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

FORM 10-K

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

For the fiscal year ended September 30, 2012

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 $0.50 par value per share	New York Stock Exchange Chicago Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No ý

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes ý No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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. ý

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý Accelerated filer ¨

Non-accelerated filer ¨ (Do not check if a smaller reporting company) Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes ¨ No ý

Aggregate market value of the voting stock held by nonaffiliates of the registrant as of close of business on March 31, 2012: $38.1 billion.

Common stock outstanding at October 31, 2012: 724,139,345 shares.

Documents Incorporated by Reference

1. Portions of Emerson Electric Co. 2012 Annual Report to Stockholders for the year ended September 30, 2012 incorporated by reference into Parts I and II hereof.

2. Portions of Emerson Electric Co. Notice of 2013 Annual Meeting of Stockholders and Proxy Statement incorporated by reference into Part III hereof.

PART I

ITEM 1 - BUSINESS

Emerson was incorporated in Missouri in 1890, and has grown from a regional manufacturer of electric motors and fans into a diversified global technology company. Having expanded its product lines through internal growth and acquisitions, Emerson today is designing and supplying products and technology, and delivering engineering services and solutions in a wide range of industrial, commercial and consumer markets around the world.

Emerson is organized into the business segments below, based on the nature of the products and services rendered (more complete descriptions follow):

- Process Management - providing measurement, control and diagnostic capabilities for automated industrial processes producing items such as fuels, chemicals, foods, medicines and power.

- Industrial Automation - bringing integrated manufacturing solutions to diverse industries worldwide.

- Network Power - providing power conditioning and reliability, and environmental control to help keep telecommunication systems, data networks and other critical business applications continuously operating.

- Climate Technologies - enhancing household and commercial comfort as well as food safety and energy efficiency through air conditioning and refrigeration technology.

- Commercial & Residential Solutions - providing tools for professionals and homeowners, home and commercial storage systems, and appliance solutions.

Sales, earnings before interest and income taxes, and total assets attributable to each business segment for the three years ended September 30, 2012, are set forth in Note 16 of Notes to Consolidated Financial Statements of the 2012 Annual Report, which note is hereby incorporated by reference. Percentage sales by segment in 2012 were Process Management, 31 percent; Industrial Automation, 21 percent; Network Power, 25 percent; Climate Technologies, 15 percent; and Commercial & Residential Solutions, 8 percent. Sales by geographic destination in 2012 were the United States and Canada, 45 percent; Asia, 24 percent; Europe, 20 percent; Latin America, 6 percent; and Middle East/Africa, 5 percent. Information with respect to acquisition and divestiture activities and rationalization of operations is set forth in Notes 3 and 5 of Notes to Consolidated Financial Statements of the 2012 Annual Report, which notes are hereby incorporated by reference.

PROCESS MANAGEMENT

The Process Management segment offers customers products and technology as well as engineering and project management services for precision measurement, control, monitoring and asset optimization of oil and gas reservoirs and power generating plants, or plants that process or treat such items as oil, natural gas and petrochemicals; food and beverages; pulp and paper; pharmaceuticals; and municipal water supplies. This array of products and services helps customers optimize their plant capabilities in the areas of plant safety and reliability, product quality and output efficiency. In 2012, sales by geographic destination for Process Management were the United States and Canada, 39 percent; Asia, 24 percent; Europe, 20 percent; Latin America, 8 percent; and Middle East/Africa, 9 percent.

Process Management Systems and Software

Process Management systems and software control plant processes by collecting and analyzing information from measurement devices in the plant, and then using that information to adjust valves, pumps, motors, drives and other control hardware for maximum product quality and process efficiency. Software capabilities also include upstream oil and gas reservoir simulation and modeling for production optimization. Emerson’s process control systems can be extended wirelessly to support a mobile workforce with handheld tools/communicators, provide site-wide location tracking of people and assets, and enable video monitoring and communication with wireless field devices, thereby increasing the information available to operators.

Measurement and Analytical Instrumentation

Measurement instrumentation measures the physical properties of liquids or gases in a process stream, such as pressure, temperature, level, rate and amount of flow, and communicates this information to a process control system. Measurement technologies provided by Emerson include Coriolis direct mass flow, magnetic flow, vortex flow, ultrasonic flow, differential pressure, ultralow-flow fluid measurement, temperature sensors, radar-based tank gauging and magnetic level gauging. Emerson measurement products are also often used in custody transfer applications, such as the transfer of gasoline from a storage tank to a tanker truck, where precise metering of the amount of fluid transferred helps ensure accurate asset management. Complementary products include onshore and subsea multi-phase meters, wetgas meters, downhole gauges and corrosion/erosion measuring instruments.

Analytical instrumentation analyzes the chemical composition of process fluids and emissions to enhance quality and efficiency, as well as environmental compliance. Emerson's analytical technologies include process gas chromatographs, in-situ oxygen analyzers, infrared gas and process fluid analyzers, combustion analyzers and systems, and analyzers that measure pH, conductivity and water quality. Emerson provides sensors to detect combustible and toxic gases, and flames. These devices support the safety of people and process plant assets.

The Company also provides these same technologies with wireless communication capability, allowing customers to monitor processes or equipment that were previously not measurable (remote, moving/rotating) or not economical to measure due to the cost and difficulty of running wires in industrial process plants.

Valves, Actuators and Regulators

Control valves respond to commands from a control system to continuously and precisely modulate the flow of process fluids to provide maximum process efficiency and product quality. Emerson provides sliding stem valves, rotary valves and butterfly valves, and related valve actuators and controllers. The Company also provides a line of industrial and residential regulators, whose function is to reduce the pressure of fluids from high-pressure supply lines moving into lower pressure systems.

PlantWeb® Digital Plant Architecture

PlantWeb digital plant architecture combines the technologies described above with the advantages of "intelligent" plant devices (valves and measurement instruments with advanced diagnostic capabilities), open communication standards (nonproprietary wired and wireless digital protocols allowing the plant devices and the control system to "talk" with one another) and integrated modular software, not only to better control the process but also to collect and analyze valuable information about plant assets and processes. This capability gives customers the ability to detect or predict changes in equipment and process performance and the associated impact on plant operations. PlantWeb architecture provides the insight to improve plant availability and safety, and also furnishes a platform to continually improve asset management and standards compliance, and to reduce startup, operating and maintenance costs.

Industry Services and Solutions

Process Management's array of process automation and asset optimization services can improve automation project implementation time and costs, increase process availability and productivity, and reduce the total cost of ownership. Global Industry Centers offer engineering and project management services to help customers extract maximum performance and reliability from their process equipment and automation assets. These Centers serve industries such as oil and gas, pulp and paper, chemicals, power, food and beverage, and life sciences. They also assist customers in diagnosing equipment problems and plant inefficiencies.

Distribution

The principal worldwide distribution channel for the Process Management segment is a direct sales force, although a network of independent sales representatives, and to a lesser extent, independent distributors purchasing these products for resale are also utilized. Approximately half of sales in the United States are made through a direct sales force with the remainder primarily through independent sales representatives. In Europe and Asia, sales are primarily made through a direct sales force with the remainder split evenly between independent sales representatives and distributors.

Brands

Service/trademarks and trade names within the Process Management segment include Emerson Process Management, AMS Suite, Baumann, Bettis, Bristol, CSI, Damcos, Daniel, DeltaV, EIM, El-O-Matic, Fisher, Go Switch, Guardian, Micro Motion, Net Safety, Ovation, PlantWeb, ROC, Rosemount, Roxar, Smart Process, SureService, Tescom, TopWorx and Valvetop.

INDUSTRIAL AUTOMATION

The Industrial Automation segment provides integrated manufacturing solutions to our customers at the source of manufacturing their own products. Products include motors, drives, power generating alternators, power transmission solutions, fluid controls and materials joining equipment. Through these offerings, the Company brings technology and enhanced quality to the customer's final product. In 2012, sales by geographic destination for this segment were the United States and Canada, 41 percent; Asia, 16 percent; Europe, 36 percent; Latin America, 3 percent; and Middle East/Africa, 4 percent.

Motors and Drives

Industrial Automation provides a broad line of drives and electric motors that are used in a wide variety of manufacturing operations and products, including production assembly lines, escalators in shopping malls and supermarket checkout stations. Products in this category include alternating current (AC) and direct current (DC) electrical variable speed drives, servo motors, pump motors, drive control systems, integral horsepower motors (1 HP and above), fractional horsepower motors (less than 1 HP), hermetic motors and gear drives.

Power Generation

Power generation includes low, medium and high voltage alternators for use in diesel and gas powered generator sets, as well as high frequency alternators, AC motor/generator sets, traction generators, wind power generators, wind turbine pitch control systems and solar photovoltaic converters.

Power Transmission

Power transmission products include belt and chain drives, helical and worm gearing, mounted and unmounted bearings, couplings, modular plastic belts and conveying chains and components. They are used to transmit power mechanically, provide anti-friction support or to enable automated material handling in a wide variety of industrial and commercial applications. Our product designs and application experience enable us to provide both standard and customized automation and power transmission solutions to our customers.

Fluid Power and Fluid Control

Products in this category control and power the flow of fluids (liquids and gases) in manufacturing operations such as automobile assembly, food processing, textile manufacturing and petrochemical processing. They include solenoid and pneumatic valves, valve position indicators, pneumatic cylinders, air preparation equipment, and pressure, vacuum and temperature switches.

Materials Joining and Precision Cleaning

The Company supplies both plastics joining technologies and equipment, and metal welding and joining processes to a diversified manufacturing customer base, including automotive, medical devices and toys. The Company also provides precision cleaning and liquid processing solutions to industrial and commercial manufacturers. Products include ultrasonic joining and cleaning equipment; linear and orbital vibration welding equipment; systems for hot plate welding, spin and laser welding equipment; and aqueous, semi-aqueous and vapor cleaning systems.

Electrical Distribution

Emerson's majority-owned EGS Electrical Group joint venture with SPX Corporation manufactures a broad line of components for current- and noncurrent-carrying electrical distribution devices. These products include conduit and cable fittings, plugs and receptacles, industrial lighting, enclosures and controls. Products in this category are used in hazardous, industrial, commercial and construction environments, such as oil and gas drilling and production sites, pulp and paper mills and petrochemical plants.

Distribution

On a worldwide basis, the primary distribution channel for the Industrial Automation segment is through direct sales forces, including to original equipment manufacturers. Independent distributors constitute the next significant sales channel, mostly to reach end users. To a lesser extent, independent sales representatives are utilized, particularly for electrical distribution products in the United States.

Brands

Service/trademarks and trade names within the Industrial Automation segment include Emerson Industrial Automation, Appleton, ASCO, ASCO Joucomatic, ASCO Numatics, Branson Ultrasonics, Browning, Control Techniques, Jaure, Kato Engineering, Kop-Flex, Leroy Somer, McGill, Morse, Nutsteel, O-Z/Gedney, Power Transmission Solutions, Rollway, Sealmaster, SSB Wind Systems, System Plast and Trident.

NETWORK POWER

The Network Power segment designs, manufactures, installs and maintains products providing "grid to chip" electric power conditioning, power reliability and environmental control for telecommunications networks, data centers and other critical applications, and also provides comprehensive data center infrastructure management solutions. Products in this segment include inbound power systems, uninterruptible power systems, precision cooling, integrated data centers, control devices, software, monitoring and 24-hour service, embedded power supplies and embedded computing systems. In 2012, sales by geographic destination for this segment were the United States and Canada, 38 percent; Asia, 36 percent; Europe, 17 percent; Latin America, 6 percent; and Middle East/Africa, 3 percent.

Inbound Power Systems

Inbound power technology provides reliable power systems which automatically transfer critical application loads from a utility to emergency backup generators in the event of a blackout or brownout. Products include automatic transfer switches, paralleling and synchronizing gear and related distribution equipment and control systems.

Uninterruptible Power Systems

Emerson supplies uninterruptible AC and DC power systems, which provide reliable, conditioned power to telecommunication networks, data centers and other critical equipment in the event of a blackout or line surges and spikes. Power Systems' products range from stand-alone units to complete systems incorporating rectifiers, distribution units, surge protection, batteries and system supervision.

Precision Cooling

Precision cooling products provide temperature and humidity control for computers, telecommunications and other sensitive equipment.

Data Center Infrastructure Management

The Company provides comprehensive data center management solutions through server access technologies that enable access, monitoring and control of the information technology infrastructure and provide linkage with data center operations.

Service and Site Operations

Network Power staffs Energy Operation Centers in more than 30 countries and deploys field service personnel worldwide to assist customers in managing their network support systems. Services include on-site operations management, energy consumption monitoring, preventive maintenance, electrical testing, remote monitoring and management, and 24-hour service capability.

Embedded Computing and Power

Embedded computing designs and develops embedded computer systems for original equipment manufacturers and systems integrators serving telecommunications, defense, aerospace, medical and industrial automation end markets. Products range from communication platforms, blades and modules to enabling software and professional services.

Embedded power supplies are installed by original equipment manufacturers to convert or condition power for microprocessors and peripherals in a wide range of telecommunication, health care, computer and industrial applications using standard or custom AC/DC or DC/DC designs. They are also used in consumer products for chargers and power adaptors.

Connectivity Solutions

Connectivity products serve the needs of the wireless communications, telephone and data network, CATV, defense, security systems and health care industries and other industrial customers with a broad range of radio frequency, microwave and fiber optic interconnect components and assemblies.

Distribution

Network Power segment sales are primarily through worldwide direct sales forces, particularly in Europe and Asia. The remainder of sales is handled by independent sales representatives, particularly in the United States, and independent distributors.

Brands

Service/trademarks and trade names within the Network Power segment include Emerson Network Power, Aperture, Artesyn, ASCO Power Technologies, Astec, Avocent, Chloride, Knürr, Liebert, Liebert Services, NetXtend, Netsure, Semflex, Stratos and Trompeter.

CLIMATE TECHNOLOGIES

The Climate Technologies segment provides products and services for all areas of the climate control industry, including residential heating and cooling, commercial air conditioning, and commercial and industrial refrigeration. The Company's technology enables homeowners and businesses to better manage their heating, air conditioning and refrigeration systems for improved control and lower energy costs. This segment also provides services that digitally control and remotely monitor refrigeration units in grocery stores and other food distribution outlets to enhance freshness and food safety. In 2012, sales by geographic destination for this segment were the United States and Canada, 55 percent; Asia, 23 percent; Europe, 12 percent; Latin America, 6 percent; and Middle East/Africa, 4 percent.

Residential and Commercial Heating and Air Conditioning

The Company provides a full range of heating and air conditioning products that help reduce operational and energy costs and create comfortable environments in all types of buildings. These products include reciprocating and scroll air conditioning compressors, including ultra-efficient residential scroll compressors with two stages of cooling capacity as well as variable speed scroll compressors; standard and programmable thermostats; monitoring equipment and electronic controls for gas and electric heating systems; gas valves for furnaces and water heaters; ignition systems for furnaces; sensors and thermistors for home appliances; and temperature sensors and controls.

Commercial and Industrial Refrigeration

Our technology is incorporated into equipment to refrigerate food and beverages in supermarkets, convenience stores, food service operations, refrigerated trucks and refrigerated marine transport containers. Climate Technologies refrigeration products are also used in a wide variety of industrial applications, including medical applications, food processing and cold storage. Products include reciprocating, scroll and screw compressors; precision flow controls; system diagnostics and controls that provide precise temperature management; and environmental control systems.

Services and Solutions

Services and solutions enable global customers to optimize the performance of facilities including large-scale retailers, supermarkets, convenience stores and food services facilities. By providing expertise in air conditioning, refrigeration and lighting control, Climate Technologies performs as a complete facility manager for its customers. The Company’s expertise allows customers to reduce energy and maintenance costs, thereby improving overall facility uptime. In addition to industry-leading controls, services include facility design and product management, site commissioning, facility monitoring and energy modeling.

Distribution

Climate Technologies segment sales, primarily to original equipment manufacturers and end users, are made predominately through worldwide direct sales force networks. The remaining sales are primarily through independent distributor networks throughout the world.

Brands

Service/trademarks and trade names within the Climate Technologies segment include Emerson Climate Technologies, Clive Samuels & Associates, Computer Process Controls, Copeland, Design Services Network, Dixell, Emerson Climate Technologies Distribution Services, Emerson Climate Technologies Educational Services, Emerson Retail Services, Fusite, Therm-O-Disc, Vilter and White-Rodgers.

COMMERCIAL & RESIDENTIAL SOLUTIONS

Emerson’s Commercial & Residential Solutions (formerly Tools and Storage) segment includes a broad range of tools, storage products and appliance solutions. In 2012, sales by geographic destination for this segment were the United States and Canada, 83 percent; Asia, 4 percent; Europe, 8 percent; Latin America, 3 percent; and Middle East/Africa, 2 percent.

Professional and Do-It-Yourself Tools

Our pipe-working tools are used by plumbing and mechanical professionals to install and repair piping systems. These tools include pipe wrenches, pipe cutters, pipe threading and roll grooving equipment, a time-saving system that joins tubing through mechanical crimping, drain cleaners, tubing tools, and diagnostic systems, including closed-circuit television pipe inspection and locating equipment. Other professional tools include water jetters, wet-dry vacuums, commercial vacuums and bolt cutters. Do-it-yourself tools, available at home improvement retail outlets, include drain cleaning equipment, pipe and tube working tools, and wet-dry vacuums.

Storage Solutions

Emerson provides a wide variety of freestanding, fixed and mobile storage products for residential, commercial, health care and food service applications. Our products for the home include wall-mounted and freestanding shelving systems, cabinet and closet organizers, home office storage, and drawer systems and containers, available in wire, stainless steel and laminate. Our commercial storage solutions help customers utilize space in the most efficient manner, including storage and display shelving, stock-picking and kitting carts, cabinets, totes, bins, workstations, and merchandising and inventory storage racks. Products provided to the health care industry assist in medical response and treatment, including emergency and operating room carts, medication carts, polymer and wire shelving systems, and sterile worktables. Our food service equipment helps meet the storage needs of the food service and hospitality industries, such as restaurants and hotels. This equipment includes polymer and wire storage systems, busing carts, pan and tray racks, transport carts and workstations.

Appliances and Components

Emerson provides a number of appliance solutions, including residential and commercial food waste disposers, ceiling fans, instant hot water dispensers and compact electric water heaters.

Distribution

The principal worldwide distribution channels for the Commercial & Residential Solutions segment are distributors and direct sales forces. Professional tools are sold almost exclusively worldwide through distributors. Independent sales representatives are utilized to a lesser extent, particularly for storage solutions. Appliance solutions are sold through direct sales force networks and distributors.

Brands

Service/trademarks and trade names within the Commercial & Residential Solutions segment include Emerson, Emerson Appliance Solutions, Emerson Professional Tools, Emerson Storage Solutions, ClosetMaid, Flo Healthcare, InSinkErator, Lionville, MedDispense, METRO, ProTeam and RIDGID.

PRODUCTION

Emerson utilizes various production operations and methods. The principal production operations are electronics assembly, metal stamping, forming, casting, machining, welding, plating, heat treating, painting and assembly. In addition, Emerson 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 well maintained.

RAW MATERIALS

Emerson's major requirements for basic raw materials include steel, copper, cast iron, electronics, rare earth metals, aluminum and brass; and to a lesser extent, plastics and other petroleum-based chemicals. Emerson seeks to secure multiple sources of supply for each of its major requirements in order to avoid significant dependence on any one or a few suppliers. However, the supply of materials or other items could be disrupted by natural disasters or other events. Despite market price volatility for certain requirements and materials pricing pressures at some of our businesses, the raw materials and various purchased components needed for the Company’s products have generally been available in sufficient quantities.

PATENTS, TRADEMARKS AND LICENSES

The Company maintains an intellectual property portfolio it has developed or acquired over a number of years, including patents, trademarks and licenses. The Company also continues to develop or acquire new intellectual property on an ongoing basis. New patent applications are continuously filed to protect the Company's ongoing research and development activities. The Company's trademark registrations may be renewed and their duration is dependent upon national laws and trademark use. While this proprietary intellectual property portfolio is important to the Company in the aggregate, management does not regard any of its segments as being dependent on any single patent, trademark registration or license.

BACKLOG

The Company's estimated consolidated order backlog was $6,254 million and $6,030 million at September 30, 2012 and 2011, respectively. The vast majority of the consolidated backlog as of September 30, 2012 is expected to be shipped within one year. Estimated backlog by business segment at September 30, 2012 and 2011 follows (dollars in millions):

	2011	**2012**
Process Management	$ 3,313	**3,716**
Industrial Automation	629	**536**
Network Power	1,650	**1,596**
Climate Technologies	343	**317**
Commercial & Residential Solutions	95	**89**
Total Backlog	$ 6,030	**6,254**

COMPETITION

Emerson's businesses operate in markets that are highly competitive. The Company competes based on product performance, quality, service and/or price across the industries and markets served. A significant element of the Company's competitive strategy is to deliver solutions to our customers by manufacturing high quality products at the best 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 and the number of competitors varies by product line. Some competitors have substantially greater sales, assets and financial resources than Emerson and the Company also competes with many smaller companies. Management believes Emerson has a market leadership position in many of its product lines.

RESEARCH AND DEVELOPMENT

Costs associated with Company-sponsored research and development activities were $547 million, $555 million and $473 million in 2012, 2011 and 2010, respectively.

ENVIRONMENT

The Company's manufacturing locations generate waste, the treatment, storage, transportation and disposal of which are subject to federal, state, foreign and/or local laws and regulations relating to protection of the environment. Compliance with laws regulating the discharge of materials into the environment or otherwise relating to protection of the environment has not had a material effect upon Emerson's capital expenditures, earnings or competitive position. The Company does not anticipate having material capital expenditures for environmental control facilities during the next fiscal year.

EMPLOYEES

Emerson and its subsidiaries had an average of approximately 134,900 employees during 2012. 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. See Note 5 of Notes to Consolidated Financial Statements of the 2012 Annual Report, which note is hereby incorporated by reference, for further information.

DOMESTIC AND FOREIGN OPERATIONS

International sales were $14,376 million in 2012, $14,322 million in 2011 and $11,938 million in 2010, including U.S. exports of $1,579 million, $1,520 million and $1,317 million in 2012, 2011 and 2010, 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 16 of Notes to Consolidated Financial Statements of the 2012 Annual Report, which note is hereby incorporated by reference, for further information with respect to foreign operations.

INTERNET ACCESS

Emerson's reports on Forms 10-K, 10-Q, 8-K and all amendments to those reports are available without charge through the Company’s website on the Internet as soon as reasonably practicable after they are electronically filed with, or furnished to, the U.S. Securities and Exchange Commission (SEC). They may be accessed as follows: www.Emerson.com, Investor Relations, SEC Filings. Information on Emerson’s website does not constitute part of this Form 10-K.

The information set forth under “Item 1A - Risk Factors” is hereby incorporated by reference.

ITEM 1A - RISK FACTORS

Investing in our securities involves risks. We may amend or supplement the risk factors described below from time to time by other reports we file with the SEC in the future.

We Operate in Businesses That Are Subject to Competitive Pressures That Could Affect Prices or Demand for Our Products

Our businesses operate in markets that are highly competitive, and we compete on the basis of product performance, quality, service and/or price across the industries and markets served. A significant element of our competitive strategy is to deliver solutions to our customers by manufacturing high quality products at the best relevant global cost. Various companies compete with us in one or more product lines and the number of competitors varies by product line. Some of our competitors have substantially greater sales, assets and financial resources than our Company and we also compete with many smaller companies. Competitive pressures could adversely affect prices or customer demand for our products, impacting our sales or profit margins, and/or resulting in a loss of market share.

Our Operating Results Depend in Part on Continued Successful Research, Development and Marketing of New and/or Improved Products and Services, and There Can Be No Assurance That We Will Continue to Successfully Introduce New Products and Services

The success of new and improved products and services depends on their initial and continued acceptance by our customers. Our businesses are affected by varying degrees of technological change and corresponding shifts in customer demand, which result in unpredictable product transitions, shortened life cycles and increased importance of being first to market with new products and services. We may experience difficulties or delays in the research, development, production and/or marketing of new products and services which may negatively impact our operating results and prevent us from recouping or realizing a return on the investments required to continue to bring new products and services to market.

If We Are Unable to Defend or Protect Our Intellectual Property Rights the Company's Competitive Position Could Be Adversely Affected

The Company's intellectual property rights are important to its business and include numerous patents, trademarks, copyrights, trade secrets and other confidential information. This intellectual property may be subject to challenge, infringement, invalidation or circumvention by third parties. Despite extensive security measures, our intellectual property may be subject to misappropriation through unauthorized access of our information technology systems, employee theft, or other acts of industrial espionage. Should the Company be unable to adequately defend or protect its intellectual property, it may suffer competitive harm.

We Engage in Acquisitions, and May Encounter Difficulties in Integrating These Businesses and Therefore We May Not Realize the Anticipated Benefits of the Acquisitions

We are a company that, from time to time, seeks to grow through strategic acquisitions. In 2012 and in past years, we have made various acquisitions and entered into joint venture arrangements intended to complement or expand our business, and may continue to do so in the future (see Note 3 of Notes to Consolidated Financial Statements of the 2012 Annual Report, which note is hereby incorporated by reference). The success of these transactions will depend on our ability to integrate assets and personnel acquired in these transactions and to cooperate with our strategic partners. We may encounter difficulties in integrating acquisitions with our operations, and in managing strategic investments. Furthermore, we may not realize the degree, or timing, of benefits we anticipate when we first enter into a transaction. Any of the foregoing could adversely affect our business and results of operations.

Access to Funding Through the Capital Markets Is Essential to the Execution of Our Business Plan and if We Are Unable to Maintain Such Access We Could Experience a Material Adverse Effect on Our Business and Financial Results

Our ability to invest in our businesses, make strategic acquisitions and refinance maturing debt obligations requires access to the capital markets and sufficient bank credit lines to support short-term borrowings. Volatility in the capital markets may increase costs associated with issuing commercial paper or other debt instruments, or affect the Company's ability to access those markets. If we are unable to continue to access the capital markets, we could experience a material adverse effect on our business and financial results. If our customers, suppliers and financial institutions are unable to access the capital markets to meet their commitments to the Company, our business could be adversely impacted.

We Use a Variety of Raw Materials and Components in Our Businesses, and Significant Shortages or Price Increases Could Increase Our Operating Costs and Adversely Impact the Competitive Positions of Our Products

Our major requirements for raw materials include steel, copper, cast iron, electronics, rare earth metals, aluminum, brass and, to a lesser extent, plastics and other petroleum-based chemicals. Emerson seeks multiple sources of supply for each of its major requirements in order to avoid significant dependence on any one or a few suppliers. However, the supply of materials or other items could be disrupted by natural disasters or other events. Significant shortages or price increases could impact the prices our affected businesses charge, their operating costs and the competitive position of their products and services, which could adversely affect our results of operations. While we monitor market prices of the commodities we require and attempt to reduce price exposure through hedging activities, this risk could adversely affect our operating results.

Our Operations Depend on Production Facilities Throughout the World, a Majority of Which Are Located Outside the United States and Subject to Increased Risks of Disrupted Production Causing Delays in Shipments and Loss of Customers and Revenue

We manage businesses with manufacturing facilities worldwide, a majority of which are located outside the United States, and also source certain materials internationally. Emerging market sales now represent over one-third of total sales and serving a global customer base requires that we place more materials sourcing and production in emerging markets to capitalize on market opportunities and maintain our best-cost position. Our and our suppliers' international production facilities and operations could be disrupted by a natural disaster, labor strife, war, political unrest, terrorist activity or public health concerns, particularly in emerging countries that are not well-equipped to handle such occurrences.

Our manufacturing facilities abroad also may be more susceptible to changes in laws and policies in host countries and economic and political upheaval than our domestic facilities. Any such disruption could cause delays in shipments of products and the loss of sales and customers, and insurance proceeds may not adequately compensate us.

Our Substantial Sales Abroad Subject Us to Economic Risk as Our Results of Operations May Be Adversely Affected by Foreign Currency Fluctuations and Changes in Local Government Regulations and Policies

We sell, manufacture, engineer and purchase products in overseas markets. A significant portion of our sales is outside the United States, and we expect sales from non-U.S. markets to continue to represent a significant portion of our total sales. International sales and operations are subject to changes in local government regulations and policies, including those related to tariffs and trade barriers, investments, taxation, exchange controls, and repatriation of earnings, which could adversely affect our results. Changes in the relative values of currencies occur from time to time and have affected our operating results and could do so in the future. While we monitor our exchange rate exposures and attempt to reduce this exposure through hedging activities, this risk could adversely affect our operating results.

Recessions, Adverse Market Conditions or Downturns in the End Markets We Serve May Negatively Impact Segment Revenues and Operating Results

Segment revenues, operating results and cash flows have varied in the past and may be exposed to significant volatility from quarter to quarter in the future due to changes in general economic conditions, recessions or adverse conditions in the end markets we serve. These changes could adversely impact overall sales, operating results and cash flows, which in turn could trigger impairment of goodwill or other long-lived assets due to the fair value of such assets falling below the Company's carrying value. Moreover, during economic downturns we may undertake more extensive rationalization actions and therefore incur higher rationalization expense during such periods. If our rationalization actions are not sufficiently effective or if we must incur rationalization costs beyond what we anticipate, we may not be able to achieve our anticipated operating results.

We Are Subject to Litigation and Environmental Regulations That Could Adversely Impact Our Operating Results

We are, and may in the future be, a party to a number of legal proceedings and claims, including those involving product liability and environmental matters, several of which claim, or may in the future claim, significant damages. Given the inherent uncertainty of litigation, we can offer no assurance that existing litigation or a future adverse development will not have a material adverse impact. We also are subject to various laws and regulations relating to environmental protection and the discharge of materials into the environment, and we could incur substantial costs as a result of the noncompliance with or liability for cleanup or other costs or damages under environmental laws.

ITEM 1B - UNRESOLVED STAFF COMMENTS

None.

ITEM 2 - PROPERTIES

At September 30, 2012, Emerson had approximately 235 manufacturing locations worldwide, of which approximately 160 were located outside the United States, primarily in Europe and Asia, and to a lesser extent in Canada and Latin America. The approximate numbers of manufacturing locations by business segment are: Process Management, 60; Industrial Automation, 75; Network Power, 45; Climate Technologies, 35; and Commercial & Residential Solutions, 20. The majority of the locations are owned, with the remainder occupied under lease. 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 12 of Notes to Consolidated Financial Statements of the 2012 Annual Report is hereby incorporated by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following sets forth certain information as of November 19, 2012 with respect to Emerson's executive officers. The 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 expire February 5, 2013:

Name	Position	Age	Fiscal Year
D. N. Farr	Chairman of the Board and Chief Executive Officer*	57	1985
C. W. Ashmore	Executive Vice President - Planning and Development	50	2001
F. J. Dellaquila	Executive Vice President and Chief Financial Officer	55	1991
W. J. Galvin	Vice Chairman	66	1984
E. L. Monser	President and Chief Operating Officer	62	2002
C. A. Peters	Senior Executive Vice President	57	1990
R. J. Schlueter	Vice President, Controller and Chief Accounting Officer	58	1992
F. L. Steeves	Executive Vice President, Secretary and General Counsel	58	2007

*Also chairman of the Executive Committee of the Board of Directors.

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

David N. Farr has been Chief Executive Officer since October 2000, was appointed Chairman of the Board in September 2004, and also served as President from November 2005 to October 2010. Craig W. Ashmore was appointed Executive Vice President - Planning and Development in October 2009. Prior to his current position, Mr. Ashmore was Senior Vice President - Planning and Development from October 2004 to September 2009 and Group Vice President from 2003 to 2004. Frank J. Dellaquila was appointed Executive Vice President in November 2012 and Senior Vice President and Chief Financial Officer in February 2010. Prior to his current position, Mr. Dellaquila was Senior Vice President - Finance and Controller from August 2009 to February 2010 and Senior Vice President - Acquisitions and Development from 2004 to 2009. Walter J. Galvin has announced that he will retire as Vice Chairman and as a Director of the Company effective February 5, 2012. Mr. Galvin was appointed Vice Chairman in October 2009. Prior to his current position, Mr. Galvin was Chief Financial Officer from 1993 to February 2010, Senior Executive Vice President from October 2004 to September 2009 and Executive Vice President from February 2000 to October 2004. Edward L. Monser was appointed President in October 2010 and has been Chief Operating Officer since November 2001. Charles A. Peters has been Senior Executive Vice President since October 2000. Richard J. Schlueter was appointed Controller in October 2011. He has been Vice President Accounting since 1999 and was also appointed Chief Accounting Officer in February 2003. Frank L. Steeves was appointed Executive Vice President in October 2011. He was appointed Senior Vice President, Secretary and General Counsel in March 2007, prior to which he was Vice Chairman of the Milwaukee-based law firm of von Briesen & Roper, S.C., which has provided legal services to the Company since 2001. Mr. Steeves joined von Briesen and Roper as a partner in 2001, and became Vice Chairman of that firm in 2004.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Information regarding the market for the Company's common stock, quarterly market price ranges and dividend payments is set forth in Note 18 of Notes to Consolidated Financial Statements of the 2012 Annual Report, which note is hereby incorporated by reference. There were approximately 22,960 stockholders of record at September 30, 2012.

Period	Total Number of Shares Purchased (000s)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (000s)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (000s)
July 2012	2,070	$45.72	2,070	17,725
August 2012	1,815	$50.70	1,815	15,910
September 2012	1,665	$49.59	1,665	14,245
Total	5,550	$48.51	5,550	14,245

The Company’s Board of Directors authorized the repurchase of up to 80 million shares under the May 2008 program.

ITEM 6 - SELECTED FINANCIAL DATA

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

		2008	2009	2010	2011	**2012 (a)**
Net sales	$	23,751	20,102	21,039	24,222	**24,412**
Earnings from continuing operations – common stockholders	$	2,446	1,715	1,978	2,454	**1,968**
Basic earnings per common share from continuing operations	$	3.13	2.27	2.62	3.26	**2.68**
Diluted earnings per common share from continuing operations	$	3.10	2.26	2.60	3.24	**2.67**
Cash dividends per common share	$	1.20	1.32	1.34	1.38	**1.60**
Long-term debt	$	3,297	3,998	4,586	4,324	**3,787**
Total assets	$	21,040	19,763	22,843	23,861	**23,818**

(a) 2012 includes a $528 million after-tax ($0.72 per share) goodwill impairment charge.

The following businesses are classified as discontinued operations: heating elements for 2011 only, appliance motors and U.S. commercial and industrial motors for 2008 through 2010, LANDesk for 2010 only, European appliance motors and pumps for 2008, and Brooks Instrument flow meters and flow controls for 2008 only. See Note 3 of Notes to Consolidated Financial Statements of the 2012 Annual Report, which note is hereby incorporated by reference, for information regarding the Company's acquisition and divestiture activities.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information from the 2012 Annual Report set forth in Exhibit 13 hereto under “Results of Operations,” “Business Segments,” “Financial Position, Capital Resources and Liquidity,” “Critical Accounting Policies,” and "Safe Harbor Statement" is hereby incorporated by reference.

Fiscal 2013 Outlook

Orders have slowed as near-term business investment has become more cautious and market visibility has deteriorated due to economic uncertainty in the U.S., China and Europe. This has resulted in a challenging and tenuous planning environment. Based on current market conditions with slowing economic momentum, reported and underlying sales in 2013 are expected to grow at a rate in a low single-digit range of 0 to 5 percent, led by solid near-term growth for Process Management supported by continued project activity in oil and gas, chemical and power end markets, as well as steady near-term improvement in North America residential end markets in Commercial & Residential Solutions. End market demand is expected to be sluggish in Industrial Automation, especially in Europe, and near-term sales growth will be a challenge. Global market conditions for Climate Technologies are expected to remain uneven and generally sluggish in the near term. Excluding the 2012 goodwill impairment charge, EBIT margin is expected to improve 10 to 20 basis points (which excludes 240 basis points for impairment) and pretax earnings margin is expected to improve 250 to 260 basis points, which would result in earnings per share growth in the mid-to-high single digits from $3.39 in 2012. The majority of sales and earnings growth is expected to be realized in the first half of the year, due in large part to the quarterly impact of the Thailand flooding in 2012.

Non-GAAP Financial Measures

To supplement Emerson’s financial information presented in accordance with U.S. generally accepted accounting principles (U.S. GAAP), management periodically uses certain “non-GAAP financial measures,” as such term is defined in Regulation G under the rules of the SEC, to clarify and enhance understanding of past performance and prospects for the future. Generally, a non-GAAP financial measure is a numerical measure of a company’s operating performance, financial position or cash flows that excludes or includes amounts that are included in or excluded from the most directly comparable measure calculated and presented in accordance with U.S. GAAP. For example, non-GAAP measures may exclude the impact of certain items such as acquisitions, divestitures, gains, losses and impairments, or items outside of management’s control, such as foreign currency exchange rate fluctuations. Management believes that the following non-GAAP financial measures provide investors and analysts useful insight into Emerson’s financial position and operating performance. Any non-GAAP measure provided should be viewed in addition to, and not as an alternative to, the most directly comparable measure determined in accordance with U.S. GAAP, as identified in italics below. Further, the calculation of these non-GAAP financial measures may differ from the calculation of similarly titled financial measures presented by other companies and therefore may not be comparable among companies.

Underlying sales, which exclude the impact of acquisitions, divestitures and fluctuations in foreign currency exchange rates during the periods presented, are provided to facilitate relevant period-to-period comparisons of sales growth by excluding those items that impact overall comparability (U.S. GAAP measure: *net sales*).

Operating profit (defined as net sales less cost of sales and selling, general and administrative expenses) and operating profit margin (defined as operating profit divided by net sales) are indicative of short-term operational performance and ongoing profitability. Management closely monitors operating profit and operating profit margin of each business to evaluate past performance and actions required to improve profitability. EBIT (defined as earnings before deductions for interest expense, net and income taxes) and total segment EBIT, and EBIT margin (defined as EBIT divided by net sales) and total segment EBIT margin, are commonly used financial measures that exclude the impact of financing on the capital structure and income taxes. All these measures are utilized by management to evaluate performance (U.S. GAAP measures: *pretax earnings or pretax profit margin*).

Earnings, earnings per share, return on common stockholders’ equity and return on total capital excluding certain gains and losses, impairments or other items provide additional insight into the underlying, ongoing operating performance of the Company and facilitate period-to-period comparisons by excluding the earnings impact of these items. Management believes that presenting earnings, earnings per share, return on common stockholders' equity and return on total capital excluding these items is more representative of the Company’s operational performance and may be more useful for investors (U.S. GAAP measures: *earnings, earnings per share, return on common stockholders’ equity, return on total capital*).

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 which are necessary to maintain and enhance existing operations. The determination of operating cash flow adds back non-cash depreciation expense to earnings and thereby does not reflect a charge for necessary capital expenditures. Management believes that free cash flow is useful to both management and investors as a measure of the Company's ability to generate cash (U.S. GAAP measure: *operating cash flow*).

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information from the 2012 Annual Report set forth in Exhibit 13 hereto under "Financial Instruments" is hereby incorporated by reference.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of the Company and its subsidiaries, and notes thereto and the report of KPMG LLP thereon, in the 2012 Annual Report are hereby incorporated by reference.

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 is designed to ensure that information required to be disclosed by the Company in the reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including the Company's certifying officers, as appropriate to allow timely decisions regarding required disclosure. Based on an evaluation performed, the Company's certifying officers have concluded that the disclosure controls and procedures were effective as of September 30, 2012 to provide reasonable assurance of achieving 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, 2012, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. Management's report on internal control over financial reporting, and the related report of the Company's auditor, KPMG LLP, an independent registered public accounting firm, appearing in the 2012 Annual Report are hereby incorporated by reference.

ITEM 9B - OTHER INFORMATION

None.

PART III

ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding nominees and directors appearing under "Nominees and Continuing Directors" in the Emerson Electric Co. Notice of Annual Meeting of Stockholders and Proxy Statement for the February 2013 annual stockholders' meeting (the "2013 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 2013 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 2013 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 and chief accounting officer; has posted such Code of Ethics on its Internet website; and intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K by posting such information on its Internet website. Emerson has adopted Charters for its Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee and a Code of Business Ethics for directors, officers and employees, which are available on its Internet website and are available in print to any shareholder who requests them. Emerson has also adopted Corporate Governance Principles and Practices, which are available on its Internet website and are available in print to any shareholder who requests them. The Corporate Governance section of the Company's Internet website may be accessed as follows: www.Emerson.com, Investor Relations, Corporate Governance.

ITEM 11 - EXECUTIVE COMPENSATION

Information appearing under “Board of Directors and Committees—Compensation Committee,” “Board of Directors and Committees—Corporate Governance and Nominating Committee,” “Director Compensation,” “Executive Compensation” (including, but not limited to, the information set forth under “Compensation Discussion and Analysis,” “Compensation Committee Report” and “Summary Compensation Table”) and “Compensation Committee Interlocks and Insider Participation” in the 2013 Proxy Statement is hereby incorporated by reference.

The information contained in “Compensation Committee Report” shall not be deemed to be filed with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), except to the extent that Emerson specifically incorporates such information into future filings under the Securities Act of 1933 or the Exchange Act.

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, named executive officers and by all directors and executive officers as a group appearing under "Stock Ownership of Directors, Executive Officers and 5% Beneficial Owners" in the 2013 Proxy Statement is hereby incorporated by reference.

The following table sets forth aggregate information regarding the Company’s equity compensation plans as of September 30, 2012:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders (1)	19,902,387	$44.75	29,891,250
Equity compensation plans not approved by security holders	—	—	—
Total	19,902,387	$44.75	29,891,250

(1) Includes the Stock Option and Incentive Shares Plans previously approved by the Company's security holders. Included in column (a) are 5,273,566 shares reserved for performance share awards (awarded primarily in 2010), which will be distributed primarily in shares of common stock and partially in cash contingent upon the Company achieving the financial performance objective through 2013 and continued service by the employee. Also included in column (a) are 12,119 shares which have been earned under prior performance share programs but for which participants elected to defer payment. As provided by the Company’s Incentive Shares Plans, performance share awards represent a commitment to issue such shares without cash payment by the employee, contingent upon achievement of the objective and continued service by the employee. The price in column (b) represents the weighted-average exercise price for outstanding options. Included in column (c) are 9,861,080 shares remaining available for award under the previously approved 2006 Incentive Shares Plan and 290,813 shares remaining available under the previously approved Restricted Stock Plan for Non-Management Directors.

Information regarding stock option plans and incentive shares plans set forth in Note 14 of Notes to Consolidated Financial Statements of the 2012 Annual Report is hereby incorporated by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information appearing under “Director Independence” in the 2013 Proxy Statement is hereby incorporated by reference.

ITEM 14 - PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information appearing under "Fees Paid to KPMG LLP" in the 2013 Proxy Statement is hereby incorporated by reference.

PART IV

ITEM 15 - EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

A) Documents filed as a part of this report:

1. The consolidated financial statements and notes of the Company and its subsidiaries and the report thereon of KPMG LLP in the 2012 Annual Report.

2. Financial Statement Schedules — All schedules are omitted because they are not required, not applicable or the required information is provided in the financial statements or notes thereto contained in the 2012 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, File No. 1-278, 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).

3(b) Bylaws of Emerson Electric Co., as amended through November 6, 2012, incorporated by reference to Emerson Electric Co. Form 8-K filed November 9, 2012, Exhibit 3.1.

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 SEC upon request.

10(a)* 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, File No. 1-278, Exhibit 10(d).

10(b)* Amended and Restated Emerson Electric Co. Continuing Compensation Plan for Non-Management Directors, incorporated by reference to Emerson Electric Co. 2007 Form 10-K, File No. 1-278, Exhibit 10(c).

10(c)* Amended and Restated Deferred Compensation Plan for Non-Employee Directors and Forms of Payment Election Form, Initial Notice of Election and Notice of Election Change, incorporated by reference to Emerson Electric Co. 2007 Form 10-K, File No. 1-278, Exhibit 10(d).

10(d)* First Amendment to the Emerson Electric Co. Supplemental Executive Retirement Plan, incorporated by reference to Emerson Electric Co. 1999 Form 10-K, File No. 1-278, Exhibit 10(h), and Form of Change of Control Election, incorporated by reference to Emerson Electric Co. Form 8-K dated October 1, 2004, Exhibit 10.9 (applicable only with respect to benefits vested as of December 31, 2004).

10(e)* Amended and Restated Emerson Electric Co. Pension Restoration Plan and Forms of Participation Award Letter, Acceptance of Award and Benefit Election Forms (applicable only with respect to benefits after January 1, 2005), incorporated by reference to Emerson Electric Co. 2007 Form 10-K, File No. 1-278, Exhibit 10(f).

10(f)* 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, File No. 1-278, Exhibit 10(j), and Form of Participation Agreement and Form of Annual Election, incorporated by reference to Emerson Electric Co. Form 8-K filed October 1, 2004, Exhibit 10.8 (applicable only with respect to benefits vested as of December 31, 2004).

10(g)* Amended and Restated Emerson Electric Co. Savings Investment Restoration Plan and Forms of Participation Agreement, Annual Election Form and Payment Election Form (applicable only with respect to benefits after January 1, 2005), incorporated by reference to Emerson Electric Co. 2007 Form 10-K, File No. 1-278, Exhibit 10(h), and First Amendment to Emerson Electric Co. Savings Investment Restoration Plan, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended March 31, 2008, File No. 1-278, Exhibit 10.1.

10(h)* Amended and Restated Emerson Electric Co. Annual Incentive Plan and Form of Acceptance of Award, incorporated by reference to Emerson Electric Co. 2007 Form 10-K, File No. 1-278, Exhibit 10(i).

10(i)* 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, File No. 1-278, Exhibit 10(j), Amendment for 409A Compliance, incorporated by reference to Emerson Electric Co. 2007 Form 10-K, File No. 1-278, Exhibit 10(j), Form of Performance Share Award Certificate, Forms of Acceptance of Award and Change of Control Election, incorporated by reference to Emerson Electric Co. Form 8-K filed October 1, 2004, Exhibit 10.5, and Form of Restricted Shares Award Agreement, incorporated by reference to Emerson Electric Co. Form 8-K filed October 1, 2004, Exhibit 10.6.

10(j)* 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, File No. 1-278, Exhibit 10(l), Form of Notice of Grant of Stock Options and Option Agreement and Form of Incentive Stock Option Agreement, incorporated by reference to Emerson Electric Co. Form 8-K filed October 1, 2004, Exhibit 10.1, and Form of Notice of Grant of Stock Options and Option Agreement and Form of Nonqualified Stock Option Agreement, incorporated by reference to Emerson Electric Co. Form 8-K filed October 1, 2004, Exhibit 10.2.

10(k)* 2001 Stock Option Plan, incorporated by reference to Emerson Electric Co. 2002 Proxy Statement dated December 12, 2001, File No. 1-278, Appendix A, Form of Notice of Grant of Stock Options and Option Agreement and Form of Incentive Stock Option Agreement, incorporated by reference to Emerson Electric Co. Form 8-K filed October 1, 2004, Exhibit 10.3 (used on or prior to September 30, 2011), Forms of Notice of Grant of Stock Options, Option Agreement and Incentive Stock Option Agreement, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended December 31, 2011, File No. 1-278, Exhibit 10.1 (used after September 30, 2011), Form of Notice of Grant of Stock Options and Option Agreement and Form of Nonqualified Stock Option Agreement, incorporated by reference to Emerson Electric Co. Form 8-K filed October 1, 2004, Exhibit 10.4 (used on or prior to September 30, 2011), Forms of Notice of Grant of Stock Options, Option Agreement and Nonqualified Stock Option Agreement, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended December 31, 2011, File No. 1-278, Exhibit 10.2 (used after September 30, 2011).

10(l)* Emerson Electric Co. Description of Split Dollar Life Insurance Program Transition, incorporated by reference to Emerson Electric Co. Form 8-K filed September 2, 2005, Exhibit 10.1.

10(m)* Amended and Restated Restricted Stock Plan for Non-Management Directors, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended December 31, 2009, File No. 1-278, Exhibit 10.1, Form of Restricted Stock Award Letter under the Emerson Electric Co. Restricted Stock Plan for Non-Management Directors, incorporated by reference to Emerson Electric Co. Form 8-K filed February 1, 2005, Exhibit 10.2, and Form of Restricted Stock Unit Award Letter under the Emerson Electric Co. Restricted Stock Plan for Non-Management Directors, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended December 31, 2009, File No. 1-278, Exhibit 10.1.

10(n)* Description of Non-Management Director Compensation.

10(o)* Description of Named Executive Officer Compensation, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended December 31, 2004, Exhibit 10.1.

10(p)* Emerson Electric Co. 2006 Incentive Shares Plan, incorporated by reference to Emerson Electric Co. 2006 Proxy Statement dated December 16, 2005, Appendix C, Amendment for 409A Compliance, incorporated by reference to Emerson Electric Co. 2007 Form 10-K, File No. 1-278, Exhibit 10(q), Forms of Performance Share Award Certificate and Acceptance of Award (used on or prior to September 30, 2009) and Restricted Share Award Agreement (used on or prior to September 30, 2011), incorporated by reference to Emerson Electric Co. 2007 Form 10-K, File No. 1-278, Exhibit 10(q), Amendment to Emerson Electric Co. 2006 Incentive Shares Plan, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended June 30, 2008, File No. 1-278, Exhibit 10.1, Forms of Performance Share Award Certificate, Acceptance of Award and 2010 Performance Shares Program Award Summary, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended December 31, 2009 (used after September 30, 2009 and on or prior to September 30, 2011), File No. 1-278, Exhibit 10.2, Forms of Performance Share Award Certificate and Acceptance of Award, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended December 31, 2011, File No. 1-278, Exhibit 10.3 (used after September 30, 2011), and Form of Restricted Share Award Agreement, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended December 31, 2011, File No. 1-278, Exhibit 10.4 (used after September 30, 2011).

10(q) Long-Term Credit Agreement dated as of December 16, 2010, incorporated by reference to Emerson Electric Co. Form 8-K filed December 17, 2010, Exhibit 10.1.

10(r)* 2011 Stock Option Plan, incorporated by reference to Emerson Electric Co. 2011 Proxy Statement dated December 10, 2010, File No. 1-278, Appendix B, 2011 Stock Option Plan as Amended and Restated Effective October 1, 2012, Forms of Notice of Grant of Stock Options, Option Agreement and Incentive Stock Option Agreement under the 2011 Stock Option Plan, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended March 31, 2012, File No. 1-278, Exhibit 10.1 and Forms of Notice of Grant of Stock Options, Option Agreement and Nonqualified Stock Option Agreement under the 2011 Stock Option Plan, incorporated by reference to Emerson Electric Co. Form 10-Q for the quarter ended March 31, 2012, File No. 1-278, Exhibit 10.2.

12 Ratio of Earnings to Fixed Charges.

13 Portions of Emerson Electric Co. Annual Report to Stockholders for the year ended September 30, 2012, incorporated by reference herein.

21 Subsidiaries of Emerson Electric Co.

23 Consent of Independent Registered Public Accounting Firm.

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.

101 Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Earnings for the years ended September 30, 2010, 2011 and 2012, (ii) Consolidated Balance Sheets at September 30, 2011 and 2012, (iii) Consolidated Statements of Equity for the years ended September 30, 2010, 2011 and 2012, (iv) Consolidated Statements of Cash Flows for the years ended September 30, 2010, 2011 and 2012, and (v) Notes to Consolidated Financial Statements for the year ended September 30, 2012.

* Management contract or compensatory plan.

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/ F. J. Dellaquila

F. J. Dellaquila
Executive Vice President and
Chief Financial Officer
November 19, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on November 19, 2012, by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
/s/ D. N. Farr D. N. Farr	Chairman of the Board and Chief Executive Officer
/s/ W. J. Galvin W. J. Galvin	Vice Chairman and Director
/s/ F. J. Dellaquila F. J. Dellaquila	Executive Vice President and Chief Financial Officer
/s/ R. J. Schlueter R. J. Schlueter	Vice President, Controller and Chief Accounting Officer
* C. A. H. Boersig	Director
* J. B. Bolten	Director
* A. A. Busch III	Director
* C. Fernandez G.	Director
* A. F. Golden	Director
* H. Green	Director

*	Director
W. R. Johnson	
*	Director
M. S. Levatich	
*	Director
C. A. Peters	
*	Director
J. W. Prueher	
*	Director
R. L. Ridgway	
*	Director
R. L. Stephenson	

* By /s/ F. J. Dellaquila
F. J. Dellaquila
Attorney-in-Fact

INDEX TO EXHIBITS

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

Exhibit No.	Exhibit
10(n)	Description of Non-Management Director Compensation
10(r)	2011 Stock Option Plan as Amended and Restated, Effective October 1, 2012
12	Ratio of Earnings to Fixed Charges
13	Portions of Emerson Electric Co. Annual Report to Stockholders for the year ended September 30, 2012, incorporated by reference herein
21	Subsidiaries of Emerson Electric Co.
23	Consent of Independent Registered Public Accounting Firm
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
101	Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Earnings for the years ended September 30, 2010, 2011 and 2012, (ii) Consolidated Balance Sheets at September 30, 2011 and 2012, (iii) Consolidated Statements of Equity for the years ended September 30, 2010, 2011 and 2012, (iv) Consolidated Statements of Cash Flows for the years ended September 30, 2010, 2011 and 2012, and (v) Notes to Consolidated Financial Statements for the year ended September 30, 2012.

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

Exhibit 10(n)

Summary of Compensation Arrangements
With Non-Management Directors

Non-management Directors are paid annual retainers, a portion of which is paid in cash and a portion of which is paid in restricted stock and/or restricted stock units. They are also paid an attendance fee, and reimbursed expenses, for each Board meeting. The annual retainer, the portion of the annual retainer paid in restricted stock and/or restricted stock units, and the attendance fee, are determined by or upon the recommendation of the Corporate Governance and Nominating Committee, and are set forth in the Company's proxy statement each year.

Committee chairs are paid annual retainers. All committee members are paid an attendance fee, and reimbursed expenses, for each committee meeting. The chair annual retainers, and the committee attendance fees, are also determined by or upon the recommendation of the Corporate Governance and Nominating Committee, and are set forth in the Company's proxy statement each year.

Directors may elect to defer all or a part of their cash compensation under the Company's Deferred Compensation Plan for Non-Employee Directors.

Directors who assumed office prior to June 4, 2002 were eligible for the Company's Continuing Compensation Plan for Non-Management Directors. Because each eligible Director has served at least ten years, he or she will, after the later of termination of service as a Director or age 72, receive for life an amount equal to the annual $30,000 cash retainer for non-management Directors in effect on June 4, 2002. In the event that service as a covered Director terminates because of death, the benefit will be paid to the surviving spouse for five years.

As part of the Company's overall charitable contributions practice, the Company may, in the sole and absolute discretion of the Board and its committees, make a charitable contribution in the names of Emerson and a Director upon his or her retirement from the Board (as determined by the Board and its committees), taking into account such Director's tenure on the Board, his or her accomplishments and service on the Board, and other relevant factors.

Exhibit 10(r)

EMERSON ELECTRIC CO.
2011 STOCK OPTION PLAN
(as Amended and Restated Effective October 1, 2012)

1. Purpose of the Plan. The Emerson Electric Co. 2011 Stock Option Plan (the "Plan") is intended as an incentive to, and to encourage ownership of the stock of Emerson Electric Co. ("Company") by, key employees of the Company, its subsidiaries, or any other entity in which the Company has a significant equity or other interest as determined by the Committee (such other entities hereinafter referred to as "affiliates"). It is intended that certain options granted hereunder will qualify as Incentive Stock Options within the meaning of Section 422 of the Internal Revenue Code of 1986 as amended (the "Code") ("Incentive Stock Options") and that other options granted hereunder will not be Incentive Stock Options.

2. Stock Subject to the Plan.

(a) Stock Available For Delivery Upon Exercise of Options and Stock Appreciation Rights ("SARs"). Twenty million (20,000,000) shares of the Common Stock of the Company ("Common Stock") have been allocated to the Plan and will be reserved for delivery upon exercise of options or SARs granted under the Plan. This number is subject to adjustment under Section 16. The maximum number of shares for which options or SARs may be granted to a participant under this Plan during any calendar year shall be 1,000,000.

(b) Reservation of Shares. The Company will allocate and reserve in each fiscal year a sufficient number of shares of its Common Stock for issuance upon the exercise of options or SARs granted under the Plan. The Company may, in its discretion, use shares held in the Treasury or authorized but unissued shares of Common Stock for the Plan.

(c) Determination of Shares.

(i) Any shares covered by an award (or portion of an award) granted under the Plan which is forfeited or canceled (whether because of a failure to meet an award contingency or condition or otherwise) or expires shall be deemed not to have been delivered for purposes of determining the maximum number of shares available for delivery under the Plan. Shares subject to awards granted under the Plan through the settlement, assumption or substitution of outstanding awards, or through obligations to grant future awards, as a condition of the Company acquiring another entity (“Acquisition Options” or “Acquisition SARs”) shall not reduce the maximum number of shares available for delivery under the Plan.

(ii) Any shares withheld for tax withholding obligations shall be deemed to have been delivered to the option holder for purposes of determining the maximum number of shares available for delivery under the Plan. If any option is exercised by tendering shares of Common Stock, either actually or by proof of ownership, to the Company as full or partial payment in connection with the exercise of an option under this Plan, the full number of shares for which the option is exercised shall be deemed delivered to the option holder for purposes of determining the maximum number of shares available for delivery under the Plan. Any shares that are repurchased by the Company on the open market or in private transactions will not be added to the aggregate number of shares available for delivery under the Plan, even if the aggregate price paid for such repurchased shares does not exceed the cumulative amount received in cash by the Company for the exercise of options or issuance of awards granted under the Plan. The full number of shares for which an SAR is exercised shall be deemed to have been delivered to an SAR holder for purposes of determining the maximum number of shares available for delivery under the Plan.

(iii) In no event shall more than twenty million (20,000,000) shares be available for granting Incentive Stock Options.

3. Administration. The Plan shall be administered by the Committee referred to in Section 4 (the "Committee"). Subject to the express provisions of the Plan, the Committee shall have plenary authority, in its discretion, to determine the individuals to whom, and the time or times at which, options and SARs shall be granted and the number of shares to be subject to each option or SAR. In making such determinations the Committee may take into account the nature of the services rendered by the respective individuals, their present and potential contributions to the Company's (or any affiliate's) success and such other factors as the Committee, in its discretion, shall deem relevant. Subject to the express provisions of the Plan, the Committee shall also have plenary authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective stock option and SAR agreements (which need not be identical) and to make all other determinations which the Committee believes necessary or advisable for the proper administration of the Plan. The Committee's determinations on matters relating to the Plan shall be final and conclusive on the Company and all participants. The Committee may, in its discretion, delegate to the Chief Executive Officer of the Company (the "CEO") the authority to determine the individuals to whom, and the time or times at which and terms upon which, options and SARs shall be granted and the number of shares to be subject to each option or SAR; provided, however, that the Committee may not delegate such authority to the CEO with respect to employees of the Company who are subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934 as amended (the "1934 Act").

4. The Committee. The Committee shall consist of two or more non-employee directors as defined in Rule 16b-3 under the 1934 Act or any successor Rule. In the event the Committee shall no longer meet the qualification requirements set forth above, the Board of Directors of the Company shall appoint a new committee to administer the Plan, whose members shall cause the committee to qualify under the transaction approval requirements of Rule 16b-3. The Committee shall have the authority to appoint a subcommittee whose members qualify as "outside" directors under Section 162(m) of the Code and the regulations thereunder, to grant and otherwise administer awards under the

Plan to the extent required to meet the requirements of Section 162(m) of the Code and the regulations thereunder.

5. Eligibility. The Committee's powers and authority to award options (including Incentive Stock Options) and SARs include, but are not limited to, selecting individuals who are key employees of the Company, its subsidiaries or its affiliates, provided, that Incentive Stock Options may only be awarded to key employees of the Company or its subsidiaries.

6. Option Prices. The purchase price of the Common Stock under each option shall not be less than 100% of the fair market value of the stock at the time of the granting of the option. Such fair market value shall generally be considered to be the closing price of the Company's Common Stock as reported on the New York Stock Exchange Composite Tape for the day the option is granted; provided, however, that the Committee may adopt any other criterion for the determination of such fair market value as it may determine to be appropriate if such closing price is not available.

7. Payment of Option Prices. The purchase price is to be paid in full upon the exercise of the option, (i) in cash, (ii) by the tender either actually or by proof of ownership to the Company of shares of the Common Stock of the Company, owned by the optionee and registered in the optionee's name or held for the optionee's benefit by a registered holder, having a fair market value equal to the cash exercise price of the option being exercised, with the fair market value of such stock to be determined in such appropriate manner as may be provided for by the Committee or as may be required in order to comply with, or to conform to the requirements of, any applicable laws or regulations, or (iii) by any combination of the payment methods specified in clauses (i) and (ii) hereof; provided, however, that no shares of Common Stock may be tendered in exercise of an Incentive Stock Option if such shares were acquired by the optionee through the exercise of an Incentive Stock Option or an employee stock purchase plan described in Section 423 of the Code, unless (i) such shares have been held by the optionee for at least one (1) year and (ii) at least two (2) years have elapsed since such option was granted. The optionee may facilitate the exercise of an option, in lieu of directly paying the option price in cash or shares owned by the optionee, through the sale of a portion of such shares by a third party, other than the Company, in accordance with the rules and procedures adopted by the Committee. The cash proceeds from sales by the Company of stock subject to option are to be added to the general funds of the Company and used for its general corporate purposes. The shares of Common Stock of the Company received by the Company as payment of the option price are to be added to the shares of the Common Stock of the Company held in its Treasury. Upon exercise of an option which is not an Incentive Stock Option by an optionee who is a reporting person under Section 16(a) of the 1934 Act, the Company shall, as required by applicable law, withhold sufficient shares to satisfy the Company's obligation to withhold for federal and state taxes on such exercise, provided that prior to such exercise, the Committee may approve in advance an alternative method of withholding. Upon exercise of an option which is not an Incentive Stock Option by an optionee who is not a reporting person under Section 16(a) of the 1934 Act, the Committee may, in its discretion, in lieu of withholding cash otherwise payable to such person, withhold sufficient shares to satisfy the Company's obligation to withhold for federal and state taxes on such exercise.

8. Option Amounts. The maximum aggregate fair market value (determined at the time an option is granted in the same manner as provided for in Section 6 hereof) of the Common Stock of the Company with respect to which Incentive Stock Options are exercisable for the first time by any optionee during any calendar year (under all plans of the Company and its subsidiaries) shall not exceed the amount specified in Section 422(d) of the Code.

9. Exercise of Options.

(a) The term of each option shall be not more than ten (10) years from the date of granting thereof or such shorter period as is prescribed in Section 10 or 11 hereof. Within such limit, options will be exercisable at such time or times, and subject to such restrictions and conditions, as the Committee shall, in each instance, approve, which need not be uniform for all optionees; provided, however, that except as provided in Sections 10 or 11 hereof, no option may be exercised at any time unless the optionee is then an employee of the Company, its subsidiaries or affiliates and has been so engaged or employed continuously since the granting of the option, and provided further that all options, other than an Acquisition Option or as provided in Sections 9, 10 or 11 hereof, must become exercisable over a period of three years or longer. The holder of an option shall have none of the rights of a stockholder with respect to the shares subject to option until such shares shall be issued to such holder upon the exercise of the option.

(b) Notwithstanding the foregoing, in the event of a Change of Control (as hereinafter defined) all options shall become fully exercisable if:

(i) the Committee shall determine that options granted under the Plan have not been appropriately assumed by the acquirer, or

(ii) the Committee determines that the options granted under the Plan have been appropriately assumed by the acquirer, but within two years following such Change of Control (X) the optionee is involuntarily terminated other than for cause, (Y) the optionee's compensation, title, duties or responsibilities are substantially reduced or adversely affected, or (Z) the optionee is required to relocate as a condition to continued employment.

(c) Without limiting the generality of the Committee's discretion in determining whether the options are being appropriately assumed, the Committee shall have the authority to determine that options granted under the Plan are being appropriately assumed if the terms of the options remain substantially the same except that (i) following the Change of Control each option shall become exercisable for the consideration received by the holder of one share of Common Stock pursuant to such Change of Control, or, (ii) if such consideration does not consist solely of shares of the acquirer's common stock, each option becomes exercisable for an amount of the acquirer's common stock equal in fair value to the consideration received by the holder of one share of Common Stock in such Change of Control.

(d) If prior to an expected Change of Control the Committee determines that it is likely that the options granted under the Plan will be appropriately assumed by the acquirer, the Committee shall have the authority to devise procedures allowing for such assumption as it shall determine to be appropriate. If prior to an expected Change of Control the Committee determines that it is not likely that the options granted under the Plan will be appropriately assumed by the acquirer, the Committee shall have the authority to devise (i) procedures allowing for the exercise of options contingent upon the consummation of the Change of Control, (ii) procedures providing for the payment to an optionee of cash in lieu of such exercise, contingent upon the consummation of the Change of Control, in an amount equal to the difference between the exercise price and the fair value of any consideration being received by the holders of Common Stock pursuant to such Change of Control, or (iii) any other procedures the Committee determines to be appropriate.

(e) For purposes of this Plan, a "Change of Control" shall mean:

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

(ii) the consummation of (A) any reorganization, merger, consolidation or similar transaction involving the Company, other than a reorganization, merger, consolidation or similar transaction in which the Company's shareholders immediately prior to such transaction own more than 50% of the combined voting power entitled to vote in the election of directors of the surviving corporation, (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, or (C) the liquidation or dissolution of the Company; or

(iii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") ceasing for any reason to constitute at least a majority of the Board, provided that any person who becomes a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of directors of the Company) shall be, for purposes of this section, considered as though such person were a member of the Incumbent Board.

10. Termination of Employment.

(a) Any option granted hereunder must be exercised prior to the optionee's termination of employment with the Company, a subsidiary or any affiliate, except as expressly set forth in this Section 10 or in Section 11.

(b) If the employment of an optionee terminates with the consent and approval of the optionee's employer, the Committee in its absolute discretion may permit the optionee to exercise the option, to the extent that the optionee was entitled to exercise it at the date of such termination of employment, at any time within three (3) months after such termination, but not after the expiration of the term of the option. In addition, in the event the Company, a subsidiary or an affiliate divests itself of all its interest in a subsidiary or an affiliate, all outstanding options held by an optionee employed by such divested subsidiary or affiliate may be exercised by such optionee at any time within three (3) months after such divestiture, but not after the expiration of the terms of the options. In addition, all outstanding options held by an optionee who terminates employment on account of retirement (as determined by the Committee), other than options granted during the twelve (12)-month period immediately preceding the date of such retirement, shall be fully exercisable at any time within five (5) years after such retirement, but not after the expiration of the terms of the options.

(c) Options granted under the Plan shall not be affected by any change of employment so long as the optionee continues to be an employee of the Company or a subsidiary thereof or, in the case of SARs or options which are not Incentive Stock Options, an affiliate of the Company. The option agreements may contain such provisions as the Committee shall approve with reference to the effect of approved leaves of absence. Nothing in the Plan or in any option granted pursuant to the Plan shall confer on any individual any right to continue in the employ of the Company or any subsidiary or affiliate, or interfere in any way with the right of the Company or any subsidiary or affiliate thereof to terminate his or her employment at any time.

11. Death and Disability.

(a) In the event of the death of an optionee under the Plan while he or she is employed by the Company, or a subsidiary or affiliate of the Company, the options held by the optionee at death shall become fully vested immediately and may be exercised by a legatee or legatees under the optionee's last will, or by personal representatives or distributees, at any time within a period of one (1) year after death, but not after the expiration of the terms of the options. In the event of the death of an optionee within three months after termination of employment (or within one (1) year thereafter in the case of the termination of an optionee who is disabled as below provided or within five (5) years thereafter in the case of termination of employment on account of retirement, as provided in Section 10 above) the option or SAR theretofore granted may be exercised, to the extent exercisable at the date of death, by a legatee or legatees under the optionee's last will, or by personal representatives or distributees, at any time within a period of one (1) year after death, but not after the expiration of the terms of the options.

(b) If the optionee terminates employment on account of disability, the options held by the optionee shall become fully vested and may be exercised by the optionee (or a representative) at any time within a period of one (1) year after the determination of disability but not after the expiration of the terms of the options. For this purpose, a person shall be deemed to be disabled if he or she is permanently and totally disabled within the meaning of Section 422(c)(6) of the Code, which, as of the date hereof, means that he or she is unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a period of not less than twelve (12) months. A person shall be considered disabled only if he or she furnishes such proof of disability as the Committee may require.

12. Non-Transferability of Options. Each option granted under the Plan shall, by its terms, be non-transferable otherwise than by will or the laws of descent and distribution and an option may be exercised, during the lifetime of an optionee, only by such optionee; provided, however, that the Committee may, in its sole discretion, permit an optionee to transfer a non-qualified stock option, or cause the Company to grant a non-qualified stock option that would otherwise be granted to a person described in Section 5 (an "Eligible Optionee"), to any one or more of the following: an Eligible Optionee's descendant, spouse, descendant of a spouse, spouse of any of the foregoing, a trust established primarily for the benefit of any of the foregoing, or of such Eligible Optionee, or to an entity which is a corporation, partnership, or limited liability company (or any other similar entity) the owners of which are primarily the aforementioned persons or trusts. Any such option so transferred or granted directly to the aforementioned persons, trusts or entities in respect of an Eligible Optionee shall be subject to the provisions of Section 10 concerning the exercisability during the Eligible Optionee's employment.

13. Successive Option Grants. Successive option grants may be made to any holder of options under the Plan.

14. Registration. Each option under the Plan shall be granted only on the condition that the Company maintain with the Securities and Exchange Commission a registration statement for all Common Stock that can be purchased thereunder. In the event that the Company fails to maintain a registration statement for this Common Stock, the right to purchase this Common Stock through the exercise of options granted under the Plan will be suspended immediately.

15. Stock Appreciation Rights.

(a) *Grant*. The Committee, in its discretion, may grant under the Plan a SAR for any number of shares. Each SAR granted shall specify a time period for exercise of such SAR, which shall not be more than ten (10) years from the date of grant. All SARs, other than an Acquisition SAR, must become exercisable over a period of three years or longer. The Committee may grant to an optionee an alternative SAR for all or any part of the number of shares covered by options. If an alternative SAR is granted, the SAR agreement shall specify the options in respect of which the alternative SAR is granted. Any subsequent exercise of specified options by the holder thereof shall reduce the alternative SAR by the same number of shares as to which the options are exercised. Any exercise of the alternative SAR shall reduce the holder's specified options by the same number of shares as to which the SAR is exercised. An alternative SAR granted to an option holder shall specify a time period for exercise of such SAR, which time period may not extend beyond, but may be less than, the time period during which the corresponding options may be exercised (subject to the three-year minimum provided above). The failure of the holder of the alternative SAR to exercise such SAR within the time period specified shall not reduce the holder's option rights. The Committee may later grant to the holder of an option that is not an Incentive Stock Option an alternative SAR covering all or a portion of such shares, provided, however, that the aggregate amount of all shares covered by an alternative SAR held by an option holder shall at no time exceed the total number of shares covered by such holder's unexercised options.

(b) *Exercise*. A SAR shall be exercised by the delivery to the Company of a written notice which shall state that the individual elects to exercise his or her SAR as to the number of shares specified in the notice and which shall further state what portion, if any, of the SAR award amount (hereinafter defined) the holder thereof requests be paid in cash and what portion, if any, the holder requests be paid in Common Stock of the Company. The Company shall promptly pay to such holder the SAR award amount in such proportion. The SAR award amount is (i) the excess of the price of one share of the Company's Common Stock on the date of exercise over (A) the per share price of the Company's Common Stock on the date the SAR was granted or (B) in the case of an alternative SAR, the per share option price for the option in respect of which the alternative SAR was granted multiplied by (ii) the number of shares as to which the SAR is exercised. For the purposes hereof the price of one share of the Company's Common Stock on the date of exercise and on the date of the grant shall be the closing price of the Company's Common Stock on the New York Stock Exchange Composite Tape on such respective dates provided that the Committee may adopt any other criterion for the determination of such price as it may determine to be appropriate.

(c) *Other Provisions of Plan Applicable*. All provisions of the Plan applicable to options granted hereunder shall apply with equal effect to SARs. Not in limitation of the prior sentence, it is expressly provided that no SAR shall be transferable otherwise than by will or the laws of descent and distribution, and a SAR may be exercised during the lifetime of the holder thereof only by such holder, except as provided in Section 12 for options. Further, and not in limitation of the first sentence of this Section 15(c), in the event of a Change of Control, the SARs shall be treated in the same fashion as options under Section 9, and in the event of termination, death or disability, SARs shall be treated in the same fashion as options under Sections 10 and 11.

16. Adjustments upon Changes in Capitalization or Corporate Acquisitions. Notwithstanding any other provisions of the Plan, options and SARs shall be amended as the Committee shall determine to be appropriate for the adjustment of the number and class of shares subject to each outstanding option or SAR, the option prices and SAR exercise amounts in the event of changes in the outstanding Common Stock by reason of stock dividends, recapitalizations, mergers, consolidations, spin-offs, split-offs, split-ups, combinations or exchanges of shares and the like, and, in the event of any such change in the outstanding Common Stock, the aggregate number and class of shares available under the Plan and the maximum number of shares as to which options and SARs may be granted to any individual shall be appropriately adjusted by the Committee, whose determination shall be conclusive. In the event the Company, a subsidiary or an affiliate, enters into a transaction described in Section 424(a) of the Code with any other corporation, the Committee may grant options or SARs to employees or former employees of such corporation in substitution of options or SARs previously granted to them upon such terms and conditions as shall be necessary to qualify such grant as a substitution described in Section 424(a) of the Code.

17. Amendment and Termination; No Dividend Equivalents; No Repricing.

(a) *Amendment and Termination.* The Board or the Committee may at any time terminate the Plan or make such modifications of the Plan as they shall deem advisable; provided, however, that the Board or the Committee may not, without further approval by the holders of Common Stock, make any modifications which, by applicable law or rule, require such approval. No termination or amendment of the Plan may, without the consent of the optionee to whom any option or SAR shall theretofore have been granted, adversely affect the rights of such optionee under such option or SAR.

(b) No Dividend Equivalents. In no event shall the Plan or any award hereunder provide that dividend equivalents or any similar cash payments be made with respect to any Options or SARs granted under this Plan.

(*c) No Repricing.* Without prior shareholder approval, in no event (other than as provided under Section 16) shall (i) the Plan or any award be amended or adjusted to reduce the exercise price of any outstanding Option or SAR, (ii) outstanding Options or SARS be canceled in exchange for either (x) Options or SARs with a lower exercise price or (y) any other equity or non-equity plan award, or (iii) the Company repurchase any Option or SAR which has an exercise price less than the then current fair market value of the Common Stock.

18. Effectiveness of the Plan. The Plan will become effective upon the approval and adoption by the Board of Directors of the Company on November 2, 2010, subject to approval of the Plan by the stockholders of the Company within twelve (12) months after such date. Options and SARs may be granted before such stockholder approval (but may not be exercisable before such approval), and if such approval is not obtained, this Plan and such options and SARs shall be void and of no force or effect.

19. Time of Granting of Options or SARs. An option or SAR grant under the Plan shall be deemed to be made on the date on which the Committee, by formal action of its members duly recorded in the records thereof, or the CEO, as the case may be, makes an award of an option or SAR to an eligible employee of the Company or one of its subsidiaries or affiliates, provided that such option or SAR is evidenced by a written option or SAR agreement duly executed on behalf of the Company and on behalf of the optionee within a reasonable time after the date of the Committee or CEO action.

20. Term of Plan. The Plan shall terminate ten (10) years after the date on which it was initially approved and adopted by the Board as set forth under Section 18 and no option or SAR shall be granted hereunder after the expiration of such ten-year period. Options or SARs outstanding at the termination of the Plan shall continue in full force and effect and shall not be affected thereby.

21. Code Section 409A. The options and SARs granted under this Plan are intended to be exempt from the requirements of Code Section 409A, and the Plan and all awards hereunder shall be interpreted consistent with this intent.

22. Governing Law. To the extent that Federal law does not otherwise control, the Plan shall be governed by and construed in accordance with the laws of the State of Missouri, without regard to the conflict of laws rules thereof.

23. Incentive Stock Options. The Company shall not be liable to a participant or other person if it is determined for any reason by the Internal Revenue Service, any court having jurisdiction, or any other entity that any options intended to meet the requirements to qualify as Incentive Stock Options are not incentive stock options as defined in Code Section 422.

Exhibit 12

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

	Year Ended September 30,				
	2008	2009	2010	2011	2012
Earnings:					
Earnings from continuing operations before income taxes	$ 3,645	2,450	2,879	3,631	3,115
Fixed charges	351	362	398	370	373
Earnings, as defined	$ 3,996	2,812	3,277	4,001	3,488
Fixed Charges:					
Interest Expense	$ 244	244	280	246	241
One-third of all rents	107	118	118	124	132
Total fixed charges	$ 351	362	398	370	373
Ratio of Earnings to Fixed Charges	11.4X	7.8X	8.2X	10.8X	9.4X

Exhibit 13

FINANCIAL REVIEW

Report of Management

The Company's management is responsible for the integrity and accuracy of the financial statements. Management believes that the financial statements for the three years ended September 30, 2012 have been prepared in conformity with U.S. generally accepted accounting principles appropriate in the circumstances. In preparing the financial statements, management makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed. The Company's disclosure controls and procedures ensure that material information required to be disclosed is recorded, processed, summarized and communicated to management and reported within the required time periods.

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

The Audit Committee of the Board of Directors, which is composed solely of independent directors, is responsible for overseeing the Company's financial reporting process. The Audit Committee meets with management and the Company's internal auditors periodically to review the work of each and to monitor the discharge by each of its responsibilities. The Audit Committee also meets periodically with the independent auditors, who have free access to the Audit Committee and the Board of Directors, to discuss the quality and acceptability of the Company's financial reporting, internal controls, as well as non-audit-related services.

The independent auditors are engaged to express an opinion on the Company's consolidated financial statements and on the Company's internal control over financial reporting. Their opinions are based on procedures that they believe to be sufficient to provide reasonable assurance that the financial statements contain no material errors and that the Company's internal controls are effective.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. With the participation of the Chief Executive Officer and the Chief Financial Officer, management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework and the criteria established in *Internal Control - Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management has concluded that internal control over financial reporting was effective as of September 30, 2012.

The Company's auditor, KPMG LLP, an independent registered public accounting firm, has issued an audit report on the effectiveness of the Company's internal control over financial reporting.

/s/ David N. Farr	/s/ Frank J. Dellaquila
David N. Farr	Frank J. Dellaquila
Chairman of the Board	*Executive Vice President*
and Chief Executive Officer	*and Chief Financial Officer*

Results of Operations

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

		2010	2011	**2012**	Change '10 - '11	**Change '11 - '12**
Net sales	$	21,039	24,222	**24,412**	15%	**1 %**
Gross profit	$	8,326	9,557	**9,768**	15%	**2 %**
Percent of sales		*39.6%*	*39.5%*	***40.0%***		
SG&A	$	4,817	5,328	**5,436**		
Percent of sales		*22.9%*	*22.0%*	***22.3%***		
Goodwill impairment	$	—	19	**592**		
Other deductions, net	$	369	356	**401**		
Interest expense, net	$	261	223	**224**		
Earnings from continuing operations before income taxes	$	2,879	3,631	**3,115**	26%	**(14)%**
Percent of sales		*13.7%*	*15.0%*	***12.8%***		
Earnings from continuing operations common stockholders	$	1,978	2,454	**1,968**	24%	**(20)%**
Net earnings common stockholders	$	2,164	2,480	**1,968**	15%	**(21)%**
Percent of sales		*10.3%*	*10.2%*	***8.1%***		
Diluted EPS – Earnings from continuing operations	$	2.60	3.24	**2.67**	25%	**(18)%**
Diluted EPS – Net earnings	$	2.84	3.27	**2.67**	15%	**(18)%**
Return on common stockholders' equity		23.6%	24.6%	**19.0%**		
Return on total capital		18.9%	19.6%	**15.8%**		

Overview

Emerson delivered another solid year of operational performance in 2012 despite a challenging global macroeconomic environment. The Company's businesses remained focused on execution and managing through uncertain market conditions. Net sales for 2012 increased 1 percent from the prior year to $24.4 billion, led by a second consecutive year of double-digit growth in Process Management. Underlying sales growth of 3 percent reflected a substantial deceleration in global economic activity as the year progressed. Currency translation deducted 2 percent due to the strengthening U.S. dollar. The U.S. grew 2 percent, Asia grew 3 percent and Europe declined 1 percent.

The protracted slowdown in global telecommunications and information technology end markets has resulted in slower growth expectations for the embedded computing and power and DC power businesses, requiring a noncash goodwill impairment charge of $592 million ($528 million after-tax, or $0.72 per share). Net earnings per share of $2.67 includes this charge and compares to $3.27 in the prior year. Excluding the charge and a small impairment in the prior year, net earnings per share was $3.39 versus $3.30.

Operating results for the first half of 2012 were adversely affected by a supply chain disruption related to flooding in Thailand. Sales delayed by the flooding were recovered as the year progressed contributing to strong second-half volume leverage. Process Management reported strong sales and earnings growth on continued strength in global oil and gas, chemicals, and power end markets. Improvement in commercial and residential construction spending aided sales and earnings growth in Commercial & Residential Solutions. Sales in Industrial Automation decreased modestly on mixed results among businesses and unfavorable foreign currency translation. Network Power results showed persistent weakness in telecommunications and information technology markets and deleverage in the embedded computing and power business. Sales and earnings declined for Climate Technologies on weakness in global air conditioning markets.

The Company generated operating cash flow of $3.1 billion and free cash flow (operating cash flow less capital expenditures) of $2.4 billion. Despite the uncertain economic outlook, Emerson is well positioned moving into 2013 given its strong financial position, global footprint in mature and emerging markets, and focus on products and technology.

Net Sales

Net sales for 2012 were $24.4 billion, an increase of $190 million, or 1 percent, from 2011. Consolidated results reflect a 3 percent ($616 million) increase in underlying sales (which exclude acquisitions, divestitures and foreign currency translation), a 2 percent ($411 million) unfavorable impact from foreign currency translation and a negligible ($15 million) negative impact from divestitures, net of acquisitions. Underlying sales reflect volume gains of 2 percent and an estimated 1 percent from price. Underlying sales increased 2 percent in the United States and 3 percent internationally, including Asia (3 percent), Latin America (13 percent), Middle East/Africa (7 percent) and Canada (9 percent), while sales in Europe decreased 1 percent. Segment results were mixed as sales in Process Management and Commercial & Residential Solutions increased $899 million and $40 million, respectively, while sales in Network Power, Climate Technologies and Industrial Automation decreased $412 million, $229 million and $106 million, respectively.

Net sales for 2011 were $24.2 billion, an increase of $3,183 million, or 15 percent from 2010. Sales grew in all segments, led by Industrial Automation, Network Power and Process Management, which were up $1,005 million, $983 million and $978 million, respectively. Consolidated results reflected an 11 percent ($2,216 million) increase
in underlying sales, a 2 percent ($623 million) contribution from acquisitions, and a 2 percent ($344 million) favorable impact from foreign currency translation. Underlying sales reflected volume gains of 10 percent and an estimated 1 percent from higher selling prices as sales increased 13 percent internationally, including Asia (11 percent), Europe (11 percent), Latin America (20 percent), Middle East/Africa (16 percent) and Canada (20 percent). Underlying sales increased 8 percent in the United States.

International Sales

Emerson is a global business for which international sales, including non-U.S. acquisitions, have grown over the years and now represent 59 percent of the Company's total sales. The Company expects this trend to continue long term due to faster economic growth in emerging markets in Asia, Latin America, Eastern Europe and Middle East/Africa.

International destination sales, including U.S. exports, increased 0.5 percent, to $14.4 billion in 2012, reflecting an increase in Process Management, offset by decreases in Network Power, Industrial Automation and Climate Technologies. U.S. exports of $1,579 million were up 4 percent compared with 2011. Underlying destination sales increased 3 percent in Asia (China down 4 percent), 13 percent in Latin America, 7 percent in Middle East/Africa and 9 percent in Canada. Underlying destination sales decreased 1 percent in Europe. Sales by international subsidiaries, including shipments to the United States, totaled $12.8 billion in 2012, flat compared with 2011. Excluding a 3 percent net unfavorable impact from foreign currency translation and acquisitions, international subsidiary sales increased 3 percent compared with 2011.

International destination sales, including U.S. exports, increased approximately 20 percent, to $14.3 billion in 2011, reflecting increases in Network Power, Industrial Automation and Process Management as well as benefits from acquisitions. U.S. exports of $1,520 million were up 15 percent compared with 2010. Underlying destination sales increased 11 percent in Asia, including 12 percent growth in China, 11 percent in Europe, 20 percent in Latin America, 16 percent in Middle East/Africa and 20 percent in Canada. International subsidiary sales, including shipments to the United States, were $12.8 billion in 2011, up 20 percent from 2010. Excluding an 8 percent net favorable impact from acquisitions and foreign currency translation, international subsidiary sales increased 12 percent compared with 2010.

Acquisitions

In 2012, the Company acquired Avtron Loadbank, a designer and manufacturer of high quality load banks and testing systems for power equipment industries in Network Power, and a marine controls business which supplies controls and software solutions for optimal operation of refrigerated sea containers and marine boilers in Climate Technologies. The Company also acquired two smaller businesses during 2012 which were complementary to the existing business portfolio in Process Management and Network Power. Total cash paid for acquisitions in 2012 was approximately $187 million, and annualized sales for these businesses were approximately $115 million. See Note 3 for additional information.

The Company acquired several small businesses during 2011, mainly in the Process Management and Climate Technologies segments, all of which were complementary to the existing business portfolio. Total cash paid for businesses in 2011 was approximately $232 million. Annualized sales for businesses acquired in 2011 were approximately $100 million.

Cost of Sales

Costs of sales for 2012 and 2011 were $14.6 billion and $14.7 billion, respectively, resulting in gross profit and gross margin of $9.8 billion and 40.0 percent, and $9.6 billion and 39.5 percent, respectively. Cost of sales was essentially flat due to savings from cost reduction actions offset by higher wage and other costs, and incremental costs related to the Thailand supply chain disruption. The increase in gross margin primarily reflects leverage on higher volume and selling prices. Additionally, gross profit was negatively impacted by foreign currency translation due to the stronger U.S. dollar.

Costs of sales for 2011 and 2010 were $14.7 billion and $12.7 billion, respectively. Gross profit of $9.6 billion and $8.3 billion, respectively, resulted in gross margins of 39.5 percent and 39.6 percent. The increase in gross profit primarily reflects higher volume and leverage, acquisitions, and savings from cost reduction actions in prior periods. Higher materials costs were only partially offset by price increases, diluting margins. Materials cost pressures persisted throughout 2011.

Selling, General and Administrative Expenses

Selling, general and administrative (SG&A) expenses for 2012 were $5.4 billion, or 22.3 percent of net sales, an increase of $108 million and 0.3 percentage points compared with $5.3 billion and 22.0 percent for 2011. The increase in SG&A as a percent of sales was largely due to the business mix impact from higher Process Management volume and deleverage on lower volume in Network Power, Climate Technologies and Industrial Automation, partially offset by significant cost reduction actions. In addition, SG&A increased on costs associated with incremental volume and a $17 million charge related to the elimination of post-65 supplemental retiree medical benefits for approximately 8,000 active employees, mostly offset by foreign currency translation and lower incentive stock compensation expense of $21 million.

SG&A expenses for 2011 were $5.3 billion, or 22.0 percent of net sales, compared with $4.8 billion, or 22.9 percent of net sales for 2010. The $511 million increase was primarily due to higher sales volume and the impact of acquisitions. The decrease as a percent of sales was due to volume leverage, cost reduction savings and a $96 million decrease in incentive stock compensation expense reflecting changes in the Company's stock price and a reduced impact from incentive stock plans overlap compared to prior year, partially offset by acquisitions and higher wage and other costs.

Goodwill Impairment

In the fourth quarter of 2012, the Company's annual goodwill impairment testing revealed that carrying value exceeded fair value for the embedded computing and power business and the DC power systems business, both of which are in the Network Power segment. The Company anticipates that growth in sales and earnings for these businesses will be slower than previously expected due to protracted weak demand and structural industry challenges in telecommunications and information technology end markets, and increased competition. As a consequence, the carrying value of these businesses was reduced by a noncash, pretax charge to earnings totaling $592 million ($528 million after-tax, or $0.72 per share). Management and the Board of Directors have discussed the unique market and technology challenges facing the embedded computing and power business and will pursue strategic alternatives, including a potential sale of this business with annual revenue of $1.4 billion. In 2011, the Company recorded a $19 million ($0.03 per share) noncash impairment charge related to the Industrial Automation wind turbine pitch control business. See Note 6 for additional information.

Other Deductions, Net

Other deductions, net were $401 million in 2012, a $45 million increase from 2011, primarily due to an unfavorable impact from foreign currency transactions reflecting volatile exchange rates, higher rationalization expense of $38 million and a small loss on the sale of the Knaack storage business. These items were partially offset by higher current year gains, including a $43 million gain on payments received related to dumping duties, and lower amortization expense of $20 million. Gains in 2011 included a $15 million Process Management India joint venture acquisition gain. See Notes 4 and 5 for further details regarding other deductions, net and rationalization costs, respectively.

Other deductions, net were $356 million in 2011, a $13 million decrease from 2010 that primarily reflected a decrease in rationalization expense of $45 million, lower acquisition-related costs and the $15 million India joint venture acquisition gain, partially offset by higher amortization expense of $85 million.

Interest Expense, Net
Interest expense, net was $224 million, $223 million and $261 million in 2012, 2011 and 2010, respectively. The decrease of $38 million in 2011 was primarily due to lower average long-term borrowings.

Income Taxes
Income taxes were $1,091 million, $1,127 million and $848 million for 2012, 2011 and 2010, respectively, resulting in effective tax rates of 35 percent, 31 percent and 29 percent. The higher 2012 effective tax rate includes an unfavorable 4 percentage point impact from the goodwill impairment charge, as only a small portion of the charge was tax deductible. The higher 2011 effective tax rate compared with 2010 primarily reflected a change in the mix of regional pretax income due to stronger earnings growth in the United States, where tax rates are generally higher than internationally, and lower tax benefits versus 2010, including non-U.S. tax holidays and a $30 million capital loss tax benefit from restructuring at a foreign subsidiary.

Earnings from Continuing Operations
Earnings from continuing operations attributable to common stockholders were $2.0 billion in 2012, a 20 percent decrease compared with $2.5 billion in 2011. The decrease was primarily due to the $528 million after-tax goodwill impairment charge in 2012 which reduced earnings 21 percent. Earnings per share from continuing operations were $2.67, an 18 percent decrease versus $3.24 in the prior year. The decrease was primarily due to the $0.72 per share goodwill impairment charge in 2012 which reduced earnings per share 21 percent. Earnings increased $197 million in Process Management, $41 million in Industrial Automation and $21 million in Commercial & Residential Solutions. Earnings decreased $132 million in Network Power and $41 million in Climate Technologies. See the Business Segments discussion that follows and Note 16 for additional information.

Earnings from continuing operations were $2.5 billion in 2011, an increase of 24 percent compared with $2.0 billion in 2010. Earnings per share from continuing operations were $3.24 in 2011, an increase of 25 percent compared with $2.60 for 2010. Earnings improved $309 million in Process Management, $239 million in Industrial Automation, and $18 million in both Commercial & Residential Solutions and Climate Technologies, slightly offset by a $44 million decrease in Network Power.

Discontinued Operations
In the fourth quarter of 2011, the Company sold its heating elements unit for $73 million, resulting in an after-tax gain of $21 million. Fourth quarter 2011 sales and earnings for heating elements were $12 million and $1 million, respectively. The after-tax gain on divestiture and fourth quarter operating results for heating elements, and the impact of finalizing the 2010 Motors and LANDesk divestitures, were classified as discontinued operations for 2011. Prior fiscal 2011 quarters and prior year results of operations for heating elements were inconsequential and were not reclassified.

In the fourth quarter of 2010, the Company sold its appliance motors and U.S. commercial and industrial motors businesses (Motors) for proceeds of $622 million, resulting in an after-tax gain of $155 million ($126 million of income taxes). Motors had total annual sales of $827 million and net earnings, excluding the divestiture gain, of $38 million in 2010. Results of operations for Motors have been reclassified into discontinued operations for 2010 and prior. LANDesk (acquired with Avocent in 2010) was sold in the fourth quarter of 2010 for proceeds of approximately $230 million, resulting in an after-tax gain of $12 million ($10 million of income taxes). LANDesk was classified as discontinued operations throughout 2010.

Income from discontinued operations in 2011 included only the fourth quarter operating results and gain on disposition for heating elements. Income from discontinued operations in 2010 reflected the Motors and LANDesk divestitures and included both operating results for the year and the gains on disposition. See Acquisitions and Divestitures discussion in Note 3 for additional information regarding discontinued operations.

Net Earnings, Return on Equity and Return on Total Capital
Net earnings attributable to common stockholders in 2012 were $2.0 billion, a decrease of 21 percent compared with 2011. Net earnings per share of $2.67 decreased 18 percent. Net earnings and net earnings per share for 2012 were reduced 21 percent primarily due to the $528 million after-tax, $0.72 per share, goodwill impairment charge. Return on common stockholders' equity (net earnings attributable to common stockholders divided by average common stockholders' equity) was 19.0 percent in 2012 compared with 24.6 percent in 2011. Return on total capital was 15.8 percent in 2012 compared with 19.6 percent in 2011, and is computed as net earnings attributable to common stockholders excluding after-tax net interest expense, divided by average common stockholders' equity plus short- and long-term debt less cash and short-term investments. The charge reduced 2012 return on equity 5 percentage points and return on total capital 4 percentage points.

Net earnings were $2.5 billion and net earnings per share were $3.27 for 2011, both increases of 15 percent compared with 2010. Net earnings as a percent of net sales were 10.2 percent in 2011 and 10.3 percent in 2010. Return on common stockholders' equity was 24.6 percent in 2011 compared with 23.6 percent in 2010. Return on total capital was 19.6 percent in 2011 compared with 18.9 percent in 2010.

Business Segments
Following is an analysis of segment results for 2012 compared with 2011, and 2011 compared with 2010.
The Company defines segment earnings as earnings before interest and income taxes. The Commercial & Residential Solutions segment was formerly named Tools and Storage.

Process Management

(dollars in millions)	2010	2011	**2012**	Change '10 - '11	**Change '11 - '12**
Sales	$ 6,022	7,000	**7,899**	16%	**13%**
Earnings	$ 1,093	1,402	**1,599**	28%	**14%**
Margin	18.1%	20.0%	**20.2%**		

2012 vs. 2011 - Process Management sales increased $899 million to $7.9 billion as all businesses reported higher sales. Strong growth in the measurement and flow, valves and regulators, and systems and solutions businesses was driven by solid global oil and gas investment and demand in the chemical and power end markets. The supply chain disruption from Thailand flooding that adversely affected results of several businesses in the first half of the year was resolved and nearly all of the volume was recovered in the second half. Underlying sales increased 15 percent on volume growth while foreign currency translation had a 2 percent ($135 million) unfavorable impact. Geographically, underlying sales increased in all regions, including 18 percent in the United States, 13 percent in Asia, 9 percent in Europe, 28 percent in Latin America, 16 percent in Middle East/Africa and 14 percent in Canada. Earnings increased $197 million, to $1,599 million, on higher volume and leverage. Margin increased slightly as benefits from volume, leverage and cost reduction actions were partially offset by approximately $30 million of incremental costs related to Thailand flooding, a $44 million unfavorable impact from foreign currency transactions, and higher wages and other costs.

2011 vs. 2010 - Process Management sales were $7.0 billion in 2011, an increase of $978 million as all businesses reported higher sales, led by very strong results for the measurement and flow, valves, and systems and solutions businesses as a result of growth in the oil and gas, chemical, power and refining end markets. Underlying sales increased 14 percent on higher volume, which included some market penetration gains, and foreign currency translation had a 2 percent ($120 million) favorable impact. Underlying sales increased in all major geographic regions, including the United States (14 percent), Asia (18 percent), Europe (8 percent), Canada (38 percent), Latin America (15 percent) and Middle East/Africa (7 percent). Earnings increased 28 percent, to $1,402 million, and margin increased approximately 2 percentage points, primarily due to higher sales volume and resulting leverage, savings from prior period cost reductions, $24 million lower rationalization expense, and an $8 million favorable impact from foreign currency transactions compared to prior year, partially offset by increased business development investments, wages and other costs.

Industrial Automation

(dollars in millions)	2010	2011	**2012**	Change '10 - '11	**Change '11 - '12**
Sales	$ 4,289	5,294	**5,188**	23%	**(2)%**
Earnings	$ 591	830	**871**	40%	**5 %**
Margin	13.8%	15.7%	**16.8%**		

2012 vs. 2011 - Industrial Automation sales decreased $106 million to $5.2 billion in 2012, reflecting solid growth in the electrical distribution and ultrasonic welding businesses offset by decreases in the electrical drives, solar and wind power, and power generating alternators and industrial motors businesses. First half softness in hermetic motors due to a global decline in compressor demand also affected results. Underlying sales grew 1 percent, reflecting an estimated 3 percent benefit from price and 2 percent lower volume, while unfavorable foreign currency translation deducted 3 percent ($140 million). Underlying sales increased 3 percent in the United States, 6 percent in Latin America and 4 percent in Canada, while sales decreased 1 percent in Europe. Sales in Asia were flat (China down 3 percent). Earnings of $871 million were up $41 million and margin increased 1.1 percentage points, reflecting a $43 million gain on payments received by the power transmission business related to dumping duties (see Note 4). Operationally, pricing and cost reduction benefits were largely offset by lower volume and resulting deleverage, and higher materials and other costs.

2011 vs. 2010 - Industrial Automation sales increased $1,005 million to $5.3 billion in 2011, reflecting improvement in the capital goods end markets. Sales increased in all businesses led by very strong growth in the power generating alternators, fluid automation, electrical drives and power transmission businesses. Underlying sales increased 21 percent and foreign currency translation had a 2 percent ($92 million) favorable impact. The underlying sales growth reflected approximately 18 percent higher volume and an estimated 3 percent benefit from higher selling prices. Underlying sales increased in all regions, including 19 percent in the United States, 21 percent in both Europe and Asia, 49 percent in Middle East/Africa and 36 percent in Latin America. Earnings increased $239 million, to $830 million, and margin increased approximately 2 percentage points, reflecting higher sales volume and resulting leverage, savings from prior period cost reductions, and lower rationalization costs of $16 million, slightly offset by a $9 million unfavorable impact from foreign currency transactions. Higher materials costs were substantially offset by higher selling prices.

Network Power

(dollars in millions)	2010	2011	**2012**	Change '10 - '11	**Change '11 - '12**
Sales	$ 5,828	6,811	**6,399**	17 %	**(6)%**
Earnings	$ 800	756	**624**	(6)%	**(17)%**
Margin	13.7%	11.1%	**9.7%**		

2012 vs. 2011 - Sales for Network Power were $6.4 billion in 2012, a $412 million decrease reflecting protracted weakness in telecommunications and information technology end markets and product rationalization in the embedded computing and power business. A modest sales decrease in the network power systems business reflects weak demand in Europe and North America uninterruptible power supplies, data center infrastructure management products, and North America telecommunications-related DC power systems. This decrease was partially offset by strong growth in Asia, including the National Broadband Network contract in Australia, and modest growth in Latin America. Total sales decreased 6 percent, reflecting an underlying sales decrease of 5 percent on lower volume and a 1 percent ($83 million) unfavorable impact from foreign currency translation, while the Avtron acquisition had a $27 million favorable impact. Geographically, underlying sales decreased 10 percent in both the United States and Europe and 2 percent in Latin America, while sales increased 2 percent in Asia (down 4 percent in China) and 5 percent in Canada. Earnings of $624 million decreased $132 million and margin decreased 1.4 percentage points primarily due to lower volume and resulting deleverage, particularly in the embedded computing and power business, partially offset by cost reductions and materials cost containment. Segment margin was also affected by higher labor-related costs, unfavorable product mix, higher rationalization expense of $33 million and a

$10 million unfavorable impact from foreign currency transactions. Additionally, Chloride acquisition-related costs were $24 million in 2011.

2011 vs. 2010 - Sales for Network Power increased $983 million to $6.8 billion, on underlying sales growth of 6 percent, a positive contribution from the Chloride and Avocent acquisitions of 10 percent ($598 million) and favorable foreign currency translation of 1 percent ($77 million). Led by strong results in the network power systems business worldwide, underlying sales grew 7 percent on higher volume, less an estimated 1 percent decline in pricing. Growth was strong in the North American uninterruptible power supply and precision cooling business and the embedded computing and power business. Underlying sales increased 6 percent in Asia, 3 percent in the United States, 19 percent in Latin America, 5 percent in Europe and 40 percent in Middle East/Africa. Earnings decreased $44 million to $756 million, and margin decreased 2.6 percentage points. Amortization of intangibles increased $67 million due to the Chloride and Avocent acquisitions, and other Chloride acquisition-related costs negatively impacted earnings $24 million. Margin was also reduced by higher labor-related costs in China, unfavorable product mix, higher materials cost, aggressive competitive pricing in the China telecommunications sector, and investment spending on next-generation data center technologies. Earnings benefited from volume leverage and savings from prior period cost reductions.

Climate Technologies

(dollars in millions)	2010	2011	**2012**	Change '10 - '11	**Change '11 - '12**
Sales	$ 3,801	3,995	**3,766**	5%	**(6)%**
Earnings	$ 691	709	**668**	3%	**(6)%**
Margin	18.2%	17.8%	**17.7%**		

2012 vs. 2011 - Climate Technologies sales decreased $229 million in 2012 to $3.8 billion. Sales decreased in the air conditioning, temperature controls and temperature sensors businesses as global softness in residential markets and overall weakness in Europe adversely affected results. Air conditioning sales decreased in North America, China and Europe, slightly offset by growth in the rest of Asia (excluding China). Refrigeration sales were down significantly in Europe and Asia, partially offset by slight growth in the U.S. Underlying sales decreased 5 percent, including 7 percent lower volume, slightly offset by approximately 2 percent from price. Foreign currency had a 1 percent ($42 million) unfavorable impact and the marine controls acquisition had a negligible contribution ($21 million). Underlying sales decreased 4 percent in the United States, 10 percent in Asia (down 18 percent in China) and 9 percent in Europe, while sales increased 14 percent in Latin America and 3 percent in Canada. Earnings decreased $41 million on lower volume, while the margin was essentially flat as the impact of deleverage was minimized through savings from cost reduction actions and lower warranty costs. Price actions were offset by higher materials and other costs.

2011 vs. 2010 - Climate Technologies reported sales of $4.0 billion for 2011, a $194 million increase that reflected a strong increase in the compressor business, partially offset by share loss in the temperature controls business and a decrease in the temperature sensors business. The North American refrigeration and air conditioning end markets experienced solid growth while results in Asia were strong despite prior year growth that benefited from stimulus programs in China. Sales growth reflected a 3 percent underlying increase, including an estimated 2 percent from higher selling prices and approximately 1 percent from higher volume, a 1 percent ($42 million) favorable impact from foreign currency translation and a 1 percent ($28 million) positive contribution from acquisitions. Underlying sales increased 7 percent internationally, including 7 percent in Asia, 26 percent in Latin America and 3 percent in Europe, while sales were flat in the United States due to the decline in the temperature controls business. Earnings increased 3 percent to $709 million, due to savings from prior period cost reductions and higher sales volume in the compressor business. The margin was diluted by higher materials and other costs, which were partially offset by higher selling prices, and deleverage in the temperature controls business.

Commercial & Residential Solutions

(dollars in millions)	2010	2011	**2012**	Change '10 - '11	**Change '11 - '12**
Sales	$ 1,755	1,837	**1,877**	5%	**2%**
Earnings	$ 357	375	**396**	5%	**6%**
Margin	20.3%	20.4%	**21.1%**		

2012 vs. 2011 - Commercial & Residential Solutions sales increased $40 million to $1.9 billion in 2012, reflecting a 6 percent ($103 million) increase in underlying sales, partially offset by an unfavorable 4 percent ($63 million) combined impact from the 2012 Knaack storage business and 2011 heating elements divestitures. Underlying sales growth reflects 4 percent higher volume and an estimated 2 percent from price. The sales increase was led by strong growth in both the storage and food waste disposers businesses and moderate growth in the professional tools business, partially offset by a slight decrease in the wet/dry vacuums business. Underlying sales increased 4 percent in the United States and 9 percent internationally. Earnings of $396 million were up $21 million compared to the prior year. Higher volume and leverage increased margin 0.7 percentage points as pricing and cost containment actions were partially offset by higher materials, litigation and other costs, and unfavorable product mix. Earnings were also affected by a $7 million unfavorable comparison with prior year from the divested heating elements business.

2011 vs. 2010 - Sales for Commercial & Residential Solutions were $1.8 billion in 2011, an $82 million increase. Sales growth reflected an underlying increase of 5 percent, including approximately 4 percent from higher volume and an estimated 1 percent from higher selling prices, and favorable foreign currency translation of 1 percent ($13 million), partially offset by a negative 1 percent ($21 million) impact from the heating elements unit divestiture. The sales increase was led by very strong growth in the professional tools and commercial storage businesses and modest growth in the food waste disposers business, partially offset by decreases in the consumer-related wet/dry vacuums and residential storage businesses due to continued weak U.S. residential construction markets. Underlying sales increased 5 percent in the United States and 11 percent internationally. Earnings for 2011 were $375 million, an increase of $18 million, reflecting earnings growth in the professional tools business partially offset by lower earnings in the wet/dry vacuums, residential storage and food waste disposers businesses. Margin increased on higher sales volume and resulting leverage in the professional tools business as well as savings from prior period cost reductions, largely offset by higher freight costs and unfavorable product mix. Higher materials costs were substantially offset by price increases.

Financial Position, Capital Resources and Liquidity

The Company continues to generate substantial cash from operations, is in a strong financial position with total assets of $24 billion and common stockholders' equity of $10 billion, and has the resources available to reinvest for growth in existing businesses, pursue strategic acquisitions and manage its capital structure on a short- and long-term basis.

Cash Flow

(dollars in millions)	2010	2011	**2012**
Operating Cash Flow	$ 3,292	3,233	**3,053**
Percent of sales	*15.6%*	*13.3%*	***12.5%***
Capital Expenditures	$ 524	647	**665**
Percent of sales	*2.5%*	*2.7%*	***2.7%***
Free Cash Flow (Operating Cash Flow less Capital Expenditures)	$ 2,768	2,586	**2,388**
Percent of sales	*13.1%*	*10.6%*	***9.8%***
Operating Working Capital	$ 1,402	1,705	**2,132**
Percent of sales	*6.7%*	*7.0%*	***8.7%***

Emerson generated operating cash flow of $3.1 billion in 2012, a 6 percent decrease compared to 2011, primarily reflecting an increase in operating working capital. Operating cash flow of $3.2 billion in 2011 was a 2 percent decrease compared to $3.3 billion in 2010, reflecting an increase in operating working capital partially offset by higher net earnings. At September 30, 2012, operating working capital as a percent of sales was 8.7 percent, compared with 7.0 percent and 6.7 percent in 2011 and 2010, respectively. Operating working capital as a percent of sales increased in 2012 amidst the challenging operating environment due to volatility of served markets and the supply chain disruption. Pension contributions were $163 million, $142 million and $247 million in 2012, 2011 and 2010, respectively. Operating cash flow fully funded capital expenditures, dividends and share repurchases in all years presented and also fully funded acquisitions in 2012 and 2011.

Capital expenditures were $665 million, $647 million and $524 million in 2012, 2011 and 2010, respectively. The increase in capital expenditures in 2011 was primarily due to capacity expansion in the Process Management and Industrial Automation segments. Free cash flow decreased 8 percent to $2.4 billion in 2012, reflecting an increase in operating working capital and slightly higher capital expenditures. Free cash flow was $2.6 billion in 2011, compared with $2.8 billion in 2010, primarily reflecting the higher capital expenditures in 2011. The Company is targeting capital spending of approximately $700 million in 2013. Net cash paid in connection with acquisitions was $187 million, $232 million and $2,843 million in 2012, 2011 and 2010, respectively. Proceeds from divestitures in those years were $125 million, $103 million and $846 million, respectively.

Dividends were $1,171 million ($1.60 per share) in 2012, compared with $1,039 million ($1.38 per share) in 2011 and $1,009 million ($1.34 per share) in 2010. In November 2012, the Board of Directors voted to increase the quarterly cash dividend 3 percent to an annualized rate of $1.64 per share. In 2008, the Board of Directors approved a program for the repurchase of up to 80 million common shares, under which 16.4 million shares, 18.7 million shares and 2.1 million shares were repurchased in 2012, 2011 and 2010, respectively; 14.2 million shares remain available for repurchase under the 2008 authorization. Purchases of Emerson common stock totaled $787 million, $958 million and $100 million in 2012, 2011 and 2010, respectively, at an average per share price of $47.94, $51.31 and $48.15, respectively.

Leverage/Capitalization

(dollars in millions)	2010	2011	**2012**
Total Assets	$ 22,843	23,861	**23,818**
Long-term Debt	$ 4,586	4,324	**3,787**
Common Stockholders' Equity	$ 9,792	10,399	**10,295**
Total Debt-to-Total Capital Ratio	34.1%	33.3%	**34.0%**
Net Debt-to-Net Capital Ratio	26.2%	23.2%	**22.1%**
Operating Cash Flow-to-Debt Ratio	65.0%	62.2%	**57.7%**
Interest Coverage Ratio	11.3X	15.8X	**13.9X**

Total debt, which includes long-term debt, current maturities of long-term debt, commercial paper and other short-term borrowings, was $5.3 billion, $5.2 billion and $5.1 billion for 2012, 2011 and 2010, respectively. During 2012, the Company repaid $250 million of 5.75% notes that matured in November 2011.

The total debt-to-capital ratio and the net (less cash and short-term investments) debt-to-capital ratio were essentially unchanged in 2012. The operating cash flow-to-debt ratio decreased in 2012 on lower operating cash flow and slightly higher debt. The interest coverage ratio is computed as earnings before income taxes plus interest expense, divided by interest expense. The decrease in interest coverage in 2012 compared to 2011 reflects lower earnings, while the increase in 2011 compared to 2010 reflects higher earnings and lower average borrowings. See Notes 8 and 9 for additional information.

The Company maintains a $2.75 billion four-year revolving backup credit facility which expires in December 2014 to support short-term borrowings. There were no borrowings against U.S. lines of credit in the last three years. The credit facility contains no financial covenants and is not subject to termination based on a change in credit ratings or material adverse changes. The Company also maintains a universal shelf registration statement on file with the U.S. Securities and Exchange Commission (SEC) under which it can issue debt securities, preferred stock, common stock, warrants, share purchase contracts and share purchase units without a predetermined limit. Securities can be sold in one or more separate offerings with the size, price and terms to be determined at the time of sale.

Emerson maintains a conservative financial structure which provides the strength and flexibility necessary to achieve its strategic objectives. The Company has been successful in efficiently deploying cash where needed worldwide to fund operations, complete acquisitions and sustain long-term growth. Substantially all of the Company's cash is held outside the U.S., in Europe and Asia, and is available for repatriation to the U.S. Under current tax law, repatriated cash may be subject to U.S. federal income taxes, net of available foreign tax credits. The Company routinely repatriates a portion of its non-U.S. cash from earnings each year, or otherwise when it can be accomplished tax efficiently, and provides for U.S. income taxes as appropriate. The Company has been able to readily meet all its funding requirements and currently believes that sufficient funds will be available to meet the Company's needs in the foreseeable future through operating cash flow, existing resources, short- and long-term debt capacity or backup credit lines.

Contractual Obligations

At September 30, 2012, the Company's contractual obligations, including estimated payments, are as follows:

	Amounts Due By Period				
(dollars in millions)	Total	Less Than 1 Year	1 -3 Years	3 - 5 Years	More Than 5 Years
Long-term Debt (including interest)	$ 6,245	759	1,146	787	3,553
Operating Leases	923	271	332	146	174
Purchase Obligations	1,220	1,057	128	35	—
Total	$ 8,388	2,087	1,606	968	3,727

Purchase obligations consist primarily of inventory purchases made in the normal course of business to meet operational requirements. The above table does not include $2.5 billion of other noncurrent liabilities recorded in the balance sheet and summarized in Note 17, which consist essentially of pension and postretirement plan liabilities and deferred income taxes (including unrecognized tax benefits), because it is not certain when these amounts will become due. See Notes 10 and 11 for estimated future benefit payments and Note 13 for additional information on deferred income taxes.

Financial Instruments

The Company is exposed to market risk related to changes in interest rates, commodity prices and 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 forecast the impact of these movements. Based on a hypothetical 10 percent increase in interest rates, a 10 percent decrease in commodity prices or a 10 percent weakening in the U.S. dollar across all currencies, the potential losses in future earnings, fair value or cash flows are immaterial. Sensitivity analysis 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 and 7 through 9.

Critical Accounting Policies

Preparation of the Company's financial statements requires management to make judgments, assumptions and estimates regarding uncertainties that could affect reported revenue, expenses, assets, liabilities and equity. Note 1 describes the significant accounting policies used in preparation of the consolidated financial statements. The most significant areas where management judgments and estimates impact the primary financial statements 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 nearly all of its revenues through the sale of manufactured products and records the sale when products are shipped or delivered, and title passes to the customer with collection reasonably assured. In certain limited circumstances, revenue is recognized using the percentage-of-completion method as performance occurs, or in accordance with ASC 985-605 related to software. Sales arrangements sometimes involve delivering multiple elements, including services such as installation. In these instances, the revenue assigned to each element is based on vendor-specific objective evidence, third-party evidence or a management estimate of the relative selling price. Revenue is recognized individually for delivered elements only if they have value to the customer on a stand-alone basis and the performance of the undelivered items is probable and substantially in the Company's control, or the undelivered elements are inconsequential or perfunctory and there are no unsatisfied contingencies related to payment. Management believes that all relevant criteria and conditions are considered when recognizing revenue.

Inventories

Inventories are stated at the lower of cost or market. The majority of inventory values are based on standard costs, which approximate average costs, while the remainder are principally valued on a first-in, first-out basis. Cost standards are revised at the beginning of each year. The annual effect of resetting standards plus any operating variances incurred during each period are allocated between inventories and cost of sales. The Company's businesses review inventory for obsolescence, make appropriate provisions and dispose of obsolete inventory on a regular basis. Various factors are considered in these reviews, including sales history and recent trends, industry conditions and general economic conditions.

Long-Lived Assets

Long-lived assets, which include property, plant and equipment, goodwill and identifiable intangible assets are reviewed for impairment whenever events or changes in business circumstances indicate impairment may exist. 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 estimated fair value. Reporting units are also reviewed for possible goodwill impairment at least annually, in the fourth quarter, by comparing the estimated fair value of each unit to its carrying value. Fair value is generally estimated using an income approach based on discounted future cash flows using a discount rate judged by management to be commensurate with the applicable risk. Estimates of future sales, operating results, cash flows and discount rates are subject to changes in the economic environment, including such factors as the general level of market interest rates, expected equity market returns and volatility of markets served, particularly when recessionary economic circumstances continue for an extended period of time. Management believes the estimates of future cash flows and fair values are reasonable; however, changes in estimates due to variance from assumptions could materially affect the evaluations.

At the end of 2012, Emerson's total market value based on its exchange-traded stock price was approximately $35 billion while its common stockholders' equity was $10 billion. In the Network Power segment, certain businesses with goodwill totaling $1.5 billion face challenges amid the global economic uncertainty. The estimated fair values of these businesses exceed their carrying values by approximately 10 percent. The assumptions used in estimating the fair values include continued successful execution of plans to expand the businesses and improve the cost structures, as well as growth in served markets, particularly for European uninterruptible power supplies and precision cooling, North American and European data center infrastructure management, and connectivity solutions.

Retirement Plans
While the Company continues to focus on a prudent long-term investment strategy for its pension-related assets, the calculations of defined benefit plan expense and obligations are dependent on assumptions made, including the expected annual rate of return on plan assets, the discount rate and the rate of annual compensation increases. Management believes that the assumptions used are appropriate, however, actual experience may differ. In accordance with U.S. generally accepted accounting principles, actual results that differ from the assumptions are accumulated as deferred actuarial gains or losses and amortized in future periods. As of September 30, 2012, pension plans were underfunded by a total of $818 million (which includes $353 million of unfunded plans). The Company contributed $163 million to defined benefit plans in 2012 and expects to contribute approximately $150 million in 2013. For 2012 the discount rate for U.S. plans was 4.0 percent and the assumed investment return on plan assets was 7.75 percent, compared with 4.75 percent and 8.0 percent, respectively, in 2011. Deferred actuarial losses, which will be amortized into earnings in future years, were $1,982 million ($1,275 million after-tax) as of September 30, 2012. Defined benefit pension plan expense for 2013 is expected to be approximately $230 million, up from $173 million in 2012. See Notes 10 and 11.

Income Taxes
Income tax expense and tax assets and liabilities reflect management's assessment of taxes paid or expected to be paid (received) on items included in the financial statements. Uncertainty exists regarding tax positions taken in previously filed tax returns still under examination and positions expected to be taken in future returns. Deferred tax assets and liabilities arise because of 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. Deferred income taxes are measured using enacted tax rates in effect for the year in which the temporary differences are expected to be recovered or settled. The impact on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. The Company also pays U.S. federal income taxes, net of available foreign tax credits, on cash repatriated from non-U.S. locations. No provision is made for U.S. income taxes on the undistributed earnings of non-U.S. subsidiaries where these earnings are considered permanently invested or otherwise indefinitely retained for continuing international operations. Determination of the amount of taxes that might be paid on these undistributed earnings if eventually remitted is not practicable. See Notes 1 and 13.

New Accounting Pronouncements
In June 2011, the FASB issued updates to ASC 220, *Comprehensive Income*, eliminating the option to present other comprehensive income in the statement of equity. These updates require an entity to present comprehensive income as part of one continuous financial statement that includes net earnings and other comprehensive income or as a separate financial statement immediately following the statement of earnings. There is no change to the items to be reported in other comprehensive income or when those items should be reclassified into net earnings. These updates are effective for the first quarter of fiscal 2013. Adoption will affect presentation only; there is no expected impact on the Company's financial results.

Consolidated Statements of Earnings
EMERSON ELECTRIC CO. & SUBSIDIARIES

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

	2010	2011	**2012**
Net sales	$ 21,039	24,222	**24,412**
Costs and expenses:			
Cost of sales	12,713	14,665	**14,644**
Selling, general and administrative expenses	4,817	5,328	**5,436**
Goodwill impairment	—	19	**592**
Other deductions, net	369	356	**401**
Interest expense, net of interest income: 2010, $19; 2011, $23; 2012, $17	261	223	**224**
Earnings from continuing operations before income taxes	2,879	3,631	**3,115**
Income taxes	848	1,127	**1,091**
Earnings from continuing operations	2,031	2,504	**2,024**
Discontinued operations, net of tax: 2010, $153; 2011, $30	186	26	**—**
Net earnings	2,217	2,530	**2,024**
Less: Noncontrolling interests in earnings of subsidiaries	53	50	**56**
Net earnings common stockholders	$ 2,164	2,480	**1,968**

	2010	2011	**2012**
Earnings common stockholders:			
Earnings from continuing operations	$ 1,978	2,454	**1,968**
Discontinued operations, net of tax	186	26	**—**
Net earnings common stockholders	$ 2,164	2,480	**1,968**
Basic earnings per share common stockholders:			
Earnings from continuing operations	$ 2.62	3.26	**2.68**
Discontinued operations	0.25	0.03	**—**
Basic earnings per common share	$ 2.87	3.29	**2.68**
Diluted earnings per share common stockholders:			
Earnings from continuing operations	$ 2.60	3.24	**2.67**
Discontinued operations	0.24	0.03	**—**
Diluted earnings per common share	$ 2.84	3.27	**2.67**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets
EMERSON ELECTRIC CO. & SUBSIDIARIES

September 30
(Dollars in millions, except per share amounts)

	2011	**2012**
ASSETS		
Current assets		
Cash and equivalents	$ 2,052	**2,367**
Receivables, less allowances of $104 in 2011 and $109 in 2012	4,502	**4,983**
Inventories:		
Finished products	742	**747**
Raw materials and work in process	1,358	**1,378**
Total inventories	2,100	**2,125**
Other current assets	691	**651**
Total current assets	9,345	**10,126**
Property, plant and equipment		
Land	266	**268**
Buildings	2,010	**2,103**
Machinery and equipment	6,115	**6,193**
Construction in progress	340	**370**
	8,731	**8,934**
Less: Accumulated depreciation	5,294	**5,425**
Property, plant and equipment, net	3,437	**3,509**
Other assets		
Goodwill	8,771	**8,026**
Other intangible assets	1,969	**1,838**
Other	339	**319**
Total other assets	11,079	**10,183**
Total assets	$ 23,861	**23,818**

See accompanying Notes to Consolidated Financial Statements.

	2011	2012
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current maturities of long-term debt	$ 877	**1,506**
Accounts payable	2,677	**2,767**
Accrued expenses	2,772	**2,732**
Income taxes	139	**128**
Total current liabilities	6,465	**7,133**
Long-term debt	4,324	**3,787**
Other liabilities	2,521	**2,456**
Equity		
Preferred stock, $2.50 par value per share; Authorized, 5,400,000 shares; issued, none	—	**—**
Common stock, $0.50 par value per share; Authorized, 1,200,000,000 shares; issued, 953,354,012 shares; outstanding, 738,877,768 shares in 2011 and 724,113,291 shares in 2012	477	**477**
Additional paid-in capital	317	**324**
Retained earnings	17,310	**18,107**
Accumulated other comprehensive income	(562)	**(731)**
	17,542	**18,177**
Less: Cost of common stock in treasury, 214,476,244 shares in 2011 and 229,240,721 shares in 2012	7,143	**7,882**
Common stockholders' equity	10,399	**10,295**
Noncontrolling interests in subsidiaries	152	**147**
Total equity	10,551	**10,442**
Total liabilities and equity	$ 23,861	**23,818**

Consolidated Statements of Equity
EMERSON ELECTRIC CO. & SUBSIDIARIES

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

	2010	2011	**2012**
Common stock	$ 477	477	**477**
Additional paid-in capital			
Beginning balance	157	192	**317**
Stock plans and other	35	125	**7**
Ending balance	192	317	**324**
Retained earnings			
Beginning balance	14,714	15,869	**17,310**
Net earnings common stockholders	2,164	2,480	**1,968**
Cash dividends (per share: 2010, $1.34; 2011, $1.38; 2012, $1.60)	(1,009)	(1,039)	**(1,171)**
Ending balance	15,869	17,310	**18,107**
Accumulated other comprehensive income			
Beginning balance	(496)	(426)	**(562)**
Foreign currency translation	55	22	**(205)**
Pension and postretirement, net of tax: 2010, $(6); 2011, $47; 2012, $19	(12)	(56)	**(49)**
Cash flow hedges and other, net of tax: 2010, $(16); 2011, $60; 2012, $(50)	27	(102)	**85**
Ending balance	(426)	(562)	**(731)**
Treasury stock			
Beginning balance	(6,297)	(6,320)	**(7,143)**
Purchases	(100)	(958)	**(787)**
Issued under stock plans and other	77	135	**48**
Ending balance	(6,320)	(7,143)	**(7,882)**
Common stockholders' equity	9,792	10,399	**10,295**
Noncontrolling interests in subsidiaries			
Beginning balance	151	160	**152**
Net earnings	53	50	**56**
Other comprehensive income	—	4	**(1)**
Cash dividends	(57)	(61)	**(56)**
Other	13	(1)	**(4)**
Ending balance	160	152	**147**
Total equity	$ 9,952	10,551	**10,442**
Comprehensive income			
Net earnings	$ 2,217	2,530	**2,024**
Foreign currency translation	55	26	**(206)**
Pension and postretirement	(12)	(56)	**(49)**
Cash flow hedges and other	27	(102)	**85**
Total comprehensive income	2,287	2,398	**1,854**
Less: Noncontrolling interests in subsidiaries	53	54	**55**
Comprehensive income common stockholders	$ 2,234	2,344	**1,799**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows
EMERSON ELECTRIC CO. & SUBSIDIARIES

Years ended September 30
(Dollars in millions)

	2010	2011	**2012**
Operating activities			
Net earnings	$ 2,217	2,530	**2,024**
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	816	867	**823**
Changes in operating working capital	309	(301)	**(340)**
Pension funding	(247)	(142)	**(163)**
Goodwill impairment, net of tax	—	19	**528**
Other	197	260	**181**
Net cash provided by operating activities	3,292	3,233	**3,053**
Investing activities			
Capital expenditures	(524)	(647)	**(665)**
Purchases of businesses, net of cash and equivalents acquired	(2,843)	(232)	**(187)**
Divestitures of businesses	846	103	**125**
Other	4	(72)	**(79)**
Net cash used in investing activities	(2,517)	(848)	**(806)**
Financing activities			
Net increase in short-term borrowings	398	185	**348**
Proceeds from long-term debt	598	1	**4**
Principal payments on long-term debt	(680)	(57)	**(262)**
Dividends paid	(1,009)	(1,039)	**(1,171)**
Purchases of treasury stock	(100)	(935)	**(797)**
Other	67	(42)	**(21)**
Net cash used in financing activities	(726)	(1,887)	**(1,899)**
Effect of exchange rate changes on cash and equivalents	(17)	(38)	**(33)**
Increase in cash and equivalents	32	460	**315**
Beginning cash and equivalents	1,560	1,592	**2,052**
Ending cash and equivalents	$ 1,592	2,052	**2,367**
Changes in operating working capital			
Receivables	$ (341)	(475)	**(536)**
Inventories	(160)	12	**(49)**
Other current assets	(69)	41	**19**
Accounts payable	498	194	**143**
Accrued expenses	298	(54)	**91**
Income taxes	83	(19)	**(8)**
Total changes in operating working capital	$ 309	(301)	**(340)**

See accompanying Notes to Consolidated Financial Statements.

Years ended September 30
(Dollars in millions, except per share amounts or where noted)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

Financial Statement Presentation

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from these estimates. Certain operating results have been classified as discontinued operations. See Note 3.

In the fourth quarter of 2012, the Company adopted updates to ASC 715, *Compensation - Retirement Benefits*, which require certain disclosures for entities participating in multiemployer benefit plans. The updates did not change current measurement and recognition guidance for multiemployer plan expense, and adoption had no impact on the Company's results of operations. See Note 10.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled affiliates. Intercompany transactions, profits and balances are eliminated in consolidation. Investments of 20 percent to 50 percent of the voting shares of other entities are accounted for by the equity method. Investments in publicly-traded companies of less than 20 percent are carried at fair value, with changes in fair value reflected in accumulated other comprehensive income. Investments in nonpublicly traded companies of less than 20 percent are carried at cost.

Foreign Currency Translation

The functional currency for most of the Company's non-U.S. subsidiaries is the local currency. Adjustments resulting from translating local currency financial statements into U.S. dollars 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 is valued based on standard costs that approximate average costs, while the remainder is principally valued on a first-in, first-out basis. Cost standards are revised at the beginning of each fiscal year. The annual effect of resetting standards plus any operating variances incurred during each period are allocated between inventories and cost of sales.

Fair Value Measurements

ASC 820, *Fair Value Measurement*, established a formal hierarchy and framework for measuring certain financial statement items at fair value, and expanded disclosures about fair value measurements and the reliability of valuation inputs. Under ASC 820, measurement assumes the transaction to sell an asset or transfer a liability occurs in the principal or at least the most advantageous market for that asset or liability. Within the hierarchy, Level 1 instruments use observable market prices for the identical item in active markets and have the most reliable valuations. Level 2 instruments are valued through broker/dealer quotation or through market-observable inputs for similar items in active markets, including forward and spot prices, interest rates and volatilities. Level 3 instruments are valued using inputs not observable in an active market, such as company-developed future cash flow estimates, and are considered the least reliable. Valuations for all of Emerson's financial instruments fall within Level 2. The Company's long-term debt is Level 2, with the fair value estimated using current interest rates and pricing from financial institutions and other market sources for debt with similar maturities and characteristics. In the second quarter of 2012, Emerson adopted updates to ASC 820 which established common fair value measurement and disclosure requirements for U.S. GAAP and International Financial Reporting Standards. Adoption had an inconsequential impact on the Company's financial statements.

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, which for principal assets are 30 to 40 years for buildings and 8 to 12 years for machinery and equipment. Long-lived tangible assets are reviewed for impairment whenever events or changes in business circumstances indicate the carrying value of the assets may not be recoverable. Impairment losses are recognized based on estimated fair values if the sum of expected future undiscounted cash flows of the related assets is less than their carrying values.

Goodwill and Other Intangible Assets
Assets and liabilities acquired in business combinations are accounted for using the acquisition method and recorded at their respective fair values. Substantially all goodwill is assigned to the reporting unit that acquires a business. A reporting unit is an operating segment as defined in ASC 280, *Segment Reporting*, or a business one level below an operating segment if discrete financial information for that business unit is prepared and regularly reviewed by the segment manager. The Company conducts impairment tests of goodwill on an annual basis in the fourth quarter and between annual tests if events or circumstances indicate the fair value of a reporting unit may be less than its carrying value. If a reporting unit's carrying amount exceeds its estimated fair value, goodwill impairment is recognized to the extent that recorded goodwill exceeds the implied fair value of that goodwill. Estimated fair values of reporting units are Level 3 measures and are developed primarily under an income approach that discounts estimated future cash flows using risk-adjusted interest rates. In 2012, the Company adopted updates to ASC 350, *Intangibles - Goodwill and Other*, that allow in certain cases for an initial qualitative assessment of whether fair value exceeds carrying value for goodwill impairment testing.

All of the Company's identifiable intangible assets are subject to amortization. Identifiable intangibles consist of intellectual property such as patents and trademarks, customer relationships and capitalized software, and are amortized on a straight-line basis over their estimated useful lives. These intangibles are also subject to evaluation for potential impairment if events or circumstances indicate the carrying amount may not be recoverable. See Note 6.

Product Warranty
Warranties vary by product line and are competitive for the markets in which the Company operates. Warranties generally extend for a period of one to two years from the date of sale or installation. Provisions for warranty are determined primarily 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 or delivered, and title passes to the customer with collection reasonably assured. In certain limited circumstances, revenue is recognized using the percentage-of-completion method as performance occurs, or in accordance with ASC 985-605 related to software. Management believes that all relevant criteria and conditions are considered when recognizing revenue.

Sales arrangements sometimes involve delivering multiple elements, including services such as installation. In these instances, the revenue assigned to each element is based on vendor-specific objective evidence, third-party evidence or a management estimate of the relative selling price. Revenue is recognized individually for delivered elements only if they have value to the customer on a stand-alone basis and the performance of the undelivered items is probable and substantially in the Company's control, or the undelivered elements are inconsequential or perfunctory and there are no unsatisfied contingencies related to payment. Approximately ten percent of the Company's revenues arise from qualifying sales arrangements that include the delivery of multiple elements, principally in the Network Power and Process Management segments. The vast majority of these deliverables are tangible products, with a small portion attributable to installation, service and maintenance. Selling prices are primarily determined using vendor-specific objective evidence. Generally, contract duration is short-term and cancellation, termination or refund provisions apply only in the event of contract breach and have historically not been invoked. The use of management estimated selling prices to allocate consideration in multiple deliverables arrangements became effective for the Company October 1, 2010. The impact of this change was inconsequential.

Derivatives and Hedging
In the normal course of business, the Company is exposed to changes in interest rates, foreign currency exchange rates and commodity prices due to its worldwide presence and diverse business profile. Emerson's foreign currency exposures primarily relate to transactions denominated in euros, Mexican pesos, Canadian dollars and Chinese renminbi. Primary commodity exposures are price fluctuations on forecasted purchases of copper and aluminum and related products. As part of the Company's risk management strategy, derivative instruments are selectively used in an effort to minimize the impact of these exposures. Foreign exchange forwards and options are utilized to hedge foreign currency exposures impacting sales or cost of sales transactions, firm commitments and the fair value of assets and liabilities, while swap and option contracts are used to minimize the effect of commodity price fluctuations on the cost of sales. All derivatives are associated with specific underlying exposures and the Company does not hold derivatives for trading or speculative purposes. The duration of hedge positions is generally two years or less and amounts currently hedged beyond 18 months are not significant.

All derivatives are accounted for under ASC 815, *Derivatives and Hedging*, and recognized at fair value. For derivatives hedging variability in future cash flows, the effective portion of any gain or loss is deferred in stockholders' equity and recognized in earnings when the underlying hedged transaction impacts earnings. The majority of the Company's derivatives that are designated as hedges and qualify for deferral accounting are cash flow hedges. For derivatives hedging the fair value of existing assets or liabilities, both the gain or loss on the derivative and the offsetting loss or gain on the hedged item are recognized in earnings each period. Currency fluctuations on non-U.S. dollar obligations that have been designated as hedges of non-U.S. dollar net asset exposures are reported in equity. To the extent that any hedge is not fully effective at offsetting cash flow or fair value changes in the underlying hedged item, there could be a net earnings impact. The Company also uses derivatives to hedge economic exposures that do not receive deferral accounting under ASC 815. The underlying exposures for these hedges relate primarily to purchases of commodity-based components used in the Company's manufacturing processes, and the revaluation of certain foreign-currency-denominated assets and liabilities. Gains or losses from the ineffective portion of any hedge, as well as any gains or losses on derivative instruments not designated as hedges, are recognized in the income statement immediately.

The Company has bilateral collateral arrangements with derivatives counterparties for which credit rating-based posting thresholds vary depending on the arrangement. If credit ratings on the Company's debt fall below preestablished levels, counterparties can require immediate full collateralization on all instruments in net liability positions. Similarly, Emerson can demand full collateralization should any of the Company's counterparties' credit ratings fall below certain thresholds. Counterparties to derivative arrangements are companies with high credit ratings. Risk from credit loss when derivatives are in asset positions is considered immaterial. The Company has master netting arrangements in place with its counterparties that allow the offsetting of certain derivative-related amounts receivable and payable when settlement occurs in the same period. Accordingly, counterparty balances are netted in the consolidated balance sheet. Net values of contracts are reported in other current assets or accrued expenses as appropriate depending on positions with counterparties as of the balance sheet date. See Note 7.

Income Taxes
The provision for income taxes is based on pretax income reported in the consolidated statements of earnings and tax rates currently enacted in each jurisdiction. Certain income and expense items are recognized in different time periods for financial reporting and income tax filing purposes, and deferred income taxes are provided for the effect of temporary differences. The Company also provides for U.S. federal income taxes, net of available foreign tax credits, on earnings intended to be repatriated from non-U.S. locations. No provision has been made for U.S. income taxes on approximately $6.3 billion of undistributed earnings of non-U.S. subsidiaries as of September 30, 2012, as these earnings are considered permanently invested or otherwise indefinitely retained for continuing international operations. Recognition of U.S. taxes on undistributed non-U.S. earnings would be triggered by a management decision to repatriate those earnings, although there is no current intention to do so. Determination of the amount of taxes that might be paid on these undistributed earnings if eventually remitted is not practicable. See Note 13.

Comprehensive Income
Comprehensive income is primarily composed of net earnings plus changes in foreign currency translation, pension and postretirement adjustments, and the effective portion of changes in the fair value of cash flow hedges. Accumulated other comprehensive income, net of tax (a component of equity), consists of foreign currency translation credits of $466 and $671, deferred pension and postretirement charges of $1,213 and $1,164 and cash flow hedges and other credits of $16 and charges of $69, respectively, at September 30, 2012 and 2011. Accumulated other comprehensive income attributable to noncontrolling interests in subsidiaries consists primarily of earnings, plus foreign currency translation.

(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 and incentive shares. Options to purchase approximately 7.7 million, 4.6 million and 3.9 million shares of common stock were excluded from the computation of diluted earnings per share in 2012, 2011 and 2010, respectively, as the effect would have been antidilutive. Earnings allocated to participating securities were inconsequential for all years presented. Reconciliations of weighted average shares for basic and diluted earnings per common share follow:

(shares in millions)	2010	2011	**2012**
Basic shares outstanding	750.7	748.5	**730.6**
Dilutive shares	6.3	5.0	**4.0**
Diluted shares outstanding	757.0	753.5	**734.6**

(3) ACQUISITIONS AND DIVESTITURES

The Company acquired one-hundred percent of Avtron Loadbank and a marine controls business during the second quarter of 2012. Avtron is a designer and manufacturer of high quality load banks and testing systems for power equipment industries and is included in the Network Power segment. The marine controls business supplies controls and software solutions for optimal operation of refrigerated sea containers and marine boilers and is included in the Climate Technologies segment. In addition to Avtron and the marine controls business, the Company acquired two smaller businesses during 2012 in the Process Management and Network Power segments. These small acquisitions were complementary to the existing business portfolio and none was individually significant. Total cash paid for all businesses was approximately $187, net of cash acquired of $5. Annualized sales for businesses acquired in 2012 were approximately $115. Goodwill of $94 ($36 of which is expected to be tax deductible) and identifiable intangible assets of $82, primarily customer relationships and patents and technology with a weighted-average life of approximately 9 years, were recognized from these transactions.

In the fourth quarter of 2012, the Company sold its Knaack business unit for $114, resulting in an after-tax loss of $5 ($3 income tax benefit). Knaack had 2012 sales of $95 and net earnings of $7. Knaack, a leading provider of premium secure storage solutions for job sites and work vehicles, was previously reported in the Commercial & Residential Solutions business segment.

The Company acquired several small businesses during 2011 which were complementary to the existing business portfolio and reported mainly in the Process Management and Climate Technologies segments. Total cash paid for all businesses was approximately $232, net of cash acquired of $2. Annualized sales for businesses acquired in 2011 were approximately $100. Goodwill of $125 (none of which is expected to be tax deductible) and identifiable intangible assets of $75, primarily customer relationships and patents and technology with a weighted-average life of approximately 12 years, were recognized from these transactions.

In the fourth quarter of 2011, the Company sold its heating elements unit, which was previously included in the Commercial & Residential Solutions segment, for $73, resulting in an after-tax gain of $21 (net of $30 of income taxes). Heating elements had 2011 fourth quarter sales of $12 and net earnings of $1. Only the gain on divestiture and fourth quarter operating results for heating elements, plus the impact of finalizing the 2010 Motors and LANDesk divestitures (see below), were classified as discontinued operations for 2011; prior fiscal 2011 quarters and prior year results of operations for heating elements were inconsequential and have not been reclassified.

The Company acquired one-hundred percent of Chloride Group PLC during the fourth quarter of 2010 and Avocent Corporation during the first quarter of 2010. Chloride provides commercial and industrial uninterruptible power supply systems and services. Avocent products enhance companies' integrated data center management capabilities. Both of these businesses are included in the Network Power segment.

The purchase price of Avocent and Chloride was allocated to assets and liabilities as follows:

	2010
Accounts receivable	$ 197
Inventory	155
Property, plant & equipment and other assets	148
Intangibles	1,071
Goodwill	1,509
Assets held for sale, including deferred taxes	278
Total assets	3,358
Accounts payable and accrued expenses	183
Debt assumed	165
Deferred taxes and other liabilities	395
Cash paid, net of cash acquired	$ 2,615

Results of operations for 2010 included combined sales of $373 and a combined net loss of $73 from Avocent and Chloride, including intangible asset amortization, interest, first year acquisition accounting charges and deal costs. Pro forma sales and net earnings common stockholders of the Company including full year results of operations for Avocent and Chloride were approximately $21.6 billion and $2.1 billion in 2010, respectively. These pro forma results include intangible asset amortization and interest cost.

In addition to Chloride and Avocent, the Company acquired several smaller businesses during 2010 reported mainly in the Process Management and Industrial Automation segments. Total cash paid for all businesses acquired was approximately $2,843, net of cash acquired of $150. Additionally, the Company assumed debt of $169. Annualized sales for businesses acquired in 2010 were approximately $1.1 billion. Identifiable intangible assets of $1,166, primarily customer relationships and intellectual property with a weighted-average life of approximately 10 years, were recognized along with goodwill of $1,633, of which only a small amount is tax deductible.

In the fourth quarter of 2010, the Company sold the LANDesk business unit, which was acquired as part of Avocent and was not a strategic fit with Emerson, for $230, resulting in an after-tax gain of $12 ($10 of income taxes). Additionally, LANDesk incurred operating losses of $19. This business was classified as discontinued operations throughout 2010. Also in the fourth quarter of 2010, the Company sold its appliance motors and U.S. commercial and industrial motors businesses (Motors) which had slower growth profiles and were formerly reported in the Commercial & Residential Solutions segment. Proceeds from the sale were $622 resulting in an after-tax gain of $155 ($126 of income taxes). The Motors disposition included working capital of $98, property, plant and equipment of $152, goodwill of $44, and other of $47. The Motors businesses had total annual sales of $827 and net earnings (excluding the divestiture gain) of $38 in 2010. Results of operations for Motors have been reclassified into discontinued operations for 2010 and earlier periods.

The results of operations of the businesses discussed above have been included in the Company's consolidated results of operations since the respective dates of acquisition.

(4) OTHER DEDUCTIONS, NET

Other deductions, net are summarized as follows:

	2010	2011	**2012**
Amortization of intangibles (intellectual property and customer relationships)	$ 176	261	**241**
Rationalization of operations	126	81	**119**
Other	71	38	**91**
Gains, net	(4)	(24)	**(50)**
Total	$ 369	356	**401**

Other is composed of several items that are individually immaterial, including foreign currency transaction gains and losses, bad debt expense, equity investment income and losses, as well as one-time items such as litigation and disputed matters and insurance recoveries. Other increased in 2012 primarily because of higher foreign currency transaction losses and the loss on the sale of Knaack. Other decreased in 2011 primarily because of lower acquisition-related costs. Gains, net for 2012 reflect $43 for payments received related to dumping duties collected by U.S. Customs for 2006 through 2010, but not distributed to affected domestic producers pending resolution of certain legal challenges to the U.S. Continued Dumping and Subsidy Offset Act. Gains, net for 2011 included $15 related to the acquisition of full ownership of a Process Management joint venture in India.

(5) RATIONALIZATION OF OPERATIONS

Rationalization of operations expense reflects costs associated with the Company's efforts to continually improve operational efficiency and deploy assets globally to remain competitive on a worldwide basis. Each year the Company incurs costs to size its businesses to levels appropriate for current economic conditions and to improve its cost structure for future growth. Rationalization expenses result from numerous individual actions implemented across the Company's various operating units on an ongoing basis and include costs for moving facilities to best-cost locations, starting up plants after relocation or geographic expansion to serve local markets, exiting certain product lines, curtailing/downsizing operations because of changing economic conditions and other costs resulting from asset redeployment decisions. Shutdown costs include severance, benefits, stay bonuses, lease and contract terminations and asset write-downs. In addition to the costs of moving fixed assets, start-up and moving costs include employee training and relocation. Vacant facility costs include security, maintenance, utilities and other costs.

The Company reported rationalization expenses of $119, $81 and $126, respectively, for 2012, 2011 and 2010. The Company currently expects to incur rationalization expense in 2013 in the range of approximately $70 to $80, including the costs to complete actions initiated before the end of 2012 and actions anticipated to be approved and initiated during 2013.

The change in the liability for the rationalization of operations during the years ended September 30 follows:

	2011	**Expense**	**Paid/Utilized**	**2012**
Severance and benefits	$ 24	**58**	**59**	**23**
Lease and other contract terminations	3	**10**	**8**	**5**
Fixed asset write-downs	—	**9**	**9**	**—**
Vacant facility and other shutdown costs	2	**12**	**11**	**3**
Start-up and moving costs	1	**30**	**30**	**1**
Total	$ 30	**119**	**117**	**32**

	2010	Expense	Paid/Utilized	2011
Severance and benefits	$ 57	17	50	24
Lease and other contract terminations	8	3	8	3
Fixed asset write-downs	—	12	12	—
Vacant facility and other shutdown costs	4	11	13	2
Start-up and moving costs	—	38	37	1
Total	$ 69	81	120	30

Rationalization of operations expense by segment is summarized as follows:

	2010	2011	**2012**
Process Management	$ 35	11	**19**
Industrial Automation	48	32	**27**
Network Power	25	20	**53**
Climate Technologies	13	11	**11**
Commercial & Residential Solutions	5	7	**9**
Total	$ 126	81	**119**

Costs incurred during 2012, 2011 and 2010 included actions to exit approximately 20 to 25 production, distribution or office facilities each year and eliminate approximately 2,700, 2,800 and 3,500 positions, respectively, as well as costs related to facilities exited in previous periods. Severance and benefits costs were concentrated in Network Power for Asia, Europe and North America and Industrial Automation for Europe and North America in 2012, were not significant for any single segment in 2011, and were primarily incurred in Process Management and Industrial Automation for Europe and North America in 2010. Start-up and moving costs to redeploy assets to best cost locations and expand geographically to directly serve local markets were incurred in all segments in 2012, with the majority in Process Management in Europe and Commercial & Residential Solutions in North America. In 2011, these costs were substantially incurred in Industrial Automation, including most of the fixed-asset write downs, and in Network Power, and were not material for any segment in 2010. The Company also incurred shutdown costs, including vacant facility, lease termination, and other costs as a result of the consolidation or geographic relocation of facilities. In 2012, these costs were incurred primarily in Asia and Europe for Network Power, Europe for Industrial Automation and North America for Climate Technologies, and in North America and Europe for essentially all segments in 2011 and 2010.

(6) GOODWILL AND OTHER INTANGIBLES

Purchases of businesses are accounted for under the acquisition method, with substantially all goodwill assigned to the reporting unit that acquires the business. Under an impairment test performed annually, if the carrying amount of a reporting unit's goodwill exceeds its estimated fair value, impairment is recognized to the extent that the carrying amount exceeds the implied fair value of the goodwill. Fair values of reporting units are Level 3 measures, estimated primarily with an income approach that discounts future cash flows using risk-adjusted interest rates, and are subject to change due to changes in underlying economic conditions. See Note 3 for further discussion of changes in goodwill related to acquisitions and divestitures.

In prior periods, the Company discussed certain businesses for which the estimated fair value did not significantly exceed carrying value. Assumptions used in estimating fair value included successful execution of business plans and recovery in served markets. In the fourth quarter of 2012, the Company's annual goodwill impairment testing revealed that carrying value exceeded fair value for the embedded computing and power business and the DC power systems business, both in the Network Power segment. These businesses have been unable to meet their operating objectives and the Company anticipates that growth in sales and earnings for these businesses will be slower than previously expected, reflecting protracted weak demand and structural industry challenges in telecommunications and information technology end markets, and increased competition. As a consequence, the carrying value of these businesses was reduced by a noncash, pretax charge to earnings totaling $592 ($528 after-tax, or $0.72 per share). Management and the Board of Directors have discussed the unique market and technology challenges facing the embedded computing and power business and will pursue strategic alternatives, including a potential sale of this business with annual revenue of $1.4 billion. In 2011, the Company recorded a $19 ($0.03 per share) noncash, pretax impairment charge related to the Industrial Automation wind turbine pitch control business, reflecting a slowdown in investment for alternative energy.

The change in the carrying value of goodwill by business segment follows:

	Process Management	Industrial Automation	Network Power	Climate Technologies	Commercial & Residential Solutions	Total
Balance, Sept 30, 2010	$ 2,274	1,379	3,997	464	542	8,656
Acquisitions	110			15		125
Divestitures		(1)	(8)		(6)	(15)
Impairment		(19)				(19)
Foreign currency translation and other	(16)	34	1	4	1	24
Balance, Sept 30, 2011	$ 2,368	1,393	3,990	483	537	8,771
Acquisitions	**5**		**62**	**27**		**94**
Divestitures					**(102)**	**(102)**
Impairment			**(592)**			**(592)**
Foreign currency translation and other	**6**	**(55)**	**(93)**	**(9)**	**6**	**(145)**
Balance, Sept 30, 2012	**$ 2,379**	**1,338**	**3,367**	**501**	**441**	**8,026**

The gross carrying amount and accumulated amortization of identifiable intangible assets by major class follow:

	Customer Relationships		Intellectual Property		Capitalized Software		Total	
	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**
Gross carrying amount	$ 1,499	**1,537**	1,110	**1,125**	971	**1,046**	3,580	**3,708**
Less: Accumulated amortization	330	**459**	518	**606**	763	**805**	1,611	**1,870**
Net carrying amount	$ 1,169	**1,078**	592	**519**	208	**241**	1,969	**1,838**

Total intangible asset amortization expense for 2012, 2011 and 2010 was $318, $345 and $254, respectively. Based on intangible asset balances as of September 30, 2012, amortization expense is expected to approximate $308 in 2013, $274 in 2014, $244 in 2015, $197 in 2016 and $175 in 2017.

(7) FINANCIAL INSTRUMENTS

Hedging Activities
As of September 30, 2012, the notional amount of foreign currency hedge positions was approximately $2.1 billion, while commodity hedge contracts totaled approximately 66 million pounds of copper and aluminum. All derivatives receiving deferral accounting are cash flow hedges. The majority of hedging gains and losses deferred as of September 30, 2012 are expected to be recognized over the next 12 months as the underlying forecasted transactions occur. Gains and losses on foreign currency derivatives reported in other deductions, net reflect hedges of balance sheet exposures that do not receive deferral accounting. Amounts included in earnings and Other Comprehensive Income follow:

		Gain (Loss) to Earnings			Gain (Loss) to OCI		
		2010	2011	**2012**	2010	2011	**2012**
	Location						
Foreign currency	Sales	$ (5)	11	**3**	11	2	**16**
Foreign currency	Cost of sales	6	22	**5**	30	(16)	**42**
Commodity	Cost of sales	42	52	**(42)**	44	(58)	**43**
Foreign currency	Other deductions, net	117	9	**45**			
Total		$ 160	94	**11**	85	(72)	**101**

Regardless of whether derivatives receive deferral accounting, the Company expects hedging gains or losses to be essentially offset by losses or gains on the related underlying exposures. The amounts ultimately recognized will differ from those presented above for open positions, which remain subject to ongoing market price fluctuations until settlement. Derivatives receiving deferral accounting are highly effective and no amounts were excluded from the assessment of hedge effectiveness. Hedge ineffectiveness was immaterial in 2012, 2011 and 2010.

Fair Value Measurements
As of September 30, 2012, the fair value of commodity contracts and foreign currency contracts was reported in other current assets. There was no collateral posted with, and no collateral held from, counterparties as of September 30, 2012. The maximum collateral that could have been required was $2. The estimated fair value of long-term debt was $5,088 and $5,276, respectively, as of September 30, 2012 and 2011, which exceeded the carrying value by $741 and $673, respectively. Valuations of derivative contract positions as of September 30 follow:

	2011		**2012**	
	Assets	Liabilities	Assets	Liabilities
Foreign Currency	$ 17	48	**31**	**8**
Commodity	$ —	83	**9**	**7**

(8) SHORT-TERM BORROWINGS AND LINES OF CREDIT

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

	2011	**2012**
Current maturities of long-term debt	$ 279	**560**
Commercial paper	588	**936**
Payable to banks	10	**10**
Total	$ 877	**1,506**
Weighted-average short-term borrowing interest rate at year end	0.1%	**0.2%**

The Company periodically issues commercial paper as a source of short-term financing. To support short-term borrowing, the Company maintains, but has not drawn on, a $2.75 billion four-year revolving backup credit facility which expires in December 2014. The credit facility contains no financial covenants and is not subject to termination based on a change in credit ratings or material adverse changes. There were no borrowings against U.S. lines of credit in the last three years.

(9) LONG-TERM DEBT

Long-term debt is summarized as follows:

	2011	**2012**
5.75% notes due November 2011	$ 250	**—**
4.625% notes due October 2012	250	**250**
4.5% notes due May 2013	250	**250**
5.625% notes due November 2013	250	**250**
5.0% notes due December 2014	250	**250**
4.125% notes due April 2015	250	**250**
4.75% notes due October 2015	250	**250**
5.125% notes due December 2016	250	**250**
5.375% notes due October 2017	250	**250**
5.25% notes due October 2018	400	**400**
5.0% notes due April 2019	250	**250**
4.875% notes due October 2019	500	**500**
4.25% notes due November 2020	300	**300**
6.0% notes due August 2032	250	**250**
6.125% notes due April 2039	250	**250**
5.25% notes due November 2039	300	**300**
Other	103	**97**
Long-term debt	4,603	**4,347**
Less: current maturities	279	**560**
Total, net	$ 4,324	**3,787**

Long-term debt maturing during each of the four years after 2013 is $268, $520, $250 and $250, respectively. Total interest paid related to short-term borrowings and long-term debt was approximately $234, $239 and $264 in 2012, 2011 and 2010, respectively.

The Company maintains a universal shelf registration statement on file with the SEC under which it could issue debt securities, preferred stock, common stock, warrants, share purchase contracts and share purchase units without a predetermined limit. Securities can be sold in one or more separate offerings with the size, price and terms to be determined at the time of sale.

(10) RETIREMENT PLANS

Retirement plans expense includes the following components:

	U.S. Plans			Non-U.S. Plans		
	2010	2011	**2012**	2010	2011	**2012**
Defined benefit plans:						
Service cost (benefits earned during the period)	$ 51	52	**55**	24	30	**27**
Interest cost	175	172	**172**	45	50	**50**
Expected return on plan assets	(263)	(279)	**(275)**	(42)	(49)	**(43)**
Net amortization and other	122	147	**168**	20	22	**19**
Net periodic pension expense	85	92	**120**	47	53	**53**
Defined contribution plans	81	98	**103**	36	50	**59**
Total retirement plans expense	$ 166	190	**223**	83	103	**112**

For defined contribution plans, expense equals cash contributed. The Company has two small businesses that participate in multiemployer pension plans. Such participation is insignificant individually and in total. The annual cost for multiemployer plans is included in net periodic pension expense (as an element of defined contribution plans). Cash contributed was inconsequential in all years. The Company could potentially incur immaterial liabilities upon withdrawal from these plans, although it has no intention to do so. Additionally, as with participation in any multiemployer plan, there is a theoretical but remote possibility the Company could incur material liabilities should all other participating employers be unable to fund their obligations.

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	
	2011	**2012**	2011	**2012**
Projected benefit obligation, beginning	$ 3,466	**3,644**	1,061	**960**
Service cost	52	**55**	30	**27**
Interest cost	172	**172**	50	**50**
Actuarial (gain) loss	114	**502**	(125)	**137**
Benefits paid	(167)	**(173)**	(53)	**(41)**
Foreign currency translation and other	7	**3**	(3)	**10**
Projected benefit obligation, ending	$ 3,644	**4,203**	960	**1,143**
Fair value of plan assets, beginning	$ 3,206	**3,182**	714	**690**
Actual return on plan assets	29	**595**	—	**100**
Employer contributions	112	**113**	30	**50**
Benefits paid	(167)	**(173)**	(53)	**(41)**
Foreign currency translation and other	2	**2**	(1)	**10**
Fair value of plan assets, ending	$ 3,182	**3,719**	690	**809**
Net amount recognized in the balance sheet	$ (462)	**(484)**	(270)	**(334)**
Amounts recognized in the balance sheet:				
Noncurrent liability	$ (462)	**(484)**	(270)	**(334)**
Accumulated other comprehensive pretax loss	$ (1,659)	**(1,674)**	(240)	**(308)**

Approximately $244 of the $1,982 of losses deferred in accumulated other comprehensive income at September 30, 2012, will be amortized into earnings in 2013. As of September 30, 2012, retirement plans in total were underfunded by $818, which includes $353 of unfunded plans.

As of the plans' September 30, 2012 and 2011 measurement dates, the total accumulated benefit obligation was $5,010 and $4,345, respectively. Also, as of the plans' respective measurement dates, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for retirement plans with accumulated benefit obligations in excess of plan assets were $4,763, $4,504 and $3,947, respectively, for 2012, and $4,093, $3,907 and $3,380, respectively, for 2011.

Future benefit payments by U.S. plans are estimated to be $181 in 2013, $191 in 2014, $200 in 2015, $209 in 2016, $218 in 2017 and $1,212 in total over the five years 2018 through 2022. Based on foreign currency exchange rates as of September 30, 2012, future benefit payments by non-U.S. plans are estimated to be $45 in 2013, $47 in 2014, $51 in 2015, $53 in 2016, $56 in 2017 and $309 in total over the five years 2018 through 2022. The Company expects to contribute approximately $150 to its retirement plans in 2013.

The weighted-average assumptions used in the valuation of pension benefits were as follows:

	U.S. Plans			Non-U.S. Plans		
	2010	2011	**2012**	2010	2011	**2012**
Net pension expense:						
Discount rate	5.50%	5.00%	**4.75%**	5.3%	4.6%	**5.2%**
Expected return on plan assets	8.00%	8.00%	**7.75%**	5.9%	5.9%	**5.9%**
Rate of compensation increase	3.00%	3.00%	**3.00%**	3.9%	3.5%	**3.5%**
Benefit obligations:						
Discount rate	5.00%	4.75%	**4.00%**	4.6%	5.2%	**4.1%**
Rate of compensation increase	3.00%	3.00%	**3.25%**	3.5%	3.5%	**3.4%**

The discount rate for the U.S. retirement plans was 4.0 percent as of September 30, 2012. An actuarially determined, company-specific yield curve is used to determine the discount rate. The expected return on plan assets assumption is determined by reviewing the investment returns of the plans for the past 10 years plus longer-term historical returns of an asset mix approximating the Company's asset allocation targets, and periodically comparing these returns to expectations of investment advisors and actuaries to determine whether long-term future returns are expected to differ significantly from the past. Defined benefit pension plan expense for 2013 is expected to be approximately $230, versus $173 in 2012.

The Company's asset allocations at September 30, 2012 and 2011, and weighted-average target allocations are as follows:

	U.S. Plans			Non-U.S. Plans		
	2011	**2012**	Target	2011	**2012**	Target
Equity securities	62%	**64%**	60-70%	50%	**55%**	50-60%
Debt securities	30%	**27%**	25-35%	32%	**30%**	25-35%
Other	8%	**9%**	3-10%	18%	**15%**	10-20%
Total	100%	**100%**	100%	100%	**100%**	100%

The primary objective for the investment of plan assets is to secure participant retirement benefits while earning a reasonable rate of return. Plan assets are invested consistent with the provisions of the prudence and diversification rules of ERISA and with a long-term investment horizon. The Company continuously monitors the value of assets by class and routinely rebalances to remain within target allocations. The strategy for equity assets is to minimize concentrations of risk by investing primarily in companies in a diversified mix of industries worldwide, while targeting neutrality in exposure to market capitalization levels, growth versus value profile, global versus regional markets, fund types and fund managers. The approach for bonds emphasizes investment-grade corporate and government debt with maturities matching a portion of the longer duration pension liabilities. The bonds strategy also includes a high yield element which is generally shorter in duration. A small portion of U.S. plan assets is allocated to private equity partnerships and real asset fund investments for diversification, providing opportunities for above market returns. Leveraging techniques are not used and the use of derivatives in any fund is limited to exchange-traded futures contracts and is inconsequential.

The fair values of defined benefit plan assets as of September 30, organized by asset class and by the fair value hierarchy of ASC 820 as outlined in Note 1, follow:

	Level 1	Level 2	Level 3	Total	%
2012					
U.S. equities	**$ 926**	**559**	**129**	**1,614**	**35%**
International equities	**442**	**495**		**937**	**21%**
Emerging market equities	**68**	**197**		**265**	**6%**
Corporate bonds		**528**		**528**	**12%**
Government bonds		**551**		**551**	**12%**
High yield bonds		**148**		**148**	**3%**
Other	**183**	**181**	**121**	**485**	**11%**
Total	**$ 1,619**	**2,659**	**250**	**4,528**	**100%**
2011					
U.S. equities	$ 766	443	145	1,354	35%
International equities	476	291		767	20%
Emerging market equities	59	128		187	5%
Corporate bonds		522		522	14%
Government bonds		509		509	13%
High yield bonds		130		130	3%
Other	120	161	122	403	10%
Total	$ 1,421	2,184	267	3,872	100%

Asset Classes

U.S. Equities reflects companies domiciled in the U.S., including multinational companies. International Equities is comprised of companies domiciled in developed nations outside the U.S. Emerging Market Equities is comprised of companies domiciled in portions of Asia, Eastern Europe and Latin America. Corporate Bonds represent investment-grade debt of issuers primarily from the U.S. Government Bonds include investment-grade instruments issued by federal, state and local governments, primarily in the U.S. High Yield Bonds include non-investment-grade debt from a diverse group of developed market issuers. Other includes cash, interests in mixed asset funds investing in commodities, natural resources, agriculture and exchange-traded real estate funds, life insurance contracts (U.S.), and shares in certain general investment funds of financial institutions or insurance arrangements (non-U.S.) that typically ensure no market losses or provide for a small minimum return guarantee.

Fair Value Hierarchy Categories
Valuations of Level 1 assets for all classes are based on quoted closing market prices from the principal exchanges where the individual securities are traded. Cash is valued at cost, which approximates fair value. Equity securities categorized as Level 2 assets are primarily non-exchange-traded commingled or collective funds where the underlying securities have observable prices available from active markets. Valuation is based on the net asset value of fund units held as derived from the fair value of the underlying assets. Debt securities categorized as Level 2 assets are generally valued based on independent broker/dealer bids or by comparison to other debt securities having similar durations, yields and credit ratings. Other Level 2 assets are valued based on a net asset value of fund units held, which is derived from either market-observed pricing for the underlying assets or broker/dealer quotation. U.S. equity securities classified as Level 3 are fund investments in private companies. Valuation techniques and inputs for these assets include discounted cash flow analysis, earnings multiple approaches, recent transactions, transferability restrictions, prevailing discount rates, volatilities, credit ratings and other factors. In the Other class, interests in mixed assets funds are Level 2, and U.S. life insurance contracts and non-U.S. general fund investments and insurance arrangements are Level 3.

A reconciliation of the change in value for Level 3 assets follows:

	2011	**2012**
Beginning balance, October 1	$ 249	**267**
Gains (Losses) on assets held	34	**9**
Gains (Losses) on assets sold	(9)	**(16)**
Purchases, sales and settlements, net	(7)	**(10)**
Ending balance, September 30	$ 267	**250**

(11) POSTRETIREMENT PLANS

The Company sponsors unfunded postretirement benefit plans (primarily health care) for U.S. retirees and their dependents. The components of net postretirement benefits expense for the years ended September 30 follow:

	2010	2011	**2012**
Service cost	$ 5	3	**2**
Interest cost	24	17	**16**
Net amortization	1	(7)	**(11)**
Net postretirement expense	$ 30	13	**7**

Reconciliations of the actuarial present value of accumulated postretirement benefit obligations follow:

	2011	**2012**
Benefit obligation, beginning	$ 417	**392**
Service cost	3	**2**
Interest cost	17	**16**
Actuarial (gain) loss	(25)	**(10)**
Benefits paid	(20)	**(17)**
Plan amendments	—	**(16)**
Benefit obligation, ending (recognized in balance sheet)	$ 392	**367**

As of September 30, 2012 there were $99 of deferred actuarial gains in accumulated other comprehensive income, of which approximately $12 will be amortized into earnings in 2013. The assumed discount rates used in measuring the benefit obligations as of September 30, 2012, 2011 and 2010, were 3.25 percent, 4.25 percent and 4.25 percent, respectively. The assumed health care cost trend rate for 2013 is 7.5 percent, declining to 5.0 percent in 2018, and for 2012 was 8.0 percent, declining to 5.0 percent in 2018. A one-percentage-point increase or decrease in the assumed health care cost trend rate for each year would increase or decrease 2012 postretirement expense less than 10 percent and the benefit obligation as of September 30, 2012 less than 5 percent. The Company estimates that future health care benefit payments will be $33 in 2013, $33 in 2014, $32 in 2015, $31 in 2016, $31 in 2017 and $138 in total over the five years 2018 through 2022.

(12) 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 (including legal fees and expenses) will be incurred and such costs can be reasonably estimated. Accruals are based on developments to date; management's estimates of the outcomes of these matters; the Company's experience in contesting, litigating and settling similar matters; and any related insurance coverage. Although it is not possible to predict the ultimate outcome of these matters, the Company historically has been successful in defending itself against claims and suits that have been brought against it, and 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 development could have a material adverse impact on the Company.

The Company enters into certain 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, usually up to a prespecified limit. In connection with divestitures of certain assets or businesses, the Company often provides indemnities to the buyer with respect to certain matters including, as examples, environmental or unidentified tax liabilities related to periods prior to the disposition. Because of the uncertain nature of the indemnities, the maximum liability cannot be quantified. As such, liabilities are recorded when they are both probable and reasonably estimable. Historically, payments under indemnity arrangements have been inconsequential.

At September 30, 2012, 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.

(13) INCOME TAXES

Pretax earnings from continuing operations consist of the following:

	2010	2011	**2012**
United States	$ 1,303	1,891	**1,742**
Non-U.S.	1,576	1,740	**1,373**
Total pretax earnings from continuing operations	$ 2,879	3,631	**3,115**

The principal components of income tax expense follow:

	2010	2011	**2012**
Current:			
Federal	$ 496	503	**750**
State and local	33	37	**61**
Non-U.S.	413	477	**466**
Deferred:			
Federal	(55)	149	**(129)**
State and local	(1)	3	**(4)**
Non-U.S.	(38)	(42)	**(53)**
Income tax expense	$ 848	1,127	**1,091**

Reconciliations of the U.S. federal statutory tax rate to the Company's effective tax rate follow:

	2010	2011	**2012**
Federal rate	35.0 %	35.0 %	**35.0 %**
State and local taxes, net of federal tax benefit	0.7	0.7	**1.3**
Non-U.S. rate differential	(4.5)	(3.5)	**(4.0)**
Non-U.S. tax holidays	(2.2)	(1.0)	**(1.7)**
U.S. manufacturing deduction	(0.6)	(1.1)	**(1.4)**
Goodwill impairment	—	0.2	**4.6**
Other	1.0	0.7	**1.2**
Effective income tax rate	29.4 %	31.0 %	**35.0 %**

Non-U.S. tax holidays reduce tax rates in certain foreign jurisdictions and are expected to expire over the next five years.

Following are reconciliations of the beginning and ending balances of unrecognized tax benefits before recoverability of cross-jurisdictional tax credits (federal, state and non-U.S.) and temporary differences. The amount of unrecognized tax benefits is not expected to significantly increase or decrease within the next 12 months.

	2011	**2012**
Beginning balance, at October 1	$ 170	**162**
Additions for current year tax positions	13	**11**
Additions for prior year tax positions	27	**21**
Reduction for prior year tax positions	(22)	**(14)**
Reduction for settlements with tax authorities	(7)	**(5)**
Reduction for expirations of statute of limitations	(19)	**(18)**
Ending balance, at September 30	$ 162	**157**

If none of the unrecognized tax benefits shown is ultimately paid, the tax provision and the calculation of the effective tax rate would be favorably impacted by $114. The Company accrues interest and penalties related to income taxes in income tax expense. Total interest and penalties recognized were $(1), $(3) and $(1) in 2012, 2011 and 2010, respectively. As of September 30, 2012 and 2011, total accrued interest and penalties were $35 and $36, respectively.

The United States is the major jurisdiction for which the Company files income tax returns. Examinations by the U.S. Internal Revenue Service are complete through 2007. The status of state and non-U.S. tax examinations varies by the numerous legal entities and jurisdictions in which the Company operates.

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

		2011	2012
Deferred tax assets:			
Net operating losses and tax credits	$	242	**237**
Accrued liabilities		219	**247**
Postretirement and postemployment benefits		137	**135**
Employee compensation and benefits		176	**194**
Pensions		196	**224**
Other		176	**138**
Total		1,146	**1,175**
Valuation allowances		(107)	**(113)**
Deferred tax liabilities:			
Intangibles		(890)	**(780)**
Property, plant and equipment		(284)	**(282)**
Other		(133)	**(110)**
Total		(1,307)	**(1,172)**
Net deferred income tax liability	$	(268)	**(110)**

At September 30, 2012 and 2011, respectively, net current deferred tax assets were $377 and $400, and net noncurrent deferred tax liabilities were $487 and $668. Total income taxes paid were approximately $1,300, $1,030 and $890 in 2012, 2011 and 2010, respectively. Approximately half of the $237 net operating losses and tax credits can be carried forward indefinitely, while the remainder expire over varying periods.

(14) STOCK-BASED COMPENSATION

The Company's stock-based compensation plans include stock options, performance shares, restricted stock and restricted stock units. Although the Company has discretion, shares distributed under these plans are issued from treasury stock.

Stock Options

The Company's stock option plans permit key officers and employees to purchase common stock at specified prices. Awards from the 2011 plan were granted at 100 percent of the closing market price of the Company's common stock on the date of grant, while prior awards were granted at 100 percent of the average of the high and low market prices on the date of grant. Options generally vest one-third each year and expire 10 years from the date of grant. Compensation expense is recognized ratably over the vesting period based on the number of options expected to vest. As of September 30, 2012, 19.7 million options were available for grant under the plans.

Changes in shares subject to option during the year ended September 30, 2012 follow:

(shares in thousands)	Average Exercise Price Per Share	Shares	Total Intrinsic Value of Awards	Average Remaining Life (Years)
Beginning of year	**$ 43.16**	**15,952**		
Options granted	**$ 44.03**	**945**		
Options exercised	**$ 29.62**	**(1,844)**		
Options canceled	**$ 49.08**	**(450)**		
End of year	**$ 44.75**	**14,603**	**$ 93**	**6.0**
Exercisable at year end	**$ 42.34**	**10,540**	**$ 87**	**5.1**

The weighted-average grant date fair value per option was $7.53, $11.00 and $8.51 for 2012, 2011 and 2010, respectively. Cash received for option exercises was $42 in 2012, $65 in 2011 and $53 in 2010. The total intrinsic value of options exercised was $38, $49 and $59 in 2012, 2011 and 2010, respectively, and the actual tax benefit realized from tax deductions related to option exercises was $11, $16 and $4, respectively.

The grant date fair value of options is estimated using the Black-Scholes option-pricing model. Weighted-average assumptions used in valuations for 2012, 2011 and 2010 follow: risk-free interest rate, based on U.S. Treasury yields, 1.3 percent, 1.9 percent and 3.0 percent; dividend yields, 3.7 percent, 2.6 percent and 3.2 percent; and expected volatility, based on historical volatility, 27 percent, 25 percent and 25 percent. The expected life of an option is 7 years based on historical experience and expected future exercise patterns.

Performance Shares, Restricted Stock and Restricted Stock Units
The Company's incentive shares plans include performance share awards which distribute the value of common stock to key management employees subject to certain operating performance conditions and other restrictions. Distribution is primarily in shares of common stock and partially in cash. Compensation expense is recognized over the service period based on the number of awards expected to be ultimately earned. Performance share awards are accounted for as liabilities in accordance with ASC 718, *Compensation - Stock Compensation*, with compensation expense adjusted at the end of each reporting period to reflect the change in fair value of the awards.

As a result of the Company achieving the performance objective at the end of 2010 for performance shares primarily awarded in 2007, and employees providing an additional year of service, 4,777,248 rights to receive common shares vested and were distributed to participants in 2011 as follows: 2,841,534 issued in shares, 1,661,045 withheld for income taxes and 274,669 paid in cash. As of September 30, 2012 and 2011, 5,273,566 and 5,367,146 rights to receive common shares (awarded primarily in 2010) were outstanding, contingent on the Company achieving the performance objective through 2013 plus the provision of service by the employees.

Incentive shares plans also include restricted stock awards, which involve distribution of common stock to key management employees subject to cliff vesting at the end of service periods ranging from three to ten years. The fair value of restricted stock awards is determined based on the average of the high and low market prices of the Company's common stock on the date of grant, with compensation expense recognized ratably over the applicable service period. In 2012, 345,946 shares of restricted stock vested as a result of participants fulfilling the applicable service requirements and, accordingly, 209,168 shares were issued while 136,778 shares were withheld for income taxes in accordance with minimum withholding requirements. As of September 30, 2012, there were 1,525,000 shares of unvested restricted stock outstanding.

Changes in awards outstanding but not yet earned under the incentive shares plans during the year ended September 30, 2012 follow:

(shares in thousands)	Shares	Average Grant Date Fair Value Per Share
Beginning of year	**7,101**	**$ 39.38**
Granted	**340**	**$ 42.41**
Earned/vested	**(346)**	**$ 38.68**
Canceled	**(296)**	**$ 39.71**
End of year	**6,799**	**$ 39.55**

The total fair value of shares vested under incentive shares plans was $15, $276 and $42, respectively, in 2012, 2011 and 2010, of which $6, $113 and $15, respectively, was paid in cash, primarily for tax withholding. As of September 30, 2012, 10 million shares remained available for award under the incentive shares plans.

Total compensation expense for the stock option and incentive shares plans was $100, $121 and $217, for 2012, 2011 and 2010, respectively. The decrease from 2011 to 2012 reflects a stock option award in 2011 and no incentive stock plan overlap in 2012. The decrease from 2010 to 2011 reflects changes in the Company's stock price and the vesting and payment of a portion of the 2007 awards early in 2011. Income tax benefits recognized in the income statement for these compensation arrangements during 2012, 2011 and 2010 were $28, $32 and $65, respectively. As of September 30, 2012, there was $122 of total unrecognized compensation cost related to unvested awards granted under these plans, which is expected to be recognized over a weighted-average period of 1.6 years.

In addition to the stock option and incentive shares plans, in 2012 the Company awarded 22,921 shares of restricted stock and 4,818 restricted stock units under the restricted stock plan for nonmanagement directors. As of September 30, 2012, 290,813 shares remained available for issuance under this plan.

(15) COMMON STOCK

At September 30, 2012, 50 million shares of common stock were reserved for issuance under the Company's stock-based compensation plans. During 2012,16.4 million common shares were repurchased and 1.6 million treasury shares were reissued.

(16) BUSINESS SEGMENTS INFORMATION

The Company designs and supplies products and technology and delivers engineering services in a wide range of industrial, commercial and consumer end markets around the world. The business segments of the Company are organized primarily by the nature of the products and services they sell. The Process Management segment provides systems and software, measurement and analytical instrumentation, valves, actuators and regulators, and services and solutions, including digital plant architecture that allows communication of devices with centralized systems, to provide precision measurement, control, monitoring and asset optimization for plants that produce power or process fluids or items such as petroleum, chemicals, food and beverages, pulp and paper, pharmaceuticals, and municipal water supplies. The Industrial Automation segment provides commercial and industrial motors and drives, power transmission and materials handling equipment, low, medium and high voltage alternators and other power generation equipment, materials joining and precision cleaning products, fluid power and control mechanisms, and electrical distribution equipment which are used in a wide variety of manufacturing operations to provide integrated manufacturing solutions to customers. The Network Power segment designs, manufactures, installs and maintains power systems for telecommunications networks, data centers and other critical applications, including power conditioning and uninterruptible AC and DC power supplies, embedded power supplies and computing systems, precision cooling systems, electrical switching equipment, and integrated data center infrastructure monitoring and management systems. The Climate Technologies segment supplies compressors, temperature sensors and controls, thermostats, flow controls and remote monitoring technology and services to all elements of the climate control industry, including residential heating and cooling, commercial air conditioning, and commercial and industrial refrigeration. The Commercial & Residential Solutions (formerly Tools and Storage) segment provides tools for professionals and homeowners, home and commercial storage systems, and appliance solutions. The principal distribution method for each segment is a direct sales force, although the Company also uses independent sales representatives and distributors. Due to its global presence, certain of the Company's international operations are subject to risks such as nationalization of operations, significant currency exchange rate fluctuations and restrictions on the movement of funds.

The primary income measure used for assessing segment performance and making operating decisions is earnings before interest and income taxes. Intersegment selling prices approximate market prices. Accounting method differences between segment reporting and the consolidated financial statements are primarily management fees allocated to segments based on a percentage of sales and the accounting for pension and other retirement plans. Corporate and other includes goodwill impairment charges. Corporate assets are primarily comprised of cash and equivalents, investments and certain fixed assets. Summarized below is information about the Company's operations by business segment and by geographic region (also see Notes 3 through 6).

Business Segments

	Sales			Earnings			Total Assets		
	2010	2011	**2012**	2010	2011	**2012**	2010	2011	**2012**
Process Management	$ 6,022	7,000	**7,899**	1,093	1,402	**1,599**	5,406	5,915	**6,607**
Industrial Automation	4,289	5,294	**5,188**	591	830	**871**	3,688	3,818	**3,619**
Network Power	5,828	6,811	**6,399**	800	756	**624**	8,072	7,945	**7,212**
Climate Technologies	3,801	3,995	**3,766**	691	709	**668**	2,172	2,229	**2,260**
Commercial & Residential Solutions	1,755	1,837	**1,877**	357	375	**396**	1,314	1,271	**1,155**
	21,695	24,937	**25,129**	3,532	4,072	**4,158**	20,652	21,178	**20,853**
Differences in accounting methods				195	231	**226**			
Corporate and other (a)(b)				(587)	(449)	**(1,045)**	2,191	2,683	**2,965**
Sales eliminations/Interest	(656)	(715)	**(717)**	(261)	(223)	**(224)**			
Total	$ 21,039	24,222	**24,412**	2,879	3,631	**3,115**	22,843	23,861	**23,818**

(a) Corporate and other primarily reflects changes in incentive stock compensation expense, which decreased $96 in 2011 due to changes in the Company's stock price and a reduced impact from incentive stock plans overlap compared to prior year (see Note 14).
(b) 2012 includes a noncash, pretax goodwill impairment charge of $592 ($528 after-tax, or $0.72 per share) related to the Network Power segment and 2011 includes a charge of $19 ($0.03 per share) related to the Industrial Automation segment (see Note 6).

	Intersegment Sales			Depreciation and Amortization Expense			Capital Expenditures		
	2010	2011	**2012**	2010	2011	**2012**	2010	2011	**2012**
Process Management	$ 3	7	**13**	183	198	**198**	105	194	**228**
Industrial Automation	570	640	**619**	150	148	**138**	114	138	**134**
Network Power	31	24	**38**	205	286	**256**	103	99	**101**
Climate Technologies	46	42	**45**	148	138	**133**	104	120	**106**
Commercial & Residential Solutions	6	2	**2**	95	57	**53**	57	35	**46**
Corporate and other				35	40	**45**	41	61	**50**
Total	$ 656	715	**717**	816	867	**823**	524	647	**665**

Geographic

	Sales by Destination			Property, Plant and Equipment		
	2010	2011	**2012**	2010	2011	**2012**
United States and Canada	$ 9,823	10,773	**10,980**	1,858	1,869	**1,918**
Asia	4,858	5,636	**5,790**	505	583	**592**
Europe	4,309	5,271	**4,946**	683	714	**689**
Latin America	1,065	1,319	**1,430**	229	262	**293**
Middle East/Africa	984	1,223	**1,266**	12	9	**17**
Total	$ 21,039	24,222	**24,412**	3,287	3,437	**3,509**

Sales in the U.S. were $10,036, $9,900 and $9,101 for 2012, 2011 and 2010, respectively, while Asia includes sales in China of $3,012, $3,079 and $2,692, respectively. U.S.-located fixed assets were $1,900, $1,853 and $1,839.

(17) OTHER FINANCIAL DATA

Items reported in earnings during the years ended September 30 include the following:

	2010	2011	**2012**
Research and development expense	$ 473	555	**547**
Depreciation expense	$ 562	522	**505**
Rent expense	$ 353	372	**395**

The Company leases certain facilities, transportation and office equipment, and various other items under operating lease agreements. Minimum annual rentals under noncancellable long-term leases, exclusive of maintenance, taxes, insurance and other operating costs, will approximate $271 in 2013, $195 in 2014, $137 in 2015, $91 in 2016 and $55 in 2017.

Items reported in accrued expenses include the following:

	2011	**2012**
Employee compensation	$ 640	**642**
Customer advanced payments	$ 385	**380**
Product warranty	$ 211	**187**

Other liabilities are summarized as follows:

	2011	**2012**
Pension plans	$ 732	**818**
Deferred income taxes	764	**592**
Postretirement plans, excluding current portion	361	**337**
Other	664	**709**
Total	$ 2,521	**2,456**

Other operating cash flow is comprised of the following:

	2010	2011	**2012**
Pension expense	$ 132	145	**173**
Stock compensation expense	217	121	**100**
(Gain) Loss on sale of businesses, net of tax	(167)	(25)	**5**
Deferred income taxes and other	15	19	**(97)**
Total	$ 197	260	**181**

(18) QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Full Year	
		2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**
Net sales	$	5,535	**5,309**	5,854	**5,919**	6,288	**6,484**	6,545	**6,700**	24,222	**24,412**
Gross profit	$	2,163	**2,055**	2,306	**2,336**	2,498	**2,628**	2,590	**2,749**	9,557	**9,768**
Earnings from continuing operations common stockholders	$	480	**371**	556	**545**	683	**770**	735	**282**	2,454	**1,968**
Net earnings common stockholders	$	480	**371**	556	**545**	683	**770**	761	**282**	2,480	**1,968**
Earnings per common share from continuing operations:											
Basic	$	0.63	**0.50**	0.74	**0.74**	0.91	**1.05**	0.98	**0.39**	3.26	**2.68**
Diluted	$	0.63	**0.50**	0.73	**0.74**	0.90	**1.04**	0.98	**0.39**	3.24	**2.67**
Net earnings per common share:											
Basic	$	0.63	**0.50**	0.74	**0.74**	0.91	**1.05**	1.02	**0.39**	3.29	**2.68**
Diluted	$	0.63	**0.50**	0.73	**0.74**	0.90	**1.04**	1.01	**0.39**	3.27	**2.67**
Dividends per common share	$	0.345	**0.40**	0.345	**0.40**	0.345	**0.40**	0.345	**0.40**	1.38	**1.60**
Common stock prices:											
High	$	58.74	**52.64**	62.24	**53.78**	61.29	**53.01**	58.47	**52.98**	62.24	**53.78**
Low	$	52.12	**39.50**	55.86	**47.00**	50.84	**43.75**	41.31	**43.59**	41.31	**39.50**

Earnings per share are computed independently each period; as a result, the quarterly amounts may not sum to the calculated annual figure. Results include discontinued operations; see Note 3.

Earnings from continuing operations, net earnings and the related per share amounts include noncash, after-tax goodwill impairment charges of $528 or $0.72 per share in the fourth quarter of 2012, and $19 or $0.03 per share in the fourth quarter of 2011.

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

Report of Independent Registered Public Accounting Firm

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, 2012 and 2011, and the related consolidated statements of earnings, equity, and cash flows for each of the years in the three-year period ended September 30, 2012. We also have audited Emerson Electric Co.'s internal control over financial reporting as of September 30, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Emerson Electric Co.'s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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, 2012 and 2011, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2012, in conformity with U.S. generally accepted accounting principles. Also in our opinion, Emerson Electric Co. maintained, in all material respects, effective internal control over financial reporting as of September 30, 2012, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP
St. Louis, Missouri
November 19, 2012

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 statements 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 in 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, but are not limited to, the following: (1) current and future business environment, including interest rates, currency exchange rates and capital and consumer spending; (2) competitive factors and competitor responses to Emerson initiatives; (3) development and market introduction of anticipated new products; (4) ability to defend or protect our intellectual property rights; (5) favorable environment for acquisitions, domestic and foreign, including regulatory requirements and market values of candidates; (6) integration of acquisitions; (7) favorable access to capital markets; (8) availability of raw materials and purchased components; (9) stability of governments and business conditions in foreign countries, including emerging economies, which could result in nationalization of facilities or disruption of operations; (10) potential volatility of the end markets served; (11) outcome of pending and future litigation, including environmental compliance; (12) U.S. and foreign government laws and regulations, including taxes and restrictions; (13) penetration of emerging economies; and (14) execution of cost-reduction efforts.

Exhibit 21

Subsidiaries and Affiliates of Emerson Electric Co.
September 30, 2012

LEGAL NAME	JURISDICTION OF INCORPORATION
Alco Controls, S.A. de C.V.	Mexico
Applied Concepts, Inc.	Pennsylvania
Artesyn Technologies, Inc.	Florida
Artesyn North America, Inc.	Delaware
AIH, Inc.	Delaware
AIHL, LLC	Delaware
Astec America Inc.	Delaware
Astec Electronics (Malaysia) Sdn Bhd	Malaysia
Astec International Holdings Limited	Delaware
Emerson Network Power - Embedded Computing and Power (Hong Kong) Limited	Hong Kong
Astec International Limited	Hong Kong
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 Nanjing Design Engineering Company Limited	China
Astec Power Supply (Shenzhen) Company Limited	China
Astec Power Inc.	BVI
Astec Power Philippines, Inc.	Philippines
Emerson Network Power - Embedded Power (Vietnam) Co., Ltd.	Vietnam
Artesyn Cayman Ltd.	Cayman Islands
Artesyn Cayman LP	Cayman Islands
Artesyn International Ltd.	Cayman Islands
Artesyn Ireland Ltd.	Cayman Islands
Artesyn Technologies Asia-Pacific Ltd.	Hong Kong
Artesyn Netherlands B.V.	Netherlands
Artesyn Holding GmbH	Austria
Artesyn Austria GmbH	Austria
Artesyn Austria GmbH & Co. KG	Austria
Artesyn do Brasil Comercio de Produtos de Conversao de Energia Ltda	Brazil
Artesyn Hungary Elektronikai Kft.	Hungary

Artesyn Germany GmbH	Germany
Artesyn Elektronische Gerate Beteiligungs-und Verwaltungs-GmbH	Germany
Artesyn GmbH & Co. KG	Germany
Emerson Network Power - Embedded Computing & Power Sarl	France
Emerson Network Power - Embedded Computing GmbH	Germany
Stourbridge Holdings (U.K.) Limited	United Kingdom
Mirroware Manufacturing Limited	United Kingdom
Astec Europe Limited	United Kingdom
Emerson Network Power - Embedded Computing UK Ltd.	United Kingdom
Emerson Network Power - Embedded Computing, Inc.	Wisconsin
Artesyn Communication Products UK Ltd.	Scotland
Avocent Corporation	Delaware
Avocent Huntsville Corp.	Alabama
Aperture International Limited	United Kingdom
Avocent do Brasil Informatica Ltda	Brazil
Avocent Fremont Corp.	California
Avocent China Technology Limited	China
Avocent International Holdings Limited	Ireland
Avocent Belgium Limited BVBA/SPRL	Belgium
Avocent Asia Pacific Pte. Ltd.	Singapore
Avocent Australia Pty. Ltd.	Australia
Avocent (China) Limited	Hong Kong
Avocent Taiwan Co., Ltd.	Taiwan
Avocent International Limited	Ireland
Avocent Deutschland GmbH	Germany
Avocent Italia Srl	Italy
Avocent Japan KK	Japan
Avocent Netherlands B.V.	Netherlands
Avocent Spain S.L.	Spain
Avocent Sweden AB	Sweden
Avocent Redmond Corp.	Washington
Avocent Texas Corp.	Texas
Avtron LoadBank, Inc.	Delaware
Avtron LoadBank Worldwide Co., Ltd.	United Kingdom
N.J. Froment & Co. Limited	United Kingdom
Branson Ultrasonic S.A.	Switzerland
Bristol, Inc.	Delaware
California Emerson LLC	Delaware
CHC Holding Corporation	Delaware
Chloride Power Electronics Incorporated	Delaware
U P Systems, Incorporated	Delaware
Oneac F.S.C., Inc.	Virgin Islands
ClosetMaid Corporation	Florida

Clairson, Inc.	Delaware
ClosetMaid de Mexico, S.A. de C.V.	Mexico
ClosetMaid North America, Inc.	Delaware
Computational Systems, Incorporated	Tennessee
CSI Technology, Inc.	Delaware
Control Products, Inc.	Minnesota
Control Techniques Iberia S.A.	Spain
Daniel Industries, Inc.	Delaware
Emerson Process Management Valve Automation, Inc.	Delaware
Bettis Canada Ltd.	Canada
Bettis France Sarl	France
Bettis Holdings Limited	United Kingdom
Bettis UK Limited	United Kingdom
Prime Actuator Control Systems Limited	United Kingdom
Prime Actuator Control Systems UK Limited	United Kingdom
Emerson Process Management Valve Actuation LLC	Delaware
Hytork Controls, Inc.	Delaware
Daniel Automation Company	Delaware
Daniel Industrial, Inc.	Delaware
Daniel En-Fab Systems, Inc.	Delaware
Daniel International Limited	United Kingdom
Daniel Europe Limited	United Kingdom
Daniel Industries Limited	United Kingdom
Spectra-Tek Holdings Limited	United Kingdom
Spectra-Tek UK Limited	United Kingdom
Daniel Measurement Solutions Pvt. Ltd.	India
Spectra-Tek International Limited	United Kingdom
Greenfield (UK) Limited	United Kingdom
Daniel Measurement and Control, Inc.	Delaware
Daniel Industries Canada Inc.	Canada
Daniel Measurement Services, Inc.	Delaware
METCO Services Limited	United Kingdom
Metco Services Venezuela, C.A.	Venezuela
Danmasa S.A. de C.V.	Mexico
Hytork International Ltd.	United Kingdom
Hytork Controls, Inc.	Florida
Hytork Controls Limited	United Kingdom
Hytork LLC	Delaware
Hytork Services Limited	United Kingdom
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 Participacoes Ltda	Brazil
Nutsteel Indústria Metalúrgica Ltda	Brazil
Easy Heat, Inc.	Delaware
Easy Heat Holding B.V.	Netherlands
Easy Heat Europe B.V.	Netherlands
EGS Comercializadora Mexico, S. de R.L. de C.V.	Mexico
EGS Electrical Group Romania Srl	Romania
EGS Holding Sarl	France
ATX S.A.	France
Easy Heat Europe SAS	France
EGS Mexico S. de R.L. de C.V.	Mexico
EGS Private Ltd.	Singapore
GSEG LLC	Delaware
O-Z Gedney Company LLC	Delaware
Electrical Reliability Services, Inc.	California
Emerson Climate Technologies, Inc.	Delaware
Emerson Climate Technologies Retail Solutions, Inc.	Delaware
Clive Samuels and Associates, Inc.	New Jersey
Emerson Climate Services, LLC	Delaware
Copeland Access +, Inc.	Delaware
Copeland Corporation LLC	Delaware
Copeland de Mexico, S.A. de C.V.	Mexico
Emerson Climate Technologies (India) Limited	India
Copeland Redevelopment Corporation	Missouri
CR Compressors LLC	Delaware
Scroll Compressors LLC	Delaware
Scroll Mexico LLC	Delaware
Emerson Electric (U.S.) Holding Corporation	Delaware
Automatic Switch Company	Delaware
ASC Investments, Inc.	Delaware
Asco Controls AG	Switzerland
Asco Controls B.V.	Netherlands
Asco Mideast B.V.	Netherlands
Asco Magnesszelep Kft.	Hungary
Asco/Joucomatic s.r.o.	Czech Republic
Asco Joucomatic ZA B.V.	Netherlands
Asco Numatics Sp. z.o.o.	Poland

ASCO/NUMATICS GmbH	Switzerland
Ascomation Pty. Ltd.	Australia
Asco Joucomatic Pty. Ltd.	Australia
Asco Numatics Pty. Ltd.	Australia
Asco Valve Pty. Ltd.	Australia
Ascomation (NZ) Ltd.	New Zealand
Asco Numatics (NZ) Limited	New Zealand
Numatics Pty. Ltd.	Australia
Sirai Pty. Ltd.	Australia
Asco AB	Sweden
ASCO Japan Co., Ltd.	Japan
Ascomatica S.A. de C.V.	Mexico
Asco Services, Inc.	New Jersey
ASCO Switch Enterprises LLC	Delaware
ASCO Numatics (India) Private Limited	India
ASCO Power Technologies, L.P.	Delaware
ASCO Valve Enterprises LLC	Delaware
ASCO Valve, Inc.	Delaware
ASCO Controls, L.P.	Delaware
ASCO Valve Manufacturing, LLC	Delaware
Ascotech, S.A. de C.V.	Mexico
Ascoval Industria e Commercio Ltda	Brazil
Branson Ultrasonics Corporation	Delaware
Branson Korea Co., Ltd.	Korea
Branson Ultrasonidos S.A.E.	Spain
Branson Ultrasons SAS	France
El-O-Matic GmbH	Germany
Emerson Climate Technologies GmbH	Germany
Emerson Climate Technologies Limited	United Kingdom
Emerson Climate Technologies Refrigeration S.A.	Belgium
Emerson Climate Technologies S.A.	Spain
Emerson Climate Technologies Sarl	France
Emerson Climate Technologies Srl	Italy
Emerson Deutschland Holding GmbH	Germany
Emerson Dietzenbach GmbH	Germany
Emerson Electric Overseas Finance Corp.	Delaware
Emerson Process Management GmbH	Germany
Emerson Process Management GmbH & Co. OHG	Germany
epro GmbH	Germany
Emerson Process Management Ltda	Brazil
Emerson Retail Services Europe GmbH	Germany
Emerson Technologies Verwaltungs GmbH	Germany
Emerson Technologies GmbH & Co. OHG	Germany

Emersub LXXXIV, Inc.	Delaware
Emersub LXXXVI, Inc.	Delaware
EMR Holdings (France) SAS	France
Asco Joucomatic S.A.	France
Asco Numatics GmbH	Germany
Fluidocontrol S.A.	Spain
Joucomatic S.A.	Belgium
Avocent France SAS	France
Company Financiere de Chaussey, S.A.	France
Emerson Network Power Energy Systems, SA	France
Francel SAS	France
Leroy-Somer S.A.	France
Bertrand Polico SAS	France
Constructions Electriques de Beaucourt SAS	France
ESO SAS	France
ESO CENTRE EST Sarl	France
ESO CENTRE OUEST Sarl	France
ESO Ile de France Sarl	France
ESO OUEST Sarl	France
ESO NORD EST Sarl	France
ESO NORMANDIE Sarl	France
ESO SUD EST Sarl	France
ESO SUD OUEST Sarl	France
Etablissements Trepeau SAS	France
Girard Transmissions SAS	France
IMI Elektromos Gepeket Gyarto Kft	Hungary
La Francaise de Manutention SAS	France
Leroy-Somer Denmark A/S	Denmark
Leroy Somer Elektomekanik Sistemler Ticaret Ltd. STI	Turkey
Leroy-Somer Iberica S.A.	Spain
Teilsa Servicios, S.L.	Spain
Leroy-Somer Ltd.	Greece
Leroy-Somer Limited	United Kingdom
Leroy Somer Marbaise GmbH	Germany
Leroy-Somer B.V.	Netherlands
Leroy-Somer Norden AB	Sweden
Leroy-Somer NV	Belgium
ESO Belgium S.A.	Belgium
Leroy Somer (Pty) Ltd. (South Africa)	South Africa
Leroy-Somer (Pty) Ltd.	Australia
Leroy-Somer S. E. A. Pte. Ltd.	Singapore
Leroy-Somer SA	Switzerland
Leroy-Somer SpA	Italy

E.M.S. Elettro Multi Service Srl	Italy
M.L.S. Holice, spol s.r.o.	Czech Republic
MLS Industries Inc.	Delaware
Yorba Linda International, Inc.	Delaware
Moteurs Leroy-Somer	France
Societe Anonyme de Mecanique et D'outillage du Vivarais SA	France
Ridgid France SAS	France
Marbaise Hanlo LS GmbH	Germany
Ridge Tool GmbH	Germany
Ridge Tool GmbH & Co. OHG	Germany
Rosemount Inc.	Minnesota
Control Techniques - Americas, Inc.	Delaware
Control Techniques - Americas LLC	Delaware
Fincor Holding, LLC	Delaware
Dieterich Standard, Inc.	Delaware
Emerson Process Management AB	Sweden
Emerson Process Management A/S (Denmark)	Denmark
Emerson Process Management AS	Norway
Emerson Process Management Holding AG	Switzerland
Emerson Process Management AG	Switzerland
Emerson EAD	Bulgaria
Emerson LLC	Azerbaijan
Emerson LLP	Kazakhstan
Emerson Process Management Kft.	Hungary
Emerson Process Management Romania Srl	Romania
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 TOV	Ukraine
Emerson Process Management Power and Water Solutions Sp. z.o.o.	Poland
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
Emerson Process Management (India) Pvt. Ltd.	India
Emerson Process Management Korea Ltd.	Korea
Emerson Process Management Oy	Finland
Emerson Process Management, S.A. de C.V.	Mexico
Emerson Process Management, S.L.	Spain
P I Components Corp.	Texas
Rosemount Analytical Inc.	Delaware
Rosemount China Inc.	Minnesota
Rosemount Nuclear Instruments, Inc.	Delaware

Xomox Uruguaya S.A.	Uruguay
Emerson Power Transmission Corporation	Delaware
Emerson Chain, Inc.	Delaware
McGill Manufacturing Company, Inc.	Indiana
Rollway Bearing N.V.	Belgium
Liebert Corporation	Ohio
Alber Corp.	Florida
Atlas Asia Limited	Hong Kong
Emerson Network Power Software (Shenzhen) Co., Ltd.	China
Emerson Network Power Australia Pty. Ltd.	Australia
Atlas Air Australia Pty. Ltd.	Australia
Emerson Network Power DHC B.V.	Netherlands
Emerson Network Power do Brasil Ltda	Brazil
Knürr Ltda	Brazil
Emerson Network Power (Hong Kong) Limited	Hong Kong
Wuhan Liebert Computer Power Support System Ltd.	China
Emerson Network Power (India) Private Limited	India
Emerson Process Management Chennai Limited	India
Leroy Somer India Private Limited	India
Emerson Network Power, Liebert Services, Inc.	Delaware
Emerson Network Power (Singapore) Pte. Ltd.	Singapore
Emerson Network Power (Malaysia) Sdn Bhd	Malaysia
Knürr Pte. Ltd.	Singapore
Spectra Systems Sdn Bhd	Malaysia
Emerson Network Power Surge Protection, Inc.	New York
Emerson Network Power (Taiwan) Co., Ltd.	Taiwan
Emerson Network Power (Thailand) Co. Ltd.	Thailand
Liebert Field Services, Inc.	Delaware
Liebert North America, Inc.	Delaware
Liebert Property Holdings, L.L.C.	Delaware
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, Inc.	Delaware
Ridgid Italia Srl	Italy
Ridgid Online, Inc.	Ohio
Ridgid Werkzeuge AG	Switzerland
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
Emerson Process Management Arabia Limited	Saudi Arabia
Emersub 4 LLC	Delaware
Emerson Climate Technologies Mexico S.A. de C.V.	Mexico
Emerson Electric (Asia) Limited	Hong Kong
Branson Ultrasonics (Asia Pacific) Co. Ltd.	Hong Kong
Emerson Electric (South Asia) Pte. Ltd.	Singapore
Emerson (Philippines) Corporation	Philippines
Emerson Technology Service (Shenzhen) Co., Ltd.	China
Emerson Electric II, C.A.	Venezuela
Emerson Electric de Colombia Ltda	Colombia
Emerson Electric International, Inc.	Delaware
Emerson Electric Ireland Limited	Bermuda
Emersub Treasury Ireland	Ireland
Emerson Electric (Mauritius) Ltd.	Mauritius
Emerson Electric Co. (India) Private Ltd.	India
Westinghouse Electric Pvt. Limited	Mauritius
Emerson Process Management Power & Water Solutions India Private Limited	India
Emerson Electric Nederland B.V.	Netherlands
Aegir Norge Holding AS	Norway
Roxar AS	Norway
CorrOcean Mareco AS	Norway
PolyOil Ltd.	United Kingdom
RFM Holding AS	Norway
Roxar do Brasil Ltda	Brazil
Roxar Flow Measurement AS	Norway
Roxar Flow Measurement Ltd.	United Kingdom
Roxar Flow Measurement Sdn Bhd	Malaysia
Roxar International AS	Norway
Emerson Process Management Nigeria Limited	Nigeria
Roxar Pty. Ltd.	Australia
Roxar Saudi Company	Saudi Arabia
Roxar Holding AS	Norway
Energy Scitech Ltd.	United Kingdom
Roxar Xworks AS	Norway
RSS Software Holding AS	Norway
Roxar de Mexico S.A. de C.V.	Mexico
Roxar de Venezuela C.A.	Venezuela
Roxar Ltd.	United Kingdom
Roxar Maximum Reservoir Performance WLL	Bahrain
Roxar Services AS	Norway
Roxar Services OOO	Russia

Roxar Technologies AS	Norway
Roxar Software Solutions AS	Norway
Roxar Strategic Staffing S.A. de C.V.	Mexico
Roxar Vietnam Company Ltd.	Vietnam
ALCO CONTROLS, spol s.r.o.	Czech Republic
Branson Ultrasonics B.V.	Netherlands
Beckman Industrial B.V.	Netherlands
Damcos Holding A/S	Denmark
Damcos A/S	Denmark
Emerson Process Management Marine Solutions Korea Co., Ltd.	Korea
Emerson Process Management Marine Systems (Shanghai) Co., Ltd.	China
El-O-Matic B.V.	Netherlands
El-O-Matic Valve Actuators (F.E.) Pte. Ltd.	Singapore
Emerson Process Management (South Africa) (Proprietary) Ltd.	South Africa
Electrische Apparatenfabriek Capax B.V.	Netherlands
EMERSON A.S.	Slovakia
Emerson LLC	Russia
Emerson Srl	Romania
EMERSON CLIMATE TECHNOLOGIES, s.r.o.	Czech Republic
Emerson Electric spol s.r.o.	Czech Republic
Emerson Network Power Pakistan (Private) Limited	Pakistan
Emerson Network Power (Vietnam) Co., Ltd.	Vietnam
Emerson Process Management B.V.	Netherlands
Emerson Process Management (Vietnam) Co., Ltd.	Vietnam
EMRSN HLDG B.V.	Netherlands
Emerson Network Power B.V.	Netherlands
Emerson Process Management Flow B.V.	Netherlands
Fisher-Rosemount Temperature B.V.	Netherlands
Fusite, B.V.	Netherlands
ORTRUD Verwaltungsgesellschaft mbH	Germany
Knürr-Holding GmbH	Germany
Knürr GmbH	Germany
Knürr AG	Switzerland
Knürr Electronics GmbH	Germany
Knürr Electronics GmbH & Co. Grundbesitz OHG	Germany
Knürr-Ercotec GmbH & Grundstücksverwaltung KG	Germany
Knürr Electronics (Shanghai) Co. Ltd.	China
Knürr GmbH & Co. Grundbesitz OHG	Germany
Knürr Holdings Ltda	Brazil
Knürr Innovation GmbH	Germany
Knürr Ltd.	United Kingdom
Knürr Lommatec Mechanik für die Elektronik Beteiligungs und Verwaltungs GmbH	Germany
Knürr s.r.o.	Czech Republic
Knürr Technical Furniture GmbH	Germany
Knürr-Ercotec GmbH	Germany
Knürr International GmbH	Germany

Therm-O-Disc Europe B.V.	Netherlands
Therm-O-Disc (Vietnam) Co., Ltd.	Vietnam
Emerson Electric Puerto Rico, Inc.	Delaware
Emerson Puerto Rico, Inc.	Delaware
Emerson Electric (Taiwan) Company Limited	Taiwan
Emerson Finance LLC	Delaware
Emerson Middle East, Inc.	Delaware
Emerson Network Power, Energy Systems, North America, Inc.	Delaware
Emerson Network Power Exportel, S.A. de C.V.	Mexico
Emerson Network Power, Inc.	Texas
Emerson Sice Srl	Italy
Asco Numatics Sirai Srl	Italy
Branson Ultrasuoni Srl	Italy
CDZ.T Srl	Italy
Dixell Srl	Italy
Emerson Network Power Holding Srl	Italy
Emerson Network Power Srl	Italy
Emerson Network Power Enterprise Srl	Italy
Emerson Network Power Sp. z.o.o.	Poland
Liebert Hiross Holding GmbH	Germany
Emerson Network Power GmbH	Germany
Emerson Network Power Kft.	Hungary
Emerson Process Management Srl	Italy
CorrOcean Srl	Italy
System Plast Srl	Italy
System Plast GmbH	Germany
System Plast International B.V.	Netherlands
System Plast Ltd.	United Kingdom
System Plast Ltda	Brazil
System Plast SAS	France
Emerson Telecommunication Products, LLC	Delaware
JTP Industries, Inc.	Delaware
Emerson Network Power Connectivity Solutions, Inc.	Delaware
Emerson Mexico Corporate Services S de R.L. de C.V.	Mexico
Stratos International, Inc.	Delaware
Advanced Interconnection Technology LLC	Delaware
Paracer, Inc.	Delaware
Rapidwerks LLC	Delaware
Sterling Holding Company	Delaware
Quality Components, Inc.	Delaware
Semflex, Inc.	Delaware
Swiss Precision Products, Inc.	Delaware
TQ Management Corporation	Delaware
Trompeter Electronics, Inc.	Delaware
STRATOS Lightwave LLC	Delaware
Stratos Lightwave-Florida Incorporated	Delaware

Tsunami Optics, Inc.	California
Northern Technologies, Inc.	Idaho
Emerson Venezuela C.A.	Venezuela
Emerson Ventures Inc.	Delaware
Emersub 3 LLC	Delaware
Emersub 14 LLC	Delaware
Vilter Manufacturing LLC	Wisconsin
Emersub CII, Inc.	Delaware
Emersub XLVI, Inc.	Nevada
Copesub, Inc.	Delaware
Alliance Compressors LLC	Delaware
Emersub LII, Inc.	Delaware
Emersub XCI, Inc.	Delaware
Emersub Italia Srl	Italy
International Gas Distribution SA	Luxembourg
O.M.T. OFFICINA MECCANICA TARTARINI Srl	Italy
EMR Foundation, Inc.	Missouri
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
Dar Al-Ibtikar for General Services and General Trade LLC	Iraq
Emerson Argentina S.A.	Argentina
Emerson Climate Technologies Australia Pty. Ltd.	Australia
Emerson del Peru S.A.C.	Peru
Emerson Dominicana, S.A.	Dominican Republic
Emerson d.o.o.	Croatia
Emerson Electric (U.S.) Holding Corporation (Chile) Limitada	Chile
Inversiones Emerson Chile Limitada	Chile
Elevair S.A.	Chile
Instalaciones y Servicios Elevair Service S.A.	Chile
Emerson Electric C.R. Srl	Costa Rica
Emerson Electric de Mexico S.A. de C.V.	Mexico
Emerson Electric do Brasil Ltda	Brazil
Emerson Comercio em Tecnologia de Climatizacao Ltda	Brazil
Emerson Electric Holdings (Switzerland) GmbH	Switzerland
Emerson Process Management Co., Ltd.	China
EMR Emerson Holdings (Switzerland) GmbH	Switzerland
EMR (Asia) Limited	Hong Kong
Emerson Electric (China) Holdings Co., Ltd.	China
ASCO Valve (Shanghai) Co., Ltd.	China
Beijing Rosemount Far East Instrument Co., Ltd.	China
Branson Ultrasonics (Shanghai) Co., Ltd.	China

ClosetMaid (Jiangmen) Storage Limited	China
Emerson Beijing Instrument Co. Ltd.	China
Emerson Climate Technologies (Shanghai) Co., Ltd.	China
Emerson Climate Technologies (Shenyang) Refrigeration Co., Ltd.	China
Emerson Climate Technologies - Solutions (Suzhou) Co., Ltd.	China
Emerson Climate Technologies (Suzhou) Co., Ltd.	China
Emerson Climate Technologies (Suzhou) Trading Co., Ltd.	China
Emerson Electric (Shenzhen) Co. Ltd.	China
Emerson eResource (Xi'an) Co., Ltd.	China
Emerson Fusite Electric (Shenzhen) Co. Ltd.	China
Emerson InSinkErator Appliance (Nanjing) Co., Ltd.	China
Emerson Junkang Enterprise (Shanghai) Co., Ltd.	China
Emerson Machinery Equipment (Shenzhen) Co., Ltd.	China
Emerson Network Power (Mianyang) Co., Ltd.	China
Emerson Network Power (Xi'an) Co., Ltd.	China
Emerson Network Power Connectivity Solutions (Shanghai) Co., Ltd.	China
Emerson Network Power Co., Ltd.	China
Emerson Power Transmission (Zhangzhou) Co., Ltd.	China
Emerson Process Management Flow Technologies Co., Ltd.	China
Emerson Process Management Power & Water Solutions (Shanghai) Co., Ltd.	China
Emerson Process Management (Tianjin) Valves Co., Ltd.	China
Emerson Process Management Valve Automation (Tianjin) Co., Ltd.	China
Emerson Professional Tools (Shanghai) Co., Ltd.	China
Emerson Trading (Shanghai) Co., Ltd.	China
Fisher Jeon Gas Equipment (Chengdu) Co., Ltd.	China
Fisher Regulators (Shanghai) Co., Ltd.	China
Leroy Somer Electro-Technique (Fuzhou) Co., Ltd.	China
Emerson Network Power (Jiangmen) Co., Ltd.	China
Emerson Electric Korea Ltd.	Korea
Emerson Electric (M) Sdn Bhd	Malaysia
Emerson Electric Poland Sp. z.o.o.	Poland
FZN Marbaise LS Sp. z.o.o.	Poland
Emerson Energy Systems Sdn Bhd	Malaysia
Emerson Network Power Limited	Nigeria
Emerson Network Power (Philippines), Inc.	Philippines
Emerson Network Power (South Africa) (Pty) Ltd	South Africa
Emerson Network Power, S.A.	Spain
Jaure, S.A.	Spain
Emerson Panama S. de R.L.	Panama
Emerson Process Management Europe GmbH	Switzerland
Emerson Process Management Magyarorszag Kft.	Hungary
Emerson Process Management NV	Belgium
Emerson Puerto Rico, Inc.	Puerto Rico

Emerson (Thailand) Limited	Thailand
Emersub 5 LLC	Delaware
Emersub Mexico, Inc.	Nevada
ClosetMaid Reynosa S. de R.L. de C.V.	Mexico
Copeland Scroll Compresores de Mexico S.A. de C.V.	Mexico
Daniel Measurement and Control, S. de R.L. de C.V.	Mexico
Emerpowsys, S. de R.L. de C.V.	Mexico
Emerson Electronic Connector and Components, S.A. de C.V.	Mexico
Emerson Network Power Embedded Computing, S. de R.L. de C.V.	Mexico
Emerson Tool and Appliance Company, S. de R.L. de C.V.	Mexico
Emerson Tool Company de Mexico, S. de R.L. de C.V.	Mexico
Emersub 1 LLC	Delaware
Intermetro de Acuna S. de R.L. de C.V.	Mexico
InterMetro de Mexico, S. de R.L. de C.V.	Mexico
Emersub XXXVI, Inc.	Delaware
Digital Appliance Controls (UK) Limited	United Kingdom
Control Techniques Limited	United Kingdom
Control Techniques GmbH	Germany
Reta Anlagenbau GmbH	Germany
SSB Group GmbH	Germany
SSB Management GmbH	Germany
SSB Wind Systems GmbH & Co. KG	Germany
SSB Wind Energy Technology (Qingdao) Co., Ltd.	China
SSB-Antriebstechnik-Verwaltungs-und Beteiligungsgesellschaft mbH	Germany
Control Techniques Asia-Pacific Pte. Ltd.	Singapore
Control Techniques Drives (Malaysia) Sdn Bhd	Malaysia
Control Techniques Singapore Pte Limited	Singapore
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 Reed & Company Limited	United Kingdom
Control Techniques Southern Africa (Pty) Ltd.	South Africa
Control Techniques SpA	Italy
Control Techniques Worldwide BV	Netherlands
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 Endustriyel Kontrol Sistemerli Sanayi ve Ticaret AS	Turkey
Control Techniques India Private Limited	India
Control Techniques Elpro Automation Limited	India

DrivesShop Limited	United Kingdom
Foray 600 Limited	United Kingdom
Foray 606 Limited	United Kingdom
Emerson Holding Company Limited	United Kingdom
Asco Joucomatic Ltd.	United Kingdom
Asco Power Technologies Limited	United Kingdom
Bristol Babcock Limited	United Kingdom
Computational Systems Limited	United Kingdom
Copeland Limited	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
Buehler Europe Limited	United Kingdom
Bannerscientific Limited	United Kingdom
Buehler UK Limited	United Kingdom
Metaserv Limited	United Kingdom
Metallurgical Services Laboratories Limited	United Kingdom
Emerson FZE	UAE
Emerson Climate Technologies FZE	UAE
Emerson Process Management Morocco Sarl	Morocco
Emerson Network Power Limited	United Kingdom
Liebert Swindon Limited	United Kingdom
Emerson Energy Systems (UK) Limited	United Kingdom
Emerson Network Power Connectivity Solutions Limited	United Kingdom
Midwest Microwave Limited	United Kingdom
Emerson Process Management Limited	United Kingdom
Emerson Process Management Distribution Limited	United Kingdom
Fisher-Rosemount Properties Limited	United Kingdom
Emerson Process Management Shared Services Limited	United Kingdom
F-R Properties (UK) Limited	United Kingdom
EMR Barnstaple Limited	United Kingdom
TopWorx UK Limited	United Kingdom
Emerson Process Management Services Limited	United Kingdom
Emerson UK Trustees Limited	United Kingdom
Fisher Controls Limited	United Kingdom
Farris Engineering Limited	United Kingdom
Fisher Governor Company Limited	United Kingdom
MDC Technology Limited	United Kingdom
MDC Technology Trustees Limited	United Kingdom
Mobrey Group Limited	United Kingdom
Mobrey Overseas Sales Limited	United Kingdom
Mobrey Limited	United Kingdom

Oaksmere Refrigeration Design & Consultancy Limited	United Kingdom
Pactrol Controls Limited	United Kingdom
EMR Worldwide B.V.	Netherlands
Emerson Climate Technologies - Transportation Solutions ApS	Denmark
EMERSON DHC B.V.	Netherlands
Emerson Electric (Thailand) Limited	Thailand
Emersub 7 LLC	Delaware
Emersub 8 LLC	Delaware
Emersub 9 LLC	Delaware
Emersub 10 LLC	Delaware
Emersub 11 LLC	Delaware
Emersub 12 LLC	Delaware
EMR (Mauritius) Ltd.	Mauritius
Trident Powercraft Private Limited	India
Emerson Electric Canada Limited	Canada
Roxar Canada ULC	Canada
Emerson Holding Sweden AB	Sweden
Emerson Sweden AB	Sweden
Emerson Network Power AB	Sweden
Rosemount Tank Radar AB	Sweden
Emerson Process Management Marine Solutions Singapore Pte. Ltd.	Singapore
Rosemount Tank Gauging India Pvt. Ltd.	India
Rosemount Tank Gauging Middle East SPC	Bahrain
Emerson USD Finance Company Limited	United Kingdom
Net Safety Monitoring Inc.	Canada
Net Safety Monitoring Singapore Pte. Ltd.	Singapore
Net Safety Monitoring USA Inc.	Nevada
Rutherfurd Acquisitions Limited	United Kingdom
Chloride Group Limited	United Kingdom
Advanced Design Electronics Limited	United Kingdom
Chloride Batteries Limited	United Kingdom
Chloride Electronics Limited	United Kingdom
Emergency Power Systems Limited	United Kingdom
Oneac Limited	United Kingdom
Chloride Holdings UK Limited	United Kingdom
Chloride Limited	United Kingdom
Fleetness 174 Limited	United Kingdom
Exide Electronics Limited	United Kingdom
Chloride Nominees Limited	United Kingdom
Chloride Pension Trust Limited	United Kingdom
Chloride Power Protection Limited	Thailand
Chloride Power Protection Pty. Ltd.	Australia
Chloride Supplies Limited	United Kingdom

CHLD Singapore Pte. Ltd.	Singapore
Chloride do Brasil Limitada	Brazil
Chloride Holdings Limited	United Kingdom
Chloride Srl	Italy
Chloride Koexa S.A.	Argentina
Chloride Power Protection China Ltd.	China
Chloride Power Protection Polska Sp. z.o.o.	Poland
Chloride Secure Power Protection Philippines Inc.	Philippines
CPE Chloride Power Electronics S.A.	Spain
Emerson Network Power, Limitada	Portugal
Chloride UPS Svenska AB	Sweden
Emerson Network Power Guc Sistemleri Limited Sirketi	Turkey
Emerson Network Power Limited	Ireland
Emerson Network Power (Pune) Private Limited	India
Masterguard do Brasil Limitada	Brazil
Chloride U.K. Limited	United Kingdom
Continuous Power International Limited	United Kingdom
Continuous Power Limited	United Kingdom
Emerson Network Power Industrial Systems SAS	France
AST Electronique Services S.A.S.	France
Emerson Network Power SAS	France
France Onduleurs Ondyne Sarl	France
Exide Limited	United Kingdom
Fleetness 173 Limited	United Kingdom
Masterpower Electronics Limited	Scotland
Ondyne (UK) Limited	United Kingdom
Stocksave Limited	United Kingdom
Vertu Security Limited	United Kingdom
Viper Security Limited	United Kingdom
Bardic Emergency Systems Limited	United Kingdom
Chloride Investments Limited	Guernsey
Chloride Financing Limited	United Kingdom
Chloride Financing UK Limited	United Kingdom
Fisher-Rosemount Peru S.A.C.	Peru
F-R Tecnologias de Flujo, S.A. de C.V.	Mexico
Motoreductores U.S., S.A. de C.V.	Mexico
NetworkPower Ecuador S.A.	Ecuador
PT. Emerson Indonesia	Indonesia
RAC Technologies (Israel) Ltd.	Israel
Rey-Lam, S. de R.L. de C.V.	Mexico
Termotec de Chihuahua, S.A. de C.V.	Mexico
Tranmet Holdings Limited	United Kingdom
Tranmet Holdings B.V.	Netherlands

Industrial Group Metran CJSC	Russia
Metran-Export CJSC	Russia
Firm Metran LLC	Russia
EPMCO Holdings, Inc.	Delaware
Emerson Process Management Regulator Technologies, Inc.	Delaware
Fromex, S.A. de C.V.	Mexico
Fisher Controls International LLC	Delaware
Emerson Process Management Australia Pty Limited	Australia
Emerson Electric Australia Co. Pty. Ltd.	Australia
Emerson Process Management New Zealand Limited	New Zealand
Emerson Process Management China Ltd.	Hong Kong
Fisher Controles de Mexico, S.A. de C.V.	Mexico
Instrument & Valve Services Company	Delaware
Nippon Fisher Co., Ltd.	Japan
Fisher-Rosemount Systems, Inc.	Delaware
Emerson Process Management LLLP	Delaware
Emerson Process Management Power & Water Solutions, Inc.	Delaware
Turbine Control Service Associates, Inc.	Pennsylvania
Emerson Process Management SAS	France
Emerson Process Management, Lda	Portugal
Fiberconn Assemblies Morocco Sarl	Morocco
Fusite Corporation	Ohio
Emerson Japan Ltd.	Japan
Fusite Land Company	Delaware
General Equipment and Manufacturing Company, Inc.	Kentucky
TopWorx RSA (Proprietary) Limited	South Africa
High Voltage Maintenance Corporation	Ohio
Hiross India Private Limited	India
Humboldt Hermetic Motor Corp.	Delaware
Woodstock Land Company LLC	Missouri
Innovative Control Systems, Inc.	New York
Intrinsic Safety Equipment of Texas, Inc.	Texas
Kato Engineering Inc.	Delaware
Kop-Flex, Inc.	Delaware
Kop-Flex Canada Limited	Canada
Metaloy, Inc.	Massachusetts
Metropolitan International, Inc.	Nevada
InterMetro Industries Corporation	Nevada
InterMetro Industries Corporation	Delaware
InterMetro Industries B.V.	Netherlands
Metro Industries, Inc.	Nevada
Metropolitan Wire (Canada) Ltd.	Canada
Metropolitan Wire Corporation	Pennsylvania

Motores Hermeticos del Sur, S.A. de C.V.	Mexico
Numatics, Incorporated	Michigan
Asco Numatics (Taiwan) Co., Ltd.	Taiwan
Numatics de Mexico, S.A. de C.V.	Mexico
Numatics GmbH	Germany
ProTeam, Inc.	Idaho
ProTeam (China) Limited	Hong Kong
Ridge Tool Europe NV	Belgium
Ridgid Scandinavia A/S	Denmark
Von Arx AG	Switzerland
Von Arx GmbH	Germany
Rosemount Tank Gauging North America Inc.	Texas
Roxar, Inc.	Delaware
System Plast, LLC	North Carolina
SPPA LLC	Pennsylvania
Solus Industrial Innovations, LLC	Delaware
System Plast USA de Mexico, S. de R.L. de C.V.	Mexico
Termocontroles de Juarez, S.A. de C.V.	Mexico
Tescom Corporation	Minnesota
Tescom Europe Management GmbH	Germany
Tescom Europe GmbH & Co. KG	Germany
Thunderline Z, Inc.	Delaware
Transmisiones de Potencia Emerson, S.A. de C.V.	Mexico

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Emerson Electric Co.:

We consent to the incorporation by reference in Registration Statement Nos. 333-173933, 333-154362, 333-154361, 333-152917, 333-152916, 333-118589, 333-90240 and 333-46919 on Form S-8 and Registration Statement Nos. 333-178110, 333-155674, 333-110546, 333-52658, 333-84673 and 333-66865 on Form S-3 of Emerson Electric Co. of our report dated November 19, 2012, with respect to the consolidated balance sheets of Emerson Electric Co. as of September 30, 2012 and 2011, and the related consolidated statements of earnings, equity, and cash flows for each of the years in the three-year period ended September 30, 2012, and the effectiveness of internal control over financial reporting as of September 30, 2012, which report is incorporated by reference in the September 30, 2012 annual report on Form 10-K of Emerson Electric Co.

/s/ KPMG LLP

St. Louis, Missouri
November 19, 2012

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 F. J. Dellaquila 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, 2012.

Dated: October 2, 2012

Signature	Title
/s/ D. N. Farr D. N. Farr	Chairman of the Board and Chief Executive Officer
/s/ W. J. Galvin W. J. Galvin	Vice Chairman and Director
/s/ R. J. Schlueter R. J. Schlueter	Vice President, Controller and Chief Accounting Officer
/s/ C. A. H. Boersig C. A. H. Boersig	Director
/s/ J. B. Bolten J. B. Bolten	Director
/s/ A. A. Busch III A. A. Busch III	Director
/s/ C. Fernandez G. C. Fernandez G.	Director
/s/ A. F. Golden A. F. Golden	Director
/s/ H. Green H. Green	Director
/s/ W. R. Johnson W. R. Johnson	Director

/s/ M. S. Levatich	Director
M. S. Levatich	
/s/ C. A. Peters	Director
C. A. Peters	
/s/ J. W. Prueher	Director
J. W. Prueher	
/s/ R. L. Ridgway	Director
R. L. Ridgway	
/s/ R. L. Stephenson	Director
R. L. Stephenson	

Exhibit 31

Certification

I, D. N. Farr, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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 of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

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

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 19, 2012

/s/ D. N. Farr
D. N. Farr
Chairman of the Board and
Chief Executive Officer
Emerson Electric Co.

Certification

I, F. J. Dellaquila, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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 of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

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

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 19, 2012

/s/ F. J. Dellaquila
F. J. Dellaquila
Executive Vice President and
Chief Financial Officer
Emerson Electric Co.

Exhibit 32

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 ended September 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, D. N. Farr, 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/ D. N. Farr

D. N. Farr
Chairman of the Board and
Chief Executive Officer
Emerson Electric Co.
November 19, 2012

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 ended September 30, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, F. J. Dellaquila, 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/ F. J. Dellaquila

F. J. Dellaquila
Executive Vice President and
Chief Financial Officer
Emerson Electric Co.
November 19, 2012