<PAGE>

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

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2003
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. [ ]

Aggregate market value of the voting stock held by nonaffiliates of the registrant as of close of business on March 31, 2003: $19.0 billion.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act.) Yes [X] No [ ]

Common stock outstanding at October 31, 2003: 420,800,023 shares.

Documents Incorporated by Reference

1. Portions of Emerson Electric Co. 2003 Annual Report to Stockholders (Parts I and II).
2. Portions of Emerson Electric Co. Notice of 2004 Annual Meeting of the Stockholders and Proxy Statement (Part III).

<PAGE>

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, systems and services.

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, 2003, are set forth in Note 14 of Notes to Consolidated Financial Statements of the 2003 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 of the 2003 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 and measurement instrumentation, valves, control systems and integrated solutions for process and industrial applications. Products include various types of meters such as Coriolis, magnetic flow meters, direct mass flow meters, radar based tank gauging and instruments to measure water quality. Other products include solid state telemetering equipment, distributed control systems, electronic measurement, data acquisition and condition monitoring equipment for use in industrial processing. 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, 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 Emerson Process Management, Bettis, Brooks, CSI, Daniel, Delta V, El-o-matic, Fisher, Emerson Process Management Process Systems, Micro Motion, PlantWeb, EnTech, Kenonic Controls, Rosemount, SAAB Marine and Emerson Process Management Power & Water Solutions. Products and services of this segment are provided to industrial end-users for process and industrial applications and solutions.

<PAGE>

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, industrial motor controls 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 Emerson Industrial Automation, AMTECH, Appleton, ASCO, Branson, Browning, Buehler, Control Techniques, Emerson Motion Control, Joucomatic, Kato Engineering, Kop-Flex, KVT, Leroy Somer, McGill, MORSE, O-Z/Gedney, Rollway and SIRAI. 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 a worldwide industry leader in the design, manufacture, installation and maintenance of power solutions for network-dependent businesses. 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 industrial applications. Emerson also provides emergency and standby power transfer solutions, automatic transfer switches and power systems that safeguard data, telecommunications networks, industrial processes, and critical installations. Brand names of this segment include Emerson Network Power, ASCO, Astec, 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.

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 conditioning, refrigeration and heating. Emerson manufactures reciprocating and scroll compressors for commercial and residential refrigeration and air conditioning applications. Emerson also

<PAGE>

produces electronics, monitoring equipment and electronic flow controls for gas and electric heating systems, refrigeration and air conditioning equipment. Brand names of this segment include Emerson Climate Technologies, Alco Controls, Copeland, Fusite, Therm-O-Disc and White-Rodgers. Products and services of this segment are sold primarily 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 appliance, industrial 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 electrostatic air cleaners. In addition, 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 consumer 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 and wood laminate shelving and specialty storage products. Also produced by Emerson for marketing by major retailers are wet/dry vacuums and a line of hand tools including adjustable wrenches, screwdrivers, pliers and chisels. Brand names of this segment include Emerson, Emerson Appliance Solutions, Emerson Motor Technologies, Emerson Professional Tools, Emerson Storage Solutions, ClosetMaid, Digital Appliance Controls, In-Sink-Erator, Knaack, Mallory, METRO, RIDGID, Stack-a-Shelf, U.S. Electrical Motors and Weatherguard. 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.

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

<PAGE>

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 right would not materially impact the Company or any of its segments.

BACKLOG

The estimated consolidated order backlog of the Company was $2,072 million and $2,359 million at September 30, 2002 and 2003, respectively. Nearly all of the September 30, 2003 consolidated backlog amount is expected to be shipped within one year. The estimated backlog by business segment at September 30, 2002 and 2003, follows (dollars in millions):

	2002	2003
Process Control	$ 898	1,033
Industrial Automation	279	274
Electronics and Telecommunications	367	474
Heating, Ventilating and Air Conditioning	242	290
Appliance and Tools	286	288
Consolidated Order Backlog	$2,072	2,359

COMPETITION

Emerson's businesses operate in markets that 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 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.

<PAGE>

RESEARCH AND DEVELOPMENT

Costs associated with Company-sponsored research, new product development and product improvement were $594 million, $530 million and $514 million in 2001, 2002 and 2003, respectively.

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 or 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 106,700 employees during 2003. 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 agreements is considered significant.

DOMESTIC AND FOREIGN OPERATIONS

International sales were $6,189 million in 2001, $5,751 million in 2002 and $6,312 million in 2003, including U.S. exports of $1,008 million, $946 million and $893 million in 2001, 2002 and 2003, respectively. Although there are additional risks attendant to foreign operations, such as possible 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 14 of Notes to Consolidated Financial Statements of the 2003 Annual Report for further information with respect to foreign operations.

INTERNET ACCESS

Emerson's Forms 10-K, 10-Q, 8-K and all amendments to those reports are available without charge through Emerson's Web site on the Internet as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission. They may be accessed as follows: www.gotoemerson.com, Investor Relations, SEC Filings.

Item 2. Properties

At September 30, 2003, Emerson had approximately 290 manufacturing locations worldwide, of which approximately 165 were located outside the United States, primarily in Europe and to a lesser extent in Asia, Canada and Latin America. The approximate number of manufacturing locations by business segment are: Process Control, 55; Industrial Automation, 80; Electronics and Telecommunications, 45; Heating, Ventilating and Air Conditioning, 50;

<PAGE>

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.

Item 3. Legal Proceedings

The information regarding legal proceedings set forth in Note 11 of Notes to Consolidated Financial Statements of the 2003 Annual Report is hereby incorporated by reference.

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, 2003.

Executive Officers of the Registrant

The following sets forth certain information as of December 2003 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 3, 2004:

Name	Position	Age	Fiscal Year
C. F. Knight*	Chairman of the Board	67	1972
D. N. Farr*	Chief Executive Officer	48	1985
J. G. Berges	President	56	1989
W. J. Galvin	Executive Vice President and Chief Financial Officer	57	1984
E. L. Monser	Chief Operating Officer	53	2002
C. A. Peters	Senior Executive Vice President	48	1990
R. J. Schlueter	Vice President and Chief Accounting Officer	49	1992
W. W. Withers	Senior Vice President, Secretary and General Counsel	63	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 at least the last five years.

<PAGE> 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 16 of Notes to Consolidated Financial Statements of the 2003 Annual Report is hereby incorporated by reference. There were approximately 31,800 stockholders at September 30, 2003.

Item 6. Selected Financial Data

Years ended September 30
(Dollars in millions except per share amounts)

	1999	2000	2001 (a)	2002 (b)	2003
Net sales	$ 14,270	15,351	15,311	13,748	13,958
Earnings from continuing operations	$ 1,314	1,409	1,049	1,076	1,013
Earnings before cumulative effect of change in accounting principle	$ 1,314	1,422	1,032	1,060	1,089
Earnings from continuing operations per common share (basic)	$ 3.03	3.30	2.47	2.57	2.42
Earnings from continuing operations per common share (diluted)	$ 3.00	3.27	2.44	2.56	2.41
Earnings before cumulative effect of change in accounting principle per common share (diluted)	$ 3.00	3.30	2.40	2.52	2.59
Cash dividends per common share	$ 1.30	1.43	1.53	1.55	1.57
Long-term debt	$ 1,317	2,248	2,256	2,990	3,733
Total assets	$ 13,624	15,164	15,046	14,545	15,194

The operating results of Dura-Line have been reclassified to discontinued operations for all years presented in the table above. See Note 3 of Notes to Consolidated Financial Statements of the 2003 Annual Report for information regarding the Company's acquisition and divestiture activities.

(a) Fiscal 2001 includes a charge of $260 million ($0.61 per share) of which $248 million ($0.58 per share) was reported in continuing operations. See Note 4 of Notes to Consolidated Financial Statements of the 2003 Annual Report for additional information.

(b) Fiscal 2002 earnings and per share amounts are before a cumulative effect of a change in accounting principle of $938 million ($2.24 per basic share, or $2.23 per diluted share). See Note 5 of Notes to Consolidated Financial Statements of the 2003 Annual Report for additional information.

<PAGE>

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

Narrative discussion appearing under "Results of Operations", "Financial Position, Capital Resources and Liquidity" and "Critical Accounting Policies" and the "Safe Harbor Statement" in the 2003 Annual Report are hereby incorporated by reference.

Non-GAAP Financial Measures

To supplement Emerson's financial information presented in accordance with generally accepted accounting principles (GAAP), management uses additional measures to clarify and enhance understanding of past performance and prospects for the future. These measures may exclude, for example, the impact of unique items (acquisitions, divestitures, one-time gains and losses) or items outside of management's control (foreign currency exchange rates).

Underlying sales (which exclude the impact of acquisitions and divestitures during the periods presented, and fluctuations in foreign currency exchange rates) are provided to facilitate relevant period-to-period comparisons of sales growth excluding these unique items.

Operating profit (defined as net sales less cost of sales and selling, general and administrative expenses) is indicative of short-term operational performance and ongoing profitability. Management closely monitors operating profit of each business to evaluate past performance and actions required to improve profitability.

Earnings per share excluding gains from divestitures provides additional insight into the underlying, ongoing operating performance of the Company which facilitates period-to-period comparisons excluding the earnings impact of one-time gains from strategic portfolio decisions.

Free cash flow (operating cash flow less capital expenditures) is an indicator of the Company's cash generating capabilities after considering investments in capital assets necessary to maintain and enhance existing operations. Operating cash flow adds back non-cash depreciation expense to earnings and thereby does not reflect a charge for necessary capital expenditures.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Narrative discussion appearing under "Financial Instruments" in the 2003 Annual Report is hereby incorporated by reference.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements of the Company and its subsidiaries and the report thereon of KPMG LLP in the 2003 Annual Report are hereby incorporated by reference.

<PAGE>

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

None.

Item 9A. Controls and Procedures

Emerson maintains a system of disclosure controls and procedures which are designed to ensure that information required to be disclosed by the Company in the reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified under the SEC's rules and forms. Based on an evaluation performed, the Company's certifying officers have concluded that the disclosure controls and procedures were effective as of September 30, 2003, to provide reasonable assurance of the achievement of these objectives.

Notwithstanding the foregoing, there can be no assurance that the Company's disclosure controls and procedures will detect or uncover all failures of persons within the Company and its consolidated subsidiaries to report material information otherwise required to be set forth in the Company's reports.

There was no change in the Company's internal control over financial reporting during the quarter ended September 30, 2003, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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 2004 annual stockholders' meeting (the "2004 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 2004 Proxy Statement is hereby incorporated by reference. Information regarding the audit committee and audit committee financial expert appearing under "Board of Directors and Committees" in the 2004 Proxy Statement is hereby incorporated by reference.

Emerson has adopted a Code of Ethics that applies to the Company's chief executive officer, chief financial officer, chief accounting officer and controller; has posted such Code of Ethics on its Internet Web site; and intends to satisfy the disclosure requirement under Item 10 of Form 8-K by posting such information on its Internet Web site. Emerson has adopted a Code of Business Ethics for directors, officers and employees, which is available on its Internet Web site and is available in print to any shareholder who requests it. Emerson has also adopted Corporate Governance Principles and Practices, which is available on its Internet Web site and is available in print to any shareholder who requests it. The Company's Internet Web site may be accessed as follows: www.gotoemerson.com, Investor Relations, Corporate Governance.

<PAGE>

Item 11. Executive Compensation

Information appearing under "Director Compensation" and "Executive Compensation" in the 2004 Proxy Statement is hereby incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

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 2004 Proxy Statement is hereby incorporated by reference. The information regarding equity compensation plans appearing under "Equity Compensation Plan Information" in the 2004 Proxy Statement is hereby incorporated by reference.

Item 13. Certain Relationships and Related Transactions

Information appearing under "Certain Business Relationships and Transactions" in the 2004 Proxy Statement is hereby incorporated by reference.

Item 14. Principal Accounting Fees and Services

Information appearing under "Fees Paid to KPMG LLP" in the 2004 Proxy Statement is hereby incorporated by reference.

PART IV

Item 15. 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 and the report thereon of KPMG LLP in the 2003 Annual Report.

2. Financial Statement Schedules

   All schedules are omitted because they are not required, not applicable or the information is given in the financial statements or notes thereto contained in the 2003 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, File No. 1-278, Exhibit 3(a).

<PAGE>

   3(b) Bylaws of Emerson Electric Co., as amended through November 6, 2001, incorporated by reference to Emerson Electric Co. 2001 Form 10-K, Exhibit 3(b).

   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, File No. 1-278, 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, File No. 1-278, 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); and Letter of Agreement, as of September 30, 2002, incorporated by reference to Emerson Electric Co. 2002 Form 10-K, Exhibit 10(a); and Letter of Agreement, as of September 22, 2003, filed herewith.

10(b)* 1986 Stock Option Plan, as amended, incorporated by reference to Emerson Electric Co. 1992 Form 10-K, File No. 1-278, Exhibit 10(e), Form 10-Q for the quarter ended December 31, 1992, File No. 1-278, 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, File No. 1-278, Exhibit 10(e) and Amendment No. 1 thereto, incorporated by reference to Emerson Electric Co. 2000 Form 10-K, Exhibit 10(c).

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, File No. 1-278, Exhibit 10(g), and Fourth Amendment thereto, incorporated by reference to Emerson Electric Co. 2001 Form 10-K, Exhibit 10(d).

<PAGE>

10(e)* Emerson Electric Co. Continuing Compensation Plan for Non-Management Directors, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended June 30, 2002, Exhibit 10(e).

10(f)* Deferred Compensation Plan for Non-Employee Directors, as amended, incorporated by reference to Emerson Electric Co. 1994 Form 10-K, File No. 1-278, 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. 2000 Proxy Statement dated December 8, 1999, Appendix A.

10(j)* 1997 Incentive Shares Plan, incorporated by reference to Emerson Electric Co. 1997 Proxy Statement dated December 6, 1996, File No. 1-278, Exhibit A, and First Amendment thereto, incorporated by reference to Emerson Electric Co. 2001 Form 10-K, Exhibit 10(j).

10(k)* 1998 Stock Option Plan, incorporated by reference to Emerson Electric Co. 1998 Proxy Statement dated December 12, 1997, File No. 1-278, Appendix A, and Amendment No. 1 thereto, incorporated by reference to Emerson Electric Co. 2000 Form 10-K, Exhibit 10(l).

10(l)* 2001 Stock Option Plan, incorporated by reference to Emerson Electric Co. 2002 Proxy Statement dated December 12, 2001, Appendix A.

10(m)* Emerson Electric Co. Form of Split Dollar Agreement Life Insurance Policy, incorporated by reference to Emerson Electric Co. 2002 Form 10-K, Exhibit 10(m).

12 Ratio of Earnings to Fixed Charges.

13 Portions of Emerson Electric Co. Annual Report to Stockholders for the year ended September 30, 2003, incorporated by reference herein.

21 Subsidiaries of Emerson Electric Co.

23 Independent Auditors' Consent.

24 Power of Attorney.

31 Certifications pursuant to Exchange Act Rule 13a-14(a).

<PAGE>

32 Certifications pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350.

* Management contract or compensatory plan.

B. Pursuant to Items 7 and 12, the Company filed a Report on Form 8-K dated August 5, 2003, to furnish the press release for the third quarter of fiscal 2003. Pursuant to Item 9, the Company filed Reports on Form 8-K dated July 29, 2003, August 26, 2003 and September 23, 2003, furnishing Regulation FD disclosures.

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

Date: November 14, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on November 14, 2003, 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
/s/ D. N. Farr	Chief Executive Officer

D. N. Farr	and Director
/s/ W. J. Galvin W. J. Galvin	Executive Vice President and Chief Financial Officer and Director
/s/ R. J. Schlueter R. J. Schlueter	Vice President and Chief Accounting Officer
* J. G. Berges	Director
* A. A. Busch III	Director
* D. C. Farrell	Director
* C. Fernandez G.	Director

* A. F. Golden	Director
* R. B. Horton	Director
* G. A. Lodge	Director
* V. R. Loucks, Jr.	Director
* J. B. Menzer	Director
* C. A. Peters	Director
* J. W. Prueher	Director
* R. L. Ridgway	Director
* E. E. Whitacre, Jr.	Director

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

<PAGE>

INDEX TO EXHIBITS

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

Exhibit No.	Exhibit
10(a)	Letter of Agreement, as of September 22, 2003
12	Ratio of Earnings to Fixed Charges
13	Portions of Annual Report to Stockholders for the year ended September 30, 2003, incorporated by reference herein
21	Subsidiaries of Emerson Electric Co.
23	Independent Auditors' Consent
24	Power of Attorney
31	Certifications pursuant to Exchange Act Rule 13a-14(a)
32	Certifications pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350

See Item 15(A)(3) for a list of exhibits incorporated by reference.

Exhibit 10(a)

September 29, 2003

Mr. David N. Farr
Chief Executive Officer
Emerson Electric Co.
8000 W. Florissant Ave.
St. Louis, MO 63136

Dear David:

I am writing to confirm our discussions on September 22, 2003 about my compensation for the recently concluded fiscal year (2003). As you know, during the year I was paid monthly at the annual rate of $700,000. As my employment agreement (dated December 11, 2000) calls for minimum compensation of $900,000 per year, we envisioned that the difference would be part of any bonus award to me by Emerson.

As we discussed, in light of the continuing problems with the economy and their impact on Emerson's performance, I elected to forego any further compensation for the year. My waiver of compensation applies only to this past year, and my employment agreement remains in effect in all respects for future years.

Sincerely,

/s/ Charles F. Knight

Charles F. Knight

<PAGE>

Exhibit 12

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

	YEAR ENDED SEPTEMBER 30,				
	1999	2000	2001	2002	2003
Earnings:					
Earnings before income taxes (a) (b)	$ 2,064	2,192	1,650	1,622	1,452
Fixed charges	258	359	376	321	322
Earnings, as defined	$ 2,322	2,551	2,026	1,943	1,774
Fixed Charges:					
Interest expense	$ 199	292	304	250	246
One-third of all rents (b)	59	67	72	71	76
Total fixed charges	$ 258	359	376	321	322
Ratio of Earnings to Fixed Charges	9.0x	7.1x	5.4x	6.1x	5.5x

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

(b) The operating results of Dura-Line have been reclassified to discontinued operations for all years presented.

Financial Review

Results of Operations

Net Sales
Emerson achieved higher sales in 2003 despite the challenging market conditions. Net sales for 2003 were $14.0 billion, an increase of $210 million, or 2 percent, from 2002. Consolidated results include a nearly 4 percentage point favorable impact from currency and a less than 1 percentage point negative impact from divestitures, net of acquisitions. Underlying sales (which exclude acquisitions, divestitures and currency) decreased 1 percent from the prior year, reflecting the continuing difficult economic environment. Sales in the United States declined $301 million, or 4 percent, from the prior year, while international sales increased 2 percent, driven by strong growth in Asia. A 7 percent underlying sales increase in the Heating, Ventilating, and Air Conditioning (HVAC) business was more than offset by a 7 percent decline in underlying sales of the Electronics and Telecommunications business and modest declines in the other business segments. New product sales, from products introduced in the past five years, were $4.5 billion, representing 32 percent of sales.

In 2002, sales were $13.7 billion, a decrease of $1.6 billion, or 10 percent, from 2001. The sharp decline in the telecommunications industry and continued weakness in the European and U.S. industrial goods markets negatively affected reported results. Sales include a net favorable impact of 1 percent from acquisitions, divestitures and a weaker U.S. dollar. Underlying sales decreased 11 percent from 2001, with U.S. sales down $1 billion, or 12 percent, and an international sales decline of $667 million, or 11 percent, driven by weakness in all major geographic regions. Underlying sales of the Electronics and Telecommunications business declined 38 percent while the Industrial Automation business declined 11 percent. A modest underlying increase in the Process Control business was more than offset by modest sales declines in both the HVAC and the Appliance and Tools businesses, reflecting the challenging economic environment. New product sales were $4.5 billion, representing 33 percent of sales.

International Sales
International destination sales, including U.S. exports, increased 10 percent, to $6.3 billion in 2003, representing 45 percent of the Company’s total sales. U.S. exports were down 6 percent compared to the prior year, at $893 million. International subsidiary sales, including shipments to the United States, were $5.6 billion in 2003, up 12 percent over 2002. Emerson continued to expand in Asia during the year, particularly in China, which showed strength in the fourth quarter, to capitalize on market opportunities and further improve the Company’s cost position. European markets served by Emerson showed signs of recovery, with sales improving in the second half of the year. Excluding the net 10 percent impact from acquisitions, divestitures, and favorable currency translation (approximately $520 million), international subsidiary sales increased 2 percent compared to the prior year.

In 2002, international sales decreased 7 percent, to $5.8 billion, representing 42 percent of the Company’s total sales. U.S. exports were down 6 percent from 2001 at $946 million. International subsidiary sales were $5.0 billion in 2002, down 6 percent from 2001. All major geographic regions showed significant declines for the year, except Asia, which includes the impact of the Avansys acquisition. Underlying international subsidiary sales decreased 11 percent from 2001, excluding the 5 percent net impact of acquisitions, divestitures, and favorable currency translation (approximately $45 million).

Business Segments—2003 vs. 2002
Process Control business sales of $3.4 billion in 2003 were comparable with the prior year. Reported sales include an almost 5 percentage point favorable impact from currency, which was partially offset by a nearly 3 percentage point impact from the Daniel Valve and Intellution divestitures. Excluding acquisitions, divestitures and currency, underlying sales declined 2 percent due to weakness in the United States and Latin America, which were partially offset by moderate growth in Europe and solid growth in Asia. Process Control continued its market penetration and geographic expansion despite the ongoing

weakness in the U.S. market. Systems, services and solutions businesses continued growing with strong new project activity and displacement of competitors in the market. Earnings before interest and taxes were $388 million in 2003, compared to $387 million in the prior year, reflecting increased sales and profitability in the systems, solutions and measurement businesses, offset by weakness in the valve businesses and $9 million in higher costs for the rationalization of operations during the year.

Sales in the Industrial Automation business increased 4 percent to $2.6 billion in 2003, reflecting a 7 percentage point favorable impact from currency, which was partially offset by a 1 percentage point impact from divestitures. An almost 2 percent decline in underlying sales reflects weakness in industrial activity in the United States, which was partially offset by modest international sales growth, led by strength in Asia and modest growth in Europe. Most end markets have begun to stabilize. This stability together with the benefits from restructuring drove earnings growth in the segment. Margin improvements in the fluid control valves, variable-speed drives and materials joining businesses, as well as $13 million lower rationalization costs, led to an 11 percent increase in earnings to $330 million in 2003 from $297 million in 2002.

The Electronics and Telecommunications business reported sales of $2.3 billion in 2003, down 6 percent from 2002. Underlying sales, excluding a 2 percentage point impact from divestitures and a 3 percentage point favorable impact from currency, declined 7 percent as a result of significant declines in most major geographic regions, except Asia and Latin America which turned positive in the fourth quarter. The significant restructuring efforts in this business are paying off and continuing to help drive margins higher. Despite lower sales volume, earnings increased $49 million, or 41 percent, to $168 million in 2003, primarily driven by the precision cooling and power systems business and $25 million lower rationalization costs in the current year. This business segment has strengthened its position through the year with a continued focus on restructuring initiatives, engineering and technology investments, and international expansion and is well positioned for the future.

Sales in the HVAC business increased over 9 percent to $2.6 billion in 2003, driven by continued global penetration gains, market growth and a nearly 3 percentage point favorable impact from currency. The underlying sales increase of nearly 7 percent compared to the prior year reflects strong growth in Asia and Latin America, and moderate increases in the United States and the European commercial market. The combination of new wins, market dynamics, and higher efficiency regulations worldwide is driving long-term scroll technology penetration and growth. In addition, energy management and site monitoring services are growing, particularly by helping supermarkets reduce energy costs and safeguard food quality. HVAC earnings increased $53 million, or 16 percent, over the prior year to $386 million, primarily due to higher sales and improved margins from increased operating efficiencies for the compressor and heating controls businesses in 2003.

The Appliance and Tools business sales were $3.5 billion in 2003, compared to sales of $3.4 billion in the prior year. Sales reflect a 3 percent decline in underlying sales, which was offset by a 2 percentage point favorable impact from currency and an almost 1 percentage point impact from acquisitions. Earnings of $479 million were up 5 percent over $456 million in 2002, primarily driven by the disposer, residential storage and plumbing tools businesses and $13 million lower costs for rationalization compared to the prior year, partially offset by weakness in the motors business. Residential storage products sales continued to show strength, driven by new product offerings, innovative Web-enabled design and support services, and favorable market conditions. The motors and appliance component business sales declined moderately, while the construction and tools business sales declined slightly, partially resulting from exiting the manufacturing of power woodworking tools. Emerson made the strategic business decision to discontinue the manufacture of bench top and stationary woodworking power tools, which had sales of approximately $60 million in 2003.

Business Segments—2002 vs. 2001

The Process Control business achieved sales of $3.4 billion in 2002, in line with the strong 2001 performance, a result of strong gains in the systems and solutions businesses despite the persistently challenging economy and an over 2 percentage point impact from the Xomox and Daniel Valve divestitures. Offsetting the strong growth in systems and solutions was an overall reduction in general maintenance and repair activity affecting the measurement and control device business, due to the broad reduction in capital spending. Underlying sales excluding the impact of acquisitions, divestitures and an almost 1 percentage point favorable impact from currency exchange improved almost 2 percent over 2001. Very strong growth in Latin America and moderate growth in Europe were partially offset by declines in the United States and Canada. Nearly $290 million in major projects were won during the year, signaling the acceptance of PlantWeb, Delta V, and solutions and engineering services in the market. Earnings of $387 million were up 8 percent in 2002 compared to $358 million in 2001, primarily reflecting the goodwill amortization in 2001. Excluding goodwill amortization from 2001, Process Control earnings decreased, primarily reflecting the impact from divestitures.

Sales of the Industrial Automation business fell 15 percent to $2.5 billion in 2002 from $3.0 billion the year before, as a result of underlying sales declines and the 2002 divestiture of the Chromalox industrial heating solutions business as well as the Sweco divestiture and the contribution of Camco into a joint venture in 2001. Divestitures, net of acquisitions, negatively impacted sales by over 5 percentage points, partially offset by a nearly 1 percentage point contribution from currency. Underlying sales declined 11 percent from 2001, reflecting the reduction in capital expenditures and excess capacity across the industrial sector in the United States and Europe. The underlying sales declines resulting from the steep downturn in industrial goods spending and the impact of divestitures led to a 26 percent decrease in earnings to $297 million in 2002 from $402 million in 2001.

In the Electronics and Telecommunications business, sales fell 31 percent during the year to $2.5 billion. Excluding a 7 percentage point impact from acquisitions, divestitures and currency exchange, underlying sales decreased 38 percent from 2001 with significant sales declines in all geographic regions. Aggressive restructuring actions in response to the sharp market decline allowed this business to remain profitable, with $119 million of earnings in 2002. During the first quarter of 2002, Emerson acquired Avansys, the power business of Huawei Technologies in China, which was renamed Emerson Network Power China. This key acquisition provides access to the China market and a base for low-cost manufacturing and engineering resources, which will help drive sales growth, reduce costs and expand product development.

Sales of the HVAC business were $2.4 billion, down 2 percent from 2001. Softness in the first quarter from customers reducing inventory levels was partially offset by an improvement in the fourth quarter due to an upturn in U.S. residential air conditioning orders resulting from the late summer heat. A 3 percent decline in underlying sales, excluding a 1 percentage point impact from acquisitions, divestitures and currency, resulted from declines in all major geographic regions versus the prior year. Emerson focused on developing a strong position as a provider of services and solutions to the commercial refrigeration market, as evidenced by agreements to provide energy efficiency and site monitoring services to Tesco PLC, the largest food retailer in the United Kingdom, and A & P food stores. Copeland Scroll compressor sales continued to grow during the year, reflecting new product platforms that expand our served market. HVAC earnings decreased $14 million, or 4 percent, to $333 million in 2002 due to lower sales volume and $6 million of higher rationalization costs for the year.

The Appliance and Tools business sales decreased 2 percent to $3.4 billion in 2002. Underlying sales also declined 2 percent, with strong sales growth in the housing-related consumer businesses offset by broad declines in the commercial and industrial tools and motor businesses. Residential storage achieved very strong sales growth during the year, reflecting expanded customer offerings, innovative Web-enabled design and support services, and favorable market conditions. Earnings decreased 9 percent to $456 million in 2002 compared to $503 million in 2001, as a result of lower sales volume and $28 million of higher rationalization costs for the year.

Acquisitions, Divestitures and Repositioning
In the third quarter of 2003, the Company sold the Dura-Line fiber-optic conduit business, which is reported as discontinued operations. See discussion of Discontinued Operations below for additional information.

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 Company also divested the Chromalox industrial heating solutions business and the Daniel Valve business. Also in 2002, Emerson exchanged its ENI semiconductor equipment division for an equity interest in MKS Instruments, Inc. of 12 million common shares.

In 2001, 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. 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, other deductions, net and discontinued operations include charges of $86 million, $51 million, $221 million and $19 million, respectively, in 2001. 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 notes 3 and 4 for additional information.

Total Costs and Expenses
Cost of sales was $9.1 billion in 2003, an increase over the prior year of 1 percent. In 2002, cost of sales was $8.9 billion, compared with $10.0 billion in 2001. Cost of sales as a percent of net sales was 64.9 percent in 2003, compared with 65.0 percent in 2002 and 65.2 percent in 2001. The improvement in the gross profit margin in 2003 was primarily the result of the Company’s cost reduction efforts and productivity improvement programs despite a negative impact of 0.2 points from higher pension expense.

Selling, general and administrative (SG&A) expenses were $2.9 billion, $2.9 billion and $3.1 billion in 2003, 2002 and 2001, respectively. As a percent of net sales, SG&A expenses were 21.0 percent, 21.1 percent and 20.0 percent in 2003, 2002 and 2001, respectively. The increase in SG&A as a percent of net sales from 2001 was primarily due to the lower sales volumes and higher pension costs in 2003 and 2002.

Engineering and development expense was $514 million in 2003, compared with $530 million in 2002 and $594 million in 2001. Engineering and development as a percent of net sales was 3.7 percent in 2003 and 3.8 percent in 2002 and 2001, reflecting Emerson’s continuing investment in technology to improve the Company’s competitive position.

Other deductions, net were $318 million in 2003, compared with $82 million in 2002 (see note 4). Fiscal 2003 increased $236 million over the prior year due to $207 million of lower divestiture gains in 2003 and a 2003 goodwill impairment charge of $54 million related to the businesses in the Electronics and Telecommunications segment. Fiscal 2002 included gains of $85 million and $42 million from the divestitures of the Chromalox and Daniel Valve businesses, respectively, and a $93 million gain from the ENI transaction. The $291 million decrease in 2002 from $373 million in 2001 is primarily due to the 2001 repositioning charge. Furthermore, in connection with the adoption of FAS 142 (see discussion below), the amortization of goodwill was discontinued beginning with fiscal 2002. Other deductions, net includes goodwill amortization of $155 million in 2001. Fiscal 2001 also 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. Additionally, the Company and Crane Co. formed a joint venture combining Emerson’s Commercial Cam Co. subsidiary and Crane Co.’s Ferguson Company division in 2001, which resulted in a gain of $24 million. Also included in other deductions, net were ongoing costs for the rationalization of operations of $141 million, $190 million and $106 million in 2003, 2002 and 2001, respectively. Higher levels of rationalization in 2002 related to cost structure improvements in response to the difficult economic environment.

Interest expense, net of $231 million in 2003 was down slightly from the prior year. During 2003, the Company issued $750 million of long-term debt to decrease commercial paper borrowings. In 2002, interest expense, net of $233 million decreased from $286 million in 2001, reflecting the impact of lower interest rates, which was partially offset by higher average borrowings due to acquisitions.

Income Taxes

Income taxes were $401 million, $514 million and $565 million in 2003, 2002 and 2001, respectively. The 2003 effective tax rate was 28.3 percent, compared with 32.3 percent in 2002 and 35.1 percent in 2001. In 2003, income taxes and the effective tax rate were reduced $68 million and 4 percent, respectively, by the tax benefits from the restructuring of the ETP business net of the impairment charge. Excluding these items, the rate is more indicative of the ongoing tax rate and is comparable to the effective tax rate in the prior year. The decrease in the effective tax rate in 2002 was primarily the result of discontinuing goodwill amortization upon the adoption of FAS 142 due to the non-deductible nature of goodwill and lower taxation of foreign earnings, partially offset by higher taxes associated with divestitures.

Earnings From Continuing Operations

Earnings from continuing operations were $1.0 billion, or $2.41 per diluted share, in 2003, down from $1.1 billion, or $2.56 per share, in 2002. Lower income taxes in 2003 and $159 million of higher profits contributed by the business segments were more than offset by lower divestiture gains in 2003 and the impairment charge, discussed above in other deductions, net. Earnings from continuing operations in 2002 increased from $1.0 billion, or $2.44 per share, in 2001. These results were primarily due to lower taxes in 2002 and the 2001 repositioning charge, which were offset by the continued market weaknesses affecting all of the Company's segments.

Discontinued Operations

In May 2003, the Board of Directors approved a plan to restructure the Jordan business acquired in 2000, in which the Dura-Line business would be sold and its other businesses would be retained by Emerson. Discontinued operations of $76 million, or $0.18 per share, in 2003 included a net gain of $83 million (including income tax benefit of $170 million), or $0.20 per share, related to the sale of Jordan stock including its Dura-Line operations. The operating results of Dura-Line have been reclassified to discontinued operations in the Consolidated Statements of Earnings for all years presented. See note 3 for additional information.

Cumulative Effect of Change in Accounting Principle

Effective October 1, 2001, Emerson adopted SFAS No. 142, "Goodwill and Other Intangible Assets." The transitional goodwill impairment recognized upon adoption of FAS 142 is a required change in accounting principle, and the cumulative effect of adopting this standard resulted in a non-cash, after-tax decrease to 2002 net earnings and diluted earnings per common share of $938 million and $2.23, respectively. Also as a result of the adoption of this standard, goodwill is no longer subject to amortization. See note 5 for additional information.

Net Earnings and Return on Equity

Net earnings of $1.1 billion and diluted earnings per common share of $2.59 for 2003 included the gain from discontinued operations of $76 million, or $0.18 per share. Net earnings in 2002 were $122 million, or $0.29 per share, including an accounting change of $938 million, or $2.23 per share (net earnings were $1.1 billion, or $2.52 per share, excluding the accounting change). Net earnings and diluted earnings per share in 2001 were $1.0 billion and $2.40 per share, respectively. Earnings in 2001 were negatively impacted $260 million, or $0.61 per share, by the incremental repositioning charge. Earnings in 2001 also included $149 million of goodwill amortization ($0.35 per share). Net earnings as a percent of sales were 7.8 percent in 2003, compared to 7.7 percent in 2002 (excluding the accounting change) and 6.7 percent in 2001. Return on average stockholders' equity was 17.9 percent, 17.9 percent (excluding the accounting change) and 16.5 percent in 2003, 2002 and 2001, respectively.

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 2003, a 5 percent decrease from the prior year. Operating cash flow was $1.8 billion in 2002, an increase of 6 percent, compared with $1.7 billion in 2001. Cash flow in 2003 included benefits from reductions in operating working capital, particularly a 9 percent improvement in inventory turnover due to Emerson's lean manufacturing initiative. At September 30, 2003, operating working capital as a percentage of sales was 12.7 percent, compared with 12.6 percent and 13.1 percent in 2002 and 2001, respectively. Operating working capital as a percentage of sales for 2003 was negatively impacted one percentage point by approximately $140 million of tax benefits that will be received in cash in 2004 due to the carryback of a capital loss against prior capital gains. Operating cash flow was decreased by pension contributions of $308 million, $169 million and $174 million in 2003, 2002 and 2001, respectively. Pension contributions are expected to be approximately $100 million in 2004.

Free cash flow (operating cash flow less capital expenditures) was $1.4 billion in 2003, compared to $1.4 billion in 2002 and $1.2 billion in 2001. The slight decrease in 2003 is primarily due to the higher pension contribution made during the year and changes in working capital, offset by lower capital expenditures. Capital expenditures were $337 million, $384 million and $554 million in 2003, 2002 and 2001, respectively. In 2004, the Company is targeting capital spending of approximately 3 percent of net sales. Cash paid in connection with Emerson's acquisitions was $6 million, $754 million and $200 million in 2003, 2002 and 2001, respectively.

Dividends were $661 million ($1.57 per share, up 1.3 percent) in 2003, compared with $652 million ($1.55 per share) in 2002, and $654 million ($1.53 per share) in 2001. In November 2003, the Board of Directors voted to increase the quarterly cash dividend to an annualized rate of $1.60 per share. In 2002 and 2001, approximately 360,000 and 10 million shares, respectively, were repurchased under the fiscal 1997 Board of Directors' authorization; 228,000 shares remain available for repurchase. In fiscal 2002, the Board of Directors authorized a share repurchase program for the repurchase of up to 40 million shares of the Company's outstanding common stock. The Company did not repurchase any shares during 2003 under these plans. Net issuances of treasury stock totaled $11 million in 2003, compared to net purchases of $20 million and $534 million in 2002 and 2001, respectively.

Leverage/Capitalization

Total debt decreased to $4.1 billion at the end of 2003. Total debt in 2002 decreased to $4.6 billion from $4.7 billion in 2001. The total debt-to-capital ratio was 39.0 percent at year-end 2003, compared with 44.2 percent in 2002 and 43.5 percent in 2001. At September 30, 2003, net debt (total debt less cash and equivalents and short-term investments) was 34.5 percent of net capital, compared with 42.0 percent of net capital in 2002 and 41.5 percent of net capital in 2001. The cumulative effect of change in accounting principle in 2002 increased these ratios by almost 4 percentage points. The operating cash flow-to-debt ratio was 42.0 percent, 39.9 percent and 36.3 percent in 2003, 2002 and 2001, respectively. The Company's interest coverage ratio (earnings from continuing operations before income taxes and interest expense, divided by interest expense) was 6.7 times in 2003, compared with 7.4 times in 2002 and 6.3 times in 2001. The decrease in the interest coverage ratio from 2002 to 2003 reflects lower earnings and higher interest rates on new issuances of long-term debt that replaced commercial paper, which were partially offset by lower average borrowings. See notes 3, 7 and 8 for additional information.

At year-end 2003, the Company and its subsidiaries maintained lines of credit amounting to $2.9 billion to support short-term borrowings, and had uncommitted bank credit facilities to support non-U.S. operations of which approximately $350 million was unused at September 30, 2003. Lines of credit totaling $1.5 billion are effective until June 2005, with the remainder effective until March 2004. These bank credit facilities and lines of credit facilitate funding at prevailing interest rates. In addition, as of September 30, 2003, the Company could issue up to $500 million of additional debt securities under its shelf registration with the Securities and Exchange Commission. The Company's long-term debt was rated A2 by Moody's Investors Service and A by Standard and Poor's as of September 30, 2003.

Contractual Obligations

At September 30, 2003, the Company's contractual obligations, including estimated payments due by period, are as follows (dollars in millions):

		Payments Due by Period			
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-term Debt	$ 3,737	4	867	252	2,614
Operating Leases	335	107	127	46	55
Purchase Obligations	945	562	294	71	18
Total	$ 5,017	673	1,288	369	2,687

Purchase obligations consist primarily of inventory purchases made in the normal course of business to meet operational requirements. The above table does not include $1.6 billion of other noncurrent liabilities recorded in the balance sheet, as summarized in note 15, which primarily consist of deferred income tax and retirement and postretirement plan liabilities, because it is not certain when these liabilities will become due. See notes 9, 10 and 12 for additional information.

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, 6, 7 and 8.

Critical Accounting Policies

Preparation of the Company's financial statements requires management to make judgments, assumptions, and estimates regarding uncertainties that affect the reported amounts of assets, liabilities, stockholders' equity, revenues and expenses. Note 1 of the Notes to Consolidated Financial Statements describes the significant accounting policies used in preparation of the Consolidated Financial Statements. The most significant areas involving management judgments and estimates are described below. Actual results in these areas could differ materially from management's estimates under different assumptions or conditions.

Revenue Recognition

The Company recognizes substantially all of its revenues through the sale of manufactured products and records the sale when products are shipped and title passes to the customer and collection is reasonably assured. In certain instances, revenue is recognized on the percentage-of-completion method, when services are rendered, or in accordance with SOP No. 97-2, "Software Revenue Recognition." Management believes that all relevant criteria and conditions are considered when recognizing sales.

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 each fiscal year. The effects of resetting standards and operating variances incurred during each period are allocated between inventories and cost of sales. Management regularly reviews inventory for obsolescence to determine whether a write-down is necessary. Various factors are considered in making this determination, including recent sales history and predicted trends, industry market conditions and general economic conditions. Over the last three years, the Company has experienced higher than average inventory obsolescence in connection with slowing business conditions. See notes 1 and 4.

Long-lived Assets
Long-lived assets, which primarily include goodwill and property, plant and equipment, are reviewed for impairment whenever events and changes in business circumstances indicate the carrying value of the assets may not be recoverable. If the Company determines that the carrying value of the long-lived asset may not be recoverable, a permanent impairment charge is recorded for the amount by which the carrying value of the long-lived asset exceeds its fair value. In 2002, the Company adopted FAS 142 and recorded a transitional impairment charge as a cumulative effect of change in accounting principle. In 2003, a goodwill impairment charge related to the Electronics and Telecommunications segment was recorded. Fair value is generally measured based on a discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the Company's current business model. The estimates of cash flows and discount rate are subject to change due to the economic environment, including such factors as interest rates, expected market returns and volatility of markets served. Management believes that the estimates of future cash flows and fair value are reasonable; however, changes in estimates could materially affect the evaluations. For example, if the estimated fair value of the businesses reviewed for impairment in the Electronics and Telecommunications segment were 15 percent lower, an additional impairment charge of approximately $100 million could be incurred. See notes 1, 3 and 5.

Retirement Plans
Retirement plan expense and obligations are dependent on assumptions used in calculating such amounts. These assumptions include discount rate, rate of compensation increases and expected return on plan assets. In accordance with U.S. generally accepted accounting principles, actual results that differ from the assumptions are accumulated and amortized over future periods. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect the Company's retirement plan obligations and future expense. In 2002, the Company adjusted the expected long-term rate of return on plan assets to 9.0 percent, down from 10.5 percent, which increased retirement plan expense approximately $30 million in 2003. Effective for 2004, the expected long-term rate of return on plan assets is 8.5 percent and the discount rate for the U.S. retirement plans is 6.0 percent. Due to the market trends of the past few years (i.e., lower interest rates and asset returns), retirement plan expense is expected to increase approximately $60 million in 2004. As of the measurement date, the fair value of plan assets exceeded the accumulated benefit obligation for the primary defined benefit pension plan by approximately $50 million. Depending upon the performance of the equity and bond markets in 2004, the Company could be required to record a charge to equity. For example, if the discount rate was decreased by 10 percent, the accumulated benefit obligation for the plan would increase over $100 million and result in an additional after-tax charge to stockholders' equity of approximately $550 million. Each additional 10 percent decrease in the discount rate would result in an additional after-tax charge to equity of approximately $50 million. See note 9.

Income Taxes
Income tax expense and deferred tax assets and liabilities reflect management's assessment of actual future taxes to be paid on items reflected in the financial statements. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. No provision is made for U.S. income taxes on the undistributed earnings of non-U.S. subsidiaries. These earnings are permanently invested or indefinitely retained because they are essential for continuing international operations. In those cases in which distributions have been made, additional income taxes have not been significant. See note 12.

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, 2003 and 2002, 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, 2003. 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, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 5 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" in the year ended September 30, 2002.

/s/ KPMG LLP

St. Louis, Missouri
November 3, 2003

Consolidated Statements of Earnings

Emerson Electric Co. and Subsidiaries

Years ended September 30
(Dollars in millions except per share amounts)

	2001	2002	**2003**
Net sales	$ 15,311	13,748	**13,958**
Costs and expenses:			
Cost of sales	9,987	8,939	**9,060**
Selling, general and administrative expenses	3,051	2,904	**2,935**
Other deductions, net	373	82	**318**
Interest expense, net	286	233	**231**
Earnings from continuing operations before income taxes	1,614	1,590	**1,414**
Income taxes	565	514	**401**
Earnings from continuing operations	1,049	1,076	**1,013**
Net gain (loss) from discontinued operations	(17)	(16)	**76**
Earnings before cumulative effect of change in accounting principle	1,032	1,060	**1,089**
Cumulative effect of change in accounting principle	–	(938)	**–**
Net earnings	$ 1,032	122	**1,089**
Basic earnings per common share:			
Earnings from continuing operations	$ 2.47	2.57	**2.42**
Discontinued operations	(0.04)	(0.04)	**0.18**
Cumulative effect of change in accounting principle	–	(2.24)	**–**
Basic earnings per common share	$ 2.43	0.29	**2.60**
Diluted earnings per common share:			
Earnings from continuing operations	$ 2.44	2.56	**2.41**
Discontinued operations	(0.04)	(0.04)	**0.18**
Cumulative effect of change in accounting principle	–	(2.23)	**–**
Diluted earnings per common share	$ 2.40	0.29	**2.59**

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

Emerson Electric Co. and Subsidiaries

September 30
(Dollars in millions except per share amounts)

Assets

	2002	**2003**
Current assets		
Cash and equivalents	$ 381	**696**
Receivables, less allowances of $90 in 2002 and $82 in 2003	2,513	**2,650**
Inventories:		
Finished products	662	**628**
Raw materials and work in process	962	**930**
Total inventories	1,624	**1,558**
Other current assets	443	**596**
Total current assets	4,961	**5,500**
Property, plant and equipment		
Land	172	**178**
Buildings	1,318	**1,341**
Machinery and equipment	4,878	**5,129**
Construction in progress	281	**216**
	6,649	**6,864**
Less accumulated depreciation	3,533	**3,902**
Property, plant and equipment, net	3,116	**2,962**
Other assets		
Goodwill	4,910	**4,942**
Other	1,558	**1,790**
Total other assets	6,468	**6,732**
	$ 14,545	**15,194**

See accompanying notes to consolidated financial statements.

Liabilities and Stockholders' Equity

	2002	**2003**
Current liabilities		
Short-term borrowings and current maturities of long-term debt	$ 1,560	**391**
Accounts payable	1,268	**1,397**
Accrued expenses	1,448	**1,513**
Income taxes	124	**116**
Total current liabilities	4,400	**3,417**
Long-term debt	2,990	**3,733**
Other liabilities	1,414	**1,584**
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 2002 and 2003	238	**238**
Additional paid-in capital	52	**65**
Retained earnings	8,461	**8,889**
Accumulated other comprehensive income	(647)	**(386)**
	8,104	**8,806**
Less cost of common stock in treasury, 55,967,097 shares in 2002 and 55,522,542 shares in 2003	2,363	**2,346**
Total stockholders' equity	5,741	**6,460**
	$ 14,545	**15,194**

Consolidated Statements of Stockholders' Equity

Emerson Electric Co. and Subsidiaries

Years ended September 30
(Dollars in millions except per share amounts)

	2001	2002	**2003**
Common stock	$ 238	238	**238**
Additional paid-in capital			
Beginning balance	53	31	**52**
Stock plans and other	(22)	21	**13**
Ending balance	31	52	**65**
Retained earnings			
Beginning balance	8,613	8,991	**8,461**
Net earnings	1,032	122	**1,089**
Cash dividends (per share: 2001, $1.53; 2002, $1.55; 2003, $1.57)	(654)	(652)	**(661)**
Ending balance	8,991	8,461	**8,889**
Accumulated other comprehensive income			
Beginning balance	(578)	(741)	**(647)**
Translation adjustments	(101)	132	**366**
Pension adjustments (net of tax: 2001, $18; 2002, $18; 2003, $82)	(29)	(30)	**(133)**
Cash flow hedges and other (net of tax: 2001, $20; 2002, $5; 2003, $(17))	(33)	(8)	**28**
Ending balance	(741)	(647)	**(386)**
Treasury stock			
Beginning balance	(1,923)	(2,405)	**(2,363)**
Acquired	(562)	(17)	**–**
Issued under stock plans and other	80	59	**17**
Ending balance	(2,405)	(2,363)	**(2,346)**
Total stockholders' equity	$ 6,114	5,741	**6,460**
Comprehensive income (Net earnings, Translation adjustments, Pension adjustments and Cash flow hedges)	$ 869	216	**1,350**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Emerson Electric Co. and Subsidiaries

Years ended September 30
(Dollars in millions)

	2001	2002	**2003**
Operating activities			
Net earnings	$ 1,032	122	**1,089**
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Cumulative effect of change in accounting principle	–	938	**–**
Depreciation and amortization	708	541	**534**
Changes in operating working capital	121	432	**266**
Pension funding	(174)	(169)	**(308)**
Gains on divestitures and other	21	(46)	**150**
Net cash provided by operating activities	1,708	1,818	**1,731**
Investing activities			
Capital expenditures	(554)	(384)	**(337)**
Purchases of businesses, net of cash and equivalents acquired	(200)	(754)	**(6)**
Divestitures of businesses and other, net	206	257	**39**
Net cash used in investing activities	(548)	(881)	**(304)**
Financing activities			
Net increase (decrease) in short-term borrowings	97	(975)	**(1,232)**
Proceeds from long-term debt	36	751	**746**
Principal payments on long-term debt	(25)	(38)	**(17)**
Net (purchases) issuances of treasury stock	(534)	(20)	**11**
Dividends paid	(654)	(652)	**(661)**
Net cash used in financing activities	(1,080)	(934)	**(1,153)**
Effect of exchange rate changes on cash and equivalents	(5)	22	**41**
Increase in cash and equivalents	75	25	**315**
Beginning cash and equivalents	281	356	**381**
Ending cash and equivalents	$ 356	381	**696**
Changes in operating working capital			
Receivables	$ 135	155	**8**
Inventories	99	265	**161**
Other current assets	(6)	12	**12**
Accounts payable	(77)	101	**57**
Accrued expenses	44	(72)	**24**
Income taxes	(74)	(29)	**4**
	$ 121	432	**266**

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 percent 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 in accumulated other comprehensive income.

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 each fiscal year. The effects 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 and Intangible Assets
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 and eliminates the pooling-of-interests method. Assets and liabilities related to business combinations accounted for as purchase transactions are recorded at their respective fair values. Effective October 1, 2001, Emerson adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," and therefore ceased amortizing goodwill as of that date. Prior to the adoption of FAS 142, goodwill was amortized on a straight-line basis to other deductions over the periods estimated to be benefited, not exceeding 40 years. The Company conducts a formal impairment test of goodwill on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value.

All of the Company's intangible assets (other than goodwill) are subject to amortization. Capitalized software is being amortized on a straight-line basis with a remaining weighted-average life of three years. Intellectual property consists primarily of patents which are being amortized on a straight-line basis with a remaining weighted-average life of six years.

Warranty
The Company's product warranties vary by each of its product lines and are competitive for the markets in which it operates. Warranty generally extends for a period of one to two years from the date of sale or installation. Provisions for warranty are primarily determined based on historical warranty cost as a percentage of sales or a fixed amount per unit sold based on failure rates, adjusted for specific problems that may arise. Product warranty expense is less than one percent of sales.

Revenue Recognition
The Company recognizes nearly all of its revenues through the sale of manufactured products and records the sale when products are shipped and title passes to the customer and collection is reasonably assured.

Stock-Based Compensation
Effective October 1, 2002, Emerson adopted the fair value method provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (FAS 123). Under the Standard's prospective method of adoption, options granted, modified or settled after September 30, 2002, are expensed based on their fair value at date of grant over the vesting period, generally three years. Previously, the Company accounted for options pursuant to Accounting Principles Board Opinion No. 25, and no expense was recognized. If the fair value method of FAS 123 had been utilized for all options granted, compensation expense would have been higher by $23, $20 and $9 in 2001, 2002 and 2003, respectively, and net earnings and diluted earnings per common share would have been $1,012 and $2.36 per share in 2001, $105 and $0.25 per share in 2002 and $1,082 and $2.57 per share in 2003.

Financial Instruments
All derivative instruments are reported on the balance sheet at fair value. For each derivative instrument designated as a cash flow hedge, the gain or loss on the derivative is deferred in accumulated other comprehensive income until recognized in earnings with the underlying hedged item. For each derivative instrument 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 on non-U.S. net asset exposures are included in accumulated other comprehensive income.

Income Taxes
No provision is made for U.S. income taxes on the undistributed earnings of non-U.S. subsidiaries (approximately $1,884 at September 30, 2003). These earnings are permanently invested or otherwise indefinitely retained because they are essential for continuing international operations. In those cases in which distributions have been made, additional income taxes have not been significant.

Comprehensive Income
Comprehensive income is primarily comprised of net earnings, foreign currency translation adjustments, pension adjustments and cash flow hedges. Accumulated translation adjustments were $547 and $181, pension adjustments were $59 and $192, and cash flow hedges and other were $41 and $13 at September 30, 2002 and 2003, respectively.

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.

Effective October 1, 2002, Emerson adopted 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 operating results of Dura-Line have been reclassified to discontinued operations in the Consolidated Statements of Earnings for all years presented (see Note 3).

(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	2002	**2003**
Basic	425.4	418.9	**419.1**
Dilutive shares	4.1	2.0	**1.8**
Diluted	429.5	420.9	**420.9**

(3) Acquisitions and Divestitures

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

	2001	2002	**2003**
Fair value of assets acquired	$ 243	821	**6**
Less liabilities assumed	43	67	**–**
Cash paid (net of cash and equivalents acquired)	$ 200	754	**6**

Several small businesses were acquired during 2003. Due to challenging market conditions, Emerson began evaluating strategies to maximize the value of the Jordan business (renamed Emerson Telecommunication Products, Inc. ("Jordan")) acquired in 2000. In May 2003, the Board of Directors approved a plan to restructure Jordan in which all but one of its businesses would be retained by Emerson (and will continue to do business as Emerson Telecommunication Products, LLC ("ETP")), and the Dura-Line fiber-optic conduit business would be sold. In June 2003 after the restructuring, the Jordan stock, including its Dura-Line operations, was sold for $6, resulting in a pretax loss of $87, which is reported as discontinued operations. In addition, an appraisal of the retained ETP business was performed. All of the businesses in the Electronics and Telecommunications segment, including ETP, were reviewed for impairment and a goodwill impairment charge of $54 was recorded in the third quarter, the majority of which related to the ETP business. The restructuring and sale resulted in income tax benefits of $238 as the tax basis in the stock of these businesses significantly exceeded the carrying value primarily due to a goodwill impairment of $647 in 2002. Approximately $140 of the benefits will be received in cash in 2004 due to the carryback of the capital loss against prior capital gains, with the remainder expected to be received in subsequent years as the capital loss carryforward is utilized against future capital gains. The income tax benefits were recognized in the third quarter: $170 was associated with discontinued operations and $68 was associated with the retained ETP business.

The tax benefits from the restructuring of the ETP business net of the impairment charge contributed $14 ($0.03 per share) to continuing operations. The net gain of $83 from the sale of Jordan (including income tax benefit of $170) is reported as discontinued operations in the Consolidated Statements of Earnings. The operating results of Dura-Line also have been reclassified to discontinued operations for all years presented. Sales were $169, $76 and $41, and net losses were $17, $16 and $7 for the years ended September 30, 2001, 2002 and 2003, respectively. Other businesses divested in 2003 represented total annual sales of approximately $80 in 2002.

During the first quarter of 2002, Emerson acquired Avansys Power Co., Ltd. (renamed Emerson Network Power China), a provider of network power products to the telecommunications industry in China, for $750 in cash (approximately $710 net of cash acquired), resulting in $624 of goodwill. Avansys and several other smaller businesses acquired during 2002 had annualized sales of approximately $270.

In the first quarter of 2002, Emerson received $165 from the divestiture of the Chromalox industrial heating solutions business, resulting in a pretax gain of $85. In the second quarter of 2002, Emerson exchanged its ENI semiconductor equipment business for an equity interest in MKS Instruments, Inc. of 12 million common shares, resulting in a pretax gain of approximately $93. During the third quarter, Emerson received $73 from the divestiture of the Daniel Valve business, resulting in a pretax gain of $42. Chromalox, ENI and Daniel Valve represented total annual sales of approximately $300 in 2001.

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.

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) Other Deductions, Net

Other deductions, net are summarized as follows:

	2001	2002	**2003**
Gains from divestitures	$ (187)	(231)	**(24)**
Impairment	–	–	**54**
Rationalization of operations	106	190	**141**
Repositioning	221	–	**–**
Amortization of intangibles ($155 of goodwill in 2001)	180	26	**17**
Other	53	97	**130**
Total	$ 373	82	**318**

Rationalization of operations includes ongoing costs for start-up, shutdown and moving of facilities, asset writedowns, severance and other costs in connection with improving the cost structure of operations. Rationalization of operations by segment is summarized as follows:

	2001	2002	**2003**
Process Control	$ 25	27	**36**
Industrial Automation	20	33	**20**
Electronics & Telecommunications	39	71	**39**
HVAC	20	26	**20**
Appliance and Tools	21	49	**36**
Corporate	(14)	1	**(2)**
Discontinued operations [a]	(5)	(17)	**(8)**
Total	$ 106	190	**141**

[a] Discontinued operations eliminates the operating results of discontinued operations related to Dura-Line, which are included in the Electronics and Telecommunications segment amounts.

Operations for 2002 were also impacted by higher than average inventory obsolescence, unabsorbed overhead on inventory reductions and bad debts of $70. Rationalization of operations and these costs totaled $277 ($187 after-tax), while gains from divestitures of businesses were $231 ($135 after-tax) in 2002.

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, other deductions, net and discontinued operations include charges of $86, $51, $221 and $19, 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, along with other period costs for shutdown and moving. Exit costs for severance and lease terminations utilized during 2002 were $19 and $14, respectively. As of September 30, 2003, the remaining balance of lease termination costs for vacated facilities was $17, and will be utilized over the remaining terms of the applicable lease or when the leases are terminated. See Note 14 for the impact of the charges by business segment.

(5) Goodwill and Intangible Assets

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 and recorded a non-cash, after-tax charge of $938 (net of $17 tax benefit), as a cumulative effect of a change in accounting principle in 2002. 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, Industrial Automation $59, and Process Control $48.

For comparison purposes, supplemental net earnings and earnings per share for the year ended September 30, 2001, excluding goodwill amortization of $164 ($149 net of tax), are provided as follows:

	2001
Net earnings, excluding goodwill amortization	$ 1,181
Earnings per share, excluding goodwill amortization:	
Basic	$ 2.78
Diluted	$ 2.75

(6) 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.

Notional transaction amounts and fair values for the Company’s outstanding derivatives, by risk category and instrument type, as of September 30, 2002 and 2003, are summarized as follows. Fair values of the derivatives do not consider the offsetting underlying hedged item.

	2002		**2003**	
	Notional Amount	Fair Value	**Notional Amount**	**Fair Value**
Foreign currency:				
Forwards	$ 1,001	(14)	**1,193**	**9**
Options	$ 57	1	**52**	**–**
Interest rate swaps	$ 324	5	**338**	**(1)**
Commodity contracts	$ 156	(11)	**95**	**8**

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 long-term debt (including current maturities) exceeded the related carrying value by $296 and $335 at September 30, 2002 and 2003, respectively. The fair value and carrying value of an equity investment in a publicly-traded company were $131 and $190, respectively, at September 30, 2002, and $260 and $183, respectively, at September 30, 2003. Subsequent to year-end 2003, one-third of the shares were registered for sale in a filing with the Securities and Exchange Commission by the investee. The estimated fair value of each of the Company’s other classes of financial instruments approximated the related carrying value at September 30, 2002 and 2003.

(7) Short-term Borrowings and Lines of Credit

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

	2002	**2003**
Commercial paper	$ 1,262	**117**
Payable to banks	56	**41**
Other	242	**233**
Total	$ 1,560	**391**
Weighted average interest rate at year end	2.5%	**1.7%**

In 2001, the Company entered into an interest rate swap agreement, which fixed the rate on $250 of commercial paper at 6.0 percent through December 2010. In 2002, the swap was terminated when $250 of fixed-rate, long-term notes were issued and an equivalent amount of commercial paper was repaid. In 2000, 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. The Company had 149 million and 138 million of British pound notes with interest rates of 4.4 percent and 3.6 percent, swapped to $217 and $222 at U.S. commercial paper rates at September 30, 2002 and 2003, respectively.

The Company and its subsidiaries maintained lines of credit amounting to $2,900 with various banks at September 30, 2003, to support short-term borrowings and to assure availability of funds at prevailing interest rates. Lines of credit totaling $1,500 are effective until June 2005, with the remainder effective until March 2004. There were no borrowings against U.S. lines of credit in the last three years. The Company's subsidiaries maintained uncommitted bank credit facilities in various currencies of which approximately $350 was unused at September 30, 2003. In some instances, borrowings against these credit facilities have been guaranteed by the Company to facilitate funding at favorable interest rates. In addition, as of September 30, 2003, the Company could issue up to $500 of additional debt securities under its shelf registration with the Securities and Exchange Commission.

(8) Long-term Debt

Long-term debt is summarized as follows:

	2002	**2003**
7 7/8% notes due June 2005	$ 600	**600**
6.3% notes due November 2005	250	**250**
5 1/2% notes due September 2008	250	**250**
5% notes due October 2008	175	**175**
5.85% notes due March 2009	250	**250**
7 1/8% notes due August 2010	500	**500**
5.75% notes due November 2011	250	**250**
4.625% notes due October 2012	–	**250**
4 1/2% notes due May 2013	–	**250**
5 5/8% notes due November 2013	250	**250**
5% notes due December 2014	–	**250**
6% notes due August 2032	250	**250**
Other	224	**212**
	2,999	**3,737**
Less current maturities	9	4
Total	$ 2,990	**3,733**

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. 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.

Long-term debt maturing during each of the four years after 2004 is $615, $252, $1 and $251, respectively. Total interest paid related to short-term borrowings and long-term debt was approximately $274, $283 and $245 in 2001, 2002 and 2003, respectively.

(9) Retirement Plans

Retirement plan expense includes the following components:

	U.S. Plans			Non-U.S. Plans		
	2001	2002	**2003**	2001	2002	**2003**
Defined benefit plans:						
Service cost (benefits earned during the period)	$ 41	41	**41**	11	9	**11**
Interest cost	126	134	**136**	18	16	**22**
Expected return on plan assets	(186)	(178)	**(187)**	(24)	(21)	**(22)**
Net amortization	(1)	9	**34**	(1)	–	**3**
Net periodic pension (income) expense	(20)	6	**24**	4	4	**14**
Defined contribution and multiemployer plans	64	58	**60**	15	18	**22**
Total retirement plan expense	$ 44	64	**84**	19	22	**36**

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

	U.S. Plans		Non-U.S. Plans	
	2002	**2003**	2002	**2003**
Benefit obligation, beginning	$ 1,725	**1,871**	304	**342**
Service cost	41	**41**	9	**11**
Interest cost	134	**136**	16	**22**
Actuarial losses	63	**309**	8	**76**
Benefits paid	(93)	**(103)**	(15)	**(15)**
Foreign currency and other	1	**10**	20	**90**
Benefit obligation, ending	$ 1,871	**2,264**	342	**526**
Fair value of plan assets, beginning	$ 1,753	**1,703**	293	**279**
Actual return on plan assets	(119)	**74**	(24)	**(14)**
Employer contributions	161	**288**	9	**8**
Benefits paid	(93)	**(103)**	(15)	**(15)**
Foreign currency and other	1	**–**	16	**68**
Fair value of plan assets, ending	$ 1,703	**1,962**	279	**326**
Plan assets in excess of (less than) benefit obligation as of June 30	$ (168)	**(302)**	(63)	**(200)**
Unrecognized net loss	747	**1,137**	66	**187**
Unrecognized prior service costs (benefit)	14	**12**	(6)	**(3)**
Adjustment for fourth quarter contributions	–	**1**	–	**11**
Net amount recognized in the balance sheet	$ 593	**848**	(3)	**(5)**

	U.S. Plans			Non-U.S. Plans		
Weighted average assumptions used to determine net pension expense:	2001	2002	**2003**	2001	2002	**2003**
Discount rate	8.00%	7.75%	**7.25%**	6.4%	6.4%	**5.8%**
Expected return on plan assets	10.50%	9.00%	**9.00%**	8.4%	8.5%	**8.3%**
Rate of compensation increase	4.50%	4.25%	**3.75%**	3.9%	3.9%	**3.4%**

At June 30, 2002 and 2003, the weighted-average assumptions of discount rate and rate of compensation increase used to determine the U.S. plans' benefit obligations were 7.25% and 3.75%; and 6.00% and 3.25%, respectively. At June 30, 2002 and 2003, the weighted-average assumptions of discount rate and rate of compensation increase used to determine the non-U.S. plans' benefit obligations were 5.8% and 3.4%; and 5.2% and 3.3%, respectively. At September 30, 2002 and 2003, the pension assets recognized in the balance sheet were $636 and $843, and the pension liabilities recognized in the balance sheet were $141 and $310, respectively; in addition, $95 and $310 were included in accumulated other comprehensive income at September 30, 2002 and 2003, respectively. As of the plans' June 30 measurement date, 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 $328, $312 and $210, respectively, for 2002, and $905, $844 and $522, respectively, for 2003. As of the measurement date, the fair value of plan assets exceeded the accumulated benefit obligation for the primary defined benefit pension plan by approximately $50. Depending upon the performance of the equity and bond markets in 2004, the Company could be required to record a charge to equity. For example, if the discount rate was decreased by 10 percent, the accumulated benefit obligation for the plan would increase over $100 and result in an additional after-tax charge to stockholders' equity of approximately $550.

(10) 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, 2002 and 2003, follows:

	2001	2002	**2003**
Service cost	$ 5	6	**7**
Interest cost	24	26	**27**
Net amortization	(2)	–	**8**
Net postretirement plan expense	$ 27	32	**42**

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

	2002	**2003**
Benefit obligation, beginning	$ 324	**377**
Service cost	6	**7**
Interest cost	26	**27**
Actuarial losses	54	**46**
Benefits paid	(35)	**(40)**
Acquisitions/divestitures and other	2	**9**
Benefit obligation, ending	377	**426**
Unrecognized net loss	(53)	**(89)**
Unrecognized prior service benefit (costs)	2	**(8)**
Postretirement benefit liability recognized in the balance sheet	$ 326	**329**

The assumed discount rates used in measuring the obligations as of September 30, 2001, 2002 and 2003, were 7.50 percent, 7.00 percent and 6.00 percent, respectively. The assumed health care cost trend rate for 2004 was 10.0 percent, declining to 5.0 percent in the year 2013. The assumed health care cost trend rate for 2003 was 9.0 percent, declining to 5.0 percent in the year 2011. 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, 2003, and the 2003 postretirement plan expense by less than five percent.

(11) Contingent Liabilities and Commitments

Emerson is a party to a number of pending legal proceedings and claims, including those involving general and product liability and other matters, several of which claim substantial amounts of damages. The Company accrues for such liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Such accruals are based on developments to date, management's estimates of the outcomes of these matters, its experience in contesting, litigating and settling other similar matters, and any related insurance coverage.

Although it is not possible to predict the ultimate outcome of the matters discussed above, historically, the Company has been successful in defending itself against claims and suits that have been brought against it. The Company will continue to defend itself vigorously in all such matters. While the Company believes a material adverse impact is unlikely, given the inherent uncertainty of litigation, a remote possibility exists that a future adverse development could have a material adverse impact on the Company.

The Company enters into indemnification agreements in the ordinary course of business in which the indemnified party is held harmless and is reimbursed for losses incurred from claims by third parties. In connection with divestitures of certain assets or businesses, the Company often provides indemnities to the buyer with respect to certain matters including, for example, environmental liabilities and unidentified tax liabilities related to periods prior to the disposition. Due to the uncertain nature of the indemnities, the maximum liability cannot be quantified. Liabilities for obligations are recorded when probable and when they can be reasonably estimated. Historically, the Company has not made significant payments for these obligations.

At September 30, 2003, 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.

(12) Income Taxes

Earnings from continuing operations before income taxes consist of the following:

	2001	2002	**2003**
United States	$ 1,168	1,124	**790**
Non-U.S.	446	466	**624**
Earnings from continuing operations before income taxes	$ 1,614	1,590	**1,414**

The principal components of income tax expense follow:

	2001	2002	**2003**
Current:			
Federal	$ 432	204	**170**
State and local	34	11	**7**
Non-U.S.	170	109	**154**
Deferred:			
Federal	(30)	173	**73**
State and local	1	26	**17**
Non-U.S.	(42)	(9)	**(20)**
Income tax expense	$ 565	514	**401**

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

	2001	2002	**2003**
Federal corporate statutory rate	35.0%	35.0%	**35.0%**
State and local taxes, less federal tax benefit	1.4	1.4	**1.1**
Export benefit	(1.4)	(1.7)	**(1.7)**
Foreign rate differential	(1.1)	(3.0)	**(4.2)**
Goodwill	2.6	–	**1.3**
Capital (losses) gains	(.3)	.4	**(4.5)**
Other	(1.1)	.2	**1.3**
Effective income tax rate	35.1%	32.3%	**28.3%**

The principal items that gave rise to deferred income tax assets and liabilities follow:

	2002	**2003**
Deferred tax assets:		
Accrued liabilities	$ 249	**199**
Postretirement and postemployment benefits	131	**132**
Employee compensation and benefits	82	**98**
NOL and tax credits	133	**241**
Capital loss benefit	–	**238**
Other	200	**150**
Total	$ 795	**1,058**
Valuation allowance	$ (80)	**(127)**
Deferred tax liabilities:		
Property, plant and equipment	$ (270)	**(298)**
Leveraged leases	(144)	**(137)**
Pension	(193)	**(214)**
Intangibles	(128)	**(156)**
Other	(101)	**(99)**
Total	$ (836)	**(904)**
Net deferred income tax asset (liability)	$ (121)	**27**

At September 30, 2002 and 2003, respectively, net current deferred tax assets were $325 and $435, and net noncurrent deferred tax liabilities were $446 and $408. Total income taxes paid were approximately $590, $320 and $310 in 2001, 2002 and 2003, respectively. Approximately half of the net operating losses and tax credits can be carried forward indefinitely, while the remainder expire over varying periods, primarily from 2006 through 2008. The Company expects to receive approximately $140 of the capital loss benefit in cash in 2004 due to the carryback of a capital loss against prior capital gains; the remaining $98 capital loss carryforward can be utilized through 2008 (see Note 3).

(13) Common Stock

The Company has various stock option plans that permit key 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, 2003, approximately 10.3 million options were available for grant under these plans. Changes in the number of shares subject to option during 2001, 2002 and 2003, follow (shares in thousands):

	2001		2002		**2003**	
	Average Price	Shares	Average Price	Shares	**Average Price**	**Shares**
Beginning of year	$ 47.15	10,147	$ 48.42	9,088	**$ 49.66**	**10,413**
Options granted	67.27	451	52.85	2,112	**46.50**	**335**
Options exercised	44.05	(1,219)	40.86	(591)	**35.76**	**(444)**
Options canceled	51.58	(291)	52.85	(196)	**52.80**	**(245)**
End of year	48.42	9,088	49.66	10,413	**50.09**	**10,059**
Exercisable at year end		4,625		6,016		**7,610**

Summarized information regarding stock options outstanding and exercisable at September 30, 2003, follows (shares in thousands):

	Outstanding			Exercisable	
Range of Exercise Prices	Shares	Average Contractual Life	Average Price	Shares	Average Price
up to $44	3,906	4.5 years	$ 42.06	3,259	$ 41.96
$45 to 54	4,039	7.2	52.14	2,386	52.52
$55 to 74	2,114	5.4	61.00	1,965	60.57
Total	10,059	5.7	50.09	7,610	50.08

During 2003, 335 thousand options were granted, resulting in $0.7 of compensation expense pursuant to FAS 123, which Emerson adopted effective October 1, 2002. 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, 4.2 percent and 2.8 percent, dividend yield of 2.3 percent, 2.9 percent and 3.4 percent for 2001, 2002 and 2003, respectively, and expected volatility of 25 percent and expected life of five years for all years. The weighted average fair value of options granted was $12.03, $11.03 and $8.13 for 2001, 2002 and 2003, respectively.

The Company's Incentive Shares Plans authorize the distribution of common stock to key management personnel subject to certain conditions and restrictions. Upon accomplishment of the five-year performance objectives, 2,085,314 shares were distributed to participants in 2002, including 1,216,985 shares paid in cash; additionally, participants elected to defer 97,604 shares for future distribution. At September 30, 2003, 1,848,210 shares were outstanding with restriction periods of three to ten years, including 108,720 shares issued in 2003. In addition, 1,107,877 rights to receive common shares have been awarded, including 24,413 rights awarded in 2003, which are contingent upon accomplishing certain objectives by 2005. At September 30, 2003, approximately 3.5 million shares remained available for award under these plans. Compensation expense charged against income for the Company's Incentive Shares Plans was $36, $27 and $28 for 2001, 2002 and 2003, respectively.

At September 30, 2003, 25,097,733 shares of common stock were reserved, primarily for issuance under the Company's stock plans. During 2003, no treasury shares were acquired and 444,555 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 the 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.

(14) 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 predictive maintenance systems. The Industrial Automation segment includes integral horsepower industrial motors, variable-speed and index drives, mechanical power transmission equipment, 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 and controls, as well as hand and plumbing tools, storage products 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. Gains and losses from divestitures of businesses are included in Corporate and other. 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:

Business Segments
(See Notes 3, 4 and 5)

	Sales			Earnings			Total Assets		
	2001	2002	**2003**	2001[a]	2002	**2003**	2001	2002	**2003**
Process Control	$ 3,398	3,396	**3,394**	358	387	**388**	3,573	3,506	**3,531**
Industrial Automation	2,956	2,500	**2,600**	402	297	**330**	2,567	2,354	**2,422**
Electronics & Telecommunications	3,590	2,465	**2,316**	359	119	**168**	3,303	2,878	**2,721**
HVAC	2,438	2,389	**2,614**	347	333	**386**	1,920	1,876	**1,871**
Appliance and Tools	3,500	3,437	**3,453**	503	456	**479**	2,366	2,393	**2,388**
	15,882	14,187	**14,377**	1,969	1,592	**1,751**	13,729	13,007	**12,933**
Discontinued operations [b]	(169)	(76)	**(41)**	25	25	**12**			
Differences in accounting methods				191	149	**127**			
Repositioning charge				(377)	–	**–**			
Corporate and other				92	57	**(245)**	1,317	1,538	**2,261**
Sales eliminations / Interest	(402)	(363)	**(378)**	(286)	(233)	**(231)**			
Total	$ 15,311	13,748	**13,958**	1,614	1,590	**1,414**	15,046	14,545	**15,194**

[a] In connection with the adoption of FAS 142, fiscal 2002 and 2003 segment earnings exclude goodwill amortization. Fiscal 2001 segment earnings include goodwill amortization of $164 as follows: Process Control $56; Industrial Automation $26; Electronics and Telecommunications $51; HVAC $14; and Appliance and Tools $17. Reported 2001 segment earnings exclude the incremental repositioning charge of $377. 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 $289, Industrial Automation $380, Electronics and Telecommunications $276, HVAC $341, and Appliance and Tools $340.

[b] Discontinued operations eliminates Dura-Line's sales and operating losses, which are included in the Electronics and Telecommunications segment and the geographic amounts.

	Intersegment Sales			Depreciation and Amortization Expense			Capital Expenditures		
	2001	2002	**2003**	2001	2002	**2003**	2001	2002	**2003**
Process Control	$ 4	3	**2**	188	124	**114**	77	76	**69**
Industrial Automation	18	12	**15**	125	93	**97**	85	67	**55**
Electronics & Telecommunications	15	14	**4**	128	81	**71**	104	33	**34**
HVAC	31	25	**26**	110	99	**107**	144	85	**65**
Appliance and Tools	334	309	**331**	148	134	**136**	135	105	**102**
Corporate and other				9	10	**9**	9	18	**12**
Total	$402	363	**378**	708	541	**534**	554	384	**337**

Changes in the goodwill balances during 2002 were primarily due to the transitional impairment charge and the addition of goodwill associated with the Avansys acquisition. Changes in the goodwill balances since September 30, 2002, are primarily due to the divestiture of Dura-Line and the impairment charge in the Electronics and Telecommunications segment. Currency fluctuations impacted the balances in all segments. Goodwill balances by business segment follow:

	2001	2002	**2003**
Process Control	$ 1,626	1,591	**1,603**
Industrial Automation	831	788	**836**
Electronics & Telecommunications	1,805	1,590	**1,543**
HVAC	376	377	**378**
Appliance and Tools	544	564	**582**
Total	$ 5,182	4,910	**4,942**

Geographic

	Sales by Destination			Property, Plant and Equipment		
	2001	2002	**2003**	2001	2002	**2003**
United States	$ 9,291	8,073	**7,687**	2,355	2,162	**1,970**
Europe	3,087	2,766	**3,169**	492	489	**504**
Asia	1,412	1,563	**1,712**	255	280	**297**
Latin America	670	525	**487**	138	130	**124**
Other regions	1,020	897	**944**	48	55	**67**
Discontinued operations[(b)]	(169)	(76)	**(41)**			
Total	$ 15,311	13,748	**13,958**	3,288	3,116	**2,962**

(15) Other Financial Data

Items reported in earnings during the years ended September 30, 2001, 2002 and 2003, include the following:

	2001	2002	**2003**
Depreciation	$ 462	457	**463**
Intangible asset amortization	82	84	**71**
Research, new product development and product improvement costs	594	530	**514**
Rent expense	219	216	**227**
Interest expense	304	250	**246**
Interest income	18	17	**15**

Other assets, other are summarized as follows:

	2002	**2003**
Pension plans	$ 636	**843**
Equity and other investments	326	**336**
Capitalized software	147	**147**
Leveraged leases	145	**139**
Intellectual property	113	**104**
Other	191	**221**
Total	$ 1,558	**1,790**

Items reported in accrued expenses include the following:

	2002	**2003**
Employee compensation	$ 344	**382**
Product warranty	138	**148**

Other liabilities are summarized as follows:

	2002	**2003**
Deferred income taxes	$ 514	**503**
Retirement plans	183	**356**
Postretirement plans, excluding current portion	306	**309**
Minority interest	104	**114**
Other	307	**302**
Total	$ 1,414	**1,584**

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 $107 in 2004 and decline substantially thereafter.

(16) Quarterly Financial Information (Unaudited)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Fiscal Year	
	2002	**2003**	2002	**2003**	2002	**2003**	2002	**2003**	2002	**2003**
Net sales	$ 3,272	**3,226**	3,404	**3,465**	3,550	**3,573**	3,522	**3,694**	13,748	**13,958**
Gross profit	$ 1,165	**1,143**	1,186	**1,211**	1,226	**1,250**	1,232	**1,294**	4,809	**4,898**
Earnings from continuing operations	$ 256	**218**	277	**241**	286	**278**	257	**276**	1,076	**1,013**
Net earnings	$ (683)[a]	**217**	275	**236**	281	**360**	249	**276**	122[a]	**1,089**
Earnings from continuing operations per common share:										
Basic	$ 0.61	**0.52**	0.66	**0.58**	0.69	**0.66**	0.61	**0.66**	2.57	**2.42**
Diluted	$ 0.61	**0.52**	0.66	**0.57**	0.68	**0.66**	0.61	**0.66**	2.56	**2.41**
Net earnings per common share:										
Basic	$ (1.63)[a]	**0.52**	0.65	**0.56**	0.68	**0.86**	0.59	**0.66**	0.29[a]	**2.60**
Diluted	$ (1.62)[a]	**0.52**	0.65	**0.56**	0.67	**0.85**	0.59	**0.66**	0.29[a]	**2.59**
Dividends per common share	$ .3875	**.3925**	.3875	**.3925**	.3875	**.3925**	.3875	**.3925**	1.55	**1.57**
Common stock prices:										
High	$ 58.14	**53.08**	65.51	**52.72**	59.40	**54.41**	54.15	**56.79**	65.51	**56.79**
Low	$ 45.57	**42.42**	52.00	**44.43**	51.59	**46.15**	43.20	**50.47**	43.20	**42.42**

[a] First quarter and fiscal 2002 include a cumulative effect of a change in accounting principle of $938 ($2.24 per basic share, or $2.23 per diluted share). See Note 5 for additional information.

The operating results of Dura-Line have been reclassified to discontinued operations for all years presented. See Notes 3 and 4 for information regarding non-recurring items and the Company's acquisition and divestiture activities.

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

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, changes 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) current and future business environment, including interest rates and capital and consumer spending; (ii) volatility of the end markets served, as demonstrated by the recent decline in the electronics and telecommunications market; (iii) competitive factors and competitor responses to Emerson initiatives; (iv) development and market introduction of anticipated new products; (v) availability of raw materials and purchased components; (vi) government laws and regulations, including taxes; (vii) outcome of pending and future litigation, including environmental compliance; (viii) stable governments and business conditions in emerging economies; (ix) penetration of emerging economies; (x) favorable environment for acquisitions, domestic and foreign, including regulatory requirements and market values of candidates; (xi) integration of acquisitions; (xii) favorable access to capital markets; and (xiii) execution of cost-reduction efforts.

SUBSIDIARIES OF EMERSON ELECTRIC CO.
SEPTEMBER 30, 2003

EXHIBIT 21

LEGAL NAME	**JURISDICTION OF INCORPORATION**
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
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 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
Astec Power Inc.	BVI
EMR Holdings Limited	Japan
EMR Japan Limited	Japan
Stourbridge Holdings (UK) Limited	United Kingdom
Brandenburg Limited	United Kingdom
Mirroware 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 (1967) Limited	Canada
Buehler Ltd.	Illinois
Buehler Holdings Inc.	Delaware
ClosetMaid Corporation	Florida
Clairson, Inc.	Delaware
Clairson de Mexico, S.A. de C.V.	Mexico
ClosetMaid (Hong Kong) Limited	Hong Kong
ClosetMaid North America, Inc.	Delaware
Compania de Motores Domesticos S.A. de C.V.	Mexico
Computational Systems, Incorporated	Tennessee
CSI Services, Inc.	Tennessee
CSI Technology, Inc.	Delaware
Computational Systems, Inc. Europe	Belgium
Controles Electromecanicos de Mexico S.A. de C.V.	Mexico
Control Techniques Iberia S.A.	Spain
Control Techniques Sweden AB	Sweden
Daniel Industries, Inc.	Delaware
Bettis Corporation	Delaware
Bettis Canada Ltd.	Canada
Bettis France SARL	France
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
Hytork Controls, Inc.	Delaware

Shafer Valve Company	Ohio
Daniel Automation Company	Delaware
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
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
Danmasa S.A. de C.V.	Mexico
Hytork International Limited	United Kingdom
Hytork Controls, Inc.	Florida
Hytork Controls Ltd.	United Kingdom
Hytork LLC	Delaware
Hytork Services Limited	United Kingdom
DEAS Holdings, Inc.	Delaware
Digital Appliance Controls Manufacturing (Singapore) Pte Ltd.	Singapore
EDAS (I) U.K. Limited	United Kingdom
EDAS (II) U.K. Limited	United Kingdom
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
Copeland Corporation	Delaware
Computer Process Controls, Inc.	Georgia
Emerson Retail Services, Inc.	Delaware
Clive Samuels & Associates, Inc.	New Jersey
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
ASC Investments, Inc.	Delaware
Asco Controls A.G.	Switzerland
Asco Controls B.V.	Netherlands
Asco Mideast B.V.	Netherlands
Asco Magnesszelep 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 New Zealand Ltd.	New Zealand
Asco AB	Sweden
ASCO Japan Co., Ltd.	Japan
Aso/Joucomatic Sarl	Switzerland
Ascomatica S.A. de C.V.	Mexico
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
Ascoval Industria E Commercio Ltda.	Brazil
Branson Ultrasonics Corporation	Delaware
Amtech S.a.r.L.	France
Branson Korea Co., Inc.	Korea
Branson Ultrasonidos S.A.E.	Spain
Branson Ultrasons S.A.	France
Buehler GmbH	Germany
Buehler S.A.R.L.	France
Camco Vertriebs-GmbH	Germany
Copeland GmbH	Germany
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 Dietzenbach GmbH	Germany
Emerson Electric GmbH	Germany
Emerson Electric GmbH & Co. OHG	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
Emerson Process Management, S.A. de C.V.	Mexico
Emersub LXXXVI, Inc.	Delaware
Flow Technology, S.A. de C.V.	Mexico
EMR Deutschland GmbH & Co. OHG	Germany
Emerson Process Management GmbH	Germany
Emerson Process Management GmbH & Co. OHG	Germany
Emerson Process Management Manufacturing GmbH & Co. OHG	Germany
Emerson Process Management Services GmbH & Co. OHG	Germany
Marbaise Hanlo LS GmbH	Germany
Ridge Tool GmbH	Germany
Ridge Tool GmbH & Co. OHG	Germany
RIDGID Peddinghaus Werkzeug GmbH	Germany
Rosemount Inc.	Minnesota
Control Techniques - Americas LLC	Delaware
Control Techniques Drives Limited	Canada
Dieterich Standard, Inc.	Delaware
Emerson Process Management AB	Sweden
Emerson Process Management AS	Norway
Fisher-Rosemount, S.A.	Spain
Emerson Process Management Holding AG	Switzerland
Emerson Process Management AG	Switzerland

Emerson Process Management Kft.	Hungary
Emerson Process Management sp. z.o.o.	Poland
Emerson Process Management Ticaret Limited Sirketi	Turkey
Emerson Process Management, s.r.o.	Czech Republic
Emerson Process Management, s.r.o.	Slovakia
Emerson Process Management AS	Denmark
Fisher-Rosemount Ges. M.B.H.	Austria
Westinghouse Electric GES m.b.H.	Austria
Westinghouse Electric Poland Sp. z.o.o.	Poland
Westinghouse Process Control (Asia) S.A.	Switzerland
Emerson Process Management (India) Pvt. Ltd.	India
Fisher-Rosemount Pty. Ltd.	Australia
Emerson Electric Australia Co. Pty. Ltd.	Australia
Fisher-Rosemount Ltd.	New Zealand
Emerson Process Management Korea Ltd.	Korea
Fisher-Rosemount Operaciones, S.L.	Spain
Emerson Process Management Asia Pacific Pte Ltd.	Singapore
Emerson Process Management Manufacturing (M) Sdn Bhd	Malaysia
Emerson Process Management Valve Automation (M) Sdn Bhd	Malaysia
HSFR Performance Services Pte Ltd.	Singapore
Emerson Process Management (Shanghai) International Trading Co. Ltd.	China
Westinghouse Electric Singapore Limited	Singapore
Emerson Process Management Co. Ltd.	China
Emerson Process Management Oy	Finland
Emerson Process Management LLLP	Delaware
Fisher-Rosemount Taiwan, Ltd.	Taiwan
P I Components Corp.	Texas
Rosemount Analytical Inc.	Delaware
Rosemount China Inc.	Minnesota
Rosemount Nuclear Instruments, Inc.	Delaware
Emerson Process Management Temperature GmbH	Germany
Xomox Uruguay S.A.	Uruguay
Emerson Power Transmission Corporation	Delaware
Emerson Chain, Inc.	Delaware
Emerson Power Transmission Drives and Components, Inc.	Delaware
Emerson Power Transmission Manufacturing L.P.	Missouri
Emerson Power Transmission Ithaca, Inc.	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
EPT Investments, Inc.	Delaware
McGill Manufacturing Company, Inc.	Indiana
Emerson Power Transmission Bearings, Inc.	Delaware
McGill International, Inc.	Taiwan
Environmental Remediation Management, Inc.	Delaware
Liebert Corporation	Ohio
Atlas Asia Limited	Hong Kong
Control Concepts Corporation	Delaware
Emerson Network Power Australia Pty. Ltd.	Australia
Atlas Air Australia Pty. Ltd.	Australia
Emerson Network Power (Hong Kong) Limited	Hong Kong
Wuhan Liebert Computer Power Support System Limited	China
Emerson Network Power (India) Private Limited	India
Emerson Network Power (Singapore) Pte. Ltd.	Singapore
Emerson Network Power (Malaysia) Sdn. Bhd.	Malaysia
Emerson Network Power (Thailand) Co. Ltd.	Thailand
Emerson Telecom Systems, Inc.	Ohio
Global Energy Services, Inc.	Delaware
Liebert Field Services, Inc.	Delaware
Liebert Global Services, Inc.	Delaware
Liebert North America, Inc.	Delaware
Liebert Property Holdings, LLC	Delaware
Liebert Tecnologia Ltda.	Brazil

Micro Motion, Inc.	Colorado
Ridge Tool Company	Ohio
Ridge Tool (Australia) Pty., Ltd.	Australia
Ridge Tool Manufacturing Company	Delaware
Ridge Tool Pattern Company	Delaware
Ridgid Werkzeuge AG	Switzerland
Ridgid, Inc.	Delaware
Ridgid Italia Srl	Italy
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
Emermex S.A. de C.V.	Mexico
Emerson Arabia, Inc.	Delaware
California Emerson LLC	Delaware
Emerson Capital (Canada) Corporation	Canada
EMRCDNA I	Canada
EMRCDNA II	Canada
Emerson Climate Technologies - Distribution Services, Inc.	Delaware
Emerson Electric (Asia) Limited	Hong Kong
Branson Ultrasonics (Asia Pacific) Co. Ltd.	Hong Kong
Emerson Electric (South Asia/Pacific) Pte. Ltd.	Singapore
Emerson Venezuela 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.	Mauritius
Emerson Electric Co. (India) Private Ltd.	India
Westinghouse Electric Private Ltd. (India)	India
Westinghouse Electric Private Ltd. (Mauritius)	Mauritius
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
Liebert HIROSS Benelux B.V.	Netherlands
Capax Electrische Apparatenfabriek B.V.	Netherlands
Crouzet Appliance Controls D.O.O.	Slovenia
Emerson Electric RG	Russia
Emerson Electric Slovakia Spol. s.r.o.	Slovakia
Emerson 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 (Taiwan) Company Limited	Taiwan
Emerson Mexico Corporate Services, S. de R.L. de C.V.	Mexico
Emerson Finance LLC	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
Emerson Process Management S.r.l.	Italy
Emerson Process Management Operations S.r.l.	Italy
EMR Milano SRL	Italy
Fisher-Rosemount Italia S.R.L.	Italy
Emerson Network Power Holding S.r.l.	Italy
Hiross Holding GmbH	Austria
Hiross International Corporation BV	Netherlands
Hiross Management SA	Switzerland
Liebert Hiross SpA	Italy
Emerson Network Power Sp. Z.o.o.	Poland
Hiross AG	Switzerland
Liebert Hiross Italia Srl	Italy
Liebert Hiross Holding GmbH	Germany
Liebert Hiross Deutschland GmbH	Germany
Liebert HIROSS (Schweiz) AG	Switzerland
Sirai Elettromeccanica s.r.l.	Italy
Sirai Deutschland Vertrieb Elektronischer GmbH	Germany
Emerson Telecommunication Products, LLC	Delaware
Fiber-Conn Assemblies, Inc.	Maryland
JTP Industries, Inc.	Delaware
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
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
OOO Viewsonics	Russia
Shanghai Viewsonics Electronic Co., Ltd.	China
Viewsonics do Brasil, Ltda.	Brazil
Viewsonics 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
Telephone Services, Inc. of Florida	Florida
Balance Manufacturing Services, Inc.	Texas
Cable Spec, Ltd.	Texas
LoDan de Mexico S.A. de C.V.	Mexico
LoDan West do Brasil, Ltda.	Brazil
Emerson Ventures Inc.	Delaware
Emersub 3 LLC	Delaware
Emersub XXXVIII, Inc.	Delaware
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 XCV, Inc.	Delaware
B/E Holdings, L.L.C.	Iowa
B/E Corporation of Mexico, L.L.C.	Delaware
Emersub Italia Srl	Italy
International Gas Distribution S.A.	Luxembourg
O.M.T Officina Meccanica Tartarini SpA	Italy
Fisher Process Srl	Italy
Tartarini Industrial Gas Mexico S.A. de C.V.	Mexico
IGS Dataflow Srl	Italy
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
EEI Europe SAS	France
EMR Manufacturing (M) Sdn Bhd	Malaysia
Emerson Argentina S.A.	Argentina
Emerson (China) Motor Co. Ltd.	China
Emerson Electric Canada Limited	Canada
Tech-Met Canada Limited	Canada
Emerson Electric Chile Ltda.	Chile
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
EMR Emerson Holdings (Switzerland) GmbH	Switzerland
Emerson Electric (China) Holdings Ltd.	China
Beijing Rosemount Far East Instrument Co., Ltd.	China
Branson Ultrasonics (Shanghai) Co., Ltd.	China
ClosetMaid (Jiangmen) Storage Limited	China
Dura-Line Shanghai Plastics Company Ltd.	China
Emerson Beijing Instrument Co. Ltd.	China
Emerson Climate Technologies (Suzhou) Research & Development Co., Ltd.	China
Emerson Electric (Shenzhen) Co., Ltd.	China
Emerson Electric (Suzhou) 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 Network Power Co. Ltd. (f/k/a/ Avansys)	China
Emerson Trading (Shanghai) Co. Ltd.	China
Emerson White-Rodgers Electric (Xiamen) Co., Ltd.	China
Emerson Professional Tools (Shanghai) Co., Ltd.	China
Fisher Regulators (Shanghai) Co., Ltd.	China
Leroy Somer Fuzhou Generator Company Limited	China
Shenyang Copeland Refrigeration Co., Ltd.	China
Emerson Electric Korea Ltd.	Korea
Emerson Electric (M) Sdn Bhd	Malaysia
Emerson Electric 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 Network Power Limited	Nigeria
Emerson Network Power (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 S.p.A.	Italy
Asco Joucomatic N.V.	Belgium
Fluidocontrol S.A.	Spain
Joucomatic Controls Ltd.	New Zealand
Sotrac S.r.l.	Italy
Emerson Appliance Controls SA	France
Emerson Energy Systems EURL	France
Francel 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 - Viet Services S.a.r.L.	France
Atelier Equipement Electrique Wieprecht	France
SARL Wieprecht	France
Bobinage Electrique Industriel S.A.	France
Bobinage Electrique Industriel Roannais S.A.R.L.	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
Maintenance Industrie Service Provence SARL	France
Maintenance Industrie Service SPIRE SARL	France
Maintenance Industrie Service S.a.r.L.	France
Maintenance Industrie Service Rennes S.a.r.L.	France
Maintenance Industrie Service SIBE SARL	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
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
Etablissements Trepeau S.A.	France
FZN Marbaise LS Sp. z.o.o.	Poland
Girard Transmissions S.A.	France
I.M.I Kft	Hungary
La Francaise de Manutention S.A.	France
Leroy-Somer Canada Ltd.	Canada
Leroy-Somer Ltd.	Greece
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 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 Suise S.A.	Switzerland
Leroy-Somer Iberica S.A.	Spain
Leroy-Somer (SEA) Pte. Ltd.	Singapore
Leroy-Somer S.p.A.	Italy
E.M.S. Elettro Multi Service Srl	Italy
Maintenance Industrielle de Vierzon S.A.	France
M.L.S. Holice Spol. s.r.o.	Czech Republic
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 Metallurgie S.A.	France
Societe de Mecanique et D'Electrothermie des Pays de L'Adour S.A.	France
Emerson Network Power SA	France
Ridgid France S.A.	France
Emerson Finance KB	Sweden
Emerson Holding AG	Switzerland
Emerson Laminaciones de Acero de Monterrey, S.A. de C.V.	Mexico
Emerson 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 Marine Electronics Singapore Pte. Ltd.	Singapore
CHP Navcom Pte. Ltd.	Singapore
MEP Marine AS	Norway
Saab Marine Middle-East (FZC)	UAE
Saab Marine RU	Russia
Saab Marine (UK) Ltd.	United Kingdom
Saab Rosemount Deutschland GmbH	Germany
Saab Tank Control (UK) Ltd.	United Kingdom
Saab Tank Control (India) Pvt. Ltd.	India
Saab Tank Control WLL	Bahrain
Scanjet Marine AB	Sweden
Scanjet AB	Sweden
SF-Control OY	Finland
Emersub Mexico, Inc.	Nevada
Daniel Measurement and Control, 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 GmbH	Germany
Reta Anlagenbau GmbH	Germany
Reta Elektronic 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
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 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
CSA Consulting Engineers, Ltd.	United Kingdom
El-O-Matic Limited	United Kingdom
Emerson Electric U.K. Limited	United Kingdom
Bray Lectroheat Limited	United Kingdom
Emerson FZE	UAE
Liebert Europe Limited	United Kingdom
Emerson Network Power Limited	United Kingdom
Hiross Limited	United Kingdom
Liebert Swindon Ltd.	United Kingdom
Emerson Energy Systems (UK) Limited	United Kingdom
Emerson U.K. Trustees Limited	United Kingdom
Emerson Process Management Limited	United Kingdom
Farris Engineering Ltd.	United Kingdom
Emerson Process Management Distribution Limited	United Kingdom
Fisher-Rosemount Properties Limited	United Kingdom
Emerson Process Management Shared Services Limited	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
Emerson Process Management Services Limited	United Kingdom
MDC Technology Limited	United Kingdom
MDC Technology Trustees Limited	United Kingdom
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 Technologias de Flujo, S.A. de C.V.	Mexico
Fisher-Rosemount Peru S.A.C.	Peru
Fisher-Rosemount Europe Middle East & Africa GmbH	Switzerland
Fisher-Rosemount Manufacture Ltd.	Hungary
Fisher-Rosemount Systems GmbH	Switzerland
Liebert Hiross Espana S.A.	Spain
Flexair Clima S.A.	Spain
Motoreductores U.S., S.A. de C.V.	Mexico

P.T. Emerson Electric Indonesia	Indonesia
PT. Emerson Indonesia	Indonesia
RAC Technologies (Israel) Ltd.	Israel
Rey-Lam, S. de R.L. de C.V.	Mexico
Rotores S.A. de C.V.	Mexico
Saab Marine Korea Co., Ltd.	Korea
Termotec de Chihuahua S.A. de C.V.	Mexico
Wiegand Component Technologies (Shenzhen) Co., Ltd.	China
Emsub, Inc.	Delaware
EPMCO Holdings, Inc.	Delaware
Fisher Controls International LLC	Delaware
Baumann Inc.	Delaware
Emerson Process Management China Ltd.	Hong Kong
Tianjin Fisher Controls Valve Co. Ltd.	China
Exac Corporation	California
Fisher Controls Industria e Comercio Ltda.	Brazil
Fisher Controls De Mexico, S.A. de C.V.	Mexico
Fisher Controles Do Brasil Ltda.	Brazil
Fisher Controls Pty. Limited	Australia
Corot Pty. Ltd.	Australia
Fisher Service Company	Delaware
Fro-Mex, S.A. de C.V.	Mexico
Nippon Fisher Co. Ltd.	Japan
Fisco Ltd. (Fisco Kabushiki Kaisha)	Japan
Fisher-Rosemount Systems, Inc.	Delaware
Emerson Process Management Dominicana, S.A.	Dominican Republic
Emerson Performance Solutions, Inc.	Georgia
Emerson Process Management Power & Water Solutions, Inc.	Delaware
Fiberconn Assemblies Morocco S.A.R.L.	Morocco
Emerson Process Management NV	Belgium
Senpro N.V.	Belgium
Emerson Process Management Group Services S.A.S.	France
Emerson Process Management S.A.S.	France
Emerson Process Management Manufacturing S.A.S.	France
Emerson Process Management Services S.A.S.	France
Fisher-Rosemount, Lda	Portugal
Emerson Process Management Services BVBA	Belgium
Fusite Corporation	Ohio
Emerson Japan, Ltd.	Japan
Fusite Land Company	Delaware
High Voltage Maintenance Corporation	Ohio
Hiross India Private Limited	India
Liebert Hiross Austria GesmbH	Austria
Emerson Network Power Kft.	Hungary
Humboldt Hermetic Motor Corp.	Delaware
Innoven III Corporation	Delaware
Kato Engineering, Inc.	Delaware
Knaack Manufacturing Company	Delaware
Capsacorp LLC	Delaware
Kop-Flex, Inc.	Delaware
Kop-Flex Canada Limited	Canada
Louisville Holding Corp.- Nevada	Nevada
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
PC & E, Inc.	Missouri
Ridge Tool Europe NV	Belgium
Ridgid Scandinavia A/S	Denmark
Von Arx AG	Switzerland

Von Arx GmbH	Germany
Saab Tank Control Inc.	Texas
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.	Mexico
Valycontrol, S.A. de C.V.	Mexico
Wer Canada (1984) Inc.	Canada
Western Forge Corporation	Delaware
White-Rodgers (1967) Limited	Canada
Wiegand S.A. de C.V.	Mexico

<PAGE> Exhibit 23

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Emerson Electric Co.:

We consent to incorporation by reference in Registration Statement Nos. 333-90240, 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 3, 2003, with respect to the consolidated balance sheets of Emerson Electric Co. and subsidiaries as of September 30, 2003 and 2002, 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, 2003, which report is incorporated by reference in the September 30, 2003 annual report on Form 10-K of Emerson Electric Co.

Our report refers to a change in accounting for goodwill and other intangible assets.

/s/ KPMG LLP

St. Louis, Missouri
November 14, 2003

<PAGE> Exhibit 24

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, 2003.

Dated: October 7, 2003

Signature	Title
/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 Director
/s/ R. J. Schlueter R. J. Schlueter	Vice President and Chief Accounting Officer
/s/ J. G. Berges J. G. Berges	Director
/s/ A. A. Busch III A. A. Busch III	Director

<PAGE>

Signature	Title
/s/ D. C. Farrell D. C. Farrell	Director
/s/ C. Fernandez G. C. Fernandez G.	Director
/s/ A. F. Golden A. F. Golden	Director
/s/ R. B. Horton R. B. Horton	Director
/s/ G. A. Lodge	Director

G. A. Lodge

/s/ V. R. Loucks, Jr.	Director
V. R. Loucks, Jr.	
/s/ J. B. Menzer	Director
J. B. Menzer	
/s/ C. A. Peters	Director
C. A. Peters	
/s/ J. W. Prueher	Director
J. W. Prueher	

<PAGE>

/s/ R. L. Ridgway	Director
R. L. Ridgway	
/s/ E. E. Whitacre, Jr.	Director
E. E. Whitacre, Jr.	

Exhibit 31

Certification

I, D. N. Farr, Chief Executive Officer, Emerson Electric Co., certify that:

1. I have reviewed this annual report on Form 10-K of Emerson Electric Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) [Reserved - not effective]

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information;

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2003 /s/ D. N. Farr

D. N. Farr
Chief Executive Officer
Emerson Electric Co.

Certification

I, W. J. Galvin, Executive Vice President and Chief Financial Officer, Emerson Electric Co., certify that:

1. I have reviewed this annual report on Form 10-K of Emerson Electric Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b)[Reserved - not effective]

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information;

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2003 /s/ W. J. Galvin

W. J. Galvin
Executive Vice President and
Chief Financial Officer
Emerson Electric Co.

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULE 13a-14(b) AND
18 U.S.C. SECTION 1350

In connection with the Annual Report of Emerson Electric Co. (the "Company") on Form 10-K for the period ending September 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, D. N. Farr, Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David N. Farr
D. N. Farr
Chief Executive Officer
Emerson Electric Co.
November 14, 2003

CERTIFICATION PURSUANT TO
EXCHANGE ACT RULE 13a-14(b) AND
18 U.S.C. SECTION 1350

In connection with the Annual Report of Emerson Electric Co. (the "Company") on Form 10-K for the period ending September 30, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. J. Galvin, Executive Vice President and Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Walter J. Galvin
W. J. Galvin
Executive Vice President and
Chief Financial Officer
Emerson Electric Co.
November 14, 2003