UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2013

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**

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 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. (Check one):

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 Exchange Act). Yes ¨ No ý

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date. Common stock of $0.50 par value per share outstanding at January 31, 2014: 702,985,814 shares.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

EMERSON ELECTRIC CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
THREE MONTHS ENDED DECEMBER 31, 2012 AND 2013
(Dollars in millions, except per share amounts; unaudited)

	Three Months Ended December 31, 2012	Three Months Ended December 31, 2013
Net sales	$ 5,553	5,606
Costs and expenses:		
Cost of sales	3,346	3,370
Selling, general and administrative expenses	1,394	1,444
Other deductions, net	86	95
Interest expense (net of interest income of $4 and $7, respectively)	54	54
Earnings before income taxes	673	643
Income taxes	207	166
Net earnings	466	477
Less: Noncontrolling interests in earnings of subsidiaries	12	15
Net earnings common stockholders	$ 454	462
Basic earnings per share common stockholders	$ 0.63	0.65
Diluted earnings per share common stockholders	$ 0.62	0.65
Cash dividends per common share	$ 0.41	0.43

See accompanying Notes to Consolidated Financial Statements.

EMERSON ELECTRIC CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED DECEMBER 31, 2012 AND 2013
(Dollars in millions; unaudited)

	Three Months Ended December 31,	
	2012	**2013**
Net earnings	$ 466	477
Other comprehensive income, net of tax:		
Foreign currency translation	79	15
Pension and postretirement	37	23
Cash flow hedges	(3)	3
Total other comprehensive income (loss)	113	41
Comprehensive income	579	518
Less: Noncontrolling interests in comprehensive income of subsidiaries	11	13
Comprehensive income common stockholders	$ 568	505

See accompanying Notes to Consolidated Financial Statements.

EMERSON ELECTRIC CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in millions, except shares and per share amounts; unaudited)

	Sept 30, 2013	Dec 31, 2013
ASSETS		
Current assets		
Cash and equivalents	$ 3,275	2,737
Receivables, less allowances of $103 and $101, respectively	4,808	4,429
Inventories	1,895	2,162
Other current assets	1,021	671
Total current assets	10,999	9,999
Property, plant and equipment, net	3,605	3,639
Other assets		
Goodwill	7,509	7,871
Other intangible assets	1,672	1,839
Other	926	776
Total other assets	10,107	10,486
Total assets	$ 24,711	24,124
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current maturities of long-term debt	$ 1,587	1,958
Accounts payable	2,725	2,425
Accrued expenses	3,184	2,526
Income taxes	129	199
Total current liabilities	7,625	7,108
Long-term debt	4,055	3,834
Other liabilities	2,313	2,299
Equity		
Common stock, $0.50 par value; authorized, 1,200,000,000 shares; issued, 953,354,012 shares; outstanding, 706,660,259 shares and 704,388,012 shares, respectively	477	477
Additional paid-in-capital	352	528
Retained earnings	18,930	19,088
Accumulated other comprehensive income (loss)	(189)	(146)
Cost of common stock in treasury, 246,693,753 shares and 248,966,000 shares, respectively	(8,985)	(9,206)
Common stockholders' equity	10,585	10,741
Noncontrolling interests in subsidiaries	133	142
Total equity	10,718	10,883
Total liabilities and equity	$ 24,711	24,124

See accompanying Notes to Consolidated Financial Statements.

EMERSON ELECTRIC CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED DECEMBER 31, 2012 AND 2013
(Dollars in millions; unaudited)

	Three Months Ended December 31, 2012	Three Months Ended December 31, 2013
Operating activities		
Net earnings	$ 466	477
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	206	209
Changes in operating working capital	(119)	(54)
Other, net	86	59
Net cash provided by operating activities	639	691
Investing activities		
Capital expenditures	(200)	(236)
Purchases of businesses, net of cash and equivalents acquired	—	(576)
Divestitures of businesses	3	268
Other, net	(22)	(11)
Net cash used by investing activities	(219)	(555)
Financing activities		
Net increase in short-term borrowings	424	387
Principal payments on long-term debt	(264)	(314)
Dividends paid	(297)	(304)
Purchases of common stock	(113)	(390)
Other, net	(8)	(54)
Net cash used by financing activities	(258)	(675)
Effect of exchange rate changes on cash and equivalents	(2)	1
Increase (decrease) in cash and equivalents	160	(538)
Beginning cash and equivalents	2,367	3,275
Ending cash and equivalents	$ 2,527	2,737
Changes in operating working capital		
Receivables	$ 447	446
Inventories	(171)	(161)
Other current assets	(13)	25
Accounts payable	(256)	(151)
Accrued expenses	(235)	(298)
Income taxes	109	85
Total changes in operating working capital	$ (119)	(54)

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments necessary for a fair presentation of operating results for the interim periods presented. Adjustments consist of normal and recurring accruals. The consolidated financial statements are presented in accordance with the requirements of Form 10-Q and consequently do not include all disclosures required for annual financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP). For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2013.

   The Company's interim statements of cash flows previously reported capital expenditures as equipment was received, rather than when paid. The first quarter of 2013 has been adjusted by $85 million to reflect capital expenditures when payment is made, which had the effect of increasing investing cash flow and operating cash flow compared with amounts previously reported, while the fourth quarter of 2013 will be decreased by similar amounts. This revision was not considered material to the previously issued financial statements. Total investing cash flow and operating cash flow previously reported for the full fiscal year 2013 are not affected.

   Effective October 2013, the Company adopted updates to ASC 210, *Balance Sheet,* and to ASC 220, *Comprehensive Income.* ASC 210 requires entities to disclose both assets and liabilities related to derivatives subject to enforceable master netting arrangements, including collateral, and reconcile those amounts to the net amount presented in the balance sheet. ASC 220 requires entities to disclose reclassifications into earnings from accumulated other comprehensive income (AOCI) and other current period activity. There is no change to the items reported in AOCI or when those items should be reclassified into earnings. These updates did not materially impact the Company's financial statements.

2. Reconciliations of weighted average shares for basic and diluted earnings per common share follow (in millions). Earnings allocated to participating securities were inconsequential.

	Three Months Ended December 31,	
	2012	**2013**
Basic shares outstanding	722.3	703.5
Dilutive shares	4.6	4.6
Diluted shares outstanding	726.9	708.1

3. Other Financial Information (in millions):

	Sept 30, 2013	**Dec 31, 2013**
Inventories		
Finished products	$ 678	806
Raw materials and work in process	1,217	1,356
Total	$ 1,895	2,162
Property, plant and equipment, net		
Property, plant and equipment, at cost	$ 9,092	9,194
Less: Accumulated depreciation	5,487	5,555
Total	$ 3,605	3,639

	Sept 30, 2013	Dec 31, 2013
Goodwill by business segment		
Process Management	$ 2,383	2,708
Industrial Automation	1,352	1,355
Network Power	2,832	2,866
Climate Technologies	503	503
Commercial & Residential Solutions	439	439
Total	$ 7,509	7,871

The change in goodwill since September 30, 2013 is primarily due to the Virgo and Enardo acquisitions (see Note 11).

	Sept 30, 2013	Dec 31, 2013
Accrued expenses include the following		
Employee compensation	$ 650	538
Customer advanced payments	$ 402	437
Product warranty	$ 183	186
Other liabilities		
Pension plans	$ 539	513
Deferred income taxes	823	922
Postretirement plans, excluding current portion	263	262
Other	688	602
Total	$ 2,313	2,299

4. Following is a discussion regarding the Company's use of financial instruments:

Hedging Activities – As of December 31, 2013, the notional amount of foreign currency hedge positions was approximately $1.6 billion while commodity hedge contracts totaled approximately 73 million pounds ($210 million) of copper and aluminum. All derivatives receiving deferral accounting are cash flow hedges. The majority of hedging gains and losses deferred as of December 31, 2013 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. The following gains and losses are included in earnings and other comprehensive income (OCI) for the three months ended December 31, 2013 and 2012 (in millions):

		Into Earnings 1st Quarter		Into OCI 1st Quarter	
Gains (Losses)	Location	2012	2013	2012	2013
Commodity	Cost of sales	$ (3)	(3)	(5)	2
Foreign currency	Sales, cost of sales	4	2	2	1
Foreign currency	Other deductions, net	9	(2)		
Total		$ 10	(3)	(3)	3

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 for the three months ended December 31, 2013 and 2012.

Fair Value Measurements – Valuations for all derivatives and the Company's long-term debt fall within Level 2 of the GAAP valuation hierarchy. At December 31, 2013, the fair values of commodity contracts and foreign currency contracts were reported in other current assets and accrued expenses, respectively. There was no collateral posted with counterparties as of December 31, 2013. The maximum collateral that could have been required was $5 million. As of December 31, 2013, the fair value of long-term debt was $4,456 million which exceeded the carrying value by $370 million. Valuations of derivative contract positions are summarized below (in millions):

	September 30, 2013		December 31, 2013	
	Assets	Liabilities	Assets	Liabilities
Foreign Currency	$ 18	17	18	15
Commodity	$ 2	8	4	5

5. The change in equity for the first three months of 2014 is shown below (in millions):

	Common Stockholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
Balance at September 30, 2013	$ 10,585	133	10,718
Net earnings	462	15	477
Other comprehensive income (loss)	43	(2)	41
Cash dividends	(304)	(4)	(308)
Net (purchases) issuances of common stock	(45)	—	(45)
Balance at December 31, 2013	$ 10,741	142	10,883

6. Activity in accumulated other comprehensive income for the three months ended December 31, 2012 and December 31, 2013 is shown below (in millions):

	Dec 31, 2012	Dec 31, 2013
Foreign currency translation		
Beginning balance	$ 466	504
Other comprehensive income	80	17
Ending balance	546	521
Pension and postretirement		
Beginning balance	(1,213)	(692)
Amortization of deferred actuarial losses into earnings net of tax: 2012, $(21); 2013, $(13)	37	23
Ending balance	(1,176)	(669)
Cash flow hedges		
Beginning balance	16	(1)
Deferred gains (losses) arising during the period, net of tax: 2012, $1; 2013, $(1)	(2)	2
Reclassification of realized (gain) loss to sales and cost of sales, net of tax: 2012, $0; 2013, $0	(1)	1
Ending balance	13	2
Accumulated other comprehensive income (loss)	(617)	(146)

7. Total periodic pension and postretirement expense is summarized below (in millions):

	Three Months Ended December 31,	
	2012	2013
Service cost	$ 26	24
Interest cost	56	62
Expected return on plan assets	(83)	(86)
Net amortization	58	36
Total	$ 57	36

Lower expense primarily reflects the impact of the higher interest rate environment and favorable investment performance the last two years.

8. Other deductions, net are summarized below (in millions):

	Three Months Ended December 31,	
	2012	2013
Amortization of intangibles	$ 59	57
Rationalization of operations	16	13
Other	11	25
Total	$ 86	95

Other reflects a China research incentive credit of $13 million in the prior year and other immaterial items.

9. Rationalization of operations expense reflects costs associated with the Company's efforts to continually improve operational efficiency and deploy assets globally in order to remain competitive on a worldwide basis. Details of the change in the liability for rationalization during the three months ended December 31, 2013 follow (in millions):

	Sept 30, 2013	Expense	Paid/Utilized	Dec 31, 2013
Severance and benefits	$ 27	7	11	23
Lease and other contract terminations	3	—	—	3
Vacant facility and other shutdown costs	1	2	2	1
Start-up and moving costs	1	4	4	1
Total	$ 32	13	17	28

Rationalization of operations expense by segment is provided below (in millions):

	Three Months Ended December 31,	
	2012	2013
Process Management	$ 3	3
Industrial Automation	5	2
Network Power	4	4
Climate Technologies	1	3
Commercial & Residential Solutions	3	1
Total	$ 16	13

The Company expects to incur full year 2014 rationalization expense of approximately $80 million to $90 million. This includes the $13 million incurred to date, as well as costs to complete actions initiated before the end of the first quarter and actions anticipated to be approved and initiated during the remainder of the year. First quarter costs largely relate to shifting resources to higher growth regions and to directly serve local markets.

10. Summarized information about the Company's results of operations by business segment follows (in millions):

	Three Months Ended December 31,			
	Sales		Earnings	
	2012	2013	2012	2013
Process Management	$ 1,896	2,041	333	373
Industrial Automation	1,137	1,149	164	162
Network Power	1,459	1,303	105	83
Climate Technologies	752	786	101	107
Commercial & Residential Solutions	453	466	97	100
	5,697	5,745	800	825
Differences in accounting methods			50	57
Corporate and other			(123)	(185)
Eliminations/Interest	(144)	(139)	(54)	(54)
Total	$ 5,553	5,606	673	643

Industrial Automation intersegment sales for the first quarters ended December 31, 2013 and 2012 were $116 million and $121 million, respectively. The increase in corporate and other primarily reflects inventory costs of $21 million (purchase accounting) and a $30 million pretax ($5 million after-tax) charitable contribution of an equity investment, accelerating funding of all fiscal year 2014 contributions into the first quarter.

11. On November 22, 2013, the Company completed the divestiture of a 51 percent controlling interest in the embedded computing and power business and received proceeds of $268 million, net of working capital adjustment. The Company retained an interest with a fair value of approximately $60 million, determined using a Level 3 option pricing model. There was no pretax gain or loss from the divestiture in the quarter; a tax benefit of $12 million was recognized. First quarter consolidated operating results include sales of $146 million for this business through the transaction date. Assets and liabilities held-for-sale at the closing date were as follows: other current assets, $367 million (accounts receivable, inventories, other); other assets, $212 million (property, plant and equipment, goodwill, other noncurrent assets); and accrued expenses, $251 million (accounts payable and other liabilities). Prior to the divestiture, cash of $376 million ($308 million, after tax provided in fiscal 2013) was repatriated from this business. In fiscal year 2013, the Company initiated the repurchase of $600 million of Emerson common stock in anticipation of proceeds from the sale and repatriation of cash from this business. The repurchase was completed in the first quarter of 2014.

In first quarter of 2014, the Company acquired two businesses in the Process Management segment's final control business, Virgo Valves and Controls, LTD, a manufacturer of ball valves and automation systems, and Enardo LLC, a manufacturer of tank and terminal safety equipment. Total cash paid for both businesses was

$506 million, net of cash acquired, and the Company assumed $76 million of debt. Combined annualized sales for Virgo and Enardo were over $300 million. Goodwill of $316 million (nondeductible for tax purposes) and identifiable intangible assets of $188 million, primarily customer relationships and patents and technology with a weighted-average life of approximately 12 years, were initially recognized from these transactions. In addition, the Company also acquired two other smaller businesses in the first quarter of 2014 for approximately $70 million, net of cash acquired. Valuations of acquired assets and liabilities are in process and will be completed during 2014.

In January 2014 (second quarter of fiscal 2014), the Company acquired the remaining 44.5 percent noncontrolling interest in EGS Electrical Group LLC for $574 million. The transaction does not affect consolidated results of operations other than eliminating the noncontrolling interest's share of future earnings and distributions from this business. Sales for this electrical distribution business were more than $500 million in 2013. This business has been renamed Appleton Group and will continue to be reported in the Industrial Automation segment. Full ownership provides growth opportunities in the oil, gas and chemical end markets by leveraging the Company's Process Management and international distribution channels.

12. On October 22, 2012, Invensys Systems, Inc. filed a suit for patent infringement against the Company and its wholly-owned indirect subsidiary, Micro Motion, Inc., in the Eastern District of Texas captioned *Invensys Systems, Inc. v. Emerson Electric Co. and Micro Motion, Inc., USA*. The complaint alleges infringement on Invensys patents by Micro Motion's Coriolis flowmeter "Enhanced Core Processors." The Invensys suit seeks unspecified damages for past infringement and an injunction preventing the Company and Micro Motion from engaging in future infringement. It is too early in the litigation to assess any potential financial impact. The Company and Micro Motion believe that the Invensys claims are without merit and that they have strong defenses to the claims, and intend to aggressively defend the suit.

Items 2 and 3.

Management's Discussion and Analysis of Financial Condition and Results of Operations

OVERVIEW

First quarter sales were $5.6 billion, up 1 percent, as the divestiture of the controlling interest in the embedded computing and power business, net of acquisitions, negatively impacted comparisons 2 percentage points. Underlying sales growth exceeded 3 percent as macroeconomic conditions improved slightly. The business climate remains uncertain, particularly in the U.S. and Europe. Asia and Middle East/Africa reported strong sales growth. Net earnings common stockholders were $462 million, up 2 percent. Diluted earnings per share were $0.65, up 5 percent.

RESULTS OF OPERATIONS

Following is an analysis of the Company's operating results for the first quarter ended December 31, 2013, compared with the first quarter ended December 31, 2012.

Three Months Ended December 31	2012	2013	Change
(dollars in millions, except per share amounts)			
Net sales	5,553	5,606	1 %
Gross profit	2,207	2,236	1 %
Percent of sales	*39.7%*	*39.9%*	
SG&A	1,394	1,444	
Percent of sales	*25.1%*	*25.8%*	
Other deductions, net	86	95	
Interest expense, net	54	54	
Earnings before income taxes	673	643	(4)%
Percent of sales	*12.1%*	*11.5%*	
Net earnings common stockholders	454	462	2 %
Percent of sales	*8.2%*	*8.2%*	
Diluted EPS – Net earnings	0.62	0.65	5 %

Net sales for the first quarter of 2014 were $5,606 million, an increase of $53 million or 1 percent, compared with $5,553 million in 2013. Underlying sales increased 3 percent ($177 million) from volume and exclude the 3 percent($173 million) negative impact from a divestiture and a 1 percent ($60 million) benefit from acquisitions. Foreign currency translation had a negligible unfavorable impact ($11 million). Sales increased 3 percent in the U.S. and 4 percent internationally. Underlying sales increases of 10 percent in Asia and 9 percent in Middle East/Africa more than offset a 1 percent decrease in Latin America and 5 percent decrease in Canada. Sales were flat in Europe. Sales increased in all segments except Network Power, led by Process Management which increased $145 million, or 8 percent, aided by acquisitions. Sales for Network Power decreased $156 million, or 11 percent, due to the divestiture of the embedded computing and power business.

Cost of sales in 2014 were $3,370 million, an increase of $24 million versus $3,346 million in 2013. Gross profit margin of 39.9 percent in 2014 versus 39.7 percent in 2013 increased primarily due to materials cost containment, lower pension expense, and the impact of the embedded computing and power business. Inventory costs of $21 million (purchase accounting), higher warranty and unfavorable mix partially offset these favorable items.

Selling, general and administrative (SG&A) expenses of $1,444 million increased $50 million compared with prior year. SG&A as a percent of sales was 25.8 percent in 2014, a 0.7 percentage point increase versus 2013. The
higher SG&A expense and increase in SG&A as a percent of sales primarily reflects costs associated with the increased volume, a comparative effect of $22 million for an accelerated charitable contribution, and the impact of embedded computing and power.

Other deductions, net were $95 million in 2014, an increase of $9 million. See Notes 8 and 9 for further details.

Pretax earnings of $643 million decreased $30 million, or 4 percent. Process Management earnings increased $40 million, Network Power decreased $22 million, and corporate and other included unfavorable costs of $43 million. See Note 10.

Income taxes were $166 million for 2014 and $207 million for 2013, resulting in effective tax rates of 26 percent and 31 percent, respectively. The current quarter effective tax rate benefited approximately 5 percentage points from certain items, including 2 percentage points each from the divestitures of embedded computing and power and an equity investment. The effective tax rate for full year 2014 is estimated at approximately 31 percent.

Net earnings common stockholders in 2014 were $462 million, up 2 percent, and net earnings per share were $0.65, up 5 percent, compared to prior year, reflecting operating results and purchases of common stock for treasury.

BUSINESS SEGMENTS

Following is an analysis of operating results for the Company's business segments for the first quarter ended December 31, 2013, compared with the first quarter ended December 31, 2012. The Company defines segment earnings as earnings before interest and taxes.

Process Management

Three Months Ended December 31		2012	2013	Change
(dollars in millions)				
Sales	$	1,896	2,041	8%
Earnings	$	333	373	12%
Margin		17.6%	18.3%	

Process Management sales were $2.0 billion in the first quarter, an increase of $145 million or 8 percent, on continued demand in global oil and gas and chemical end markets, and aided by the Virgo and Enardo acquisitions. The systems and solutions business had strong growth, while the final control and measurement devices businesses were up modestly. Underlying sales grew 5 percent on volume growth, acquisitions had a 3 percent ($60 million) favorable impact and foreign currency translation was negligible (unfavorable $10 million). Sales increased 6 percent in the U.S., 3 percent in Europe, and 14 percent in Asia on robust China growth across the segment. Middle East/Africa increased 4 percent, while sales decreased 10 percent in Latin America and 6 percent in Canada. Earnings increased $40 million on higher volume and acquisitions. The 70 basis point margin improvement reflects leverage, materials cost containment and an $11 million favorable impact from foreign currency transactions.

Industrial Automation

Three Months Ended December 31		2012	2013	Change
(dollars in millions)				
Sales	$	1,137	1,149	1 %
Earnings	$	164	162	(1)%
Margin		14.4%	14.1%	

Industrial Automation sales were $1.1 billion in the first quarter, an increase of $12 million or 1 percent. Underlying sales were flat, reflecting 1 percent volume growth offset by 1 percent lower selling prices. Favorable foreign currency translation added 1 percent ($8 million). Mixed results across the businesses reflected an emerging recovery in global industrial goods markets. Sales growth was driven by the electrical distribution, materials joining, fluid automation and industrial motors businesses. Power generating alternators was flat, while weak demand in the power transmission and hermetic motors businesses partially offset the increase. Underlying sales were flat in the United States, decreased 5 percent in Europe and increased 9 percent in Asia. Sales were up 3 percent in Latin America, 18 percent in Middle East/Africa and 1 percent in Canada. Earnings decreased $2 million and margin declined 30 basis points reflecting unfavorable mix and higher warranty costs, largely offset by savings from cost reduction actions. Materials cost containment offset lower pricing.

Network Power

Three Months Ended December 31 (dollars in millions)		2012	2013	Change
Sales	$	1,459	1,303	(11)%
Earnings	$	105	83	(21)%
Margin		7.2%	6.4%	

Network Power sales were $1.3 billion in the first quarter, a decrease of $156 million or 11 percent. Underlying sales grew 2 percent as higher volume of 3 percent was partially offset by 1 percent lower price. Underlying sales exclude a negative 12 percent ($173 million) impact from the divestiture of embedded computing and power and unfavorable foreign currency translation of 1 percent ($9 million). The underlying sales increase was driven by strong growth in the telecommunications-related power business. Demand was mixed for data center technologies as modest growth in the uninterruptible power supplies and inbound power businesses was partially offset by decreases in the thermal management and infrastructure management businesses. Underlying sales increased 2 percent in both the United States and Asia, 1 percent in Europe, 8 percent in the Latin America and 27 percent in Middle East/Africa, partially offset by a 13 percent decrease in Canada. Earnings decreased $22 million, or 21 percent. Lower embedded computing and power earnings of $6 million and a $13 million research credit in the prior year comprised 18 percentage points of the decrease. Materials cost containment was offset by lower pricing. Cost containment actions were more than offset by other costs and unfavorable mix.

Climate Technologies

Three Months Ended December 31 (dollars in millions)		2012	2013	Change
Sales	$	752	786	5%
Earnings	$	101	107	6%
Margin		13.4%	13.6%	

Climate Technologies sales were $786 million in the first quarter, an increase of $34 million or 5 percent, on strength in all businesses. The compressors business had moderate growth overall, driven by strong demand in the global refrigeration and solutions businesses, supported by stable conditions in global air conditioning. In air conditioning, strength in China was offset by declines in other Asia and North America. Growth was strong in the temperature control and sensors businesses. Underlying sales also increased 5 percent on higher volume; currency had no effect. Sales decreased 1 percent in the United States, and were up 5 percent in Europe and 13 percent in Asia. Sales increased 9 percent in Latin America and 6 percent in Middle East/Africa, while sales declined 10 percent in Canada. Earnings increased $6 million and margin increased 20 basis points on volume, resulting leverage, and materials cost containment, partially offset by higher warranty.

Commercial & Residential Solutions

Three Months Ended December 31 (dollars in millions)		2012	2013	Change
Sales	$	453	466	3%
Earnings	$	97	100	2%
Margin		21.5%	21.4%	

Commercial & Residential Solutions sales were $466 million in the first quarter, an increase of $13 million or 3 percent. Underlying sales were also up 3 percent on higher volume. The sales increase was led by strong growth in the food waste disposers, residential storage and professional tools businesses. Sales decreased for wet/dry vacuums and commercial storage. Underlying sales increased 2 percent in the U.S. and 6 percent internationally. Earnings increased $3 million while margin contracted 10 basis points reflecting higher volume and savings from cost reduction actions, partially offset by slightly higher materials costs and unfavorable pricing.

FINANCIAL CONDITION

Key elements of the Company's financial condition for the three months ended December 31, 2013 as compared to the year ended September 30, 2013.

	Sept 30, 2013	Dec 31, 2013
Working capital (in millions)	$ 3,374	2,891
Current ratio	1.4	1.4
Total debt-to-total capital	34.8%	35.0%
Net debt-to-net capital	18.3%	22.1%
Interest coverage ratio	14.6X	11.6X

The Company's interest coverage ratio (earnings before income taxes plus interest expense, divided by interest expense) of 11.6X for the first three months of 2014 compares to 12.6X in the first quarter of 2013. The decrease primarily reflects lower pretax earnings.

Cash provided by operating activities of $691 million increased $52 million, or 8 percent, compared with $639 million in the prior year period, primarily due to a smaller increase in working capital. Operating cash flow funded capital expenditures of $236 million and dividends of $304 million. Purchases of common stock totaling $390 million were supported by proceeds of $268 million from the divestiture of embedded computing and power. Principal payments on long-term debt were $314 million. An increase in short-term borrowings supported acquisitions of $576 million. For the first three months of 2014, free cash flow of $455 million (operating cash flow of $691 million less capital expenditures of $236 million) was up $16 million compared to free cash flow of $439 million (operating cash flow of $639 million less capital expenditures of $200 million) in 2013. Total cash and equivalents decreased $538 million and total debt increased $150 million.

Emerson maintains a conservative financial structure which provides the strength and flexibility necessary to achieve its strategic objectives. 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 ongoing operations, existing resources, short- and long-term debt capacity or backup credit lines. These resources allow Emerson to reinvest in existing businesses, pursue strategic acquisitions and manage its capital structure on a short- and long-term basis.

FISCAL 2014 OUTLOOK

Global economic indicators reflect a slowly improving but uncertain macroeconomic outlook. For Process Management, energy markets continue to support elevated investment levels and project activity, particularly in North America. Slightly improving yet choppy order trends are expected for Industrial Automation as global industrial goods markets slowly recover. Market conditions for Network Power are expected to remain favorable in the near term, supported by Asia and recovery in Europe. Continued growth in global markets, led by strength in Asia and Europe, support a moderate outlook for Climate Technologies. U.S. residential momentum continues to support favorable market conditions for Commercial & Residential Solutions. The Company's underlying sales are expected to grow 3 to 5 percent in 2014, excluding (4) percent from completed acquisitions and the divestiture of the embedded computing and power business. Reported sales are expected to change (1) to 1 percent. Margin is expected to improve approximately half a percent, as benefits from portfolio changes and volume leverage are partially offset by accelerated strategic investment. Earnings per share are expected to increase 4 to 7 percent excluding an approximate 30 percent impact from impairment and repatriation charges, or increase 33 to 38 percent on a reported basis.

Statements in this report that are not strictly historical may be "forward-looking" statements, which involve risks and uncertainties, and Emerson undertakes no obligation to update any such statements to reflect later developments. These risks and uncertainties include economic and currency conditions, market demand, pricing, protection of intellectual property, and competitive and technological factors, among others which are set forth in the “Risk Factors” of Part I, Item 1, and the "Safe Harbor Statement" of Exhibit 13, to the Company's Annual Report on Form 10-K for the year ended September 30, 2013, which are hereby incorporated by reference.

Item 4. Controls and Procedures

The Company maintains a system of disclosure controls and procedures designed to ensure that information required to be disclosed in its reports under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported in a timely manner. This system also is designed to ensure information is accumulated and communicated to management, including the Company's certifying officers, to allow timely decisions regarding required disclosure. Based on an evaluation performed, the certifying officers have concluded that the disclosure controls and procedures were effective as of the end of the period covered by this report.

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 period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Issuer Purchases of Equity Securities (shares in 000s).

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 2013	2,943	$64.34	2,943	60,989
November 2013	691	$65.99	691	60,298
December 2013	925	$68.66	925	59,374
Total	4,559	$65.47	4,559	59,374

The Company's Board of Directors authorized the purchase of up to 70 million shares of common stock under a May 2013 program.

Item 6. Exhibits

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

3.1 Bylaws of Emerson Electric Co., as amended through November 5, 2013, incorporated by reference to the Company's Form 8-K filed on November 12, 2013, Exhibit 3.1.

10.1 Letter Agreement entered into as of November 11, 2013 between the Company and Craig W. Ashmore.

12 Ratio of Earnings to Fixed Charges.

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 three months ended December 31, 2012 and 2013, (ii) Consolidated Statements of Comprehensive Income for the three months ended December 31, 2012 and 2013, (iii) Consolidated Balance Sheets at September 30, 2013 and December 31, 2013, (iv) Consolidated Statements of Cash Flows for the three months ended December 31, 2012 and 2013, and (v) Notes to Consolidated Financial Statements for the three months ended December 30, 2013.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EMERSON ELECTRIC CO.

By /s/ Frank J. Dellaquila
Frank J. Dellaquila
Executive Vice President and Chief Financial Officer
(on behalf of the registrant and as Chief Financial Officer)
February 5, 2014

INDEX TO EXHIBITS

Exhibit No.	Exhibit
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12	Ratio of Earnings to Fixed Charges.
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Emerson
8000 West Florissant Avenue
P.O. Box 4100
St. Louis, MO 63136-8506
USA

November 11, 2013

Craig W. Ashmore
226 Conway Hill Road
St. Louis, MO 63141

Dear Mr. Ashmore:

This Letter Agreement ("Agreement") sets out the terms of your resignation as an employee, officer and/or director of Emerson Electric Co. Throughout this Agreement the term "Emerson" means Emerson Electric Co. together with any and all other entities owned directly or indirectly, in whole or in part, by Emerson Electric Co. Your resignation and the terms of this agreement are effective as of November 11, 2013 ("Resignation Date").

In consideration of good and valuable consideration provided to you pursuant to this Agreement, you agree as follows:

1. NON- DISPARAGEMENT AGREEMENT

You will not individually or through third-parties make any public or private statement with respect to any aspect of your employment or resignation of employment with Emerson or the terms of this Agreement. If inquiry is made by anyone regarding your employment or separation of employment from Emerson, you agree to state only "I have resigned my employment and officer and director positions with Emerson effective November 11, 2013 and look forward to further career opportunities. I have enjoyed my many years of employment with Emerson, but it is time for me personally to move on. Emerson is a tremendous company and I wish it well."

You also agree not, directly or indirectly, to disparage or make or cause to be made, any comments, statements, or communications of any sort to anyone - whether true or false, that may reasonably be considered to be derogatory or detrimental to Emerson or any Released Parties (as defined in the Release Agreement attached as Exhibit A), their reputations, or their services. You acknowledge that Emerson has a good reputation locally, nationally and internationally, and you will take no action nor engage in any conduct that could injure or diminish that good reputation.

2. NON-DISCLOSURE AGREEMENT

You agree that during your employment you have received and had access to Emerson's trade secrets and confidential and proprietary information ("Confidential Information"), which includes or concerns, but is not limited to, attorney/client communications, global strategic communications, information pertaining to strategic planning and strategy, mergers and acquisitions, corporate technology, customers, pricing, business methods and operations, business policies, procedures, practices and techniques, legal opinions and legal matters, research or development projects or results, sales, finances, products, suppliers, personnel performance and compensation, plans for future development, marketing practices and financial forecasts and budgeting. You agree that disclosure of such Confidential Information would be detrimental to Emerson and agree that at no time following termination of your employment with Emerson will you directly or indirectly disclose or cause the disclosure of any Confidential Information to any person, firm, corporation, or entity no matter what the purpose. You further agree that you will not directly or indirectly disclose the terms of this Agreement to any person except as authorized specifically herein.

The non-disclosure obligations set forth above shall not apply to the extent it is necessary for you to: report income to taxing authorities; communicate with your attorneys or agents to obtain legal and/or financial planning advice after any such attorneys or agents bind themselves in writing to the same non-disclosure obligation as set forth above; or, to respond to any lawfully issued subpoena or order of a court of competent jurisdiction or legitimate discovery request pursuant to state or federal rules of civil procedure. If any such subpoena, order of court or discovery request is received, you agree to send to Emerson's General Counsel no later than two days after receipt via email to frank.steeves@emerson.com or via hand-delivery.

You agree also to deliver to the office of Emerson's General Counsel within a three day period following the Resignation Date all such Confidential Information, any other property of Emerson, and all copies thereof in your possession or control, whether in hard copy or electronically stored, and whether or not stored on an Emerson-owned device. If after such three day period you determine that you have any Confidential Information or other property of Emerson in your possession, you shall immediately deliver such Confidential Information or property to the office of Emerson's General Counsel.

3. <u>NON-COMPETITION AND NON-SOLICITATION AGREEMENTS</u>

You also agree that you will not, without prior written consent from both Emerson's Chief Executive Officer and General Counsel, directly or indirectly for a period of three years from your Resignation Date ("Restricted Period"):

(a) enter the employ of, provide consulting services to, assist, or have any financial interest in any person, firm, corporation, or other entity engaged in business activities anywhere in the world that directly or indirectly competes with the businesses of Emerson as conducted on the date of this Agreement or as contemplated on the date hereof to be developed during the Restricted Period;

(b) acquire in any manner any investment in, or provide services to in any capacity, any equity fund, hedge fund, or other investment vehicle however structured that either directly or indirectly or through portfolio company investments or otherwise competes with the businesses of Emerson as conducted on the date hereof or as contemplated on the date hereof to be developed during the Restrictive Period;

(c) accept or solicit business from or attempt to solicit or accept business from any person that is a customer of Emerson;

(d) divert, take any action to induce, or encourage a customer of Emerson to reduce or cease doing business with Emerson;

(e) solicit, hire, or attempt to solicit or hire any person that currently or during the Restricted Period is an employee, agent or consultant of Emerson to leave employment or separate his or her relationship with Emerson or induce any such person to do anything which you are restricted from doing by reason of this Agreement; or

(f) engage in any other action that might undermine the business interests of Emerson.

The foregoing shall not restrict you from owning not more than five percent of the securities of any competitor of Emerson that is listed on any national securities exchange, traded over-the-counter or that is otherwise available for investment by the general public as long as you have no relationship with the issuer of such securities or any affiliate thereof, except as an investor.

4. REASONABLENESS, ENFORCEABILITY AND LIQUIDATED DAMAGES

You agree that the restrictions contained in Paragraph 3, including those on time and scope, are reasonable for the protection of Emerson in light of your in-depth knowledge of Emerson's global business, your present and prior positions with Emerson, and your access to Confidential Information relating to all of Emerson's businesses. You also affirm your agreement to comply with all existing non-compete, invention, non-disclosure and non-solicitation obligations you have with Emerson, including specifically your obligations under the Emerson incentive shares plans and award agreements, Emerson stock option plans and option agreements, and Emerson non-qualified supplemental executive retirement plan. You agree that your obligations set forth in this Agreement are in addition to and do not invalidate or supersede your obligations under other plans, agreements or contracts unless in direct conflict, in which case the terms of this Agreement shall prevail.

You agree and acknowledge that Emerson would not enter into this Agreement and provide the valuable consideration offered to you herein but for the restrictions in this Agreement. You agree that a violation of these Agreements would result in irreparable injury to Emerson and that, in the event of a violation or a reasonably perceived threatened violation of any of the aforementioned restrictions, Emerson shall be entitled to immediate, preliminary and permanent injunctive relief which is in addition to any other remedies to which Emerson may be entitled. You further agree to reimburse Emerson for all costs, expenses and reasonable attorneys' fees Emerson incurs to seek enforcement of any provision contained herein, whether or not litigation is commenced.

You agree that any breach of this Agreement will result in immediate forfeiture by you of all payments to be made or benefits provided to you under this Agreement. You also agree as liquidated damages for any such breach to repay to Emerson one-half of the economic value of all benefits provided to you under this Agreement prior to the date of breach. You agree that this liquidated damage provision and other remedies are necessary because substantial damage will accrue to Emerson as the result of a breach, and the amount of damages attributable to such breach may be uncertain and difficult to calculate. Payment of liquidated damages shall in no way affect the settlement and release of claims by you, nor shall payment of liquidated damages limit the enforceability of any clause in this Agreement or the ability of Emerson to seek damages and any other relief from you as provided under applicable law.

5. RELEASE AND DISCHARGE

You will release and discharge Emerson and its respective directors, officers, employees and agents from any and all claims or liability of whatever nature and will execute on your Resignation Date the Release Agreement attached hereto as Exhibit A. If the Release Agreement attached as Exhibit A is not executed by you, this Agreement shall be null and void. You also agree that no benefits or other compensation described in this Agreement shall be paid or provided to you until expiration of the seven-day revocation period set forth in Paragraph 3(d) of the Release Agreement.

6. RESIGNATION

On or before the Resignation Date, you agree to execute the Officer Resignation Form attached hereto as Exhibit B.

7. CLAWBACK

You agree that you will remain subject to Emerson's Clawback Policy, which provides: "If the Board determines that an executive officer has engaged in intentional misconduct that caused or partially caused a material restatement of the Company's consolidated financial statements, the Board may, to the extent permitted by law and to the extent it determines that it is in the Company's best interests to do so, require reimbursement to the Company of, or reduce or cancel, that portion of annual incentive or any long-term incentive compensation paid or credited to such executive officer on or after October 1, 2009 that would not have been paid or credited had the consolidated financial statements that are the subject of such restatement been correctly stated. For purposes of this policy, the term "executive officer" means any officer of the Company who is required to file reports pursuant to Section 16 of the Securities Exchange Act of 1934."

8. COMPENSATION AND BENEFITS

Subject to and conditioned upon compliance with your obligations and agreements in this Agreement, and also conditioned upon your service from the Resignation Date until September 30, 2014 as a consultant to Emerson, as such service may be requested or required by Emerson, you will receive the compensation and benefits outlined below. The period during which you shall serve as a consultant to Emerson may be terminated at any time by agreement of you and Emerson. The compensation and benefits set forth herein are in lieu of and replace any other compensation or benefits to which you may be entitled from Emerson:

A. You will receive a monthly consulting fee of $47,917 through the earlier of September 30, 2014 or the date you find employment elsewhere (the "Consulting Period"). Emerson will reimburse up to $40,000 of your expenses incurred during the Consulting Period related to the services.

B. You will be eligible to receive your earned fiscal 2013 extra salary payment, paid at the normal time, as previously determined pursuant to customary Emerson practice and the terms of the annual incentive plan.

C. After the Resignation Date and during the Consulting Period, you and all qualified beneficiaries may continue to participate in Emerson's health care coverage on the same terms and conditions as employees of Emerson. After the Consulting Period, you and all qualified beneficiaries may elect to continue health care coverage under Emerson's group health care plan pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), which coverage would otherwise end. You will receive a separate letter at that time regarding continued participation under COBRA. Any participation by you and any qualified beneficiaries under COBRA after the end of the Consulting Period shall be at your sole cost and expense.

D. After the Resignation Date, you may continue coverage under the former split dollar and group universal life policies owned by you. Until the last day of the Consulting Period, Emerson will pay premiums on such policies in the same manner and to the same extent that it has prior to the Resignation Date. After the end of the Consulting Period, you may continue coverage under such policies at your expense.

E. Through the end of the Consulting Period, Emerson will continue to pay any amounts it is currently paying for your leased automobile and for dues to clubs in which you are currently a member. After the Consulting Period, Emerson shall have no obligation for any of these payments. Emerson will pay up to $10,000 for tax planning and compliance services related to calendar year 2013. Emerson will have no other obligations for financial planning payments after the Resignation Date.

F. In accordance with the terms of the applicable Emerson stock option plans, and as approved by the Compensation Committee of the Board of Directors, all options previously awarded to you under Emerson's stock option plans that are currently exercisable will remain exercisable for three months after the Resignation Date. Those that are not currently exercisable will be cancelled as of the Resignation Date. Any stock options that are not exercised by you within three months after the Resignation Date will be cancelled.

G. The Compensation Committee has determined that you will remain eligible to receive, subject to the other applicable terms of Emerson's Incentive Shares Plans and the applicable Performance Shares Program, including those concerning achievement of the performance objective(s) under the Program, (1) the previously determined earned payout of the performance shares under the 2010 Performance Shares Program, and (2) a 25% pro rata earned payout of the performance shares awarded to you under the 2013 Performance Shares Program, subject to achievement of the performance objectives under the Program, and based on the actual payout percentage applicable to all participants in the Program. Payments under the 2010 and 2013 Performance Shares Programs will be made at the respective times provided therefor under the Programs.

H. Pursuant to the terms of Emerson's Incentive Shares Plans, the Compensation Committee has approved that your awards of restricted shares will continue to vest at the times specified in such awards, October 4, 2015, October 3, 2016, May 6, 2018 and October 1, 2022, respectively, and that you will continue to receive dividends on such restricted share awards to the extent provided in the applicable award agreements.

I. Pursuant to the terms and conditions of the qualified all-employee Emerson Electric Co. Retirement Plan and the related Emerson Electric Co. Pension Restoration Plan (the non-qualified supplemental executive retirement plan which covers the benefits you would have been eligible to receive under the all-employee Retirement Plan were it not for the compensation limitations imposed under the Internal Revenue Code ("Code")), you will be eligible to receive your monthly pension benefits accrued to date under each of these plans, subject to the provisions of each such plan. Payments of your pension benefits will be paid monthly in the manner and times set forth in the plans, subject to the terms and conditions of the plans.

J. You will be eligible to receive distributions from your Emerson Electric Co. Employee Savings Investment Plan (401(k) plan) to the extent permitted under the terms of the plan and applicable law. You will be eligible to receive distributions under the Emerson Electric Co. Savings Investment Restoration Plan (non-qualified 401(k) plan), subject to the provisions of such plans and your distribution elections thereunder. Distributions from these plans which are not "grandfathered" under Section 409A of the Code shall be deferred to the extent required by Code Section 409A.

K. All payments and other benefits provided for under this Agreement, including but not limited to any performance shares program payouts, vesting of restricted stock, or shares of stock issued to you upon exercise of your stock options, will be subject to income tax and other withholdings as required by law.

L. Except as provided for specifically above, after the Resignation Date you will not be permitted to continue participating in any Emerson benefit or compensation programs including, but not limited to, the qualified and non-qualified 401(k) plans and the disability insurance program.

M. Notwithstanding any other provisions of this Agreement, if at any time after the Restricted Period you engage in an activity that you are prohibited from engaging in during the Restricted Period, Emerson shall be relieved of all further obligations with respect to the payments or benefits described herein.

* * *

This Agreement is deemed to be entered in the State of Missouri and, without regard for conflict of laws principles, shall be interpreted in accordance with and governed by the laws of the State of Missouri. Emerson and you agree that any legal action or proceeding with respect to this Agreement shall be brought and determined in the courts of the County of St. Louis, State of Missouri or of the United States of America for the Eastern District of Missouri and that you submit to the jurisdiction of such courts with respect to any such action or proceeding.

You acknowledge that Emerson has advised you to consult with an attorney if you need assistance in reviewing or understanding this Agreement or any of the documents referenced in this Agreement, including the Release Agreement.

Please confirm that the foregoing represents your understanding of our entire agreement by signing in the space provided below.

Sincerely,

/s/ David N. Farr

David N. Farr
Chairman & Chief Executive Officer

ACCEPTED AND AGREED TO THIS 10th
DAY OF November, 2013:

/s/ Craig W. Ashmore

Name: Craig W. Ashmore

Exhibit A - RELEASE AGREEMENT

This Release Agreement is Exhibit A to that certain Letter Agreement by and between Emerson Electric Co. (“Employer”) and Craig W. Ashmore (“Employee”). In consideration of the mutual promises and covenants contained in the Letter Agreement and herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. **Employment**. Employee was previously employed by Employer. The employment of Employee with Employer has ended as a result of Employee’s resignation effective November 11, 2013.

2. **Release.** For and in consideration of the covenants, terms and conditions set forth in the Letter Agreement and this Release Agreement, Employee, for himself and his heirs, agrees to and does hereby waive, covenant not to sue, releases, and forever discharges Employer, and each and every one of Employer’s parent, subsidiary and other affiliated entities (the “Emerson Entities”), and their respective agents, employees, officers, directors, stockholders, managers, members, successors, predecessors, contractors, attorneys, agents and assigns (collectively referred to as “Released Parties”), from and with respect to all matters, claims, charges, demands, damages, causes of action, debts, liabilities, controversies, judgments, and suits of every kind and nature whatsoever, foreseen or unforeseen, known or unknown, arising prior to the date this Release Agreement becomes effective and including, but not limited to, those in any way related to Employee and/or Employee’s separation from employment. This release by Employee of Released Parties expressly includes, but is not limited to, any claim or cause of action against Released Parties related to or arising out of tort, contract, equity, implied covenant, invasion of privacy, defamation, personal injury, wrongful discharge, emotional distress, discrimination (whether based on race, sex, age, color, national origin, religion, disability, or any other class protected by law), harassment, retaliation, claims for workers' compensation benefits, claims for unpaid wages, any claim under the Age Discrimination in Employment Act, 29 U.S.C. §621 et seq., 42 U.S.C. §1981, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §2000e et seq., the Civil Rights Act of 1866, 42 U.S.C. §1981, the Americans With Disabilities Act, 42 U.S.C. §12101, et seq., the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §1001, et seq., the Family Medical Leave Act, 29 U.S.C. § 2601 et seq., any claim under the Fair Labor Standards Act of 1938, 29 U.S.C. §201 et seq., the Missouri Human Rights Act, RSMo §213.010 et seq.; any claim under common law, and any claim under any federal, state or local statute, regulation, constitution, order or executive order. This release also expressly includes, but is not limited to, any claim for attorneys' fees or costs. Employee affirms and warrants that he has made no charge, claim, complaint, or otherwise initiated action against Employer in any government agency, court or other forum and that no such matter is pending. Employee further affirms and warrants that Employee has not been retaliated against for reporting, or taking any actions, pertaining to allegations of wrongdoing by Employer or its officers and employees. Employee avers and agrees that he has no personal knowledge of any employee, officer or director of Employer engaging in any act related to the performance of their duties at or for Employer which Employee knows or believes to be illegal and Employee acknowledges that he has never complained of any unlawful conduct by Employer. Employee hereby releases and relinquishes any and all rights to employment, reinstatement and any right to future employment with Employer or the Emerson Entities. Employee also waives and releases any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on a claim in which Employer or any one or more Released Parties is a party. Notwithstanding the foregoing, Employee is not waiving any right to enforce any term or provision of the Letter Agreement.

3. **Waiver of ADEA Rights.** By execution of this Release Agreement, Employee expressly waives any and all rights or claims arising under the Age Discrimination in Employment Act of 1967 (“ADEA”) and:

(a) Employee acknowledges and agrees that the waiver of his rights or claims arising under the ADEA is in exchange for the consideration provided in the Letter Agreement which, Employee agrees, is beyond that to which Employee is otherwise entitled; and

(b) Employee acknowledges that Employer has, and does, hereby expressly advise him to consult with an attorney of his choosing, at his own expense, prior to executing this Release Agreement; and

(c) Employee agrees that he has been given a period of not less than twenty-one (21) days from receipt of this document within which to consider this Release Agreement; and

(d) Employee acknowledges he has been advised by Employer that he is entitled to revoke (in the event he executes this Release Agreement) his waiver of rights or claims arising under the ADEA within seven (7) days after executing this Release Agreement and that said waiver will not and does not become effective or enforceable until the seven (7) day revocation period has expired; and

(e) The parties agree that should Employee exercise his right to revoke the waiver under subpart (d) of this Section 3, this entire Release Agreement and Letter Agreement, and their obligations, are null and void and of no effect and, notwithstanding any other provision of this Release Agreement or the Letter Agreement to the contrary, no severance pay or other consideration shall be due, owing, paid or provided until the seven (7) day revocation period has expired without revocation by Employee. Notice of Employee’s decision to revoke the waiver may be sent to Emerson’s General Counsel by fax (at 314-553-3025), email (to frank.steeves@emerson.com) or hand-delivery.

1. **Remedies**. Without limiting the remedies available to Employer for any breach of this Release Agreement, Employee agrees that any breach of either this Release Agreement or the Letter Agreement will result in immediate forfeiture of any future payments to be made to, or benefits to be provided to, Employee and all other remedies and relief as specifically set forth further in the Letter Agreement shall be available to Employer.

2. **Successors and Assigns.** This Release Agreement binds, and inures to the benefit of, the parties’ respective heirs, administrators, representatives, executors, successors, and assigns.

3. **Review by Employee**. Employee acknowledges that he has read the provisions of this Release Agreement, that Employee was advised of his right to review this Release Agreement with an attorney at his expense, and that Employee fully understands the meaning and intent of this Release Agreement and agrees to all of its terms.

EMPLOYEE

/s/ Craig W. Ashmore
Craig W. Ashmore

Date: 11/10/13

Exhibit B - OFFICER RESIGNATION FORM

I, Craig W. Ashmore, do hereby submit my resignation, effective November 11, 2013, from my position as Executive Vice President - Planning and Development and as an Advisory Director of Emerson Electric Co., as well as from any other positions I may hold with any subsidiaries or affiliates of Emerson.

/s/ Craig W. Ashmore	11/10/2013
Craig W. Ashmore	Date

Exhibit 12

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

	Years ended September 30					Three Months Ended Dec 31, 2013
	2009	2010	2011	2012	2013	
Earnings:						
Earnings from continuing operations before income taxes	2,450	2,879	3,631	3,115	3,196	643
Fixed charges	362	398	370	373	373	95
Earnings, as defined	2,812	3,277	4,001	3,488	3,569	738
Fixed Charges:						
Interest Expense	244	280	246	241	234	61
One-third of all rents	118	118	124	132	139	34
Total fixed charges	362	398	370	373	373	95
Ratio of Earnings to Fixed Charges	7.8X	8.2X	10.8X	9.4X	9.6X	7.7X

Exhibit 31

Certification

I, D. N. Farr, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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.

/s/ D. N. Farr

D. N. Farr
Chairman of the Board and
Chief Executive Officer
Emerson Electric Co.
February 5, 2014

Certification

I, F. J. Dellaquila, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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.

/s/ F. J. Dellaquila

F. J. Dellaquila
Executive Vice President and
Chief Financial Officer
Emerson Electric Co.
February 5, 2014

Exhibit 32

CERTIFICATION PURSUANT TO

EXCHANGE ACT RULE 13a-14(b) AND

18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Emerson Electric Co. (the "Company") on Form 10-Q for the period ended December 31, 2013, 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.
February 5, 2014

CERTIFICATION PURSUANT TO

EXCHANGE ACT RULE 13a-14(b) AND

18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Emerson Electric Co. (the "Company") on Form 10-Q for the period ended December 31, 2013, 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.
February 5, 2014