Company recognized a pretax incremental repositioning charge of \$377 (\$260 after-tax) for the consolidation and rationalization of operations of \$136, exiting the manufacturing of certain product lines of \$124, and the writedown of certain non-strategic investments and other costs of \$52. In addition, the charge includes the writedown of inventory to realizable value of \$65 associated with the rapid acceleration of sales growth in 2000 and subsequent sharp decline in mid-year 2001, particularly in the Electronics and Telecommunications business. These charges were in addition to the recurring costs of operations and ongoing cost reduction and productivity improvement programs. Cost of sales, selling, general and administrative expenses and other deductions, net include charges of \$89, \$51 and \$237, respectively.

Costs associated with the consolidation and rationalization of operations to improve the cost structure are primarily related to the Electronics and Telecommunications, Appliance and Tools and Process Control businesses, and include the writedown of fixed assets to liquidation value of \$62, impairment of intangibles of \$30, severance related costs of \$22, and lease termination and other costs of \$22. The costs to exit the manufacturing of certain product lines are principally in the Appliance and Tools business and include the writedown of fixed assets, investment and inventory related items of \$46, impairment of intangibles of \$23, and other obligations of \$55. In total, the charge relates to the exit from over twenty production and office facilities in the United States, Europe and Asia. The repositioning charge includes the elimination of approximately 2,900 positions, and an additional 1,100 positions will be provided for when announced in 2002, along with other period costs for shutdown and moving. See note 12 for the impact of the charges by business segment.

During the second quarter of 2000, the Company acquired Jordan Telecommunication Products, Inc. (renamed Emerson Telecommunication Products) for approximately \$985. Emerson Telecom is a global provider of fiber optic conduit systems, custom cables and connectors for wireline, wireless and data communications equipment, CATV components, power protection systems, and cellular site structures. In the third quarter of 2000, the Company acquired Ericsson Energy Systems (renamed Emerson Energy Systems), a global provider of power supplies, power systems, switching equipment, climate control and energy management systems, and site monitoring services to the telecommunications industry, for approximately \$725. In addition, the Company acquired Knaack, a manufacturer of professional tool storage equipment, and other smaller businesses. The companies acquired in 2000 had annualized sales of approximately \$1,160.

The Company received \$86 from the disposition of its interest in the Krautkramer non-destructive testing business resulting in a pretax gain of approximately \$80 during the third quarter of 2000. The second half of 2000 included a gain of approximately \$37 due to the disposition of the Company's interest in Vermont American ("VA"). The Company also incurred costs for the rationalization of operations and other items that substantially offset these gains. Krautkramer, VA and another divestiture, BI Technologies, represent total annual 1999 sales of nearly \$600.

During the first quarter of 1999, the Company purchased the Westinghouse Process Control Division ("WPC") from CBS Corporation for approximately \$260. WPC is a supplier of process controls for the power generation, water and wastewater treatment industries. In addition, in the first and second quarters of 1999, the Company paid \$230 to acquire the remaining ownership interest in Astec (BSR) Plc. In the third quarter of 1999, the Company acquired Daniel Industries, Inc. through a cash tender offer of approximately \$435 plus assumed debt. Daniel is a provider of measurement and control products and services for the oil and gas industry. In addition, the Company acquired MagneTek's alternator operations; Kato Engineering, an alternator business; and a number of smaller businesses in 1999. The companies acquired in 1999 had annualized sales of approximately \$760.

The Company received \$226 from the disposition of its interest in F.G. Wilson, resulting in a pretax gain of \$64 (\$30 net of income taxes), during 1999. The Company also incurred costs for the rationalization of other operations that more than offset this gain. In addition, the Company received a percentage of future F.G. Wilson revenue and received a total of \$98 during 2000 and 2001. F.G. Wilson had sales of approximately \$410 in 1998.

The results of operations of these businesses have been included in the Company's consolidated results of operations since the respective dates of acquisition and prior to the respective dates of divestiture.

#### (4) Financial Instruments

The Company selectively uses derivative financial instruments to manage interest costs, commodity prices and currency exchange risk. The Company does not hold derivatives for trading purposes. No credit loss is anticipated as the counterparties to these agreements are major financial institutions with high credit ratings.

To efficiently manage interest costs, the Company utilizes interest rate swaps as cash flow hedges of variable rate debt or fair value hedges of fixed rate debt. Also as part of its hedging strategy, the Company utilizes purchased option and forward exchange contracts and commodity swaps as cash flow hedges to minimize the impact of currency and commodity price fluctuations on transactions, cash flows and firm commitments. These contracts for the sale or purchase of European and other currencies and the purchase of copper and other commodities generally mature within one year, and gains and losses deferred in accumulated other nonstockholder changes in equity are not material.

Fair values of the Company's financial instruments are estimated by reference to quoted prices from market sources and financial institutions, as well as other valuation techniques. The estimated fair value of each of the Company's classes of financial instruments approximated the related carrying value at September 30, 2001 and 2000.

#### (5) Short-term Borrowings and Lines of Credit

Short-term borrowings and current maturities of long-term debt are summarized as follows:

	2001	2000
Commercial paper.....	\$ 2,112.0	1,742.8
Payable to banks.....	91.3	74.6
Other.....	244.2	535.3
Total.....	\$ 2,447.5	2,352.7
	=====	=====
Weighted average interest rate at year end.....	3.9%	6.0%
	=====	=====

In 2001, the Company entered into an interest rate swap agreement, which fixed the rate of \$250 of commercial paper at 6.0 percent through December 2010. In 2000, the Company issued \$300 of floating rate, one-year notes with an effective interest rate of 6.7 percent at September 30, 2000. Additionally, the Company issued 13 billion Japanese yen of commercial paper and simultaneously entered into a ten-year interest rate swap which fixed the rate at 2.2 percent. In 1999, the Company issued \$250 of 5.125%, one-year notes that were simultaneously swapped to floating interest rates at a cost less than the Company's U.S. commercial paper, with an effective interest rate of 5.3 percent at September 30, 1999. In November 1996, the Company entered into a five-year interest rate swap which fixed the rate on \$250 of commercial paper at 6.1 percent. The

Company had 151 million of British pound notes with interest rates of 5.2 and 6.8 percent at September 30, 2001 and 2000, respectively, swapped to \$256 at U.S. commercial paper rates.

The Company and its subsidiaries maintained lines of credit amounting to \$3,000 with various banks at September 30, 2001, to support commercial paper and to assure availability of funds at prevailing market interest rates. Lines of credit totaling \$1,500 are effective until 2005 with the remainder through April 2002. There were no borrowings against U.S. lines of credit in the last three years. The Company's non-U.S. subsidiaries maintained bank credit facilities in various currencies approximating \$490 (\$440 unused) at September 30, 2001. In some instances, borrowings against these credit facilities have been guaranteed by the Company to assure availability of funds at favorable interest rates. In addition, as of September 30, 2001, the Company could issue up to \$2,000 of additional debt securities under its shelf registration with the Securities and Exchange Commission.

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#### (6) Long-term Debt

Long-term debt is summarized as follows:

<TABLE>  
<CAPTION>

	2001	2000
	-----	-----
<S>	<C>	<C>
7 7/8% notes due 2005 .....	\$ 600.0	600.0
6.3% notes due 2006 .....	250.0	250.0
5 1/2% notes due 2008 .....	250.0	250.0
5% notes due 2009 .....	175.0	175.0
5.85% notes due 2009 .....	250.0	250.0
7 1/8% notes due 2010 .....	500.0	500.0
Other .....	252.2	235.0
	-----	-----
	2,277.2	2,260.0
Less current maturities .....	21.6	12.3
	-----	-----
Total .....	\$ 2,255.6	2,247.7
	=====	=====

</TABLE>

In 2000, the Company issued \$600 of 7 7/8%, five-year notes that were simultaneously swapped to floating U.S. commercial paper rates. The Company terminated the swap in 2001, establishing an effective interest rate of 6.9 percent at September 30, 2001. In 1999, the Company issued \$250 of 5.85%, ten-year notes that were simultaneously swapped to U.S. commercial paper rates. The Company terminated the swap in 2001, establishing an effective interest rate of 5.7 percent at September 30, 2001.

Long-term debt maturing during each of the four years after 2002 is \$16, \$5, \$603 and \$252, respectively. Total interest paid related to short-term borrowings and long-term debt was approximately \$274, \$273 and \$185 in 2001, 2000 and 1999, respectively.

#### (7) Postretirement Plans

The Company sponsors unfunded postretirement benefit plans (primarily health care) for U.S. retirees and their dependents. Net postretirement plan expense for the years ended September 30, 2001, 2000 and 1999, follows:

<TABLE>  
<CAPTION>

	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Service cost .....	\$ 5.4	5.3	4.5
Interest cost .....	23.7	21.8	21.6
Net amortization .....	(2.1)	(3.1)	(3.1)
	-----	-----	-----
Net postretirement plan expense .....	\$ 27.0	24.0	23.0
	=====	=====	=====

</TABLE>

The reconciliations of the actuarial present value of accumulated postretirement benefit obligations follow:

<TABLE>  
<CAPTION>

	2001	2000
	-----	-----
<S>	<C>	<C>
Benefit obligation, beginning .....	\$ 304.8	313.1
Service cost .....	5.4	5.3
Interest cost .....	23.7	21.8
Actuarial losses (gains) .....	21.4	(8.4)
Benefits paid .....	(28.4)	(25.9)
Acquisitions/divestitures and other .....	(3.2)	(1.1)
	-----	-----
Benefit obligation, ending .....	323.7	304.8
Unrecognized net (loss) gain .....	(.8)	19.4
Unrecognized prior service benefit .....	3.7	5.4
	-----	-----
Postretirement benefit liability recognized in the balance sheet .....	\$ 326.6	329.6
	=====	=====

</TABLE>

The assumed discount rates used in measuring the obligations as of September 30, 2001, 2000 and 1999, were 7.50 percent, 7.75 percent and 7.50 percent, respectively. The assumed health care cost trend rate for 2002 was 7.0 percent, declining to 4.5 percent in the year 2007. The assumed health care cost trend rate for 2001 was 7.0 percent, declining to 4.5 percent in the year 2006. A one-percentage-point increase or decrease in the assumed health care cost trend rate for each year would increase or decrease the obligation as of September 30, 2001, and the 2001 postretirement plan expense by less than five percent.

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#### (8) Retirement Plans

Retirement plan expense includes the following components:

<TABLE>  
<CAPTION>

	U.S. Plans			Non-U.S. Plans		
	2001	2000	1999	2001	2000	1999
	-----	-----	-----	-----	-----	-----
-						
Defined benefit plans:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Service cost (benefits earned during the period)	\$ 40.8	42.2	38.6	10.6	11.7	
9.1						
Interest cost .....	126.0	118.5	112.5	18.1	19.2	
16.9						
Expected return on plan assets .....	(186.1)	(178.9)	(161.4)	(23.8)	(25.3)	
(19.0)						
Net amortization .....	(.7)	(1.7)	1.6	(.6)	-	
.2						
	-----	-----	-----	-----	-----	-----
-						
Net periodic pension (income) expense .....	(20.0)	(19.9)	(8.7)	4.3	5.6	
7.2						
Defined contribution and multiemployer plans.....	63.8	60.7	59.4	14.6	11.1	
8.5						
	-----	-----	-----	-----	-----	-----
-						
Total retirement plan expense .....	\$ 43.8	40.8	50.7	18.9	16.7	
15.7						
	=====	=====	=====	=====	=====	

</TABLE>

The reconciliations of the actuarial present value of the projected benefit obligations and of the fair value of plan assets follow:

<TABLE>  
<CAPTION>

	U.S. Plans		Non-U.S. Plans	
	2001	2000	2001	2000
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Benefit obligation, beginning .....	\$1,566.2	1,545.8	300.7	306.3
Service cost .....	40.8	42.2	10.6	11.7

Interest cost .....	126.0	118.5	18.1	19.2
Actuarial losses (gains) .....	72.1	(16.1)	1.5	(4.0)
Benefits paid .....	(85.9)	(81.9)	(14.5)	(12.4)
Acquisitions/divestitures, net .....	(1.0)	(45.7)	(9.7)	(12.3)
Foreign currency and other .....	6.7	3.4	(2.1)	(7.8)
Benefit obligation, ending .....	\$1,724.9	1,566.2	304.6	300.7
Fair value of plan assets, beginning .....	\$1,725.9	1,635.0	314.7	259.7
Actual return on plan assets .....	(57.4)	194.8	(10.4)	42.6
Employer contributions .....	168.6	23.6	8.1	8.0
Benefits paid .....	(85.9)	(81.9)	(14.5)	(12.4)
Acquisitions/divestitures, net .....	--	(46.9)	(1.9)	20.9
Foreign currency and other .....	1.3	1.3	(2.6)	(4.1)
Fair value of plan assets, ending .....	\$1,752.5	1,725.9	293.4	314.7
Plan assets in excess of (less than) benefit obligation as of June 30 ..	\$ 27.6	159.7	(11.2)	14.0
Unamortized transition amount .....	(7.5)	(14.7)	--	(2.2)
Unrecognized net loss (gain) .....	400.7	84.4	3.7	(29.3)
Unrecognized prior service costs .....	17.5	17.5	.4	3.7
Adjustment for fourth quarter contributions .....	.3	2.8	.9	.7
Net amount recognized in the balance sheet .....	\$ 438.6	249.7	(6.2)	(13.1)

</TABLE>

<TABLE>

<CAPTION>

Weighted average assumptions:	U.S. Plans			Non-U.S. Plans		
	2001	2000	1999	2001	2000	1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Discount rate .....	7.75%	8.00%	7.75%	6.4%	6.4%	6.1%
Expected return on plan assets .....	10.50%	10.50%	10.50%	8.5%	8.4%	8.5%
Rate of compensation increase .....	4.25%	4.50%	4.25%	3.9%	3.9%	3.3%

</TABLE>

At September 30, 2001 and 2000, the pension assets recognized in the balance sheet were \$519.1 and \$311.2, and the pension liabilities recognized in the balance sheet were \$132.9 and \$74.6, respectively; in addition, \$46.2 was recognized in accumulated other nonstockholder changes in equity in 2001. The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the retirement plans with accumulated benefit obligations in excess of plan assets were \$329.4, \$306.5 and \$199.2, respectively, as of September 30, 2001, and \$294.0, \$270.3 and \$174.8, respectively, as of September 30, 2000.

28

#### (9) Income Taxes

Income before income taxes consists of the following:

<TABLE>

<CAPTION>

	2001	2000	1999
<S>	<C>	<C>	<C>
United States.....	\$ 1,143.1	1,614.9	1,567.7
Non-U.S.....	445.5	563.4	453.2
Income before income taxes.....	\$ 1,588.6	2,178.3	2,020.9

</TABLE>

The principal components of income tax expense follow:

<TABLE>

<CAPTION>

	2001	2000	1999
<S>	<C>	<C>	<C>
Federal:			
Current.....	\$ 426.9	496.9	417.3
Deferred.....	(33.8)	29.9	77.5
State and local.....	34.2	49.7	49.8
Non-U.S.....	129.5	179.4	162.7
Income tax expense.....	\$ 556.8	755.9	707.3

</TABLE>

The federal corporate statutory rate is reconciled to the Company's effective income tax rate as follows:



<TABLE>  
<CAPTION>

	2001	2000	1999
	-----	-----	-----
<S>	<C>	<C>	<C>
Federal corporate statutory rate.....	35.0%	35.0%	35.0%
State and local taxes, less federal tax benefit.....	1.4	1.4	1.6
Foreign Sales Corporation benefit and other.....	(1.3)	(1.7)	(1.6)
	-----	-----	-----
Effective income tax rate.....	35.1%	34.7%	35.0%
	-----	-----	-----

</TABLE>

The principal components of deferred tax assets (liabilities) follow:

	2001	2000
	-----	-----
<S>	<C>	<C>
Property, plant and equipment and intangibles.....	\$ (337.8)	(354.7)
Leveraged leases.....	(157.4)	(169.7)
Pension.....	(146.9)	(105.7)
Accrued liabilities.....	241.5	226.4
Postretirement and postemployment benefits.....	127.8	142.0
Employee compensation and benefits.....	127.5	112.4
Other.....	177.9	89.3
	-----	-----
Total deferred tax assets (liabilities).....	\$ 32.6	(60.0)
	-----	-----

</TABLE>

At September 30, 2001 and 2000, respectively, net current deferred tax assets were \$394.5 and \$284.3, and net noncurrent deferred tax liabilities were \$361.9 and \$344.3. Total income taxes paid were approximately \$590, \$700 and \$580 in 2001, 2000 and 1999, respectively.

#### (10) Contingent Liabilities and Commitments

At September 30, 2001, there were no known contingent liabilities (including guarantees, pending litigation, taxes and other claims) that management believes will be material in relation to the Company's financial statements, nor were there any material commitments outside the normal course of business.

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#### (11) Common Stock

The Company has various stock option plans that permit certain officers and employees to purchase common stock at specified prices. Options are granted at 100 percent of the market value of the Company's common stock on the date of grant, generally vest one-third each year and expire ten years from the date of grant. At September 30, 2001, approximately 2.4 million options were available for grant under these plans. Changes in the number of shares subject to option during 2001, 2000 and 1999, follow (shares in thousands):

<TABLE>  
<CAPTION>

	2001		2000		1999	
	-----		-----		-----	
	Average Price	Shares	Average Price	Shares	Average Price	Shares
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Beginning of year.....	\$ 47.15	10,147	\$ 45.48	8,504	\$ 39.02	6,608
Options granted.....	67.27	451	46.42	3,095	54.95	3,026
Assumed options of acquired company	--	--	--	--	34.02	71
Options exercised.....	44.05	(1,219)	30.54	(1,093)	29.29	(1,025)
Options canceled.....	51.58	(291)	51.96	(359)	55.25	(176)
	-----	-----	-----	-----	-----	-----
End of year.....	48.42	9,088	47.15	10,147	45.48	8,504
	-----	-----	-----	-----	-----	-----
Exercisable at year end.....		4,625		4,563		3,952
	-----	-----	-----	-----	-----	-----

</TABLE>

Summarized information regarding stock options outstanding and exercisable at

September 30, 2001, follows (shares in thousands):

<TABLE>

<CAPTION>

Range of Exercise Prices	Outstanding			Exercisable	
	Shares	Average Contractual Life	Average Price	Shares	Average Price
<S>	<C>	<C>	<C>	<C>	<C>
up to \$41.....	894	2.9 years	\$ 29.92	894	\$ 29.92
\$42 to 47.....	4,010	6.9	43.51	1,790	44.69
\$48 to 74.....	4,184	7.4	57.12	1,941	56.72
Total.....	9,088	6.7	48.42	4,625	47.03

</TABLE>

The Company's Incentive Shares Plans authorize the distribution of common stock to key management personnel. At September 30, 2001, 1,869,364 shares were outstanding with restriction periods of three to ten years, including 1,177,637 shares issued in 2001. In addition, 3,394,460 rights to receive common shares have been awarded, including 1,244,147 shares awarded in 2001, which are contingent upon accomplishing certain objectives by 2002. At September 30, 2001, approximately 3.6 million shares remained available for award under these plans.

The Company applies Accounting Principles Board Opinion No. 25 in accounting for its stock plans. The compensation expense charged against income for the Company's incentive shares plans was immaterial. Had compensation expense for the Company's stock plans been determined in accordance with Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," net earnings and diluted earnings per common share, respectively, would have been \$1.012 and \$2.36 per share in 2001, \$1.401 and \$3.25 per share in 2000, and \$1.293 and \$2.95 per share in 1999. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants: risk-free interest rate of 5.7 percent, 6.5 percent and 4.7 percent, dividend yield of 2.3 percent, 2.3 percent and 2.1 percent, expected volatility of 25 percent, 22 percent and 17 percent for 2001, 2000 and 1999, respectively, and expected life of five years for all years. The weighted average fair value of options granted was \$12.03, \$11.75 and \$10.38 for 2001, 2000 and 1999, respectively.

At September 30, 2001, 18,536,064 shares of common stock were reserved, including 18,475,481 shares for issuance under the Company's stock plans and 60,583 shares for conversion of the outstanding 8% convertible subordinated debentures at a price of \$13.49 per share. During 2001, 10,118,900 treasury shares were acquired, and 2,267,630 treasury shares were issued.

Approximately 1.2 million preferred shares are reserved for issuance under a Preferred Stock Purchase Rights Plan. Under certain conditions involving acquisition of or an offer for 20 percent or more of the Company's common stock, all holders of Rights, except an acquiring entity, would be entitled (i) to purchase, at an exercise price of \$260, common stock of the Company or an acquiring entity with a value twice the exercise price, or (ii) at the option of the Board, to exchange each Right for one share of common stock. The Rights remain in existence until November 1, 2008, unless earlier redeemed (at one-half cent per Right), exercised or exchanged under the terms of the plan.

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## (12) Business Segment Information

The Company is engaged principally in the worldwide design, manufacture and sale of a broad range of electrical, electromechanical and electronic products and systems. The divisions of the Company are primarily organized based on the nature of the products and services provided. The Process Control segment includes measurement and analytical instrumentation, valves, control systems, and factory automation software. The Industrial Automation segment includes integral horsepower industrial motors, variable-speed and index drives, mechanical power transmission equipment, predictive maintenance systems, ultrasonic welding and cleaning, fluid control, destructive testing, and heating and lighting equipment. The Electronics and Telecommunications segment consists of uninterruptible power supplies, power conditioning equipment, environmental control systems, site monitoring systems, connectivity systems, and electrical switching equipment. The Heating, Ventilating and Air Conditioning (HVAC) segment consists of compressors, hermetic terminals, thermostats, and valves. The Appliance and Tools segment includes general and special purpose motors, controls, and heating elements, as well as hand, plumbing and bench power tools, and disposers.

The primary income measure used for assessing performance and making operating decisions is earnings before interest and income taxes. Intersegment sales approximate market prices. Accounting method differences between segment reporting and the consolidated financial statements primarily include management fees allocated to segments based on a percentage of sales and the accounting for pension and other retirement plans. Corporate assets primarily include cash and

equivalents, investments, pensions, deferred charges, and certain fixed assets. Summarized information about the Company's operations by business segment and by geographic area follows:

<TABLE>  
<CAPTION>

Business Segments Assets (See note 3)		Sales			Earnings			Total	
		2001	2000	1999	2001(a)	2000	1999	2001	2000
1999									
<S> <C>		<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Process Control .....		\$ 3,348	3,100	2,942	360	281	316	3,453	3,446
3,537									
Industrial Automation .....		3,006	3,237	3,464	400	466	466	2,696	2,823
3,082									
Electronics and Telecommunications ....		3,590	3,289	2,072	359	447	234	3,303	3,643
1,462									
HVAC .....		2,438	2,500	2,385	347	382	361	1,920	1,840
1,819									
Appliance and Tools .....		3,500	3,811	3,795	503	581	588	2,357	2,464
2,828									
		15,882	15,937	14,658	1,969	2,157	1,965	13,729	14,216
12,728									
Differences in accounting methods .....					191	190	161		
Interest income, corporate and other ..					(267)	119	85	1,317	948
896									
Sales eliminations/Interest expense ...		(402)	(392)	(388)	(304)	(288)	(190)		
		\$ 15,480	15,545	14,270	1,589	2,178	2,021	15,046	15,164
13,624									
		=====	=====	=====	=====	=====	=====	=====	=====

(a) Reported 2001 segment earnings exclude the incremental repositioning charge of \$377, which is included in corporate and other. The charges by segment were Process Control \$69, Industrial Automation \$22, Electronics and Telecommunications \$83, HVAC \$6, and Appliance and Tools \$163. Including the charges, 2001 segment earnings were Process Control \$291, Industrial Automation \$378, Electronics and Telecommunications \$276, HVAC \$341, and Appliance and Tools \$340.

<TABLE>  
<CAPTION>

Expenditures		Intersegment Sales			Depreciation and Amortization Expense			Capital	
		2001	2000	1999	2001	2000	1999	2001	
2000									
1999									
<S> <C>		<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Process Control .....		\$ 4	6	5	181	175	168	76	
99 79									
Industrial Automation .....		18	14	11	132	135	142	86	
89 110									
Electronics and Telecommunications .....		15	12	11	128	95	57	104	
115 52									
HVAC .....		31	31	30	110	104	97	144	
184 177									
Appliance and Tools .....		334	329	331	148	160	165	135	
196 166									
Corporate and other .....					9	9	9	9	
9 8									
		\$402	392	388	708	678	638	554	
692 592									
		=====	=====	=====	=====	=====	=====	=====	

</TABLE>

<TABLE>  
<CAPTION>

Geographic  
Plant

Equipment

-----

1999

-----

<S>

<C>

	2001	2000	1999	2001	2000
United States .....	\$ 9,291	9,651	8,557	2,355	2,394
2,312					
Europe .....	3,087	3,026	3,064	492	467
527					
Asia .....	1,412	1,256	1,211	255	229
205					
Latin America .....	670	545	458	138	117
88					
Other regions .....	1,020	1,067	980	48	36
22					

-----

Total .....	\$15,480	15,545	14,270	3,288	3,243
-------------	----------	--------	--------	-------	-------

3,154

=====

</TABLE>

31

#### (13) Other Financial Data

Items reported in earnings during the years ended September 30, 2001, 2000 and 1999, include the following:

<TABLE>  
<CAPTION>

	2001	2000	1999
<S>	<C>	<C>	<C>
Depreciation and other amortization .....	\$ 544.4	523.5	508.1
Goodwill amortization .....	164.1	155.0	129.4
Research, new product development and product improvement costs .....	593.9	593.9	510.3
Rent expense .....	218.9	201.2	177.4
Interest revenue .....	18.0	16.3	16.1

</TABLE>

Other assets, other are summarized as follows:

<TABLE>  
<CAPTION>

	2001	2000
<S>	<C>	<C>
Retirement plans .....	\$ 519.1	311.2
Equity and other investments .....	163.0	227.0
Leveraged leases .....	162.9	179.4
Other .....	411.3	400.6
Total .....	\$ 1,256.3	1,118.2

</TABLE>

Other liabilities are summarized as follows:

<TABLE>  
<CAPTION>

	2001	2000
<S>	<C>	<C>
Deferred income taxes .....	\$ 382.7	360.6
Postretirement plans, excluding current portion .....	307.4	311.3
Minority interest .....	100.1	104.4
Other .....	507.5	518.7
Total .....	\$ 1,297.7	1,295.0

</TABLE>

Accrued expenses include employee compensation of \$334.9 and \$344.3 at September 30, 2001 and 2000, respectively. The Company leases computers, transportation equipment and various other property under operating lease agreements. The minimum annual rentals under noncancelable long-term leases, exclusive of maintenance, taxes, insurance and other operating costs, will approximate \$95 in 2002 and decline substantially thereafter.

(14) Quarterly Financial Information (Unaudited)

Financial Results	Net Sales		Gross Profit		Net Earnings	
	2001	2000	2001	2000	2001	2000
	<C>	<C>	<C>	<C>	<C>	<C>
<S>						
First Quarter .....	\$ 3,919.5	3,543.3	1,388.0	1,254.5	357.4	324.9
Second Quarter .....	4,103.3	3,894.7	1,450.8	1,380.4	358.7	352.8
Third Quarter .....	3,904.9	4,041.8	1,364.6	1,436.7	330.4	373.7
Fourth Quarter .....	3,551.9	4,065.0	1,157.7	1,457.2	(14.7)	371.0
Fiscal Year .....	\$15,479.6	15,544.8	5,361.1	5,528.8	1,031.8	1,422.4
	=====	=====	=====	=====	=====	=====

	Basic Earnings per Common Share		Diluted Earnings per Common Share		Dividends per Common Share	
	2001	2000	2001	2000	2001	2000
	<C>	<C>	<C>	<C>	<C>	<C>
<S>						
First Quarter .....	\$ .84	.75	.83	.75	.3825	.3575
Second Quarter .....	.84	.83	.83	.82	.3825	.3575
Third Quarter .....	.77	.88	.77	.87	.3825	.3575
Fourth Quarter .....	(.03)	.87	(.03)	.86	.3825	.3575
Fiscal Year .....	\$2.43	3.33	2.40	3.30	1.53	1.43
	=====	=====	=====	=====	=====	=====

</TABLE>

See Note 3 for information regarding non-recurring items and the Company's acquisition and divestiture activities.

<TABLE>  
<CAPTION>

Stock Prices (per common share)	2001		2000	
	High	Low	High	Low
	<C>	<C>	<C>	<C>
<S>				
First Quarter .....	\$78.81	62.25	64.38	53.06
Second Quarter .....	77.56	59.81	62.69	40.50
Third Quarter .....	71.60	60.00	65.25	51.13
Fourth Quarter .....	63.05	45.80	70.38	58.13
Fiscal Year .....	\$78.81	45.80	70.38	40.50

</TABLE>

Emerson Electric Co. common stock (symbol EMR) is listed on the New York Stock Exchange and Chicago Stock Exchange.

## Report of Management

The Company's management is responsible for the integrity and accuracy of the financial statements. Management believes that the financial statements for the three years ended September 30, 2001, have been prepared in conformity with U.S. generally accepted accounting principles appropriate in the circumstances. In preparing the financial statements, management makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed.

In meeting its responsibility for the reliability of the financial statements, management relies on a system of internal accounting control. This system is designed to provide reasonable assurance that assets are safeguarded and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles. The design of this system recognizes that errors or irregularities may occur and that estimates and judgments are required to assess the relative cost and expected benefits of the controls. Management believes that the Company's accounting controls provide reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period.

The Audit Committee of the Board of Directors, which is composed solely of Directors who are not employees of the Company, is responsible for monitoring the Company's accounting and reporting practices. The Audit Committee meets with management and the internal auditors periodically to review the work of each and to monitor the discharge by each of its responsibilities. The Audit Committee also meets periodically with the independent auditors who have free access to the Audit Committee and the Board of Directors to discuss internal accounting control, auditing and financial reporting matters, as well as management advisory services.

The independent auditors are engaged to express an opinion on the Company's consolidated financial statements. Their opinion is based on procedures which they believe to be sufficient to provide reasonable assurance that the financial statements contain no material errors.

## Independent Auditors' Report

The Board of Directors and Stockholders  
Emerson Electric Co.:

We have audited the accompanying consolidated balance sheets of Emerson Electric Co. and subsidiaries as of September 30, 2001 and 2000, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the years in the three-year period ended September 30, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Emerson Electric Co. and subsidiaries as of September 30, 2001 and 2000, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2001, in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP  
St. Louis, Missouri  
November 5, 2001

## Safe Harbor Statement

This Annual Report contains various forward-looking statements and includes assumptions concerning Emerson's operations, future results and prospects. These forward-looking statements are based on current expectations, are subject to risk and uncertainties and Emerson undertakes no obligation to update any such statement to reflect later developments. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995,

Emerson provides the following cautionary statement identifying important economic, political and technological factors, among others, the absence of which could cause the actual results or events to differ materially from those set forth in or implied by the forward-looking statements and related assumptions.

Such factors include the following: (i) continuation of the current and projected future business environment, including interest rates and capital and consumer spending; (ii) competitive factors and competitor responses to Emerson initiatives; (iii) successful development and market introductions of anticipated new products; (iv) stability of government laws and regulations including taxes; (v) stable governments and business conditions in emerging economies; (vi) successful penetration of emerging economies; and (vii) continuation of the favorable environment to make acquisitions, domestic and foreign, including regulatory requirements and market values of candidates.

**SUBSIDIARIES AND AFFILIATES OF EMERSON ELECTRIC CO.**  
**September 30, 2001**

<u>LEGAL NAME</u>	<u>JURISDICTION OF INCORPORATION</u>
ADI Control Techniques Drives, Inc	California
Alco Controls S.A. de C.V.	Mexico
Applied Concepts, Inc.	Pennsylvania
Woodstock Land Company, LLC	Missouri
Astec International Holdings Limited	United Kingdom
Astec America Inc.	Delaware
ENI Technology Inc.	Delaware
Astec America de Mexico, S.A. de C.V	Mexico
Astec Electronics (Malaysia) Sdn Bhd	Malaysia
Astec Germany GmbH	Germany
Astec International Limited	Hong Kong
Astec Advanced Power Systems B.V.	Netherlands
Astec Advanced Power Systems Ltd.	Canada
Astec Advanced Power Systems Ltda.	Brazil
Astec Advanced Power Systems (Malaysia) Sdn Bhd	Malaysia
Astec Advanced Power Systems (Penang) Sdn Bhd	Malaysia
Astec Agencies Limited	Hong Kong
Astec Custom Power (Hong Kong) Limited	Hong Kong
Astec Custom Power (Philippines) Inc.	Philippines
Astec Custom Power (Singapore) Pte Ltd	Singapore
Astec Electronics Company Limited	China
Astec Electronics (Luoding) Company Ltd.	China
Astec International (Singapore) Pte. Limited	Singapore
Astec Pekan Sdn Bhd	Malaysia
Astec Power Supply (Shenzhen) Company Ltd.	China
ENI Taiwan Limited	Taiwan
Astec Power Inc.	BVI
ENI Holdings Limited	Japan
ENI Japan Limited	Japan
Stourbridge Holdings (UK) Limited	United Kingdom
Brandenburg Limited	United Kingdom
Mirrorware Manufacturing Limited	United Kingdom
Astec Europe Ltd.	United Kingdom
Astec International PLC	United Kingdom
Astec France S.A.R.L.	France
Branson Ultrasonic S.A.	Switzerland
Brooks Instrument Canada Limited	Canada
Buehler Ltd.	Illinois
Buehler Holdings Inc.	Delaware
ClosetMaid Corporation	Florida
Clairson, Inc.	Delaware
Clairson de Mexico, S.A. de C.V.	Mexico
Clairson (Hong Kong) Limited	Hong Kong
Compania de Motores Domesticos S.A. de C.V.	Mexico
Computational Systems, Incorporated	Tennessee
CSI Services, Inc.	Tennessee
CSI Technology, Inc.	Delaware
CTL Japan	Japan
Computational Systems, Inc. Europe	Belgium
Controles Electromecanicos de Mexico S.A. de C.V.	Mexico
Control Techniques (USA) Inc.	Delaware
Control Techniques Drives, Inc.	Delaware
Control Techniques Drives Limited	Canada
Control Techniques Iberia S.A.	Spain
Control Techniques Sweden AB	Sweden
Daniel Industries, Inc.	Delaware
Bettis Corporation	Delaware
Bettis Canada Ltd.	Canada
Bettis Electric Actuator Corporation	Delaware
Bettis France SARL	France
Bettis GmbH	Germany
Bettis Holdings, Ltd.	United Kingdom
Bettis UK Ltd.	United Kingdom
Prime Actuator Control Systems Ltd.	United Kingdom
Prime Actuator Control Systems UK Ltd.	United Kingdom
Dantorque A/S	Denmark
Dantorque UK Ltd.	United Kingdom
Hytork Controls, Inc.	Delaware
Prime Actuator Control Systems, Inc.	Delaware
Shafer Valve Company	Ohio
Shafer Valve Company of Houston	Texas
Shafer Valve Company de Mexico, S.A. de C.V.	Mexico
Daniel Automation Company	Delaware
Daniel de Mexico, S.A. de C.V.	Mexico
Daniel Industrial, Inc.	Delaware
Daniel En-Fab Systems, Inc.	Delaware
Daniel International Ltd.	United Kingdom
Daniel Europe Ltd.	United Kingdom
Spectra-Tek International Limited	United Kingdom
Daniel Asia Pacific Ltd.	Singapore
Greenfield (UK) Ltd.	United Kingdom
Spectra-Tek Holdings Ltd.	United Kingdom
Spectra-Tek UK Ltd.	United Kingdom
Daniel Measurement and Control, Inc.	Delaware
Daniel Industries Canada Inc.	Canada
Daniel Measurement Services, Inc.	Delaware
Metco Services, Ltd.	United Kingdom
Metco Services Venezuela, C.A.	Venezuela
Daniel Valve Company	Delaware
Oilfield Fabricating & Machine, Inc.	Texas
Danmasa S.A. de C.V.	Mexico
Hytork International plc	United Kingdom
Hytork Controls, Inc.	Florida
Hytork Controls Ltd.	United Kingdom
Hytork LLC	Delaware
Hytork Services Limited	United Kingdom
Valcon Limited	United Kingdom
Digital Appliance Controls Manufacturing (Singapore) Pte Ltd.	Singapore
DACM SDN BHD	Malaysia
EECO, Inc.	Delaware
Apple JV Holding Corp.	Delaware
EGS Electrical Group LLC	Delaware
Appleton Electric LLC	Delaware



Appleton Electric, S.A. de C.V.	Mexico
Appleton Holding Corp.	Delaware
EGS Electrical Group Canada Ltd.	Canada
Easy Heat Ltd.	Canada
EGS Holding S.A.R.L.	France
ATX S.A.	France
Easy Heat, Inc.	Delaware
GSEG LLC	Delaware
O-Z Gedney Company LLC	Delaware
Easy Heat Holding B.V.	Netherlands
Easy Heat Europe B.V.	Netherlands
Easy Heat Polska Sp. z.o.o.	Poland
Copeland Corporation	Delaware
Computer Process Controls, Inc.	Georgia
Emerson Retail Services, Inc.	Delaware
Copeland Access +, Inc.	Delaware
CopelandBitzer L.P.	Delaware
CopelandBitzer Management LLC	Delaware
Copeland de Mexico S.A. de C.V.	Mexico
Copeland Redevelopment Corporation	Missouri
Newcope, Inc.	Delaware
Electro-Test, Inc.	California
El-O-Matic USA, Inc.	Delaware
Emerson Electric (U.S.) Holding Corporation	Delaware
Automatic Switch Company	Delaware
Asco Investment Corp.	New Jersey
ASCO Scientific, Inc.	New Jersey
Asco Controls A.G.	Switzerland
Asco Controls B.V.	Netherlands
Asco Mideast B.V.	Netherlands
Asco Magneszelep Kft.	Hungary
Asco/Joucomatic sp. z.o.o.	Poland
Asco/Joucomatic s.r.o.	Czech Republic
Asco/Joucomatic ZA BV	Netherlands
Asco Electrical Products Co., Inc.	New Jersey
Ascomation Pty. Ltd.	Australia
Ascomation (NZ) Limited	New Zealand
Asco AB	Sweden
Asco (Japan) Company Ltd.	Japan
Asco Services, Inc.	New Jersey
ASCO Switch Enterprises LLC	Delaware
ASCO Switch Investment, Inc.	Delaware
ASCO Power Technologies, L.P.	Delaware
ASCO Valve Enterprises LLC	Delaware
ASCO Valve, Inc.	Delaware
ASCO Valve Investment, Inc.	Delaware
ASCO Controls, L.P.	Delaware
ASCO Valve Manufacturing, Inc.	Delaware
Ascomatica S.A. de C.V.	Mexico
Ascoval Industria E Comercio Ltda.	Brazil
Firetrol, Inc.	North Carolina
Branson Ultrasonics Corporation	Delaware
American Technology, Inc.	Connecticut
Amtech S.a.r.L.	France
Branson Korea Co., Inc.	Korea
Branson Ultrasonics S.A.	Switzerland
Branson Ultrasonidos S.A.E.	Spain
Branson Ultrasons S.A.	France
Camco Vertriebs-GmbH	Germany
Chromalox GmbH	Germany
Copeland GmbH	Germany
Copeland-Cool Sp. z.o.o.	Poland
Copeland Corporation Limited	United Kingdom
Copeland France S.A.	France
Copeland Italia S.a.R.l.	Italy
Copeland Iberica CIB S.A.	Spain
Copeland Refrigeration Europe S.A.	Belgium
Copeland S.A.	Belgium
El-O-Matic GmbH	Germany
Emerson Electric GmbH	Germany
Emerson Electric GmbH & Co.	Germany
Emerson Electric Overseas Finance Corp.	Delaware
Motores U.S. de Mexico, S.A. de C.V.	Mexico
U.S.E.M. de Mexico S.A. de C.V.	Mexico
Emerson Energy Systems GmbH	Germany
Emerson Process Management Ltda.	Brazil
Emerson Retail Services Europe GmbH	Germany
Emerson Technologies Verwaltungs GmbH	Germany
Emerson Technologies GmbH & Co.	Germany
Emersub LXXXIV, Inc.	Delaware
Fisher-Rosemount S.A. de C.V.	Mexico
Emersub LXXXVI, Inc.	Delaware
Flow Technology, S.A. de C.V.	Mexico
EMR Deutschland GmbH & Co.	Germany
Lamdaaquarii Beteiligungs GmbH	Germany
Liebert A.G.	Switzerland
Fisher-Rosemount GmbH	Germany
Fisher-Rosemount GmbH & Co.	Germany
Fisher-Rosemount MFG GmbH & Co. OHG	Germany
Fisher-Rosemount Services GmbH & Co. OHG	Germany
KVT Technologies GmbH	Germany
Marbaise Hanlo LS GmbH	Germany
Skil Europe Corporation	Delaware
Ridge Tool GmbH	Germany
Ridge Tool GmbH & Co.	Germany
RIDGID Peddinghaus Werkzeug GmbH	Germany
Rosemount Inc.	Minnesota
Dieterich Standard, Inc.	Delaware
Fisher-Rosemount AB	Sweden
Fisher-Rosemount AS (Norway)	Norway
Fisher-Rosemount, S.A.	Spain
Fisher-Rosemount Holding AG	Switzerland
Fisher-Rosemount AG	Switzerland
Fisher-Rosemount Kft.	Hungary
Fisher Rosemount Proses Kontrol Ticaret Limited Sirketi	Turkey
Fisher-Rosemount Sro	Czech Republic
Fisher-Rosemount A/S	Denmark
Fisher-Rosemount Ges. M.B.H.	Austria
Westinghouse Electric GES m.b.H.	Austria
Fisher-Rosemount Poland Sp. z.o.o.	Poland

Westinghouse Electric Poland Sp. z.o.o.	Poland
Westinghouse Process Control (Asia) S.A.	Switzerland
Fisher-Rosemount (India) Limited	India
Fisher-Rosemount Pty. Ltd.	Australia
Emerson Electric Australia Co. Pty. Ltd.	Australia
Fisher-Rosemount Ltd.	New Zealand
Fisher-Rosemount Korea Ltd.	Korea
Fisher Rosemount Middle East, Inc.	Delaware
Fisher-Rosemount Singapore Pte Ltd.	Singapore
Fisher-Rosemount Manufacturing (M) SDN BHD	Malaysia
Fisher-Rosemount Singapore Private Limited	Singapore
HSFR Performance Services Pte Ltd.	Singapore
Rosemount Shanghai International Trading Co., Ltd.	China
Fisher-Rosemount Taiwan, Ltd.	Taiwan
P I Components Corp.	Texas
Rosemount Analytical Inc.	Delaware
Rosemount China Inc.	Minnesota
Rosemount Nuclear Instruments, Inc.	Delaware
Rosemount S.A.R.L.	France
Rosemount Portugal Instrumentos Lda.	Portugal
Rosemount Shanghai Co. Ltd.	China
Tekmar Company	Ohio
Fisher-Rosemount OY	Finland
Rosemount Temperature GmbH	Germany
Wirtz-Buehler GmbH	Germany
Buehler S.A.R.L.	France
Xomox International GmbH	Germany
Xomox Uruguay S.A.	Uruguay
Emerson Power Transmission Corporation	Delaware
Emerson Chain, Inc.	Delaware
Emerson Motion Control, Inc.	Minnesota
Emerson Power Transmission Drives and Components, Inc.	Delaware
Emerson Power Transmission Manufacturing L.P.	Missouri
Emerson Power Transmission Ithaca, Inc.	Delaware
McGill Manufacturing Company, Inc.	Indiana
Emerson Power Transmission Bearings, Inc.	Delaware
McGill International, Inc.	Taiwan
Rollway Bearing Corp.	Delaware
Rollway Bearing International Ltd.	Delaware
LiPe-Rollway de Mexico, S.A. de C.V.	Mexico
LiPe-Rollway Deutschland GmbH	Germany
Rollway Bearing N.V.	Belgium
Environmental Remediation Management, Inc.	Delaware
Liebert Corporation	Ohio
Control Concepts Corporation	Delaware
Emerson Telecom Systems, Inc.	Ohio
Global Energy Services, Inc.	Delaware
Liebert Asia Ltd.	Hong Kong
Atlas Air Ltd.	Hong Kong
Wuhan Liebert Computer Power Support System Limited	China
Liebert Corporation Australia Pty, Ltd.	Australia
Atlas Air Australia Pty. Ltd.	Australia
Liebert Far East Pte. Ltd.	Singapore
Liebert (Malaysia) Sdn. Bhd.	Malaysia
Liebert Field Services, Inc.	Delaware
Liebert Global Services, Inc.	Delaware
Liebert International B.V.	Netherlands
Liebert North America, Inc.	Delaware
Liebert Property Holdings, LLC	Delaware
Liebert Tecnologia Ltda.	Brazil
Liebert (Thailand) Co. Ltd.	Thailand
Northeast Electrical Testing, Inc.	Delaware
Micro Motion, Inc.	Colorado
Ridge Tool Company	Ohio
Ridgid Italia Srl	Italy
Ridge Tool (Australia) Pty., Ltd.	Australia
Ridge Tool Manufacturing Company	Delaware
Ridge Tool Pattern Company	Delaware
Ridgid Werkzeuge AG	Switzerland
Ridgid, Inc.	Delaware
Ridgid Online, Inc.	Ohio
Therm-O-Disc, Incorporated	Ohio
Componentes Avanzados de Mexico, S.A. de C.V.	Mexico
Controles de Temperatura S.A. de C.V.	Mexico
E.G.P. Corporation	Delaware
Electronic Control Systems, Inc.	West Virginia
Emermex S.A. de C.V.	Mexico
Emerson Arabia, Inc.	Delaware
3055334 Nova Scotia Corporation	Canada
Emerson Electric (Asia) Limited	Hong Kong
Branson Ultrasonics (Asia Pacific) Co. Ltd.	Hong Kong
Emerson Electric (South Asia/Pacific) Pte. Ltd.	Singapore
Emerson Electric, C.A.	Venezuela
Emerson Electric II, C.A.	Venezuela
Emerson Electric de Colombia, Ltda.	Colombia
Emerson Electric Foreign Sales Corporation	U.S. Virgin Islands
Emerson Electric International, Inc.	Delaware
Emerson Electric Ireland Ltd.	Bermuda
Emersub Treasury Ireland	Ireland
Emersub Finance Ireland	Ireland
Emerson Electric (Mauritius) Ltd.	India
Emerson Electric Company India Private Ltd.	India
Westinghouse Electric Private Ltd. (India)	India
Westinghouse Electric Private Ltd. (Mauritius)	India
Emerson Electric Nederland B.V.	Netherlands
Alco Controls Spol s.r.o.	Czech Republic
Branson Ultrasonics B.V.	Netherlands
Beckman Industrial B.V.	Netherlands
Brooks Instrument B.V.	Netherlands
Emerson Computer Power B.V.	Netherlands
Capax Electricische Apparatenfabriek B.V.	Netherlands
Crouzet Appliance Controls D.O.O.	Slovenia
Emerson Electric RG	Russia
Emerson Electric Slovakia Spol. s.r.o.	Slovakia
Vuma a.s	Slovakia
Emerson Electric, SpoL, s.r.o.	Czech Republic
Fisher-Rosemount B.V.	Netherlands
Fisher-Rosemount Operations B.V.	Netherlands
Fisher-Rosemount Temperature B.V.	Netherlands
Fusite, B.V.	Netherlands

New-Tech Cuijk B.V.	Netherlands
El-O-Matic B.V.	Netherlands
El-O-Matic Valve Actuators (F.E.) Pte. Ltd.	Singapore
El-O-Matic S.A. (Proprietary) Ltd	South Africa
Ridge Tool Ag	Liechtenstein
Therm-O-Disc Europe B.V.	Netherlands
Emerson Electric Puerto Rico, Inc.	Delaware
Emerson Puerto Rico, Inc.	Delaware
Emerson Electric Systems Corp.	Delaware
Emerson Electric (Taiwan) Company Limited	Taiwan
Emerson Energy Systems, Inc.	Delaware
Emerson Energy Systems de Mexico, S. de R.L. de C.V.	Mexico
Emerson Finance Co.	Delaware
Emerson Global Finance Company	Missouri
Emerson Middle East, Inc.	Delaware
Emerson Network Power, Inc.	Texas
Emerson Sice S.p.A.	Italy
Branson Ultrasuoni S.P.A.	Italy
C.E. Set S.R.L.	Italy
CODI S.p.A.	Italy
Plaset, S.p.A.	Italy
Emerson Energy Systems Srl	Italy
Fisher-Rosemount Italia S.R.L.	Italy
Fisher-Rosemount Operations S.r.l.	Italy
Fisher-Rosemount S.r.l.	Italy
Hiross Holding AG	Austria
Hiross International Corporation BV	Netherlands
Hiross Management SA	Switzerland
Liebert Hiross S.p.A.	Italy
Hiross AG	Switzerland
Hiross Ltd.	United Kingdom
Hiross SA	France
Hiross Flexible Space System S.r.l.	Italy
Liebert Hiross Holding GmbH	Germany
Liebert Hiross Deutschland GmbH	Germany
Mecanotronic GmbH	Austria
Suvretta S.p.A.	Italy
Sirai Elettromeccanica s.r.l.	Italy
Sirai Deutschland GmbH	Germany
Xomox Italia S.R.L.	Italy
Emerson Telecommunication Products Inc.	Delaware
Fiber-Conn Assemblies, Inc.	Maryland
JTP Industries, Inc.	Delaware
Dura-Line Corporation	Delaware
Dura-Line International, Inc.	Delaware
Bharti Dura-Line Private Limited	India
Dura-Line CT s.r.o.	Czech Republic
Dura Line do Brasil, Ltda.	Brazil
Dura-Line Espana, S.L.	Spain
Dura-Line Iberia, S.L.	Spain
Dura-Line Limited	United Kingdom
Integral Limited	United Kingdom
Integral Conduit Products (M) Sdn. Bhd.	Malaysia
Dura-Line (Malaysia) Sdn. Bhd.	Malaysia
Dura-Line Mexico S.A. de C.V.	Mexico
Dura-Line Shanghai Plastics Company Ltd.	China
OOO Dura-Line	Russia
Emerson Electronic Connector and Components Company	Delaware
Emerson Electronic Connector and Components do Brasil, Ltda.	Brazil
Emerson Electronic Connector and Components Mexico S.A. de C.V.	Mexico
Vitelec Electronics Ltd.	United Kingdom
Engineered Endeavors, Inc.	Delaware
Engineered Endeavors do Brasil, Ltda.	Brazil
Engineered Endeavors do Brasil Servicos Ltda.	Brazil
Northern Technologies, Inc.	Idaho
NTI Services, Inc.	Delaware
LoDan International, Inc.	Delaware
LoDan de Mexico S.A. de C.V.	Mexico
LoDan Totowa, Inc.	Delaware
LoDan West do Brasil, Ltda.	Brazil
LoDan West Europe Limited	United Kingdom
Telephone Services, Inc. of Florida	Florida
K & S Sheet Metal, Inc.	California
Cable Spec, Ltd.	Texas
Balance Manufacturing Services, Inc.	Texas
Viewsonics, Inc.	Delaware
Adapt Communication Supply Co.-S. FL., Inc.	Florida
OOO Viewsonics	Russia
Shanghai Viewsonics Electronic Co., Ltd.	China
Viewsonics do Brasil, Ltda.	Brazil
Viewsonics Mexico S.A. de C.V.	Mexico
Emerson Ventures Inc.	Delaware
Emersub 3 LLC	Delaware
Emersub XXXVIII, Inc.	Delaware
Emersub XLIII, Inc.	Ohio
Emersub XLVI, Inc.	Nevada
Wilson Investment 2, Inc.	Delaware
Copesub, Inc.	Delaware
Alliance Compressors LLC	Delaware
Emersub LII, Inc.	Delaware
Emersub LIV, Inc.	Delaware
Emersub XCI, Inc.	Delaware
Emersub XCII, Inc.	Delaware
Emersub XCIII, Inc.	Delaware
Emersub Italia Srl	Italy
I.G.D. S.A.	Luxembourg
EMR Foundation, Inc.	Delaware
EMR Holdings, Inc.	Delaware
Branson de Mexico, S.A. de C.V.	Mexico
Copeland Compresores Hermeticos, S.A. de C.V.	Mexico
Copeland Korea, Inc.	Korea
Copeland Taiwan Refrigeration Co.	Taiwan
Digital Appliance Controls, S.A. de C.V.	Mexico
EMR Emerson Holdings (Switzerland) GmbH	Switzerland
EMR Manufacturing (M) Sdn Bhd	Malaysia
Emerson Argentina S.A.	Argentina

Emerson Electric Canada Limited	Canada
Entech U.S.A., Inc.	Delaware
Entech Process Control, Inc.	Georgia
Kenonic Controls, Inc.	Delaware
Tech-Met Canada Limited	Canada
Emerson Electric Chile Ltda.	Chile
Emerson Electric (China) Holdings Ltd.	China
Beijing Rosemount Far East Instrument Co., Ltd.	China
Clairson (Jiangmen) Storage Limited	China
Emerson Electric (Shenzhen) Co., Ltd.	China
Emerson Electric (Suzhou) Co. Ltd.	China
Emerson Electric (Tianjin) Co., Ltd.	China
Emerson Energy Systems (Shanghai) Co., Ltd.	China
Emerson Engineering Systems (Shanghai) Co., Limited	China
Emerson Fusite Electric (Shenzhen) Co. Ltd.	China
Emerson Machinery & Equipment (Shenzhen) Co. Ltd.	China
Emerson Trading (Shanghai) Co. Ltd.	China
Emerson White-Rodgers Electric (Xiamen) Co., Ltd.	China
Leroy Somer Fuzhou Generator Company Limited	China
Ridge Tool (Hangzhou) Co., Ltd.	China
Shanghai Branson Ultrasonics Co., Ltd.	China
Shenyang Copeland Refrigeration Co., Ltd.	China
Emerson Electric de Mexico S.A. de C.V.	Mexico
Ascotech, S.A. de C.V.	Mexico
Motores Reynosa, S.A. de C.V.	Mexico
Emerson Electric do Brasil Ltda	Brazil
Copeland do Brasil Ltda.	Brazil
Radio-Frigor Ltda.	Brazil
Emerson Electric Holdings (Switzerland) GmbH	Switzerland
Emerson Electric Hungary Ltd.	Hungary
Emerson Electric Korea Ltd.	Korea
Emerson Electric (M) Sdn Bhd	Malaysia
Emerson Electric Poland Sp. z.o.o.	Poland
Liebert Hiross Poland Sp. Z.o.o.	Poland
Emerson Electric (Thailand) Limited	Thailand
Emerson energetski sustavi d.o.o.	Croatia
Emerson Energy Systems Argentina S.A.	Argentina
Emerson Energy Systems Australia Pty. Ltd.	Australia
Emerson Energy Systems del Peru S.A.C.	Peru
Emerson Energy Systems Iberia, S.A.	Spain
Emerson Energy Systems Philippines, Inc.	Philippines
Emerson Energy Systems (Pty) Ltd.	South Africa
Emerson Energy Systems Sdn Bhd	Malaysia
Emerson Europe S.A.	France
Asco Joucomatic S.A.	France
Asco Joucomatic GmbH	Germany
Asco Joucomatic GmbH & Co.	Germany
Asco Joucomatic S.p.A.	Italy
Asco Joucomatic N.V.	Belgium
Fluidcontrol S.A.	Spain
Joucomatic Controls Ltd.	New Zealand
Sotrac S.r.l.	Italy
Crouzet Appliance Controls S.A.	France
Emerson Energy Systems EURL	France
Francel S.A.	France
CD GAZ Systemes S.A.	France
Leroy-Somer S.A.	France
Bertrand Polico S.A.	France
Comercial Leroy-Somer Ltda.	Chile
Constructions Electriques DeBeaucourt S.A.S.	France
Electronique du Sud-Ouest S.A.S.	France
Atelier de Bobinage de Moteurs Electriques S.a.r.l.	France
Atelier Equipement Electrique Wieprecht EURL Wieprecht	France
Diffusion Mecanique Electricite S.A.	France
Electro Maintenance Courbon S.A.	France
Etablissements Belzon & Richardot S.A.R.L.	France
Etablissements de Cocard S.A.	France
Etablissements J. Michel S.A.R.L.	France
Etablissements Suder et Fils S.A.R.L.	France
Houssin S.A.R.L.	France
Lorraine Services Electrique Electronique Electromecanique S.a.r.l.	France
M.I.S. Kerebel Provence S.A.R.L.	France
M.I.S. SPIRE S.A.R.L.	France
M.L.S. Holice Spol. s.r.o.	Czech Republic
Maintenance Industrie Service S.a.r.l.	France
Maintenance Industrie Service Flandres SARL	France
Maintenance Industrie Services Rennes S.a.r.l.	France
Maintenance Industrie Services Toulouse S.a.r.l.	France
Marcel Oury S.A.R.L.	France
MEZIERES S.A.R.L.	France
Navarre Services S.A.R.L.	France
Ouest Electro Service S.A.R.L.	France
Poteau Moderne du Sud-Ouest S.A.	France
Radiel Bobinage S.A.R.L.	France
SA Prevost Michel	France
Societe Industrielle de Reparation Electromecanique	France
Societe Nouvelle Paillet Services S.A.R.L.	France
Societe Nouvelle Silvain S.A.R.L.	France
Societe De Reparation Electro-Mecanique S.A.R.L.	France
Sud Bobinage S.A.R.L.	France
Viet Services S.A.R.L.	France
Etablissements Sevenier S.A.	France
Etablissements Trepeau S.A.	France
Girard Transmissions S.A.	France
IMI Kft	Hungary
La Francaise de Manutention S.A.	France
Leroy-Somer Canada Ltd.	Canada
Leroy-Somer Norden AB	Sweden
Leroy-Somer Denmark A/S	Denmark
Leroy-Somer Norge A/S	Norway
Leroy-Somer BV	Netherlands
Leroy-Somer Elektroantriebe GmbH	Austria
Leroy-Somer Elektromotoren GmbH	Germany
Leroy-Somer Electromekanik Sistemler Ticaret Ltd.	
STI	Turkey
Leroy-Somer Ltd.	United Kingdom
Leroy-Somer Maroc S.A.	Morocco

Leroy-Somer Motores E Sistemas Electro Mecanicas CDA	Portugal
Leroy Somer S.A.	Belgium
Leroy-Somer OY	Finland
Leroy-Somer (Pty) Ltd.	South Africa
Leroy-Somer (Pty) Ltd.	Australia
Leroy-Somer Suisse S.A.	Switzerland
Leroy-Somer Iberica S.A.	Spain
Leroy-Somer (SEA) Pte. Ltd.	Singapore
Leroy-Somer Italiana S.p.A.	Italy
Maintenance Industrielle de Vierzon S.A.	France
MLS Industries Inc.	Delaware
Yorba Linda International Inc.	Delaware
Motadour S.A.	France
Moteurs Leroy-Somer S.A.	France
Moteurs Patay S.A.	France
Societe Anonyme de Mecanique et D'outillage du Vivarais S.A.	France
Societe Commerciale des Ateliers de Constructions Electriques D'Orleans S.A.	France
Societe Confolentaise de Metalurgie S.A.	France
Societe de Mecanique et D'Electrothermie des Pays de L'Adour S.A.	France
Liebert France S.A.	France
Ridgid France S.A.	France
Emerson Finance KB	Sweden
Emerson Finance (Canada) Corporation	Canada
Emerson Holding AG	Switzerland
Emerson Laminaciones de Acero de Monterrey, S.A. de C.V.	Mexico
Emerson Sistemas de Energia Ltda.	Brazil
E.E.S- Sistemas de Energia Ltda.	Brazil
Emerson Sweden AB	Sweden
Emerson Energy Systems AB	Sweden
Saab Marine Holding AB	Sweden
Saab Marine Electronics AB	Sweden
Saab Tank Control Inc.	Texas
Saab Tank Control Deutschland Vertriebs GmbH	Germany
Saab Marine RU	Russia
Saab Marine (UK) Ltd.	United Kingdom
Saab Tank Control (UK) Ltd.	United Kingdom
Saab Tank Control (India) Pvt. Ltd.	India
Saab Tank Control WLL	Bahrain
S-F Control OY	Finland
Saab Marine Middle-East (FZC)	UAE
Saab Marine MEP AS	Norway
Scanjet Clean AB	Sweden
TCL Mekaniska Verkstad AB	Sweden
Saab Marine Electronics Singapore Pte. Ltd.	Singapore
CHP Navcom Pte. Ltd.	Singapore
Emersub Mexico, Inc.	Nevada
Daninmexico, S. de R.L. de C.V.	Mexico
ELW Industrial, S. de R.L. de C.V.	Mexico
Emerpowsys, S. de R.L. de C.V.	Mexico
Emersub 1 LLC	Delaware
Emerson Tool Company de Mexico S. de R.L. de C.V.	Mexico
In-Sink-Erator de Mexico, S. de R.L. de C.V.	Mexico
Intermetro de Mexico, S. de R.L. de C.V.	Mexico
Emersub 2 LLC	Delaware
Emersub XXXVI, Inc.	Delaware
Digital Appliance Controls (UK) Limited	United Kingdom
Control Techniques Ltd.	United Kingdom
Control Techniques (Holdings) GmbH	Germany
Control Techniques GmbH	Germany
Control Techniques Antriebssysteme GmbH	Germany
Reta Anlagenbau GmbH	Germany
Reta Elektronik GmbH	Germany
Control Techniques Asia-Pacific Pte. Ltd.	Singapore
Control Techniques Drives (Malaysia) Sdn Bhd	Malaysia
Control Techniques Singapore Pte Limited	Singapore
Control Techniques (Thailand) Limited	Thailand
PT Kontrol Teknik Indonesia	Indonesia
Control Techniques Australia Pty Ltd.	Australia
Control Techniques Bermuda Limited	Bermuda
Control Techniques Drives Limited	United Kingdom
KTK Newtown Limited	United Kingdom
Control Techniques Dynamics Limited	United Kingdom
Evershed Powerotor Limited	United Kingdom
Moore Reid & Company Limited	United Kingdom
Control Techniques Precision Systems Limited	United Kingdom
Control Techniques SKS Oy	Finland
Control Techniques Southern Africa (Pty.) Limited	South Africa
Control Techniques SpA	Italy
Control Techniques Worldwide BV	Netherlands
Control Technika Hungary Villamos Hajtastechnikai Kft.	Hungary
Control Techniques AG	Switzerland
Control Techniques Automation BV	Netherlands
Control Techniques BV	Netherlands
Control Techniques Brno s.r.o.	Czech Republic
Control Techniques China Pte. Ltd.	Hong Kong
Control Techniques AS	Denmark
Control Techniques Endustriyel Control Sistemieri Sanayii Ve Ticaret A.S.	Turkey
Control Techniques GesbmH	Austria
Control Techniques India Limited	India
Control Techniques Elpro Automation Limited	India
Control Techniques Norway AS	Norway
Control Techniques NV	Belgium
Control Techniques Vietnam Limited	Vietnam
DriveShop Limited	United Kingdom
Electric Drives Limited	Ireland
Electric Drives Manufacturing Ltd.	Ireland
Foray 600 Limited	United Kingdom
Foray 606 Limited	United Kingdom
Emerson Holding Company Limited	United Kingdom
Asco Joucomatic Ltd.	United Kingdom
Asco Power Technologies Ltd.	United Kingdom
Computational Systems, Limited	United Kingdom

Copeland Ltd.	United Kingdom
El-O-Matic Limited	United Kingdom
Emerson Electric (U.K.) Limited	United Kingdom
Bray Lectroheat Limited	United Kingdom
Liebert Ltd.	United Kingdom
Liebert Swindon Ltd.	United Kingdom
Emerson Energy Systems (UK) Limited	United Kingdom
Fisher-Rosemount Limited	United Kingdom
Emerson U.K. Trustees Limited	United Kingdom
Farris Engineering Ltd.	United Kingdom
Fisher-Rosemount Manufacturing Ltd.	United Kingdom
Fisher Governor Company Ltd.	United Kingdom
F-R Properties (UK) Limited	United Kingdom
Westinghouse Process Control UK Ltd.	United Kingdom
EMR Barnstaple Limited	United Kingdom
Fisher-Rosemount Services Ltd.	United Kingdom
MDC Technology Limited	United Kingdom
MDC Technology Trustees Limited	United Kingdom
MDC Technology, Inc.	Texas
Profitpoint Solutions Inc.	Texas
Northern Technologies UK Limited	United Kingdom
Pactrol Controls Limited	United Kingdom
Switched Reluctance Drives Limited	United Kingdom
SR Drives Manufacturing Limited	United Kingdom
Reluctance Motors Limited	United Kingdom
F-R Tecnologias de Flujo, S.A. de C.V.	Mexico
Fisher-Rosemount del Peru S.A.C.	Peru
Fisher-Rosemount Europe Middle East & Africa GmbH	Switzerland
Fisher-Rosemount Manufacture Ltd.	Hungary
Fisher-Rosemount Systems GmbH	Switzerland
Liebert Europe Espana S.A.	Spain
Flexair Clima S.A.	Spain
Motoreductores U.S., S.A. de C.V.	Mexico
P.T. Emerson Electric Indonesia	Indonesia
Rey-Lam, S. de R.L. de C.V.	Mexico
Rotores S.A. de C.V.	Mexico
Termotec de Chihuahua S.A. de C.V.	Mexico
Emsub, Inc.	Delaware
Etirex S.A.	France
Fisher Controls International, Inc.	Delaware
Exac Corporation	California
Fisher Controles Industria E Comercio Ltda.	Brazil
Fisher Controls De Mexico, S.A. de C.V.	Mexico
Fisher-Rosemount Do Brasil Ltda.	Brazil
Fisher-Rosemount China Limited	Hong Kong
Tianjin Fisher Controls Valve Co. Ltd.	China
Fisher Controls Pty. Limited	Australia
Fisher Service Company	Delaware
Fisher-Rosemount Systems, Inc.	Delaware
Orion CEM, Inc.	Georgia
Westinghouse Process Control, Inc.	Delaware
Westinghouse International Process Control Corporation	Delaware
Fisher-Rosemount de Venezuela S.A.	Venezuela
Fro-Mex, S.A. de C.V.	Mexico
H.D. Baumann Inc.	Delaware
Nippon Fisher Company Ltd.	Japan
Fisco Ltd. (Fisco Kabushiki Kaisha)	Japan
Fisher Rosemount, Inc.	Delaware
Fisher-Rosemount N.V./S.A.	Belgium
Senpro N.V.	Belgium
Fisher-Rosemount S.A.	France
Fisher-Rosemount Services BVBA/SPRL	Belgium
Fusite Corporation	Ohio
Emerson Japan, Ltd.	Japan
Fisher-Rosemount Japan Co. Ltd.	Japan
F-R Intex Co. Ltd.	Japan
Taiyo Emerson Ltd. Japan	Japan
Fusite Land Company	Delaware
High Voltage Maintenance Corporation	Ohio
Hiross Batliboi Ltd.	India
Hiross Austria GmbH	Austria
Hiross Hungaria Kft	Hungary
Humboldt Hermetic Motor Corp.	Delaware
Innoven III Corporation	Delaware
Intellution, Inc.	Massachusetts
Intellution Australia Pty Ltd.	Australia
Intellution GmbH	Germany
Intellution Korea Limited	Korea
Intellution K.K. (Japan) Incorporated	Japan
Intellution Limited	United Kingdom
Intellution SARL	France
Intellution South Asia Pte. Ltd.	Singapore
Wizdom Controls, Inc.	Delaware
Kato Engineering, Inc.	Delaware
Knaack Manufacturing Company	Delaware
Capsacorp LLC	Delaware
Kop-Flex, Inc.	Delaware
Kop-Flex Canada Limited	Canada
Louisville Ladder Holding Corp.- Nevada	Nevada
Louisville Holding Corp.- Delaware	Delaware
MagneTek China Limited	Cayman Islands
Metaloy, Inc.	Massachusetts
Metropolitan International, Inc.	Nevada
InterMetro Industries Corporation	Nevada
InterMetro Industries Corporation	Delaware
Metro Industries, Inc.	Nevada
Metropolitan Wire (Canada) Ltd.	Canada
Metropolitan Wire Corporation	Pennsylvania
Motores Hermeticos del Sur, S.A. de C.V.	Mexico
Ogden Manufacturing Co.	Delaware
PC & E, Inc.	Missouri
Ridge Tool Europe NV	Belgium
Ridgid Scandinavia A/S	Denmark
SSI Services Acquisition Incorporated	Illinois
Termocontroles de Juarez S.A. de C.V.	Mexico
The Sulton Company, Inc.	Delaware
Thunderline Z, Inc.	Delaware

Transmisiones de Potencia Emerson S.A. de C.V.  
Ultrasonics for Less, Inc.  
Valycontrol, S.A. de C.V.  
Wer Canada Inc.  
Western Forge Corporation  
White-Rodgers Limited  
Wiegand S.A. de C.V.

Mexico  
Nevada  
Mexico  
Canada  
Delaware  
Canada  
Mexico

INDEPENDENT AUDITORS' CONSENT

The Board of Directors  
Emerson Electric Co.:

We consent to incorporation by reference in Registration Statement Nos. 333-46919, 333-72591, 333-44163, 33-57161, 33-38805, 33-34948, 33-34633, 33-57985, 33-60399 and 33-2739 on Form S-8 and Registration Statement Nos. 333-52658, 333-84673, 333-66865, 33-62545 and 33-39109 on Form S-3 of Emerson Electric Co. of our report dated November 5, 2001, relating to the consolidated balance sheets of Emerson Electric Co. and subsidiaries as of September 30, 2001 and 2000, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the years in the three-year period ended September 30, 2001, which report is incorporated by reference in the September 30, 2001 annual report on Form 10-K of Emerson Electric Co.

/s/ KPMG LLP

St. Louis, Missouri  
December 19, 2001



POWER OF ATTORNEY

The undersigned members of the Board of Directors and Executive Officers of Emerson Electric Co., a Missouri corporation with principal offices at 8000 West Florissant Avenue, St. Louis, Missouri 63136, hereby appoint W. J. Galvin as their Attorney-in-Fact for the purpose of signing Emerson Electric Co.'s Securities and Exchange Commission Form 10-K (and any and all Amendments thereto) for the fiscal year ended September 30, 2001.

Dated: October 2, 2001

<u>Signature</u>	<u>Title</u>
/s/ C. F. Knight ----- C. F. Knight	Chairman of the Board and Director
/s/ D. N. Farr ----- D. N. Farr	Chief Executive Officer and Director
/s/ W. J. Galvin ----- W. J. Galvin	Executive Vice President and Chief Financial Officer (and Principal Accounting Officer) and Director
/s/ J. G. Berges ----- J. G. Berges	Director
/s/ L. L. Browning, Jr. ----- L. L. Browning, Jr.	Director
/s/ A. A. Busch III ----- A. A. Busch III	Director
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/s/ D. C. Farrell ----- D. C. Farrell	Director
/s/ C. Fernandez G. ----- C. Fernandez G.	Director
/s/ J. A. Frates ----- J. A. Frates	Director
/s/ A. F. Golden ----- A. F. Golden	Director

/s/ R. B. Horton  
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R. B. Horton

Director

/s/ G. A. Lodge  
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G. A. Lodge

Director

/s/ V. R. Loucks, Jr.  
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V. R. Loucks, Jr.

Director

/s/ R. B. Loynd  
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R. B. Loynd

Director

/s/ C. A. Peters  
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C. A. Peters

Director

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/s/ J. W. Prueher  
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J. W. Prueher

Director

/s/ R. L. Ridgway  
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R. L. Ridgway

Director

/s/ W. M. Van Cleve  
-----  
W. M. Van Cleve

Director

/s/ E. E. Whitacre, Jr.  
-----  
E. E. Whitacre, Jr.

Director