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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2002

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	43-0259330
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8000 W. Florissant Ave. P.O. Box 4100 St. Louis, Missouri	63136
(Address of principal executive offices)	(Zip Code)

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

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 ( )

Common stock outstanding at June 30, 2002: 421,055,206 shares.

<PAGE> PART I. FINANCIAL INFORMATION FORM 10-Q
Item 1. Financial Statements.

EMERSON ELECTRIC CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
THREE MONTHS AND NINE MONTHS ENDED JUNE 30, 2001 AND 2002
(Dollars in millions except per share amounts; unaudited)

	Three Months		Nine Months	
	2001	2002	2001	2002
Net Sales	$3,904.9	3,570.7	11,927.7	10,286.3
Costs and expenses:				
Cost of sales	2,540.3	2,340.2	7,724.3	6,697.0
Selling, general and administrative expenses	731.2	716.5	2,295.2	2,188.7
Interest expense	72.1	60.5	235.0	192.4
Other deductions, net	58.1	32.6	80.5	14.5
Total costs and expenses	3,401.7	3,149.8	10,335.0	9,092.6
Income before income taxes and cumulative effect of change in accounting principle	503.2	420.9	1,592.7	1,193.7
Income taxes	172.8	139.3	546.2	382.7
Earnings before cumulative effect of change in accounting principle	330.4	281.6	1,046.5	811.0
Cumulative effect of change in accounting principle, net of tax	-	-	-	(937.7)
Net earnings	$ 330.4	281.6	1,046.5	(126.7)
Basic earnings per common share:				
Before cumulative effect of change in accounting principle	$ 0.77	0.68	2.45	1.94
Cumulative effect of change in accounting principle	-	-	-	(2.24)
Basic earnings per common share	$ 0.77	0.68	2.45	(0.30)

Diluted earnings per common share:				
Before cumulative effect of change in accounting principle	$ 0.77	0.67	2.43	1.93
Cumulative effect of change in accounting principle	-	-	-	(2.23)
Diluted earnings per common share	$ 0.77	0.67	2.43	(0.30)
Cash dividends per common share	$ 0.3825	0.3875	1.1475	1.1625

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS
(Dollars in millions except per share amounts; unaudited)

	September 30, 2001	June 30, 2002
ASSETS		
CURRENT ASSETS		
Cash and equivalents	$ 355.7	548.0
Receivables, less allowances of $79.0 and $96.0	2,551.2	2,603.6
Inventories	1,896.8	1,698.0
Other current assets	516.4	451.6
Total current assets	5,320.1	5,301.2
PROPERTY, PLANT AND EQUIPMENT, NET	3,288.0	3,108.1
OTHER ASSETS		
Goodwill	5,182.0	4,876.1
Other	1,256.3	1,611.5
Total other assets	6,438.3	6,487.6
	$15,046.4	14,896.9
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings and current maturities of long-term debt	$ 2,447.5	2,343.9
Accounts payable	1,127.5	1,175.9
Accrued expenses	1,619.4	1,471.3
Income taxes	184.7	173.0
Total current liabilities	5,379.1	5,164.1
LONG-TERM DEBT	2,255.6	2,749.4
OTHER LIABILITIES	1,297.7	1,326.6
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	238.3	238.3
Additional paid in capital	30.9	47.9
Retained earnings	8,990.7	8,374.9
Accumulated other nonstockholder changes in equity	(741.3)	(658.1)
Cost of common stock in treasury, 57,051,435 shares and 55,621,800 shares	(2,404.6)	(2,346.2)
Total stockholders' equity	6,114.0	5,656.8
	$15,046.4	14,896.9

See accompanying notes to consolidated financial statements.

EMERSON ELECTRIC CO. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED JUNE 30, 2001 AND 2002
(Dollars in millions; unaudited)

	Nine Months Ended June 30,	
	2001	2002
OPERATING ACTIVITIES		
Net earnings	$1,046.5	(126.7)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	536.2	409.4
Changes in operating working capital	(375.7)	215.6

Cumulative effect of change in accounting principle	-	937.7
Gains on divestitures, pension funding and other	(194.1)	(257.5)
Net cash provided by operating activities	1,012.9	1,178.5
INVESTING ACTIVITIES		
Capital expenditures	(409.8)	(251.0)
Purchases of businesses, net of cash and equivalents acquired	(154.4)	(730.8)
Divestitures of businesses and other, net	170.9	197.1
Net cash used in investing activities	(393.3)	(784.7)
FINANCING ACTIVITIES		
Net increase (decrease) in short-term borrowings	91.0	(207.1)
Proceeds from long-term debt	35.4	509.1
Principal payments on long-term debt	(20.8)	(23.4)
Dividends paid	(491.8)	(489.0)
Net purchases of treasury stock	(79.1)	(4.0)
Net cash used in financing activities	(465.3)	(214.4)
Effect of exchange rate changes on cash and equivalents	(11.9)	12.9
INCREASE IN CASH AND EQUIVALENTS	142.4	192.3
Beginning cash and equivalents	280.8	355.7
ENDING CASH AND EQUIVALENTS	$ 423.2	548.0

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

1. The accompanying unaudited consolidated financial statements, in the opinion of management, include all adjustments necessary for a fair presentation of the results for the interim periods presented. These adjustments consist of normal recurring accruals. The consolidated financial statements are presented in accordance with the requirements of Form 10-Q and consequently do not include all the disclosures required by generally accepted accounting principles. For further information refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2001.

2. Other Financial Information
(Dollars in millions; unaudited)

	September 30, 2001	June 30, 2002
Inventories		
Finished products	$ 722.8	674.6
Raw materials and work in process	1,174.0	1,023.4
	$1,896.8	1,698.0
Property, plant and equipment, net		
Property, plant and equipment, at cost	$6,664.2	6,648.9
Less accumulated depreciation	3,376.2	3,540.8
	$3,288.0	3,108.1
Other assets, other		
Retirement plans	$ 519.1	683.5
Equity and other investments	163.0	350.4
Leveraged leases	162.9	155.8
Other	411.3	421.8
	$1,256.3	1,611.5
Other liabilities		
Deferred taxes	$ 382.7	430.4

Postretirement plans, excl. current portion	307.4	307.7
Minority interest	100.1	103.1
Other	507.5	485.4
	$1,297.7	1,326.6

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Other deductions, net are summarized as follows (dollars in millions):

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2001	2002	2001	2002
Gain from divestitures	$ 55	46	166	224
Rationalization of operations	(57)	(50)	(90)	(158)
Amortization of intangibles	(47)	(7)	(143)	(21)
Other	(9)	(22)	(13)	(60)
Total	$(58)	(33)	(80)	(15)

In addition, operations for the three and nine months ended June 30, 2002, were impacted by higher than average inventory obsolescence, unabsorbed overhead on inventory reductions and bad debts of $9 million and $46 million, respectively. The after-tax impacts of these items are provided as follows (dollars in millions):

	Three Months Ended June 30, 2002	Nine Months Ended June 30, 2002
Gains from divestitures of businesses	$25	$131
Rationalization of operations and other costs	$40	$138

3. Effective October 1, 2001, Emerson adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets." The statement requires, among other things, the discontinuation of goodwill amortization for business combinations before July 1, 2001, and completion of a transitional goodwill impairment test. Under the impairment test, if a reporting unit's carrying amount exceeds its estimated fair value, a goodwill impairment is recognized to the extent that the reporting unit's carrying amount of goodwill exceeds the implied fair value of the goodwill. Fair value of reporting units were estimated using discounted cash flows and market multiples. Emerson completed the transitional impairment test in the third quarter, and recorded a non-cash, after-tax charge of $938 million (net of $17 million tax benefit), as a cumulative effect of a change in accounting principle in the first quarter. The primary factors resulting in the impairment charge were the change in the goodwill impairment criteria from an undiscounted to a discounted cash flow method and the sharp decline in the telecommunication and computing equipment markets. The after-tax charge by segment was Electronics and Telecommunications $831 million, Industrial Automation $59 million, and Process Control $48 million. The Company estimates that if the reporting units with an impairment charge were actually sold, earnings could be further decreased up to $200 million due to realization of currency translation. In addition, earnings could be increased for the potential realization of unrecognized tax benefits upon sale in excess of $250 million.

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For comparison purposes, supplemental net earnings and earnings per share for the three and nine months ended June 30, 2001, excluding goodwill amortization of $41.9 million ($38.0 million net of tax) and $124.9 million ($113.5 million net of tax), respectively, are provided as follows (dollars in millions, except per share amounts):

	Three Months Ended June 30, 2001	Nine Months Ended June 30, 2001
Net earnings, excluding goodwill amortization	$368.4	$1,160.0
Earnings per share, excluding goodwill amortization		
Basic	$ 0.86	$ 2.72
Diluted	$ 0.86	$ 2.69

Changes in the goodwill balances since September 30, 2001, are primarily due to the transitional impairment charge and the addition of goodwill associated with the Avansys acquisition of $630 million. Goodwill balances by business segment follow (dollars in millions):

	June 30, 2002
Process Control	$ 1,592
Industrial Automation	772
Electronics and Telecommunications	1,591
	377

HVAC	544
Appliance and Tools	$ 4,876

All of the Company's intangible assets (other than goodwill) are subject to amortization. Intangible assets as of June 30, 2002, were $270 million, primarily composed of intellectual property and capitalized software. The intellectual property of $123 million consists primarily of patents which are being amortized on a straight-line basis with a weighted-average life of four years. Capitalized software of $147 million is being amortized on a straight-line basis with a weighted-average life of three years. Amortization expense on intangible assets was $22 million and $21 million for the three months ended June 30, 2001 and 2002, and $59 million and $61 million for the nine months ended June 30, 2001 and 2002, respectively.

4. During the first quarter of 2002, Emerson acquired Avansys Power Co., Ltd., a provider of network power products to the telecommunications industry in China, for $750 million in cash (approximately $710 million net of cash acquired). Also during the first quarter, Emerson received $165 million from the divestiture of the Chromalox industrial heating solutions business, resulting in a pre-tax gain of $85 million. In the second quarter, Emerson exchanged its ENI semiconductor equipment division for an equity interest in MKS Instruments, Inc. of 12 million common shares, resulting in a pre-tax gain of approximately $93 million. During the third quarter, Emerson received $73 million from the divestiture of the Daniel Valve business, resulting in a pre-tax gain of $42 million.

5. In the fourth quarter of 2001, Emerson recognized a pre-tax incremental repositioning charge of $377 million ($260 million after-tax) for the consolidation and rationalization of operations and exiting of certain product lines, including $326 million for the writedown of fixed and intangible assets, non-strategic investments and inventory. Exit costs for severance and lease terminations utilized during the nine-month period ended June 30, 2002, were $18 million and $8 million, with remaining balances of $1 million and $24 million, respectively.

6. Effective October 1, 2001, the expected long-term rate of return on U.S. retirement plan assets was changed to 9 percent which will increase pension costs approximately $30 million for 2002. As of June 30, 2002 (the plan's measurement date), the Company estimates that the fair value of plan assets ($1,440 million) exceeds the accumulated benefit obligation of its primary defined benefit pension plan by approximately $90 million. Should the equity markets continue the trend of the last two years, the Company could be required to record a charge to accumulated other nonstockholder changes in equity of approximately $550 million ($340 million after-tax). Contributions to all U.S. plans for the nine months ended June 30, 2002 were $160 million, and $169 million for fiscal 2001.

7. As reflected in the financial statements, nonstockholder changes in equity for the three months ended June 30, 2001 and 2002, were $221.4 million and $378.3 million, comprised of net earnings of $330.4 million and $281.6 million and foreign currency translation adjustments and other of $(109.0) million and $96.7 million, respectively. Nonstockholder changes in equity for the nine months ended June 30, 2001 and 2002, were $854.3 million and $(43.5) million, comprised of net earnings of $1,046.5 million and $(126.7) million and foreign currency translation adjustments and other of $(192.2) million and $83.2 million, respectively.

8. The weighted average number of common shares outstanding (in millions) was 426.2 and 419.2 for the three months ended June 30, 2001 and 2002, and 426.7 and 418.9 for the nine months ended June 30, 2001 and 2002, respectively. The weighted average number of shares outstanding assuming dilution (in millions) was 430.3 and 421.4 for the three months ended June 30, 2001 and 2002, and 431.1 and 421.1 for the nine months ended June 30, 2001 and 2002, respectively. Dilutive shares primarily relate to employee stock plans.

9. Business Segment Information

Summarized information about the Company's operations by business segment for the three and nine months ended June 30, 2001 and 2002, follows (dollars in millions):

	SALES		EARNINGS	
Three months ended June 30,	2001	2002	2001	2002
Process Control	$ 887.2	851.3	95.0	97.5
Industrial Automation	739.2	619.1	102.8	71.5
Electronics and Telecommunications	817.8	614.4	66.3	29.8
HVAC	686.3	692.5	104.1	110.4
Appliance and Tools	887.2	898.4	124.9	132.1
	4,017.7	3,675.7	493.1	441.3

Differences in accounting methods			47.8	39.1
Interest income, corporate and other			34.4	1.1
Eliminations/Interest expense	(112.8)	(105.0)	(72.1)	(60.6)
Net sales/Income before income taxes	$3,904.9	3,570.7	503.2	420.9

	SALES		EARNINGS	
Nine months ended June 30,	2001	2002	2001	2002
Process Control	$ 2,511.5	2,484.2	243.1	277.3
Industrial Automation	2,252.3	1,875.9	316.0	223.9
Electronics and Telecommunications	2,929.6	1,839.8	345.1	80.6
HVAC	1,889.1	1,791.7	285.2	264.1
Appliance and Tools	2,668.0	2,576.6	392.7	351.4
	12,250.5	10,568.2	1,582.1	1,197.3
Differences in accounting methods			145.5	111.3
Interest income, corporate and other			100.1	77.6
Eliminations/Interest expense	(322.8)	(281.9)	(235.0)	(192.5)
Net sales/Income before income taxes	$11,927.7	10,286.3	1,592.7	1,193.7

Intersegment sales of the Appliance and Tools segment for the three months ended June 30, 2001 and 2002, respectively, were $96 million and $93 million. Intersegment sales of the Appliance and Tools segment for the nine months ended June 30, 2001 and 2002, respectively, were $269 million and $240 million. In connection with the adoption of FAS 142 (see Note 3), fiscal 2002 segment earnings exclude goodwill amortization. Third quarter fiscal 2001 segment earnings included goodwill amortization as follows (in millions): Process Control $14; Industrial Automation $6; Electronics and Telecommunications $13; HVAC $4; and Appliance and Tools $5. The first nine months of fiscal 2001 segment earnings include goodwill amortization as follows (in millions): Process Control $42; Industrial Automation $19; Electronics and Telecommunications $40; HVAC $11; and Appliance and Tools $13.

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Items 2 and 3. Management's Discussion and Analysis of Results of Operations and Financial Condition.

Net sales for the quarter ended June 30, 2002, were $3,570.7 million, a decline of 9 percent from net sales of $3,904.9 million for the quarter ended June 30, 2001. Net sales were $10,286.3 million for the nine months ended June 30, 2002, compared to net sales of $11,927.7 million for the same period a year ago. Excluding the impact of acquisitions, divestitures and a nearly 1 percentage point favorable impact from currency, underlying sales for the third quarter decreased 9 percent, driven by continued weaknesses in all major geographic regions, except Asia which improved modestly over the prior year.

Emerson achieved sequential sales and earnings increases in all business segments compared to the second quarter of fiscal 2002, despite the persistently challenging economy. Residential HVAC markets experienced an anticipated increase in seasonal demand, and industrial automation and electronics and telecommunications, segments that were hardest hit by the downturn, experienced stable-to-increasing demand. Backlog in the process business remains strong, and consumer housing-based sales have also remained strong.

Process control reported sales of $851.3 million, a reduction of 4 percent versus a year ago. Underlying sales, excluding the Xomox and Daniel Valve divestitures, acquisitions and currency exchange, decreased nearly 1 percent following a very strong underlying increase a year ago. Growth in Europe and Latin America was offset by weakness in Asia. Since the beginning of the year, more than $200 million in major projects have been won. These project wins reflect the strength of the PlantWeb digital architecture and should provide further positive momentum into the rest of calendar 2002 and into 2003.

Industrial automation reported third quarter sales of $619.1 million, down 16 percent from $739.2 million for the third quarter in the prior year, as a result of underlying sales declines and divestitures. Underlying sales declined 12 percent from the prior year, driven by continued weakness in the European and U.S. industrial goods markets. Sequentially, sales improved 3 percent from the second quarter, indicating that business activity may have stabilized.

Sales in the electronics and telecommunications business were $614.4 million for the third quarter, an increase of 4 percent from the second quarter. Underlying sales declined 31 percent during the quarter versus prior year with strong declines in all areas except Asia, which showed slight sales growth. The creation of Emerson Network Power China will leverage this growing market and the Avansys acquisition. During the quarter, the Company won a $33 million order to upgrade and protect the intranet network serving 300 U.S. Navy and Marine Corps bases, as well as major contracts to provide reliable power to a national domestic retail chain and a new 30-story office building in London.

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The heating, ventilating and air conditioning business reported sales of $692.5 million, up 1 percent from the third quarter in the prior year, and an increase of 8 percent versus the second quarter of fiscal 2002. The improvement reflects the recent seasonal upturn in U.S. residential air conditioning orders. Emerson's solid market position and potential for growth through increasing focus on services and solutions is evidenced by recent agreements to provide Internet-based energy efficiency services to the largest food retailer in the United Kingdom and to provide energy efficiency and site monitoring services for up to 500 A & P food stores. Underlying sales were flat versus the prior year, with growth in Asia and North America offset by strong declines in Europe and Latin America.

Sales in the appliance and tools business were up 6 percent sequentially and up 1 percent compared to the third quarter in the prior year, reaching $898.4 million for the third quarter. Underlying sales grew slightly over the prior year, with slight growth in the appliance components and a modest improvement in commercial and industrial motors. Consumer housing-related businesses have continued to show strength, with both ClosetMaid storage solutions and In-Sink-Erator waste disposers achieving very strong sales increases for the quarter.

Cost of sales for the third quarter of fiscal 2002 and 2001 were $2,340.2 million and $2,540.3 million, respectively. Cost of sales as a percent of net sales was 65.5 percent and 65.1 percent in the third quarter of fiscal 2002 and 2001, respectively. For the nine months ended June 30, 2002 and 2001, cost of sales were $6,697.0 million, or 65.1 percent of sales, and $7,724.3 million, or 64.8 percent of sales, respectively. Selling, general and administrative expenses for the third quarter of 2002 were $716.5 million, or 20.1 percent of sales, compared to $731.2 million, or 18.7 percent of sales, for the third quarter of 2001. For the nine months ended June 30, 2002, selling, general and administrative expenses were $2,188.7 million, or 21.3 percent of sales, compared to $2,295.2 million, or 19.2 percent of sales for the same period in the prior year. The consolidated operating margin declined 1.8 points in the third quarter compared to a year ago, driven by fixed costs on lower sales volume. The operating margin, however, increased 0.8 points sequentially over the second quarter, reflecting improved sales volume and the benefits of the rationalization initiatives put into place over the past several quarters. In addition to these efforts, Emerson continues to focus on cost control through many e-business initiatives and material containment efforts.

In connection with the adoption of FAS 142, fiscal 2002 earnings exclude goodwill amortization which increases the Company's reported fiscal 2002 earnings by $0.35 per share, or approximately $0.09 per share per quarter. The following discussion excludes goodwill amortization from 2001 earnings for comparative purposes. Earnings before interest and income taxes for the third quarter of 2002 were $478.3 million, a 22 percent decrease from the prior year, primarily due to the deleverage resulting from the decline in sales, reflecting weak economic conditions worldwide. Third quarter earnings before interest and income taxes in the process control business of $97.5 million were down 11 percent compared to the prior year, primarily reflecting the impact of the Xomox and Daniel Valve divestitures. Aggressive

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restructuring actions in response to the sharp market decline have allowed the electronics and telecommunications business to remain profitable, with $29.8 million earned in the third quarter, a 63 percent decrease from the prior year. Underlying sales declines resulting from the steep downturn in industrial goods spending led to a 35 percent decrease in industrial automation earnings to $71.5 million for the third quarter. Earnings increases in the heating, ventilating and air conditioning and appliance and tools businesses were mainly driven by higher sales volume.

The effective income tax rate for the third quarter of 2002 decreased to 33.1 percent compared to 34.3 percent for the same period in the prior year, primarily the result of discontinuing goodwill amortization upon the adoption of FAS 142 due to the non-deductible nature of goodwill.

Financial Condition

A comparison of key elements of the Company's financial condition at the end of the third quarter as compared to the end of the prior fiscal year follows:

	September 30, 2001	June 30, 2002
Working capital (in millions)	$ (59.0)	$ 137.1
Current ratio	1.0 to 1	1.0 to 1
Total debt to total capital	43.5%	47.4%
Net debt to net capital	41.5%	44.5%

The Company's interest coverage ratio (earnings before income taxes and interest expense, divided by interest expense) was 7.2 times for the nine months ended June 30, 2002, compared to 7.8 times for the same period one year earlier. The decrease in the interest coverage ratio reflects lower earnings and higher average borrowings resulting from the Avansys acquisition, partially offset by lower interest rates. Solid cash generation and lower levels of acquisitions throughout the remainder of 2002 are expected to decrease the Company's debt position. In the first quarter of fiscal 2002, the Company issued $250 million of 5.75% 10-year notes and $250 million of 5 5/8% 12-year notes. In the second quarter, Emerson renewed one-year lines of credit totaling $1.5 billion effective until March 2003.

Cash and equivalents increased by $192.3 million during the nine months ended June 30, 2002. Cash flow provided by operating activities of $1,178.5 million and a net increase in borrowings of $278.6 million were used primarily to fund purchases of businesses of $730.8 million, pay dividends of $489.0 million and fund capital expenditures of $251.0 million. The increase in cash flow demonstrates the positive impact of the Company's emphasis on working capital efficiency and lean manufacturing principles. Inventory decreased compared to September 30, 2001, reflecting the Company's ability to control inventory levels while operations slowed during the business downturn. Free cash flow increased 54 percent versus the first nine months of fiscal 2001, from $603.1 million to $927.5 million, reflecting improved operating cash flow and lower capital spending.

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The Company is in a strong financial position and has the resources available for reinvestment in existing businesses, strategic acquisitions and managing the capital structure on a short- and long-term basis.

Emerson plans to adopt the accounting provisions of FAS 123 in fiscal 2003, which requires stock awards be expensed (over the vesting period) based on the fair value of the award on the date of grant. Had compensation expense for stock options been determined in accordance with FAS 123, earnings per share would be reduced approximately $0.04 in 2002. See

Note 11 of the Notes to Consolidated Financial Statements of the 2001 Annual Report on Form 10-K for further discussion of FAS 123 and its impact.

Statements in this report that are not strictly historical may be "forward-looking" statements which involve risks and uncertainties. These include economic and currency conditions, market demand, pricing, and competitive and technological factors, among others which are set forth in the Company's Annual Report on Form 10-K for the year ended September 30, 2001.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

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

10(e) Emerson Electric Co. Continuing Compensation Plan For Non-Management Directors

12 Ratio of Earnings to Fixed Charges

(b) Pursuant to Item 9, the Company filed Reports on Form 8-K dated May 28, 2002, and June 27, 2002, furnishing Regulation FD disclosures.

SIGNATURE

Pursuant to the requirements 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.

Date: August 7, 2002

By /s/ Walter J. Galvin

Walter J. Galvin
Executive Vice President
and Chief Financial Officer

(on behalf of the registrant and
as Chief Financial Officer)

EXHIBIT 10(e)

EMERSON ELECTRIC CO.
CONTINUING COMPENSATION PLAN
FOR NON-MANAGEMENT DIRECTORS

(Effective January 1, 1987, Amended June 6, 1989, Amended and Restated June 4, 2002)

I. Purpose

The purpose of the Emerson Electric Co. Continuing Compensation Plan for Non-Management Directors (the "Plan") is to provide compensation for non-employee directors of Emerson Electric Co. (the "Company") following their termination of service on the Company's Board of Directors (the "Board") under the terms and conditions set forth hereinafter. The Board has determined that the establishment of such a benefit in its efforts to retain and attract highly qualified individuals to serve on the Board.

II. Eligibility

Except as otherwise provided in Section III.1, a director, in order to be eligible for benefits under the Plan, must have at least five (5) years of service as a non-employee director of the Company. Service as a non-employee director shall mean service while such director is not an employee of the Company. No person who becomes a non-employee director for the first time on or after June 4, 2002, shall be eligible for benefits under the Plan.

III. Benefits

1. The level of benefits (the "Benefit Rate") will be determined as a percentage of the annual retainer for directors in effect as of June 4, 2002 (the "Retainer Rate") in accordance with the following schedule:

Years of Service as a Non-Employee Director	Percentage of Retainer Rate
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years or more	100%

Notwithstanding the foregoing, in the event of a Change of Control (as hereinafter defined), the Retainer Rate for any person then serving as a non-employee director and who served as a non-employee director prior to June 4, 2002 shall be 100%.

For purposes of this section, a "Change of Control" shall mean:

(i) The purchase or other acquisition (other than from the Company) by any person, entity or group of persons, within the meaning of Section 13(d) or 14 (d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (excluding, for this purpose, the Company or its subsidiaries or any employee benefit plan of the Company or its subsidiaries), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either the then-outstanding shares of common stock of the Company or the combined voting power of the Company's then-outstanding voting securities entitled to vote generally in the election of directors; or

(ii) Individuals who, as of the date hereof, constitute the Board of Directors of the Company (the "Board" and, as of the date hereof, the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any person who becomes a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall be, for purposes of this section, considered as though such person were a member of the Incumbent Board; or

(iii) Approval by the stockholders of the Company of a reorganization, merger or consolidation, in each case with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of, respectively, the common stock and the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated corporation's then-outstanding voting securities, or of a liquidation or dissolution of the Company or of the sale of all or substantially all of the assets of the Company.

2. The Benefit Rate will be paid in monthly installments for the life of the director commencing with the fifteenth day of the month following the later of the date of his or her termination of service as a director or his or her attainment of age 72; provided, that (a) in the event the service of the director terminates for reason of age or disability and the director dies after benefits have commenced but prior to a date five years from his or her termination of service as a director, his or her spouse, if any shall receive the Benefit Rate in monthly installments for the balance of such five-year period, or (b) in the event the director dies before payments commence, the Benefit Rate shall be paid in monthly installments for five years to his or her spouse, if any commencing with the fifteenth day of the month coincident with or next following the date of his or her death.

IV. <u>Miscellaneous</u>

The Compensation and Human Resources Committee of the Board shall have plenary authority to interpret and to apply the terms of the Plan and to take such additional action consistent with the purpose of the Plan as is, in its sole judgment, just and equitable. The Board shall have the power to amend or terminate the Plan at any time.

Retirement from the Board shall be governed by the Bylaws of the Company, as in effect from time to time.

Each director receiving benefits under the Plan, and in consideration therefore, shall be expected to be available upon reasonable request to consult with the Chairman and Chief Executive Officer and with the Board on a reasonable basis and to an extent not inconsistent with the director's retirement.

Eligibility under the terms of the Plan shall in no way affect other benefits from the Company to which a non-employee director may be entitled.

The benefits contemplated hereunder shall not be funded by trust or otherwise, but shall be treated as a general expense of the Company. Except as otherwise required by law, the benefits provided hereunder may not be assigned or alienated.

The right of any person to benefits hereunder shall be no greater than that of an unsecured, general creditor of the Company.

EXHIBIT 12

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

	YEAR ENDED SEPTEMBER 30,					NINE MONTHS ENDED JUNE 30,
	1997	1998	1999	2000	2001	2002
Earnings:						
Income before income taxes (a)	$1,821.7	2,002.3	2,064.0	2,212.9	1,624.3	1,217.0
Fixed charges	176.5	218.2	258.1	359.5	377.3	247.1
Earnings, as defined	$1,998.2	2,220.5	2,322.1	2,572.4	2,001.6	1,464.1
Fixed Charges:						
Interest expense	$ 124.2	161.4	199.0	292.4	304.3	192.4
One-third of all rents	52.3	56.8	59.1	67.1	73.0	54.7
Total fixed charges	$ 176.5	218.2	258.1	359.5	377.3	247.1
Ratio of Earnings to Fixed Charges	11.3x	10.2x	9.0x	7.2x	5.3x	5.9x

(a) Represents income before income taxes and cumulative effect of change in accounting principle and minority interests in the income of consolidated subsidiaries with fixed charges.