FORM 10-K

EMERSON ELECTRIC CO - EMR

Filed: November 19, 2013 (period: September 30, 2013)

Annual report with a comprehensive overview of the company

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

FORM 10-K

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

For the fiscal year ended September 30, 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**
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 ☒ 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 ☒

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 ☒ 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 ☒ 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. ☒

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 ☒ 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 ☒

Aggregate market value of the voting stock held by nonaffiliates of the registrant as of close of business on March 31, 2013: $40.1 billion.

Common stock outstanding at October 31, 2013: 703,964,498 shares.

Documents Incorporated by Reference

1. Portions of Emerson Electric Co. 2013 Annual Report to Stockholders for the year ended September 30, 2013 incorporated by reference into Parts I and II hereof.

2. Portions of Emerson Electric Co. Notice of 2014 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 designs and supplies products and technology, and delivers engineering services and solutions around the world in a wide range of industrial, commercial and consumer markets.

Emerson is organized into the business segments described below, based on the nature of products and services provided.

- 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, 2013, are set forth in Note 16 of Notes to Consolidated Financial Statements of the 2013 Annual Report, which note is hereby incorporated by reference. Percentage sales by segment in 2013 were Process Management, 34 percent; Industrial Automation, 19 percent; Network Power, 24 percent; Climate Technologies, 15 percent; and Commercial & Residential Solutions, 8 percent. Sales by geographic destination in 2013 were the United States and Canada, 44 percent; Asia, 24 percent; Europe, 20 percent; Latin America, 6 percent; and Middle East/Africa, 6 percent. Information with respect to acquisition and divestiture activities and the rationalization of operations is set forth in Notes 3 and 5 of Notes to Consolidated Financial Statements of the 2013 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 items such as oil, natural gas and petrochemicals; foods and beverages; pulp and paper; pharmaceuticals; and municipal water supplies. This array of products and services helps customers optimize plant capabilities in the areas of safety and reliability, product quality and output efficiency. In 2013, sales by geographic destination for Process Management were the United States and Canada, 37 percent; Asia, 25 percent; Europe, 20 percent; Latin America, 8 percent; and Middle East/Africa, 10 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 crude oil from the production field to a refinery, 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.

These same technologies are also provided 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.

Final Control

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, 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 plant control system to "talk" with one another) and integrated modular software. This not only allows customers to better control the process but also to collect and analyze valuable information about plant assets and processes, thereby giving them 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 start-up, 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 direct sales forces, 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 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 2013, sales by geographic destination for this segment were the United States and Canada, 41 percent; Asia, 17 percent; Europe, 35 percent; Latin America, 3 percent; and Middle East/Africa, 4 percent.

Motors and Drives

Industrial Automation provides a broad line of drives and electronic motors that are used in a wide variety of manufacturing operations and products including production assembly lines, elevators, escalators, and are the prime movers in rotating equipment such as fans, pumps and compressors. Products in this category include alternating current (AC) and direct current (DC) variable speed electrical drives and motors, servo drives and 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 center control devices, software, monitoring and 24-hour service, embedded power supplies and embedded computing systems. In 2013, sales by geographic destination for this segment were the United States and Canada, 39 percent; Asia, 35 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

Uninterruptible AC and DC power systems 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 customers' 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. The Company has entered into an agreement to sell a controlling interest in this business. See Notes 3 and 6 of Notes to Consolidated Financial Statements of the Company's 2013 Annual Report, which notes are hereby incorporated by reference.

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 are 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, ASCO Power Technologies, Avocent, Chloride, Knürr, Liebert, Liebert Services, NetXtend, Netsure, Semflex, Stratos, Trompeter, Artesyn and Astec.

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, commercial and industrial refrigeration, and marine controls. The Company's products and technology enable homeowners and businesses to better manage their heating, air conditioning and refrigeration systems for reliable operation, improved control and lower energy costs. This segment also provides services that digitally control and remotely monitor a variety of equipment in grocery stores and other food distribution outlets to enhance reliability, ensure freshness and maintain food safety. In 2013, 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 that refrigerates 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 forces. 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 segment includes a broad range of tools, storage products and appliance solutions. In 2013, 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. Products for the home include wall-mounted and freestanding shelving systems, cabinet and closet organizers, home office storage, and drawer systems and containers, all available in wire, stainless steel and laminate. 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. 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 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 on 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 $6,187 million and $6,254 million at September 30, 2013 and 2012, respectively. The vast majority of the consolidated backlog as of September 30, 2013 is expected to be shipped within one year. Estimated backlog by business segment at September 30, 2013 and 2012 follows (dollars in millions):

	2012	**2013**
Process Management	$ 3,716	**3,719**
Industrial Automation	536	**523**
Network Power	1,596	**1,526**
Climate Technologies	317	**323**
Commercial & Residential Solutions	89	**96**
Total Backlog	$ 6,254	**6,187**

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 $576 million, $547 million and $555 million in 2013, 2012 and 2011, 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 131,600 employees during 2013. Management believes that the Company's employee relations are favorable. Some of the Company's employees are represented under collective bargaining agreements. None of these agreements is considered significant. See Note 5 of Notes to Consolidated Financial Statements of the 2013 Annual Report, which note is hereby incorporated by reference, for further information.

DOMESTIC AND FOREIGN OPERATIONS

International sales were $14,669 million in 2013, $14,376 million in 2012 and $14,322 million in 2011, including U.S. exports of $1,604 million, $1,579 million and $1,520 million in 2013, 2012 and 2011, respectively. Although there are additional risks attendant to non-U.S. operations, such as currency fluctuations, restrictions on the movement of funds and possible nationalization of facilities, the Company's financial position has not been materially affected thereby to date. See Note 16 of Notes to Consolidated Financial Statements of the 2013 Annual Report, which note is hereby incorporated by reference, for further information with respect to non-U.S. 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.

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 2013 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 2013 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, 2013, Emerson had approximately 230 manufacturing locations worldwide, of which approximately 155 were located outside the United States, primarily in Europe and Asia, and to a lesser extent in Canada and Latin America. Manufacturing locations by business segment are: Process Management, 60; Industrial Automation, 70; 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

Emerson and its subsidiaries are party to various legal proceedings, some of which claim substantial amounts of damages. It is not possible to predict the outcome of these matters, but historically the Company has been successful in both prosecuting and defending claims and lawsuits.

The Company believes a material adverse impact of any pending litigation is unlikely. Nevertheless, given the uncertainties of litigation, a remote possibility exists that litigation could have a material adverse impact on the Company.

The information regarding legal proceedings set forth in Note 12 of Notes to Consolidated Financial Statements of the 2013 Annual Report is hereby incorporated by reference.

ITEM 4 - MINE SAFETY DISCLOSURES

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following sets forth certain information as of November 19, 2013 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 4, 2014:

Name	Position	Age	Fiscal Year
D. N. Farr	Chairman of the Board and Chief Executive Officer*	58	1985
F. J. Dellaquila	Executive Vice President and Chief Financial Officer	56	1991
E. L. Monser	President and Chief Operating Officer	63	2002
C. A. Peters	Senior Executive Vice President	58	1990
R. J. Schlueter	Vice President, Controller and Chief Accounting Officer	59	1992
F. L. Steeves	Executive Vice President, Secretary and General Counsel	59	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. 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. 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. Craig W. Ashmore, former Executive Vice President - Planning and Development, resigned from the Company effective November 11, 2013.

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 2013 Annual Report, which note is hereby incorporated by reference. There were approximately 21,898 stockholders of record at September 30, 2013.

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 2013	1,540	$57.65	1,540	72,445
August 2013	3,910	$61.56	3,910	68,535
September 2013	4,602	$63.85	4,602	63,933
Total	10,052	$62.01	10,052	63,933

The Company's Board of Directors authorized the repurchase of up to 80 million shares under a May 2008 program, and approved a new program on May 7, 2013 for the repurchase of up to 70 million additional shares. No shares remain available under the 2008 program.

ITEM 6 - SELECTED FINANCIAL DATA

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

		2009	2010	2011	2012 (a)	**2013 (a)**
Net sales	$	20,102	21,039	24,222	24,412	**24,669**
Earnings from continuing operations – common stockholders	$	1,715	1,978	2,454	1,968	**2,004**
Basic earnings per common share from continuing operations	$	2.27	2.62	3.26	2.68	**2.78**
Diluted earnings per common share from continuing operations	$	2.26	2.60	3.24	2.67	**2.76**
Cash dividends per common share	$	1.32	1.34	1.38	1.60	**1.64**
Long-term debt	$	3,998	4,586	4,324	3,787	**4,055**
Total assets	$	19,763	22,843	23,861	23,818	**24,711**

(a) 2013 includes $566 million after-tax ($0.78 per share) goodwill impairment and income tax charges;
2012 includes a $528 million after-tax ($0.72 per share) goodwill impairment charge.

See Note 3 of Notes to Consolidated Financial Statements of the 2013 Annual Report, which note is hereby incorporated by reference, for information regarding the Company's acquisition and divestiture activities for the last three years. In 2010, the Company acquired Chloride Group PLC and Avocent Corporation. At acquisition, the combined annual sales for these businesses were approximately $960 million, and actual sales of $373 million were included in 2010 from their dates of acquisition. The divested U.S. Motors business with annual sales of approximately $820 million was classified as discontinued operations in 2009 and 2010.

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

The information from the 2013 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 2014 Outlook

Global economic indicators remain mixed and uncertain, but momentum appears to be on a slightly favorable trend. Process Management orders are expected to remain solid through 2014. Improvement in Europe and Asia is expected to support modest near-term sales growth in Industrial Automation, while also supporting positive near-term order trends in the Network Power Systems business. For Climate Technologies, residential and refrigeration strength and an expected commercial end market recovery support a moderate growth outlook. Solid residential end market momentum supports an outlook for modest near-term growth in Commercial & Residential Solutions. Based on a forecast of global gross fixed investment growth of 2.5 to 4 percent, Emerson underlying sales are expected to grow 3 to 5 percent in 2014, excluding (4) percent from acquisitions and the previously announced divestiture of the embedded computing and power business. Reported sales are expected to change (1) to 1 percent. After managing costs aggressively through sluggish economic conditions the past two years, incremental growth investments will accelerate next year, resulting in only slight margin expansion. 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.The embedded computing and power transaction impact to 2014 earnings per share is expected to be approximately neutral, as supplemental share repurchase offsets the earnings decline.

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 2013 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 and accompanying notes of the Company and subsidiaries and the report thereon of KPMG LLP in the 2013 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, 2013 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, 2013, 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 2013 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 2014 annual stockholders' meeting (the "2014 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 2014 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 2014 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 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 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 2014 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, 5% beneficial owners, and by all directors and executive officers as a group appearing under "Stock Ownership of Directors, Executive Officers and 5% Beneficial Owners" in the 2014 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, 2013:

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)	21,653,946	$47.03	24,431,516
Equity compensation plans not approved by security holders	—	—	—
Total	21,653,946	$47.03	24,431,516

(1) Includes the Stock Option and Incentive Shares Plans previously approved by the Company's security holders. Included in column (a) are 5,118,500 shares reserved for performance shares awards (awarded in 2013), which will be distributed primarily in shares of common stock and partially in cash contingent upon the Company achieving the financial performance objectives through 2016 and continued service by the employee. Also included in column (a) are 4,837,739 shares reserved for performance shares awards (awarded primarily in 2010), 2,902,647 of which were issued primarily in shares of common stock and paid partially in cash in early fiscal 2014 as a result of achieving the financial objective at a 93 percent performance level by the end of fiscal 2013, and 1,935,092 shares which will be distributed in shares of common stock contingent upon one additional

year of service by employees, and the remainder of which have been earned under prior performance shares programs but for which participants elected to defer payment. As provided by the Company's Incentive Shares Plans, performance shares 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 5,038,410 shares remaining available for award under the previously approved 2006 Incentive Shares Plan and 269,750 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 2013 Annual Report is hereby incorporated by reference.

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

Information appearing under "Director Independence" in the 2014 Proxy Statement is hereby incorporated by reference.

ITEM 14 - PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information appearing under "Fees Paid to KPMG LLP" in the 2014 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 accompanying notes of the Company and subsidiaries and the report thereon of KPMG LLP in the 2013 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 2013 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 5, 2013, incorporated by reference to Emerson Electric Co. Form 8-K filed November 12, 2013, 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, incorporated by reference to Emerson Electric Co. 2012 Form 10-K, File No. 1-278, Exhibit 10(n).

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, incorporated by reference to Emerson Electric Co. 2012 Form 10-K, File No. 1-278, Exhibit 10(r), 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.

10(s)* Letter Agreement effective as of February 5, 2013 by and between Emerson Electric Co. and Walter J. Galvin, incorporated by reference to Emerson Electric Co. Form 8-K filed February 8, 2013, Exhibit 10.1.

10(t)* Consulting Agreement made and entered into as of February 5, 2013 by and between Emerson Electric Co. and Walter J. Galvin, incorporated by reference to Emerson Electric Co. Form 8-K filed February 8, 2013, 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, 2013, 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, 2011, 2012 and 2013, (ii) Consolidated Statements of Comprehensive Income for the years ended September 30, 2011, 2012, and 2013 (iii) Consolidated Balance Sheets at September 30, 2012 and 2013, (iv) Consolidated Statements of Equity for the years ended September 30, 2011, 2012 and 2013, (v) Consolidated Statements of Cash Flows for the years ended September 30, 2011, 2012 and 2013, and (vi) Notes to Consolidated Financial Statements for the year ended September 30, 2013.

* 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, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on November 19, 2013, 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/ 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
* 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. Stephenson	
*	Director
J. S. Turley	

* 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
12	Ratio of Earnings to Fixed Charges
13	Portions of Emerson Electric Co. Annual Report to Stockholders for the year ended September 30, 2013, 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, 2011, 2012 and 2013, (ii) Consolidated Statements of Comprehensive Income for the years ended September 30, 2011, 2012 and 2013, (iii) Consolidated Balance Sheets at September 30, 2012 and 2013, (iv) Consolidated Statements of Equity for the years ended September 30, 2011, 2012 and 2013, (v) Consolidated Statements of Cash Flows for the years ended September 30, 2011, 2012 and 2013, and (vi) Notes to Consolidated Financial Statements for the year ended September 30, 2013.

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

Exhibit 12

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

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

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, 2013 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 and internal controls, as well as nonaudit-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 (1992)*, 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, 2013.

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
David N. Farr
Chairman of the Board
and Chief Executive Officer

/s/ Frank J. Dellaquila
Frank J. Dellaquila
Executive Vice President
and Chief Financial Officer

Results of Operations

Years ended September 30

(Dollars in millions, except per share amounts)

		2011	2012	**2013**	Change '11 - '12	**Change '12 - '13**
Net sales	$	24,222	24,412	**24,669**	1 %	**1%**
Gross profit	$	9,557	9,768	**9,952**	2 %	**2%**
Percent of sales		*39.5%*	*40.0%*	***40.3%***		
SG&A	$	5,328	5,436	**5,648**		
Percent of sales		*22.0%*	*22.3%*	***22.9%***		
Goodwill impairment	$	19	592	**528**		
Other deductions, net	$	356	401	**362**		
Interest expense, net	$	223	224	**218**		
Earnings from continuing operations before income taxes	$	3,631	3,115	**3,196**	(14)%	**3%**
Percent of sales		*15.0%*	*12.8%*	***13.0%***		
Net earnings common stockholders	$	2,480	1,968	**2,004**	(21)%	**2%**
Percent of sales		*10.2%*	*8.1%*	***8.1%***		
Diluted EPS – Net earnings	$	3.27	2.67	**2.76**	(18)%	**3%**
Return on common stockholders' equity		24.6%	19.0%	**19.2%**		
Return on total capital		19.6%	15.8%	**16.4%**		

Overview

Emerson's sales increased to $24.7 billion in 2013, up 1 percent compared with prior year, reflecting mixed end markets and cautious levels of business investment amid a challenging global economic environment. Underlying sales for 2013 increased 2 percent, led by continued strong growth in Process Management and moderate growth in the Climate Technologies worldwide compressors business. Foreign currency translation and a prior year divestiture had a combined 1 percent unfavorable impact. Emerging markets growth exceeded that of mature economies. Asia grew 2 percent, the U.S. was flat and Europe declined 3 percent. Latin America and Middle East/Africa grew 11 percent and 13 percent, respectively.

Net earnings common stockholders were $2.0 billion in 2013, up 2 percent versus prior year. Diluted earnings per share were $2.76, up 3 percent compared with $2.67 per share in 2012. Excluding impairment and income tax charges, 2013 net earnings were $2.6 billion, up 3 percent, while earnings per share were $3.54, up 4 percent compared with $3.39 in 2012. These charges primarily related to the embedded computing and power business, and totaled $566 million ($0.78 per share) in 2013 and $528 million ($0.72 per share) in 2012. See Goodwill Impairment in the discussion that follows and Notes 3 and 6 for additional information.

Process Management reported strong sales and earnings growth on continued demand in global energy and chemical end markets. Climate Technologies sales and earnings increased on solid demand in the compressors business worldwide. Strong demand in U.S. residential end markets supported underlying sales and earnings growth in Commercial & Residential Solutions. Sales and earnings declined in the Industrial Automation businesses due to weakness in industrial goods end markets, particularly Europe and the U.S. Earnings comparisons in Industrial Automation were also unfavorably impacted by gains from dumping duties received in 2012. Network Power sales and earnings showed persistent weakness in telecommunications and information technology end markets.

The Company generated record operating cash flow of $3.6 billion, an increase of 20 percent from $3.1 billion in 2012. Free cash flow (operating cash flow less capital expenditures) of $3.0 billion also reached record levels, increasing 24 percent from prior year. Emerson is well positioned moving into next year given its strong financial position, global footprint in both mature and emerging markets, and focus on products, technology and customer solutions.

Net Sales

Net sales for 2013 were $24.7 billion, an increase of $257 million, or 1 percent compared with 2012. Consolidated results reflect a 2 percent ($388 million) increase in underlying sales driven by volume gains. Underlying sales exclude foreign currency translation, acquisitions and divestitures. Foreign currency translation ($55 million) and divestitures, net of acquisitions ($76 million) had a combined negative 1 percent impact. Underlying sales were flat in the United States and grew 3 percent internationally. Segment results were mixed as sales in Process Management increased $711 million and Climate Technologies increased $110 million, while sales in Industrial Automation and Network Power decreased $303 million and $244 million, respectively. Commercial & Residential Solutions decreased $12 million due to the prior year Knaack divestiture, largely offset by growth in the remaining businesses.

Net sales for 2012 were $24.4 billion, an increase of $190 million, or 1 percent from 2011, on a 3 percent ($616 million) increase in underlying sales, 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 increase from price. Underlying sales increased 2 percent in the United States and 3 percent internationally. Segment results were mixed as sales in Process Management and Commercial & Residential Solutions increased $899 million and $40 million, respectively. Sales in Network Power, Climate Technologies and Industrial Automation decreased $412 million, $229 million and $106 million, respectively.

International Sales

Emerson is a global business with international sales representing 59% of total sales, including U.S. exports. The Company expects faster economic growth in emerging markets in Asia, Latin America, Eastern Europe and Middle East/Africa.

International destination sales increased 2 percent in 2013, to $14.7 billion, reflecting increases in Process Management and Climate Technologies, offset by decreases in Network Power, Industrial Automation and Commercial & Residential Solutions. U.S. exports of $1.6 billion were up 2 percent compared with 2012. Underlying international destination sales grew 3 percent on volume, as foreign currency translation had a 1 percent unfavorable impact on the comparison with 2012. Underlying sales increased 2 percent in Asia, 11 percent in Latin America, 13 percent in Middle East/Africa and 4 percent in Canada, and decreased 3 percent in Europe. Sales by international subsidiaries, including shipments to the United States, totaled $13.1 billion in 2013, up 2 percent compared with 2012.

International destination sales 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 $1.6 billion were up 4 percent compared with 2011. Underlying international destination sales increased 3 percent compared with 2011, including increases of 3 percent in Asia (China down 4 percent), 13 percent in Latin America, 7 percent in Middle East/Africa and 9 percent in Canada. Europe was down 1 percent. Sales by international subsidiaries, including shipments to the United States, totaled $12.8 billion in 2012, flat compared with 2011.

Acquisitions and Divestitures

On July 31, 2013, the Company entered into an agreement to sell a 51 percent controlling interest in the embedded computing and power business for which it will receive approximately $300 million in cash from the acquirer and through borrowing by a new entity which will include this business. The transaction is expected to close before the end of calendar 2013 pending regulatory approvals. Embedded computing and power had 2013 revenue of $1.2 billion which is included in the Network Power segment. Sales and earnings for embedded computing and power will continue to be reported in the Company's consolidated results until completion of the transaction. As the Company will retain a noncontrolling interest in this business, it will not be classified as discontinued operations and will be accounted for on the equity basis upon completion. Emerson will repurchase $600 million of shares in anticipation of proceeds from the transaction and repatriation of cash from this business, two-thirds of which was completed through October. On completion of the share repurchase, the impact of the sale is expected to be approximately neutral to 2014 earnings per share. See Note 3.

In October 2013 (fiscal 2014) the Company paid $506 million and assumed debt of $76 million to acquire Virgo Valves and Controls LTD, a leading manufacturer of ball valves and automation systems, and Enardo LLC, a manufacturer of tank and terminal safety equipment used in the oil and gas, chemical and other industries. Both of these businesses are in the Process Management segment and will complement the existing portfolio and create opportunities for additional growth. In 2012, the Company acquired Avtron Loadbank in Network Power, and a marine controls and software solutions business in Climate Technologies. Two smaller businesses were also acquired during 2012 in Process Management and Network Power. Total cash paid for acquisitions in 2012 was approximately $187 million.

Cost of Sales

Cost of sales for 2013 and 2012 were $14.7 billion and $14.6 billion, resulting in gross profit of $10.0 billion or 40.3 percent of sales in 2013, and $9.8 billion or 40.0 percent of sales in 2012. The increases in gross profit and margin primarily reflect higher volume, particularly in Process Management, and materials cost containment and savings from cost reduction actions across the businesses. Deleverage in Industrial Automation and Network Power, product mix, and pension and other costs were unfavorable.

Costs of sales for 2012 and 2011 were $14.6 billion and $14.7 billion, resulting in gross profit of $9.8 billion or 40.0 percent of sales in 2012, and $9.6 billion or 39.5 percent of sales in 2011. 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.

Selling, General and Administrative Expenses

Selling, general and administrative (SG&A) expenses of $5.6 billion increased $212 million compared with prior year. SG&A as a percent of sales was 22.9 percent in 2013, a 0.6 percentage point increase versus 22.3 percent in 2012. The increase in SG&A primarily reflects costs associated with higher volume, $121 million of higher incentive stock compensation expense from the overlap of two performance shares programs and a higher stock price, as well as higher pension and other costs. Cost containment and the comparison effect of a $17 million charge in 2012 related to post-65 supplemental retiree medical benefits had a favorable impact.

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.

Goodwill Impairment

The Company has faced persistent challenges in the embedded computing and power business due to protracted weak demand, structural industry developments and increased competition. These challenges, including weakness in telecommunication and mobile device markets, continued into 2013 and sales and earnings were both below expectations. In the third quarter of 2013 the Company recorded a noncash goodwill impairment charge of $503 million ($475 million after-tax, $0.65 per share). Income tax charges of $70 million ($0.10 per share) for the anticipated repatriation of non-U.S. earnings from this business were also recorded in 2013. Additionally, in the fourth quarter the Company's goodwill impairment testing indicated that the carrying value of the connectivity solutions business in Network Power exceeded its fair value due to operating results not meeting forecasted expectations, resulting in a noncash, pretax charge to earnings of $25 million ($21 million after-tax, $0.03 per share). See Note 6.

In the fourth quarter of 2012, the Company incurred an impairment charge for the embedded computing and power business and the DC power systems business after its goodwill impairment testing revealed that the carrying values of these businesses exceeded the fair values. These businesses had been unable to meet operating objectives and the Company anticipated that growth in sales and earnings would be slower than previously expected given the end market circumstances noted previously. The carrying value of these businesses was reduced by a noncash, pretax charge to earnings totaling $592 million ($528 million after-tax, $0.72 per share). 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, reflecting a slowdown in investment for alternative energy.

Other Deductions, Net
Other deductions, net were $362 million in 2013, a $39 million decrease from 2012 primarily due to a $41 million reduction in rationalization expense, lower intangibles amortization expense of $21 million, and other items, partially offset by a gain of $43 million in 2012 from the receipt of dumping duties. See Note 4 for further details regarding other deductions, net, and Note 5 regarding rationalization costs.

Other deductions, net were $401 million in 2012, a $45 million increase from 2011, primarily due to an unfavorable impact from volatile foreign currency 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 2012 gains, including $43 million from the receipt of dumping duties, and lower intangibles amortization expense of $20 million. Gains in 2011 included a $15 million Process Management India joint venture acquisition gain.

Interest Expense, Net
Interest expense, net was $218 million, $224 million and $223 million in 2013, 2012 and 2011, respectively. The decrease of $6 million in 2013 was primarily due to the maturity of debt and the issuance of long-term debt in 2013 at relatively lower average interest rates.

Income Taxes
Income taxes were $1,130 million, $1,091 million and $1,127 million for 2013, 2012 and 2011, respectively, resulting in effective tax rates of 35 percent, 35 percent and 31 percent. The higher effective tax rates in 2013 and 2012 were due to the low deductibility of goodwill impairment charges in each year, and income tax charges in 2013 for anticipated repatriation of non-U.S. earnings related to embedded computing and power. These items had an unfavorable 6 percentage point impact in 2013 and a 4 percentage point impact in 2012.

Earnings from Continuing Operations
Earnings from continuing operations attributable to common stockholders were $2.0 billion, up 2 percent compared with 2012. Diluted earnings per share from continuing operations were $2.76, up 3 percent versus $2.67 in the prior year. Goodwill impairment and related income tax charges totaled $566 million, $0.78 per share, and were $38 million and $0.06 per share higher than in 2012. Earnings increased $210 million in Process Management, $48 million in Climate Technologies and $8 million in Commercial & Residential Solutions. Earnings decreased $94 million in Industrial Automation and $70 million in Network Power. See the Business Segments discussion that follows and Note 16 for additional information.

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. Earnings per share from continuing operations were $2.67, an 18 percent decrease versus $3.24 in the prior year. The decreases were primarily due to the $528 million ($0.72 per share) after-tax goodwill impairment charge in 2012 which reduced both earnings and earnings per share by 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.

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, plus the impact of finalizing the 2010 Motors and LANDesk divestitures, were classified as discontinued operations in 2011. Prior years results of operations for heating elements were inconsequential and were not reclassified. See Note 3 for additional information.

Net Earnings and Earnings Per Share; Returns on Equity and Total Capital
Net earnings attributable to common stockholders in 2013 were $2.0 billion, up 2 percent versus prior year and diluted earnings per share were $2.76, up 3 percent, reflecting the operating results discussed previously. The increase in earnings per share also reflects the purchase of treasury shares. Goodwill impairment and income tax charges were $38 million and $0.06 per share higher than in 2012, and reduced earnings and earnings per share growth 1 percentage point. Net earnings attributable to common stockholders in 2012 were $2.0 billion and earnings per share were $2.67, down 21 percent and 18 percent, respectively, versus 2011. Net earnings and earnings per share for 2012 were reduced 21 percent by the goodwill impairment charges.

Return on common stockholders' equity (net earnings attributable to common stockholders divided by average common stockholders' equity) was 19.2 percent in 2013 compared with 19.0 percent in 2012 and 24.6 percent in 2011. Return on total capital was 16.4 percent in 2013 compared with 15.8 percent in 2012 and 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. Goodwill impairments and income tax charges reduced 2013 and 2012 return on common stockholders' equity 3.6 and 4.5 percentage points, respectively, and return on total capital 3.2 and 3.6 percentage points, respectively.

Business Segments

Following is an analysis of segment results for 2013 compared with 2012, and 2012 compared with 2011.
The Company defines segment earnings as earnings before interest and income taxes.

Process Management

(dollars in millions)		2011	2012	**2013**	Change '11 - '12	**Change '12 - '13**
Sales	$	7,000	7,899	**8,610**	13%	**9%**
Earnings	$	1,402	1,599	**1,809**	14%	**13%**
Margin		20.0%	20.2%	**21.0%**		

<u>2013 vs. 2012</u> - Process Management reported sales of $8.6 billion in 2013, an increase of $711 million or 9 percent, on strong growth in the measurement devices, final control and systems and solutions businesses, reflecting continued global oil and gas investment and demand in chemical and power end markets. Underlying sales increased 9 percent on volume, while foreign currency translation had a $23 million unfavorable impact. Underlying sales growth was modest in the United States, up 3 percent, while growth was strong internationally. Asia was up 12 percent, Europe up 7 percent, Latin America up 22 percent, Middle East/Africa up 19 percent and Canada up 10 percent. Earnings increased $210 million and margin expanded 0.8 percentage points on higher volume, leverage and lower materials costs, partially offset by higher other costs. Benefits from cost reductions were offset by unfavorable product mix. Foreign currency transactions were $23 million favorable compared to prior year. The comparison for 2013 includes incremental costs incurred in the prior year related to Thailand flooding recovery.

<u>2012 vs. 2011</u> - Process Management sales increased $899 million to $7.9 billion as all businesses reported higher sales. Strong growth in the measurement devices, final control 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.

Industrial Automation

(dollars in millions)		2011	2012	**2013**	Change '11 - '12	**Change '12 - '13**
Sales	$	5,294	5,188	**4,885**	(2)%	**(6) %**
Earnings	$	830	871	**777**	5 %	**(11) %**
Margin		15.7%	16.8%	**15.9%**		

2013 vs. 2012 - Industrial Automation sales were $4.9 billion in 2013, a decrease of $303 million or 6 percent, as global demand for industrial goods remained weak, particularly in Europe. The power generating alternators and renewable energy businesses led the decline, largely due to customer inventory destocking in the alternators business for most of the year. Smaller decreases in the industrial motors, electrical drives, power transmission and materials joining businesses were slightly offset by an increase in hermetic motors from improved HVAC compressor demand. Underlying sales decreased 6 percent on lower volume, while foreign currency translation had a $13 million unfavorable impact. Underlying sales decreased 11 percent in Europe and 6 percent in the United States, while sales increased 4 percent in Latin America and 6 percent in Middle East/Africa. Sales in Asia were flat. Earnings of $777 million were down $94 million and margin decreased 0.9 percentage points on lower volume, deleverage in the power generating alternators and industrial motors business and the electrical drives business, and the comparative effect of a $43 million gain in 2012 from the receipt of dumping duties. Savings from cost reduction actions and materials cost containment more than offset the volume decline and associated deleverage. The gain in 2012 had an unfavorable impact of 0.8 percentage points on the margin comparison.

2012 vs. 2011 - Industrial Automation sales decreased $106 million to $5.2 billion in 2012, reflecting solid growth in the electrical distribution and materials joining 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. Operationally, pricing and cost reduction benefits were largely offset by lower volume and resulting deleverage, and higher materials and other costs.

Network Power

(dollars in millions)		2011	2012	**2013**	Change '11 - '12	**Change '12 - '13**
Sales	$	6,811	6,399	**6,155**	(6)%	**(4) %**
Earnings	$	756	624	**554**	(17)%	**(11) %**
Margin		11.1%	9.7%	**9.0%**		

2013 vs. 2012 - Sales for Network Power were $6.2 billion in 2013, a decrease of $244 million or 4 percent, reflecting continued weakness in telecommunications and information technology end markets. The network power systems business was down modestly as decreases in the telecommunications-related power, infrastructure management, precision cooling and uninterruptible power supplies businesses were partially offset by an increase in inbound power. Comparisons were adversely affected by $110 million of higher sales from the large Australian National Broadband Network project in 2012. The embedded computing and power business declined sharply due largely to lower end market demand and product rationalization, which had an approximate 2 percentage point negative impact on segment sales growth. Underlying sales were down 4 percent overall on 3 percent lower volume and 1 percent lower price. Foreign currency translation had a $16 million unfavorable impact. Geographically, underlying sales decreased 6 percent in Asia, 5 percent in Europe, 2 percent in the United States and 8 percent in Canada, while sales increased 3 percent in Latin America and 5 percent in Middle East/Africa. Earnings of $554 million decreased $70 million and margin decreased 0.7 percentage points primarily due to lower volume, deleverage, higher other costs and an $8 million unfavorable impact from foreign currency transactions. Savings from cost reduction actions and lower rationalization expense of $28 million partially offset the decline. Materials cost containment offset the unfavorable impact of lower prices. In July, the company agreed to sell a controlling interest in embedded computing and power. See Goodwill Impairment in this discussion and Note 3.

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 reflected 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.

Climate Technologies

(dollars in millions)		2011	2012	**2013**	Change '11 - '12	**Change '12 - '13**
Sales	$	3,995	3,766	**3,876**	(6)%	**3%**
Earnings	$	709	668	**716**	(6)%	**7%**
Margin		17.8%	17.7%	**18.5%**		

2013 vs. 2012 - Sales for Climate Technologies were $3.9 billion in 2013, an increase of $110 million or 3 percent, primarily led by moderate growth in the compressors business worldwide. The temperature controls and temperature sensors businesses were up slightly. The increase in compressor sales was driven by solid growth in global air conditioning while refrigeration sales declined slightly. Underlying segment sales increased 3 percent on volume growth. Foreign currency had a $1 million unfavorable impact. Underlying sales increased in nearly all geographies, with the United States up 2 percent, Asia up 5 percent, Europe up 2 percent and Latin America up 2 percent. Sales decreased 1 percent in Canada. Earnings increased $48 million on higher volume in the compressors business, material cost containment and savings from cost reduction actions. Margin increased 0.8 percentage points on savings from cost reduction actions, materials cost containment and lower rationalization expense of $8 million, partially offset by unfavorable product mix.

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 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.

Commercial & Residential Solutions

(dollars in millions)		2011	2012	**2013**	Change '11 - '12	**Change '12 - '13**
Sales	$	1,837	1,877	**1,865**	2%	**(1) %**
Earnings	$	375	396	**404**	6%	**2 %**
Margin		20.4%	21.1%	**21.7%**		

2013 vs. 2012 - Commercial & Residential Solutions sales were $1.9 billion in 2013, a decrease of $12 million or 1 percent, including a negative 4 percent ($76 million) comparative impact from the Knaack storage business divestiture in 2012. Underlying sales grew 3 percent ($64 million) from higher volume. The sales increase was led by strong growth in the food waste disposers business and modest growth in the storage and professional tools businesses, partially offset by a slight decrease in the wet/dry vacuums business. Underlying sales increased 6 percent in the United States and declined 3 percent internationally. Earnings of $404 million were up $8 million compared to the prior year. The Knaack divestiture in 2012 unfavorably impacted earnings by $11 million. Margin increased 0.6 percentage points on savings from cost reduction actions and materials cost containment, partially offset by unfavorable product mix and higher other costs.

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.

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 $25 billion and common stockholders' equity of $11 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)		2011	2012	**2013**
Operating Cash Flow	$	3,233	3,053	**3,649**
Percent of sales		*13.3%*	*12.5%*	***14.8%***
Capital Expenditures	$	647	665	**678**
Percent of sales		*2.7%*	*2.7%*	***2.7%***
Free Cash Flow (Operating Cash Flow less Capital Expenditures)	$	2,586	2,388	**2,971**
Percent of sales		*10.6%*	*9.8%*	***12.0%***
Operating Working Capital	$	1,705	2,132	**1,686**
Percent of sales		7.0%	8.7%	**6.8%**

Emerson generated operating cash flow of $3.6 billion in 2013, a 20 percent increase compared to 2012 primarily as a result of focused efforts to reduce operating working capital. Operating cash flow of $3.1 billion in 2012 was a 6 percent decrease compared to $3.2 billion in 2011, reflecting an increase in operating working capital. At September 30, 2013, operating working capital as a percent of sales was 6.8 percent, compared with 8.7 percent and 7.0 percent in 2012 and 2011, respectively. The Company made pension contributions of $160 million in 2013, $163 million in 2012 and $142 million in 2011. Operating cash flow fully funded capital expenditures, acquisitions, dividends and share repurchases in all years presented.

Capital expenditures were $678 million, $665 million and $647 million in 2013, 2012 and 2011, respectively. Free cash flow increased 24 percent to $3.0 billion in 2013, on lower operating working capital, partially offset by increased capital expenditures. Free cash flow was $2.4 billion in 2012, compared with $2.6 billion in 2011, primarily reflecting an increase in operating working capital. The Company is targeting capital spending of approximately $750 million in 2014. Net cash paid in connection with acquisitions was $19 million, $187 million and $232 million in 2013, 2012 and 2011, respectively. Proceeds from divestitures in 2013, 2012 and 2011 were $3 million, $125 million and $103 million, respectively.

Dividends were $1,181 million ($1.64 per share) in 2013, compared with $1,171 million ($1.60 per share) in 2012 and $1,039 million ($1.38 per share) in 2011. In November 2013, the Board of Directors voted to increase the quarterly cash dividend 5 percent to an annualized rate of $1.72 per share.

In May 2013, the Board of Directors approved a new program for the repurchase of up to 70 million common shares subsequent to the completion of the May 2008 authorization for 80 million shares. In 2013, a total of 20.3 million shares were repurchased under the 2013 and 2008 authorizations; in 2012 and 2011, 16.4 million shares and 18.7 million shares, respectively, were repurchased under the 2008 authorization. 63.9 million shares remain available for repurchase under the 2013 authorization and none remain available under the the 2008 authorization. Purchases of Emerson common stock totaled $1,189 million, $787 million and $958 million in 2013, 2012 and 2011, respectively, at an average per share price of $58.51, $47.94 and $51.31, respectively.

Leverage/Capitalization

(dollars in millions)	2011	2012	**2013**
Total Assets	$ 23,861	23,818	**24,711**
Long-term Debt	$ 4,324	3,787	**4,055**
Common Stockholders' Equity	$ 10,399	10,295	**10,585**
Total Debt-to-Total Capital Ratio	33.3%	34.0%	**34.8%**
Net Debt-to-Net Capital Ratio	23.2%	22.1%	**18.3%**
Operating Cash Flow-to-Debt Ratio	62.2%	57.7%	**64.7%**
Interest Coverage Ratio	15.8X	13.9X	**14.6X**

Total debt, which includes long-term debt, current maturities of long-term debt, commercial paper and other short-term borrowings, was $5.6 billion, $5.3 billion and $5.2 billion for 2013, 2012 and 2011, respectively. During the year, the Company repaid $250 million of 4.625% notes that matured in October 2012 and $250 million of 4.5% notes that matured in May 2013. In 2013, the Company issued $500 million of 2.625% notes due February 2023 under an automatic shelf registration statement on file with the U.S. Securities and Exchange Commission (SEC). The net proceeds from the sale of the notes were used for general corporate purposes and to repay commercial paper borrowings.

The total debt-to-capital ratio increased primarily due to higher average borrowings in the current year. The net debt-to-net capital ratio (less cash and short-term investments) improved, reflecting an increase in equity and cash. The operating cash flow-to-debt ratio also improved in 2013, reflecting an increase in operating cash flow. The interest coverage ratio is computed as earnings before income taxes plus interest expense, divided by interest expense. The increase in interest coverage in 2013 compared to 2012 reflects higher earnings and lower interest expense in the current year, resulting from the replacement of matured long-term debt with lower average interest rate borrowings. The decrease in interest coverage in 2012 compared to 2011 reflects lower earnings. 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 maintains a universal shelf registration statement on file with the SEC under which it can issue debt securities, preferred stock, common stock, warrants, share purchase contracts or 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., primarily 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, 2013, 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)	$ 6,102	460	1,157	800	3,685
Operating Leases	910	270	336	138	166
Purchase Obligations	1,087	959	99	23	6
Total	$ 8,099	1,689	1,592	961	3,857

Purchase obligations consist primarily of inventory purchases made in the normal course of business to meet operational requirements. The table above does not include $2.3 billion of other noncurrent liabilities recorded in the balance sheet and summarized in Note 17, which consist primarily 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 not material. 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 a 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. If an initial assessment indicates it is more likely than not an impairment may exist, it is evaluated by comparing the unit's estimated fair value 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 2013, Emerson's total market value based on its exchange-traded stock price was approximately $46 billion while its common stockholders' equity was $11 billion.The European network power systems business, with goodwill of $1.0 billion, has faced integration challenges as well as difficult end markets stemming from the financial crisis and persistent weak economy in Europe. The estimated fair value of this business exceeded its carrying value by less than 10 percent. The assumptions used in estimating fair value include the resumption of economic growth in Europe, continued successful execution of plans to expand the business and improve the cost structure, and end market growth for data center services and solutions, including uninterruptible power supplies and precision cooling.

Retirement Plans
While the Company continues to focus on a prudent long-term investment strategy for its pension-related assets, the determination 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 Company's assumptions are accumulated as deferred actuarial gains or losses and amortized to expense in future periods.

As of September 30, 2013, pension plans were underfunded by a total of $121 million (which includes $368 million of unfunded plans). The Company contributed $160 million to defined benefit plans in 2013 and expects to contribute approximately $145 million in 2014. At year-end 2013, the discount rate for U.S. plans was 4.75 percent, and was 4.00 percent in 2012. The assumed investment return on plan assets was 7.75 percent in both 2013 and 2012, and is expected to be 7.50 percent in 2014. Deferred actuarial losses to be amortized to expense in future years were $1.2 billion ($800 million after-tax) as of September 30, 2013. Defined benefit pension plan expense for 2014 is expected to be approximately $155 million, compared with $228 million in 2013, which reflects the impact of the higher interest rate environment and favorable investment performance the last two years. 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. Valuation allowances are provided to reduce deferred tax assets to the amount that will more likely than not be realized.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, 3 and 13.

Other Items

Legal Matters
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.

At September 30, 2013, 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.

New Accounting Pronouncements
In January 2013, the FASB issued updates to ASC 210, *Balance Sheet*, requiring entities to disclose additional amounts related to derivatives subject to enforceable master netting arrangements, including collateral, and reconcile those amounts to the net amount presented in the balance sheet. These updates are effective for the first quarter of 2014 and will not materially impact the Company's financial statements.

In February 2013, the FASB issued updates to ASC 220, *Comprehensive Income*, requiring entities to disclose reclassifications into earnings from accumulated other comprehensive income (AOCI) by income statement line item, and other current period activity. There is no change to the items to be reported in AOCI or when those items should be reclassified into earnings. These updates are effective for the first quarter of 2014.

Consolidated Statements of Earnings
EMERSON ELECTRIC CO. & SUBSIDIARIES

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

	2011	2012	**2013**
Net sales	$ 24,222	24,412	**24,669**
Costs and expenses:			
Cost of sales	14,665	14,644	**14,717**
Selling, general and administrative expenses	5,328	5,436	**5,648**
Goodwill impairment	19	592	**528**
Other deductions, net	356	401	**362**
Interest expense, net of interest income: 2011, $23; 2012, $17; 2013, $16	223	224	**218**
Earnings from continuing operations before income taxes	3,631	3,115	**3,196**
Income taxes	1,127	1,091	**1,130**
Earnings from continuing operations	2,504	2,024	**2,066**
Discontinued operations, net of tax: 2011, $30	26	—	**—**
Net earnings	2,530	2,024	**2,066**
Less: Noncontrolling interests in earnings of subsidiaries	50	56	**62**
Net earnings common stockholders	$ 2,480	1,968	**2,004**
Earnings common stockholders:			
Earnings from continuing operations	$ 2,454	1,968	**2,004**
Discontinued operations, net of tax	26	—	**—**
Net earnings common stockholders	$ 2,480	1,968	**2,004**
Basic earnings per share common stockholders:			
Earnings from continuing operations	$ 3.26	2.68	**2.78**
Discontinued operations	0.03	—	**—**
Basic earnings per common share	$ 3.29	2.68	**2.78**
Diluted earnings per share common stockholders:			
Earnings from continuing operations	$ 3.24	2.67	**2.76**
Discontinued operations	0.03	—	**—**
Diluted earnings per common share	$ 3.27	2.67	**2.76**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income
EMERSON ELECTRIC CO. & SUBSIDIARIES

Years ended September 30
(Dollars in millions)

		2011	2012	2013
Net earnings	$	2,530	2,024	2,066
Other comprehensive income, net of tax:				
Foreign currency translation		26	(206)	32
Cash flow hedges		(102)	85	(17)
Pension and postretirement		(56)	(49)	521
Total other comprehensive income (loss)		(132)	(170)	536
Comprehensive income		2,398	1,854	2,602
Less: Noncontrolling interests in comprehensive income of subsidiaries		54	55	56
Comprehensive income common stockholders	$	2,344	1,799	2,546

See accompanying Notes to Consolidated Financial Statements.

Consolidated Balance Sheets
EMERSON ELECTRIC CO. & SUBSIDIARIES

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

	2012	2013
ASSETS		
Current assets		
Cash and equivalents	$ 2,367	**3,275**
Receivables, less allowances of $109 in 2012 and $103 in 2013	4,983	**4,808**
Inventories	2,125	**1,895**
Other current assets	651	**1,021**
Total current assets	10,126	**10,999**
Property, plant and equipment, net	**3,509**	3,605
Other assets		
Goodwill	8,026	**7,509**
Other intangible assets	1,838	**1,672**
Other	319	**926**
Total other assets	10,183	**10,107**
Total assets	$ 23,818	**24,711**
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current maturities of long-term debt	$ 1,506	**1,587**
Accounts payable	2,767	**2,725**
Accrued expenses	2,732	**3,184**
Income taxes	128	**129**
Total current liabilities	7,133	**7,625**
Long-term debt	3,787	**4,055**
Other liabilities	2,456	**2,313**
Equity		
Common stock, $0.50 par value; authorized, 1,200,000,000 shares; issued 953,354,012 shares; outstanding, 724,113,291 shares in 2012; 706,660,259 shares in 2013	477	**477**
Additional paid-in-capital	324	**352**
Retained earnings	18,107	**18,930**
Accumulated other comprehensive income (loss)	(731)	**(189)**
	18,177	**19,570**
Less: Cost of common stock in treasury, 229,240,721 shares in 2012; 246,693,753 shares in 2013	7,882	**8,985**
Common stockholders' equity	10,295	**10,585**
Noncontrolling interests in subsidiaries	147	**133**
Total equity	10,442	**10,718**
Total liabilities and equity	$ 23,818	**24,711**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Equity
EMERSON ELECTRIC CO. & SUBSIDIARIES

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

	2011	2012	**2013**
Common stock	$ 477	477	**477**
Additional paid-in-capital			
Beginning balance	192	317	**324**
Stock plans and other	125	7	**28**
Ending balance	317	324	**352**
Retained earnings			
Beginning balance	15,869	17,310	**18,107**
Net earnings common stockholders	2,480	1,968	**2,004**
Cash dividends (per share: 2011, $1.38; 2012, $1.60; 2013, $1.64)	(1,039)	(1,171)	**(1,181)**
Ending balance	17,310	18,107	**18,930**
Accumulated other comprehensive income (loss)			
Beginning balance	(426)	(562)	**(731)**
Foreign currency translation	22	(205)	**38**
Pension and postretirement, net of tax: 2011, $47; 2012, $19; 2013, $(318)	(56)	(49)	**521**
Cash flow hedges and other, net of tax: 2011, $60; 2012, $(50); 2013, $10	(102)	85	**(17)**
Ending balance	(562)	(731)	**(189)**
Treasury stock			
Beginning balance	(6,320)	(7,143)	**(7,882)**
Purchases	(958)	(787)	**(1,189)**
Issued under stock plans and other	135	48	**86**
Ending balance	(7,143)	(7,882)	**(8,985)**
Common stockholders' equity	10,399	10,295	**10,585**
Noncontrolling interests in subsidiaries			
Beginning balance	160	152	**147**
Net earnings	50	56	**62**
Other comprehensive income (loss)	4	(1)	**(6)**
Cash dividends	(61)	(56)	**(69)**
Other	(1)	(4)	**(1)**
Ending balance	152	147	**133**
Total equity	$ 10,551	10,442	**10,718**

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows
EMERSON ELECTRIC CO. & SUBSIDIARIES

Years ended September 30
(Dollars in millions)

		2011	2012	**2013**
Operating activities				
Net earnings	$	2,530	2,024	**2,066**
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization		867	823	**819**
Changes in operating working capital		(301)	(340)	**42**
Pension funding		(142)	(163)	**(160)**
Goodwill impairment, net of tax		19	528	**496**
Other		260	181	**386**
Net cash provided by operating activities		3,233	3,053	**3,649**
Investing activities				
Capital expenditures		(647)	(665)	**(678)**
Purchases of businesses, net of cash and equivalents acquired		(232)	(187)	**(19)**
Divestitures of businesses		103	125	**3**
Other		(72)	(79)	**(95)**
Net cash used in investing activities		(848)	(806)	**(789)**
Financing activities				
Net increase in short-term borrowings		185	348	**374**
Proceeds from long-term debt		1	4	**496**
Principal payments on long-term debt		(57)	(262)	**(521)**
Dividends paid		(1,039)	(1,171)	**(1,181)**
Purchases of treasury stock		(935)	(797)	**(1,110)**
Other		(42)	(21)	**9**
Net cash used in financing activities		(1,887)	(1,899)	**(1,933)**
Effect of exchange rate changes on cash and equivalents		(38)	(33)	**(19)**
Increase in cash and equivalents		460	315	**908**
Beginning cash and equivalents		1,592	2,052	**2,367**
Ending cash and equivalents	$	2,052	2,367	**3,275**
Changes in operating working capital				
Receivables	$	(475)	(536)	**(84)**
Inventories		12	(49)	**83**
Other current assets		41	19	**(32)**
Accounts payable		194	143	**14**
Accrued expenses		(54)	91	**64**
Income taxes		(19)	(8)	**(3)**
Total changes in operating working capital	$	(301)	(340)	**42**

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 prior year amounts have been reclassified to conform with current year presentation. See Note 3 for operating results that have been classified as discontinued operations in 2011.

Effective October 1, 2012, the Company adopted updates to ASC 220, *Comprehensive Income*, and now presents comprehensive income in a separate financial statement immediately following the statement of earnings. This update does not change the items reported in other comprehensive income or when those items should be reclassified into earnings. Effective first quarter 2014, additional disclosures will be required for comprehensive income, including presenting reclassifications out of accumulated other comprehensive income by income statement line item.

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. Following are the components of inventory as of September 30:

	2012	**2013**
Finished products	$ 747	**678**
Raw materials and work in process	1,378	**1,217**
Total inventories	$ 2,125	**1,895**

Fair Value Measurement

ASC 820, *Fair Value Measurement*, establishes a formal hierarchy and framework for measuring certain financial statement items at fair value, and requires 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 other approaches using 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 fair value of the Company's long-term debt is Level 2, estimated using current interest rates and pricing from financial institutions and other market sources for debt with similar maturities and characteristics.

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. The components of property, plant and equipment as of September 30 follow:

	2012	**2013**
Land	$ 268	**278**
Buildings	2,103	**1,965**
Machinery and equipment	6,193	**6,440**
Construction in progress	370	**409**
Property, plant and equipment, at cost	8,934	**9,092**
Less: Accumulated depreciation	5,425	**5,487**
Property, plant and equipment, net	$ 3,509	**3,605**

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 annual impairment tests of goodwill in the fourth quarter. If an initial assessment indicates it is more likely than not goodwill might be impaired, it is evaluated by comparing the reporting unit's estimated fair value to its carrying value. Goodwill is also tested for impairment between annual tests if events or circumstances indicate the fair value of a unit may be less than its carrying value. If the carrying amount exceeds the estimated fair value, 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.

All of the Company's identifiable intangible assets are subject to amortization on a straight-line basis over their estimated useful lives. Identifiable intangibles consist of intellectual property such as patents and trademarks, customer relationships and capitalized software. Identifiable 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 or maintenance. 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.

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 may be 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 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 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.

Counterparties to derivative arrangements are companies with high credit ratings and the Company has bilateral collateral arrangements with them 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 of instruments in net asset positions should any of the Company's counterparties' credit ratings fall below certain thresholds. Risk from credit loss when derivatives are in asset positions is not considered material. 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 $7.1 billion of undistributed earnings of non-U.S. subsidiaries as of September 30, 2013, 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 $504 and $466, deferred pension and postretirement charges of $692 and $1,213 and cash flow hedges and other charges of $1 and credits of $16, respectively, at September 30, 2013 and 2012. Accumulated other comprehensive income attributable to noncontrolling interests in subsidiaries consists primarily of earnings, and changes in 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 also consider the dilutive effects of stock options and incentive shares. Options to purchase approximately 0.6 million, 7.7 million and 4.6 million shares of common stock were excluded from the computation of diluted earnings per share in 2013, 2012 and 2011, 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):

	2011	2012	**2013**
Basic shares outstanding	748.5	730.6	**717.7**
Dilutive shares	5.0	4.0	**5.2**
Diluted shares outstanding	753.5	734.6	**722.9**

(3) ACQUISITIONS AND DIVESTITURES

On July 31, 2013, the Company entered into an agreement to sell a 51 percent controlling interest in the embedded computing and power business for which it will receive approximately $300 in cash from the acquirer and through borrowing by a new entity which will include this business. The transaction is expected to close before the end of calendar 2013 pending regulatory approvals. Embedded computing and power had 2013 revenue of $1.2 billion and earnings before taxes of $44 which are included in the Network Power segment. Sales and earnings for embedded computing and power will continue to be reported in the Company's consolidated results until completion of the transaction. As the Company will retain a noncontrolling interest in this business, it will not be classified as discontinued operations and will be accounted for on the equity basis upon completion. Transaction fair value was determined based on anticipated cash proceeds and the estimated value of the retained interest using a Level 3 market approach (option pricing model). Assets and liabilities for embedded computing and power are classified as held-for-sale in the consolidated balance sheet at September 30, 2013 as follows: other current assets, $408 (accounts receivable, inventories, other); other assets, $190 (property plant and equipment, goodwill, other noncurrent assets); accrued expenses, $272 (accounts payable and other current liabilities); and other liabilities, $20. The Company recorded goodwill impairment charges in both 2013 and 2012, and income tax charges in 2013, related to this business. See Note 6 for information regarding impairment charges.

In October 2013 (fiscal 2014), the Company acquired Virgo Valves and Controls, LTD, a leading manufacturer of ball valves and automation systems which will complement Process Management's existing final control business, and allow opportunities for additional growth in global oil and gas, mining and power end markets. Also in October 2013, the Company acquired Enardo LLC, a manufacturer of tank and terminal safety equipment used in the oil and gas, chemical and other industries which will complement Process Management's existing regulator technologies and extend the Company's expertise in both upstream and downstream markets. Total cash paid for both businesses was approximately $506, net of cash acquired. The Company also assumed $76 of debt. Combined annualized sales for Virgo and Enardo were over $300.

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, 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 portfolios 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 portfolios in mainly 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, 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.

The results of operations of the acquired 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:

	2011	2012	**2013**
Amortization of intangibles (intellectual property and customer relationships)	$ 261	241	**220**
Rationalization of operations	81	119	**78**
Other	38	91	**65**
Gains, net	(24)	(50)	**(1)**
Total	$ 356	401	**362**

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 other items such as litigation and disputed matters and insurance recoveries. Other decreased in 2013 primarily because of the receipt of an international research and development credit, lower foreign currency transaction losses and the comparative impact from the loss on the sale of the Knaack business in 2012. Other increased in 2012 due to higher foreign currency transaction losses and the loss on the Knaack sale. Gains, net decreased in 2013 due to $43 of dumping duties collected from U.S. Customs in 2012. 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 and benefits, stay bonuses, lease and contract termination costs 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.

Rationalization expenses were $78, $119 and $81, respectively, for 2013, 2012 and 2011. The Company currently expects to incur 2014 rationalization expense of approximately $90, including costs to complete actions initiated before the end of 2013 and for actions anticipated to be approved and initiated during 2014.

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

	2012	**Expense**	**Paid/Utilized**	**2013**
Severance and benefits	$ 23	**45**	**41**	**27**
Lease and other contract terminations	5	**3**	**5**	**3**
Fixed asset write-downs	—	**1**	**1**	**—**
Vacant facility and other shutdown costs	3	**6**	**8**	**1**
Start-up and moving costs	1	**23**	**23**	**1**
Total	$ 32	**78**	**78**	**32**

	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

Rationalization of operations expense by segment is summarized as follows:

	2011	2012	**2013**
Process Management	$ 11	19	**15**
Industrial Automation	32	27	**27**
Network Power	20	53	**25**
Climate Technologies	11	11	**3**
Commercial & Residential Solutions	7	9	**8**
Total	$ 81	119	**78**

Expenses incurred during 2013, 2012 and 2011 include actions to exit 13, 20 and 18 production, distribution or office facilities, and eliminate approximately 3,100, 2,700 and 2,800 positions, respectively, as well as costs related to facilities exited in previous periods. Costs have been concentrated in Network Power and Industrial Automation recently due to end market softness for these segments, including embedded computing and power, and acquisition integration activity in Network Power. The majority of costs have been incurred in Europe, North America and Asia.

(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 exceeds its estimated fair value, impairment is recognized to the extent that the carrying amount of the unit's goodwill exceeds the implied fair value of the goodwill. Fair values of reporting units are Level 3 measures, estimated primarily using 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.

The Company has faced persistent challenges in the embedded computing and power business due to protracted weak demand, structural industry developments and increased competition. These challenges, including weakness in telecommunication and mobile device markets, continued into 2013 and sales and earnings were both below expectations. In the third quarter of 2013, the Company recorded a noncash goodwill impairment charge of $503 ($475 after-tax, $0.65 per share). Income tax charges of $70 ($0.10 per share) for the anticipated repatriation of non-U.S. earnings from this business were also recorded in 2013. Additionally, in the fourth quarter the Company's goodwill impairment testing indicated that the carrying value of the connectivity solutions business in Network Power exceeded its fair value due to operating results not meeting forecasted expectations, resulting in a noncash, pretax charge to earnings of $25 ($21 after-tax, $0.03 per share). Management considered strategic alternatives for embedded computing and power, and on July 31, 2013 the Company entered into an agreement to sell a 51 percent controlling interest in this business. See Note 3 for additional information regarding the sale.

In the fourth quarter of 2012, the Company incurred an impairment charge for the embedded computing and power business and the DC power systems business, after goodwill impairment testing revealed that the carrying values of these businesses exceeded the fair values. These businesses had been unable to meet operating objectives and the Company anticipated that growth in sales and earnings would be slower than previously expected given the end market circumstances noted previously. The carrying value of these businesses was reduced by a noncash, pretax charge to earnings totaling $592 ($528 after-tax, $0.72 per share). 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 renewable energy.

The change in the carrying value of goodwill by business segment follows. Cumulative pretax impairment charges in Network Power total $1.1 billion.

		Process Management	Industrial Automation	Network Power	Climate Technologies	Commercial & Residential Solutions	Total
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
Acquisitions		**11**					**11**
Divestitures				**(40)**		**(2)**	**(42)**
Impairment				**(528)**			**(528)**
Foreign currency translation and other		**(7)**	**14**	**33**	**2**		**42**
Balance, Sept 30, 2013	**$**	**2,383**	**1,352**	**2,832**	**503**	**439**	**7,509**

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

	Customer Relationships		Intellectual Property		Capitalized Software		Total	
	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**
Gross carrying amount	$ 1,537	**1,482**	1,125	**1,023**	1,046	**1,110**	3,708	**3,615**
Less: accumulated amortization	459	**533**	606	**565**	805	**845**	1,870	**1,943**
Net carrying amount	$ 1,078	**949**	519	**458**	241	**265**	1,838	**1,672**

Total intangible asset amortization expense for 2013, 2012 and 2011 was $298, $318 and $345, respectively. Based on intangible asset balances as of September 30, 2013, amortization expense is expected to approximate $292 in 2014, $264 in 2015, $224 in 2016, $199 in 2017 and $163 in 2018.

(7) FINANCIAL INSTRUMENTS

Hedging Activities

As of September 30, 2013, the notional amount of foreign currency hedge positions was approximately $1.5 billion, while commodity hedge contracts totaled approximately 62 million pounds ($175) 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, 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. Amounts included in earnings and other comprehensive income follow:

		Gain (Loss) to Earnings			Gain (Loss) to OCI		
		2011	2012	**2013**	2011	2012	**2013**
	Location						
Commodity	Cost of sales	$ 52	(42)	**(15)**	(58)	43	**(22)**
Foreign currency	Sales, cost of sales	33	8	**24**	(14)	58	**4**
Foreign currency	Other deductions, net	9	45	**(5)**			
Total		$ 94	11	**4**	(72)	101	**(18)**

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 2013, 2012 and 2011.

Fair Value Measurement

As of September 30, 2013, the fair value of commodity contracts and foreign currency contracts was reported in other current assets and accrued expenses. No collateral was posted with counterparties and none was held by the Company at year end. The maximum collateral that could have been required was $14. The estimated fair value of long-term debt was $4,727 and $5,088, respectively, as of September 30, 2013 and 2012, which exceeded the carrying value by $405 and $741, respectively. Valuations of derivative contract positions as of September 30 follow:

	2012		**2013**	
	Assets	Liabilities	Assets	Liabilities
Foreign Currency	$ 31	8	**18**	**17**
Commodity	$ 9	7	**2**	**8**

(8) SHORT-TERM BORROWINGS AND LINES OF CREDIT

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

	2012	**2013**
Current maturities of long-term debt	$ 560	**267**
Commercial paper	936	**1,304**
Payable to banks	10	**16**
Total	$ 1,506	**1,587**
Weighted-average short-term borrowing interest rate at year end	0.2%	**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:

	2012	**2013**
4.625% notes due October 2012	$ 250	**—**
4.5% notes due May 2013	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**
2.625% notes due February 2023	—	**500**
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	97	**72**
Long-term debt	4,347	**4,322**
Less: Current maturities	560	**267**
Total, net	$ 3,787	**4,055**

Long-term debt maturing during each of the four years after 2014 is $520, $289, $250 and $250, respectively. Total interest paid related to short-term borrowings and long-term debt was approximately $226, $234 and $239 in 2013, 2012 and 2011, respectively.

The Company maintains a universal shelf registration statement on file with the SEC under which it can issue debt securities, preferred stock, common stock, warrants, share purchase contracts or 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		
	2011	2012	**2013**	2011	2012	**2013**
Defined benefit plans:						
Service cost (benefits earned during the period)	$ 52	55	**70**	30	27	**31**
Interest cost	172	172	**167**	50	50	**46**
Expected return on plan assets	(279)	(275)	**(280)**	(49)	(43)	**(50)**
Net amortization and other	147	168	**226**	22	19	**18**
Net periodic pension expense	92	120	**183**	53	53	**45**
Defined contribution plans	98	103	**113**	50	59	**63**
Total retirement plans expense	$ 190	223	**296**	103	112	**108**

For defined contribution plans, the Company's obligation is to make cash contributions based on plan requirements, which are expensed as incurred. The Company has two small businesses that participate in multiemployer pension plans. Such participation is insignificant individually and in total. 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	
	2012	**2013**	2012	**2013**
Projected benefit obligation, beginning	$ 3,644	**4,203**	960	**1,143**
Service cost	55	**70**	27	**31**
Interest cost	172	**167**	50	**46**
Actuarial (gain) loss	502	**(403)**	137	**85**
Benefits paid	(173)	**(176)**	(41)	**(46)**
Foreign currency translation and other	3	**2**	10	**10**
Projected benefit obligation, ending	$ 4,203	**3,863**	1,143	**1,269**
Fair value of plan assets, beginning	$ 3,182	**3,719**	690	**809**
Actual return on plan assets	595	**454**	100	**86**
Employer contributions	113	**113**	50	**47**
Benefits paid	(173)	**(176)**	(41)	**(46)**
Foreign currency translation and other	2	**2**	10	**3**
Fair value of plan assets, ending	$ 3,719	**4,112**	809	**899**
Net amount recognized in the balance sheet	$ (484)	**249**	(334)	**(370)**
Amounts recognized in the balance sheet:				
Noncurrent asset	$ —	**435**	4	**3**
Current liability	$ (9)	**(10)**	(8)	**(10)**
Noncurrent liability	$ (475)	**(176)**	(330)	**(363)**
Pretax accumulated other comprehensive loss	$ (1,674)	**(871)**	(308)	**(343)**

Approximately $171 of the $1,214 of pretax losses deferred in accumulated other comprehensive income at September 30, 2013, will be amortized to expense in 2014. As of September 30, 2013, retirement plans in total were underfunded by $121, which includes $368 of unfunded plans.

As of the plans' September 30, 2013 and 2012 measurement dates, the total accumulated benefit obligation was $4,782 and $5,010, 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 $978, $887 and $464, respectively, for 2013, and $4,763, $4,504 and $3,947, respectively, for 2012.

Future benefit payments by U.S. plans are estimated to be $189 in 2014, $198 in 2015, $208 in 2016, $217 in 2017, $226 in 2018 and $1,256 in total over the five years 2019 through 2023. Based on foreign currency exchange rates as of September 30, 2013, future benefit payments by non-U.S. plans are estimated to be $51 in 2014, $51 in 2015, $55 in 2016, $56 in 2017, $58 in 2018 and $341 in total over the five years 2019 through 2023. The Company expects to contribute approximately $145 to its retirement plans in 2014.

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

	U.S. Plans			Non-U.S. Plans		
	2011	2012	**2013**	2011	2012	**2013**
Net pension expense:						
Discount rate	5.00%	4.75%	**4.00%**	4.6%	5.2%	**4.1%**
Expected return on plan assets	8.00%	7.75%	**7.75%**	5.9%	5.9%	**5.5%**
Rate of compensation increase	3.00%	3.00%	**3.25%**	3.5%	3.5%	**3.4%**
Benefit obligations:						
Discount rate	4.75%	4.00%	**4.75%**	5.2%	4.1%	**4.2%**
Rate of compensation increase	3.00%	3.25%	**3.25%**	3.5%	3.4%	**3.2%**

The discount rate for the U.S. retirement plans was 4.75 percent as of September 30, 2013. 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 2014 is expected to be approximately $155, versus $228 in 2013.

The Company's asset allocations at September 30, 2013 and 2012, and weighted-average target allocations are as follows:

	U.S. Plans			Non-U.S. Plans		
	2012	**2013**	Target	2012	**2013**	Target
Equity securities	64%	**66%**	60-70%	55%	**56%**	50-60%
Debt securities	27	**26**	25-35	30	**30**	25-35
Other	9	**8**	3-10	15	**14**	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 and 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	%
2013					
U.S. equities	**$ 1,078**	**560**	**121**	**1,759**	**35%**
International equities	**563**	**632**		**1,195**	**24%**
Emerging market equities		**263**		**263**	**5%**
Corporate bonds		**524**		**524**	**10%**
Government bonds	**22**	**614**		**636**	**13%**
High yield bonds		**159**		**159**	**3%**
Other	**178**	**168**	**129**	**475**	**10%**
Total	**$ 1,841**	**2,920**	**250**	**5,011**	**100%**
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%

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 represents investment-grade debt of issuers primarily from the U.S. Government Bonds includes investment-grade instruments issued by federal, state and local governments, primarily in the U.S. High Yield Bonds includes noninvestment-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 nonexchange-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:

	2012	**2013**
Beginning balance	$ 267	**250**
Gains (Losses) on assets held	9	**25**
Gains (Losses) on assets sold	(16)	**(22)**
Purchases, sales and settlements, net	(10)	**(3)**
Ending balance	$ 250	**250**

(11) POSTRETIREMENT PLANS

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

	2011	2012	**2013**
Service cost	$ 3	2	**2**
Interest cost	17	16	**12**
Net amortization	(7)	(11)	**(13)**
Net postretirement expense	$ 13	7	**1**

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

	2012	**2013**
Benefit obligation, beginning	$ 392	**367**
Service cost	2	**2**
Interest cost	16	**12**
Actuarial (gain) loss	(10)	**(83)**
Benefits paid	(17)	**(20)**
Plan amendments	(16)	**—**
Benefit obligation, ending (recognized in balance sheet)	$ 367	**278**

As of September 30, 2013 there were $169 of deferred actuarial gains in accumulated other comprehensive income, of which approximately $21 will be amortized into earnings in 2014. The assumed discount rates used in measuring the benefit obligations as of September 30, 2013, 2012 and 2011, were 4.00 percent, 3.25 percent and 4.25 percent, respectively. The assumed health care cost trend rate for 2014 is 7.0 percent, declining to 5.0 percent in 2018, and for 2013 was 7.5 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 postretirement expense and the benefit obligation by inconsequential amounts. The Company estimates that future health care benefit payments will be $26 in 2014, $26 in 2015, $25 in 2016, $25 in 2017, $25 in 2018 and $113 in total over the five years 2019 through 2023.

(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, contingent liabilities are recorded when they are both probable and reasonably estimable. Historically, payments under indemnity arrangements have been inconsequential.

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.

At September 30, 2013, 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:

	2011	2012	**2013**
United States	$ 1,891	1,742	**1,724**
Non-U.S.	1,740	1,373	**1,472**
Total pretax earnings from continuing operations	$ 3,631	3,115	**3,196**

The principal components of income tax expense follow:

	2011	2012	**2013**
Current:			
Federal	$ 503	750	**704**
State and local	37	61	**60**
Non-U.S.	477	466	**480**
Deferred:			
Federal	149	(129)	**(56)**
State and local	3	(4)	**2**
Non-U.S.	(42)	(53)	**(60)**
Income tax expense	$ 1,127	1,091	**1,130**

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

	2011	2012	**2013**
Federal rate	35.0 %	35.0 %	**35.0 %**
State and local taxes, net of federal tax benefit	0.7	1.3	**1.3**
Non-U.S. rate differential	(3.5)	(4.0)	**(4.8)**
Non-U.S. tax holidays	(1.0)	(1.7)	**(1.8)**
U.S. manufacturing deduction	(1.1)	(1.4)	**(1.6)**
Goodwill impairment	0.2	4.6	**4.8**
Embedded computing and power repatriation	—	—	**2.2**
Other	0.7	1.2	**0.2**
Effective income tax rate	31.0 %	35.0 %	**35.3 %**

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

	2012	**2013**
Beginning balance	$ 162	**157**
Additions for current year tax positions	11	**8**
Additions for prior year tax positions	21	**14**
Reduction for prior year tax positions	(14)	**(26)**
Reduction for settlements with tax authorities	(5)	**(4)**
Reduction for expirations of statute of limitations	(18)	**(22)**
Ending balance	$ 157	**127**

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 $90. The Company accrues interest and penalties related to income taxes in income tax expense. Total interest and penalties recognized were $(6), $(1) and $(3) in 2013, 2012 and 2011, respectively. As of September 30, 2013 and 2012, total accrued interest and penalties were $27 and $35, 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 substantially complete through 2009. 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:

	2012	**2013**
Deferred tax assets:		
Net operating losses and tax credits	$ 237	**231**
Accrued liabilities	247	**262**
Postretirement and postemployment benefits	135	**102**
Employee compensation and benefits	194	**256**
Pensions	224	**—**
Other	138	**124**
Total	1,175	**975**
Valuation allowances	(113)	**(131)**
Deferred tax liabilities:		
Intangibles	(780)	**(780)**
Pensions	—	**(38)**
Property, plant and equipment	(282)	**(255)**
Other	(110)	**(158)**
Total	(1,172)	**(1,231)**
Net deferred income tax liability	$ (110)	**(387)**

At September 30, 2013 and 2012, respectively, current deferred tax assets, net were $354 and $377, and noncurrent deferred tax liabilities, net were $741 and $487. Total income taxes paid were approximately $1,270, $1,300 and $1,030 in 2013, 2012 and 2011, respectively. Approximately half of the $231 of 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 are granted at 100 percent of the closing market price of the Company's common stock on the date of grant. Awards made prior to 2011 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 in each of the three years subsequent to grant 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, 2013, 19.1 million options were available for grant under the plans.

Changes in shares subject to option during the year ended September 30, 2013 follow:

(shares in thousands)	Average Exercise Price Per Share	Shares	Total Intrinsic Value of Awards	Average Remaining Life (Years)
Beginning of year	$ **44.75**	**14,603**		
Options granted	$ **51.70**	**639**		
Options exercised	$ **37.89**	**(3,377)**		
Options canceled	$ **49.74**	**(191)**		
End of year	$ **47.03**	**11,674**	$ **205**	**5.6**
Exercisable at year end	$ **45.80**	**9,038**	$ **170**	**5.0**

The weighted-average grant date fair value per option was $10.12, $7.53 and $11.00 for 2013, 2012 and 2011, respectively. Cash received for option exercises was $104 in 2013, $42 in 2012 and $65 in 2011. The total intrinsic value of options exercised was $66, $38 and $49 in 2013, 2012 and 2011, respectively, and the actual tax benefit realized by the Company from tax deductions related to option exercises was $7, $11 and $16, respectively.

The grant date fair value of options is estimated using the Black-Scholes option-pricing model. The weighted-average assumptions used in valuations for 2013, 2012 and 2011 follow: risk-free interest rate, based on U.S. Treasury yields, 1.2 percent, 1.3 percent and 1.9 percent; dividend yield, 3.2 percent, 3.7 percent and 2.6 percent; and expected volatility, based on historical volatility, 28 percent, 27 percent and 25 percent. The expected life of each option awarded 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 shares 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 for performance shares is recognized over the service period based on the number of shares ultimately expected to be earned. Performance shares 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 of September 30, 2013, 5,201,866 performance shares awarded primarily in 2010 were outstanding and contingent on the Company achieving its performance objectives and the provision of service by the employees. The objectives for these shares were met at the 93 percent level at the end of 2013, or 4,837,739 shares. Of these, 2,902,647 shares will be distributed in early 2014 while 1,935,092 shares remain subject to employees providing one additional year of service. Additionally, 5,118,500 performance shares awarded in 2013 are outstanding and contingent on the Company achieving its performance objectives through 2016 and the provision of service by the employees. As a result of the Company achieving its performance objectives at the 96 percent level at the end of 2010 for performance shares awarded primarily in 2007, and employees providing an additional year of service, rights to receive 4,777,248 common shares vested and were distributed to participants in 2011 as follows: 2,841,534 issued as shares, 1,661,045 withheld for income taxes and the value of 274,669 paid in cash.

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 2013, 390,000 shares of restricted stock vested as a result of participants fulfilling the applicable service requirements. Consequently, 231,983 shares were issued while 158,017 shares were withheld for income taxes in accordance with minimum withholding requirements. As of September 30, 2013, there were 1,275,000 shares of unvested restricted stock outstanding.

Changes in shares outstanding but not yet earned under the incentive shares plans during the year ended September 30, 2013 follow:

(shares in thousands)	Shares	Average Grant Date Fair Value Per Share
Beginning of year	**6,799**	**$ 39.55**
Granted	**5,532**	**$ 48.25**
Earned/vested	**(390)**	**$ 33.15**
Canceled	**(710)**	**$ 42.75**
End of year	**11,231**	**$ 43.86**

The total fair value of shares vested under incentive shares plans was $19, $15 and $276, respectively, in 2013, 2012 and 2011, of which $8, $6 and $113, respectively, was paid in cash, primarily for tax withholding. As of September 30, 2013, 5.0 million shares remained available for award under incentive shares plans.

Total compensation expense for stock options and incentive shares was $221, $100 and $121, for 2013, 2012 and 2011, respectively. The increase from 2012 to 2013 reflects overlap of two performance shares programs during the year (2010 awards for performance through 2013 and 2013 awards for performance through 2016) and a higher stock price in the current year. The decrease from 2011 to 2012 reflects a stock option award in 2011 and no performance shares program overlap in 2012. Income tax benefits recognized in the income statement for these compensation arrangements during 2013, 2012 and 2011 were $68, $28 and $32, respectively. As of September 30, 2013, there was $316 of total unrecognized compensation expense related to unvested shares awarded under these plans, which is expected to be recognized over a weighted-average period of 2.7 years.

In addition to the employee stock option and incentive shares plans, in 2013 the Company awarded 18,864 shares of restricted stock and 4,398 restricted stock units under the restricted stock plan for nonmanagement directors. As of September 30, 2013, 269,750 shares remained available for issuance under this plan.

(15) COMMON AND PREFERRED STOCK

At September 30, 2013, 46 million shares of common stock were reserved for issuance under the Company's stock-based compensation plans. During 2013, 20.3 million common shares were repurchased and 2.9 million treasury shares were reissued.

At September 30, 2013 and 2012, the Company had 5.4 million shares of $2.50 par value preferred stock authorized, with none issued.

(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 low, medium and high voltage alternators and other power generation equipment, commercial and industrial motors and drives, power transmission and materials handling 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, precision cooling systems, electrical switching equipment, integrated data center infrastructure monitoring, management systems, and embedded power supplies and computing 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, commercial and industrial refrigeration, and marine controls. The **Commercial & Residential Solutions** segment provides tools for professionals and homeowners, home and commercial storage systems, and appliance solutions. The principal distribution method for each segment is direct sales forces, 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 significant currency exchange rate fluctuations and restrictions on the movement of funds and potential nationalization of operations.

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 when applicable. 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 geography (also see Notes 3 through 6).

Business Segments

	Sales			Earnings			Total Assets		
	2011	2012	**2013**	2011	2012	**2013**	2011	2012	**2013**
Process Management	$ 7,000	7,899	**8,610**	1,402	1,599	**1,809**	5,915	6,607	**6,878**
Industrial Automation	5,294	5,188	**4,885**	830	871	**777**	3,818	3,619	**3,606**
Network Power	6,811	6,399	**6,155**	756	624	**554**	7,945	7,212	**6,603**
Climate Technologies	3,995	3,766	**3,876**	709	668	**716**	2,229	2,260	**2,245**
Commercial & Residential Solutions	1,837	1,877	**1,865**	375	396	**404**	1,271	1,155	**1,153**
	24,937	25,129	**25,391**	4,072	4,158	**4,260**	21,178	20,853	**20,485**
Differences in accounting methods				231	226	**221**			
Corporate and other (a)(b)				(449)	(1,045)	**(1,067)**	2,683	2,965	**4,226**
Sales eliminations/Interest	(715)	(717)	**(722)**	(223)	(224)	**(218)**			
Total	$ 24,222	24,412	**24,669**	3,631	3,115	**3,196**	23,861	23,818	**24,711**

(a) Differences in corporate and other primarily reflect changes in incentive stock compensation expense, which increased $121 in 2013 due to changes in the Company's stock price and the overlap of two incentive stock compensation programs (see Note 14), and differences in goodwill and related charges.

(b) 2013 includes goodwill impairment charges of $528 related to the Network Power segment; 2012 includes a goodwill impairment charge of $592 related to the Network Power segment; 2011 includes a goodwill impairment charge of $19 related to the Industrial Automation segment (see Note 6).

	Intersegment Sales			Depreciation and Amortization			Capital Expenditures		
	2011	2012	**2013**	2011	2012	**2013**	2011	2012	**2013**
Process Management	$ 7	13	**6**	198	198	**201**	194	228	**276**
Industrial Automation	640	619	**631**	148	138	**145**	138	134	**124**
Network Power	24	38	**39**	286	256	**238**	99	101	**88**
Climate Technologies	42	45	**44**	138	133	**130**	120	106	**100**
Commercial & Residential Solutions	2	2	**2**	57	53	**53**	35	46	**40**
Corporate and other				40	45	**52**	61	50	**50**
Total	$ 715	717	**722**	867	823	**819**	647	665	**678**

Geographic Information

	Sales by Destination			Property, Plant and Equipment		
	2011	2012	**2013**	2011	2012	**2013**
United States and Canada	$ 10,773	10,980	**10,964**	1,869	1,918	**1,969**
Asia	5,636	5,790	**5,888**	583	592	**518**
Europe	5,271	4,946	**4,841**	714	689	**772**
Latin America	1,319	1,430	**1,555**	262	293	**308**
Middle East/Africa	1,223	1,266	**1,421**	9	17	**38**
Total	$ 24,222	24,412	**24,669**	3,437	3,509	**3,605**

Sales in the U.S. were $10,000, $10,036 and $9,900 for 2013, 2012 and 2011, respectively, while Asia includes sales in China of $3,122, $3,012 and $3,079, respectively. U.S.-located fixed assets were $1,952, $1,900 and $1,853.

(17) OTHER FINANCIAL DATA

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

	2011	2012	**2013**
Research and development expense	$ 555	547	**576**
Depreciation expense	$ 522	505	**521**
Rent expense	$ 372	395	**414**

The Company leases certain facilities, transportation and office equipment, and various other items under operating lease agreements. Minimum annual rentals under noncancelable long-term leases, exclusive of maintenance, taxes, insurance and other operating costs, will approximate $270 in 2014, $196 in 2015, $140 in 2016, $87 in 2017 and $51 in 2018.

At September 30, 2013, other current assets includes $408 of current assets of embedded computing and power classified as held-for-sale, while other assets includes $438 of pension assets and $190 of noncurrent embedded computing and power assets.

Items reported in accrued expenses include the following:

	2012	**2013**
Employee compensation	$ 642	**650**
Customer advanced payments	$ 380	**402**
Product warranty	$ 187	**183**

Other liabilities are summarized as follows:

	2012	**2013**
Pension plans	$ 805	**539**
Deferred income taxes	592	**823**
Postretirement plans, excluding current portion	337	**263**
Other	722	**688**
Total	$ 2,456	**2,313**

Other operating cash flow is comprised of the following:

		2011	2012	**2013**
Pension expense	$	145	173	**228**
Stock compensation expense		121	100	**221**
(Gain) Loss on sale of businesses, net of tax		(25)	5	**—**
Deferred income taxes and other		19	(97)	**(63)**
Total	$	260	181	**386**

(18) QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Full Year	
		2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**
Net sales	$	5,309	**5,553**	5,919	**5,960**	6,484	**6,344**	6,700	**6,812**	24,412	**24,669**
Gross profit	$	2,055	**2,207**	2,336	**2,373**	2,628	**2,568**	2,749	**2,804**	9,768	**9,952**
Earnings from continuing operations common stockholders	$	371	**454**	545	**561**	770	**194**	282	**795**	1,968	**2,004**
Net earnings common stockholders	$	371	**454**	545	**561**	770	**194**	282	**795**	1,968	**2,004**
Earnings per common share from continuing operations:											
Basic	$	0.50	**0.63**	0.74	**0.77**	1.05	**0.27**	0.39	**1.11**	2.68	**2.78**
Diluted	$	0.50	**0.62**	0.74	**0.77**	1.04	**0.27**	0.39	**1.10**	2.67	**2.76**
Net earnings per common share:											
Basic	$	0.50	**0.63**	0.74	**0.77**	1.05	**0.27**	0.39	**1.11**	2.68	**2.78**
Diluted	$	0.50	**0.62**	0.74	**0.77**	1.04	**0.27**	0.39	**1.10**	2.67	**2.76**
Dividends per common share	$	0.40	**0.41**	0.40	**0.41**	0.40	**0.41**	0.40	**0.41**	1.60	**1.64**
Common stock prices:											
High	$	52.64	**53.62**	53.78	**58.67**	53.01	**59.44**	52.98	**66.79**	53.78	**66.79**
Low	$	39.50	**47.10**	47.00	**53.83**	43.75	**53.09**	43.59	**54.55**	39.50	**47.10**

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 goodwill impairment and income tax charges totaling $508 or $0.70 per share in the third quarter of 2013, goodwill impairment and income tax charges totaling $58 or $0.08 per share in the fourth quarter of 2013 and a goodwill impairment charge of $528 or $0.72 per share in the fourth quarter of 2012.

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, 2013 and 2012, and the related consolidated statements of earnings, comprehensive income, equity, and cash flows for each of the years in the three-year period ended September 30, 2013. We also have audited Emerson Electric Co.'s internal control over financial reporting as of September 30, 2013, based on criteria established in Internal Control - Integrated Framework (1992) 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, 2013 and 2012, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2013, 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, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ KPMG LLP
St. Louis, Missouri
November 19, 2013

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; (14) execution of cost-reduction efforts; and (15) ability to complete the embedded computing and power sale transaction.

Exhibit 21

Subsidiaries and Affiliates of Emerson Electric Co.
September 30, 2013

LEGAL NAME	JURISDICTION OF INCORPORATION
Artesyn Technologies, Inc.	Florida
Artesyn North America, Inc.	Delaware
AIH, Inc.	Delaware
00269496 Limited	United Kingdom
Astec America LLC	Delaware
Astec Electronics (Malaysia) Sdn Bhd	Malaysia
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 Power Supply (Shenzhen) Company Limited	China
Astec Power Inc.	BVI
Astec Power Philippines, Inc.	Philippines
Embedded Computing & Power (India) Private Limited	India
Embedded Computing & Power Japan KK	Japan
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 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, Inc.	Wisconsin
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
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 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
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
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.	Ontario
Easy Heat Ltd.	Ontario
EGS Participacoes Ltda	Brazil
Nutsteel Indústria Metalúrgica Ltda	Brazil
Easy Heat, Inc.	Delaware
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
Emerson Hazardous Electrical Equipment (Shanghai) Co., Ltd.	China
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
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 do Brasil Ltda	Brazil
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 Chausey, 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 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 UAB	Lithuania
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 Network Power Solutions, Inc.	Delaware
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
Artesyn do Brasil Comercio de Produtos de Conversao de Energia Ltda	Brazil
Emerson Network Power (Hong Kong) Limited	Hong Kong
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
Emerson Process Management Nigeria Limited	Nigeria
Energy Scitech Ltd.	United Kingdom
PolyOil Ltd.	United Kingdom
Roxar do Brasil Ltda	Brazil
Roxar Flow Measurement AS	Norway
Roxar Flow Measurement Ltd.	United Kingdom
Roxar Flow Measurement Sdn Bhd	Malaysia
Roxar Ltd.	United Kingdom
Roxar Maximum Reservoir Performance WLL	Bahrain
Roxar Pty. Ltd.	Australia
Roxar de Mexico S.A. de C.V.	Mexico
Roxar de Venezuela C.A.	Venezuela
Roxar Saudi Company	Saudi Arabia
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 Oradea S.R.L.	Romania

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
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 GmbH & Co. Grundbesitz OHG	Germany
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
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
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 Ibtikar Al Iraq 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, Srl	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 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 Network Power (Bangladesh) Private Limited	Bangladesh
Emerson Network Power Limited	Nigeria
Emerson Network Power (Philippines), Inc.	Philippines
Emerson Network Power (South Africa) (Pty) Ltd	South Africa
Emerson Network Power (Ghana) Limited	Ghana
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 Climate Technologies Retail Solutions UK Limited	United Kingdom
Emerson Electric U.K. Limited	United Kingdom
Artesyn Communication Products UK Ltd.	Scotland
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 - Embedded Computing UK Ltd.	Scotland
ENPDOR2012A 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
Emerson Process Management Shared Services Limited	United Kingdom
EMR Barnstaple Limited	United Kingdom
Fisher-Rosemount Properties Limited	United Kingdom
F-R Properties (UK) Limited	United Kingdom
Groveley Detection Limited	United Kingdom
METCO Services 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
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
Emerson Process Management Qatar S.S.C.	Qatar
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
Emerson Industrial Automation Electric Power Generation Private Limited	India
Emerson Electric Canada Limited	Canada
Emerson Holding Sweden AB	Sweden
Emerson Sweden AB	Sweden

Emerson Network Power AB	Sweden
Embedded Computing & Power Sweden 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
Rutherfurd Acquisitions Limited	United Kingdom
Chloride Group Limited	United Kingdom
Advanced Design Electronics Limited	United Kingdom
Chloride Batteries 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 Quest Trustees Limited	United Kingdom
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 Secure Power 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
Emerson Network Power Limited	United Kingdom
Emergency Power Systems Limited	United Kingdom
Oneac Limited	United Kingdom
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
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 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, 2013, with respect to the consolidated balance sheets of Emerson Electric Co. as of September 30, 2013 and 2012, and the related consolidated statements of earnings, comprehensive income, equity, and cash flows for each of the years in the three-year period ended September 30, 2013, and the effectiveness of internal control over financial reporting as of September 30, 2013, which report is incorporated by reference in the September 30, 2013 annual report on Form 10-K of Emerson Electric Co.

/s/ KPMG LLP

St. Louis, Missouri
November 19, 2013

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, 2013.

Dated: October 1, 2013

Signature	Title
/s/ D. N. Farr D. N. Farr	Chairman of the Board and Chief Executive Officer
/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/ 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 M. S. Levatich	Director

/s/ C. A. Peters	Director
C. A. Peters	
/s/ J. W. Prueher	Director
J. W. Prueher	
/s/ R. L. Stephenson	Director
R. L. Stephenson	
/s/ J. S. Turley	Director
J. S. Turley	

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, 2013

/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, 2013

/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, 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.
November 19, 2013

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, 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.
November 19, 2013