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Fiscal Year 2015 First Quarter Conference Call

January 28, 2015

- This presentation includes statements related to the expected future results of the company and are therefore forward-looking statements. Actual results may differ materially from those projections due to a wide range of risks and uncertainties, including those that are listed in our SEC filings.
- This presentation also contains non-GAAP financial information and reconciliations to GAAP are included in the appendix. All information should be read in conjunction with our historical financial statements.

Fiscal 2015 First Quarter Highlights and Full Year Outlook

Q1 Results

- Organic sales up 2% year over year
 - Architecture & Software up 5%; Logix sales up 7%
 - Latin America growth robust at 18%
- Operating margin of 22.0%, up 140 bps YOY
- Adjusted EPS of \$1.64, up 12%
- Free Cash Flow of \$233M

Full Year Outlook

- Headwind due to U.S. dollar strengthening
- Uncertainty around the impact and duration of lower oil prices

Revising Adjusted EPS guidance to \$6.50 to \$6.80 for FY 2015

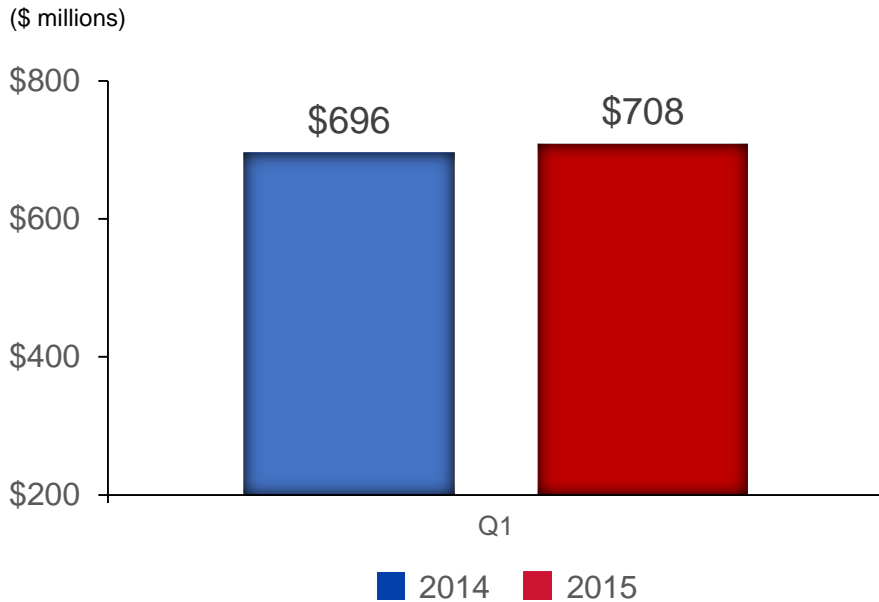
Key Financial Information: First Quarter

(in millions, except per share amounts)

	<u>Q1 2015</u>	<u>Q1 2014</u>	<u>YOY B/(W)</u>
Sales	\$ 1,574	\$ 1,592	(1.1)%
Segment Operating Margin	22.0%	20.6%	140 bps
General Corporate - Net	\$ 23	\$ 22	\$ (1)
Adjusted EPS	\$ 1.64	\$ 1.47	12%
Adjusted Effective Tax Rate	26.0%	27.8%	180 bps
Free Cash Flow	\$ 233	\$ 179	\$ 54
ROIC	30.7%	31.4%	(70) bps

Strong margin and EPS performance

Sales



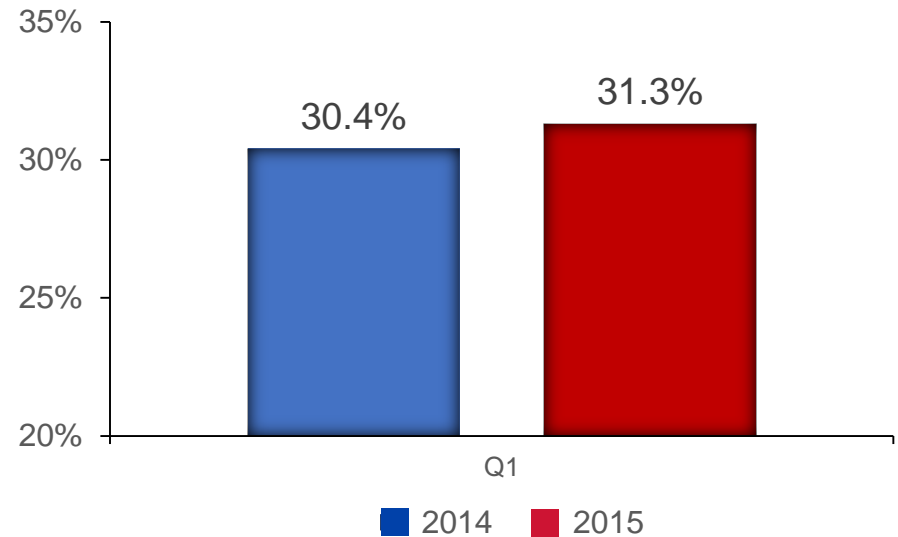
YOY Sales % Change

Q1 2015

Reported
Organic

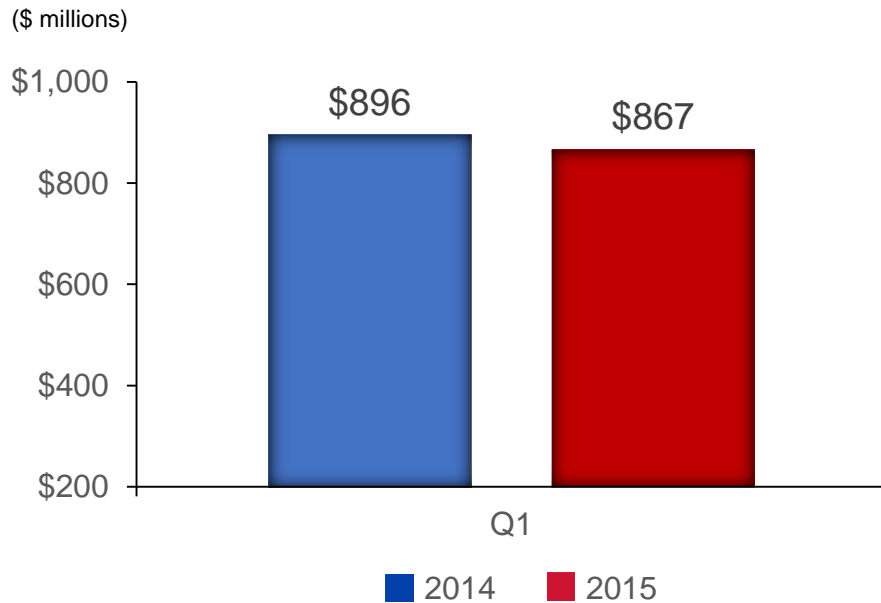
1.7%
5.1%

Segment Operating Margin



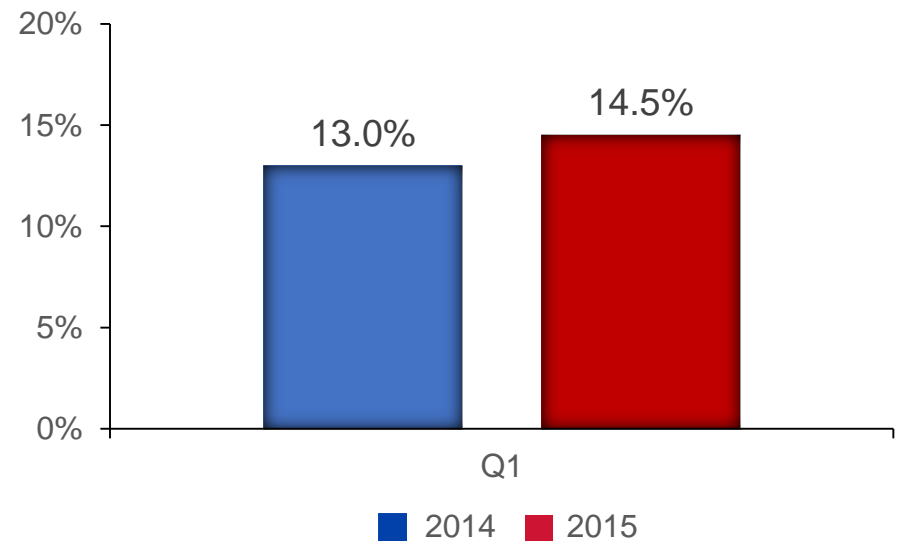
- Segment operating margin expanded 90 bps in Q1, primarily due to higher organic sales and strong productivity, partially offset by increased spending

Sales



	<u>YOY Sales % Change</u>
	<u>Q1 2015</u>
Reported	(3.3)%
Organic	(0.3)%

Segment Operating Margin



- Segment operating margin expanded 150 bps in Q1, primarily due to strong productivity and favorable mix

Regional Sales

(in millions, except percentages)

<u>Region</u>	<u>Q1 2015</u>	
	<u>Sales</u>	<u>Organic % Change</u>
U.S.	\$ 837	0.0%
Canada	100	8.2%
EMEA	297	(1.1)%
Asia Pacific	207	2.9%
Latin America	<u>133</u>	18.2%
TOTAL	<u>\$ 1,574</u>	2.1%

First Quarter *

- U.S. flat as expected
- Solid growth in Canada off a low base
- EMEA down due to weakness in emerging markets
- Strong growth in India
- China down 2% due to project timing
- Robust growth across Latin America

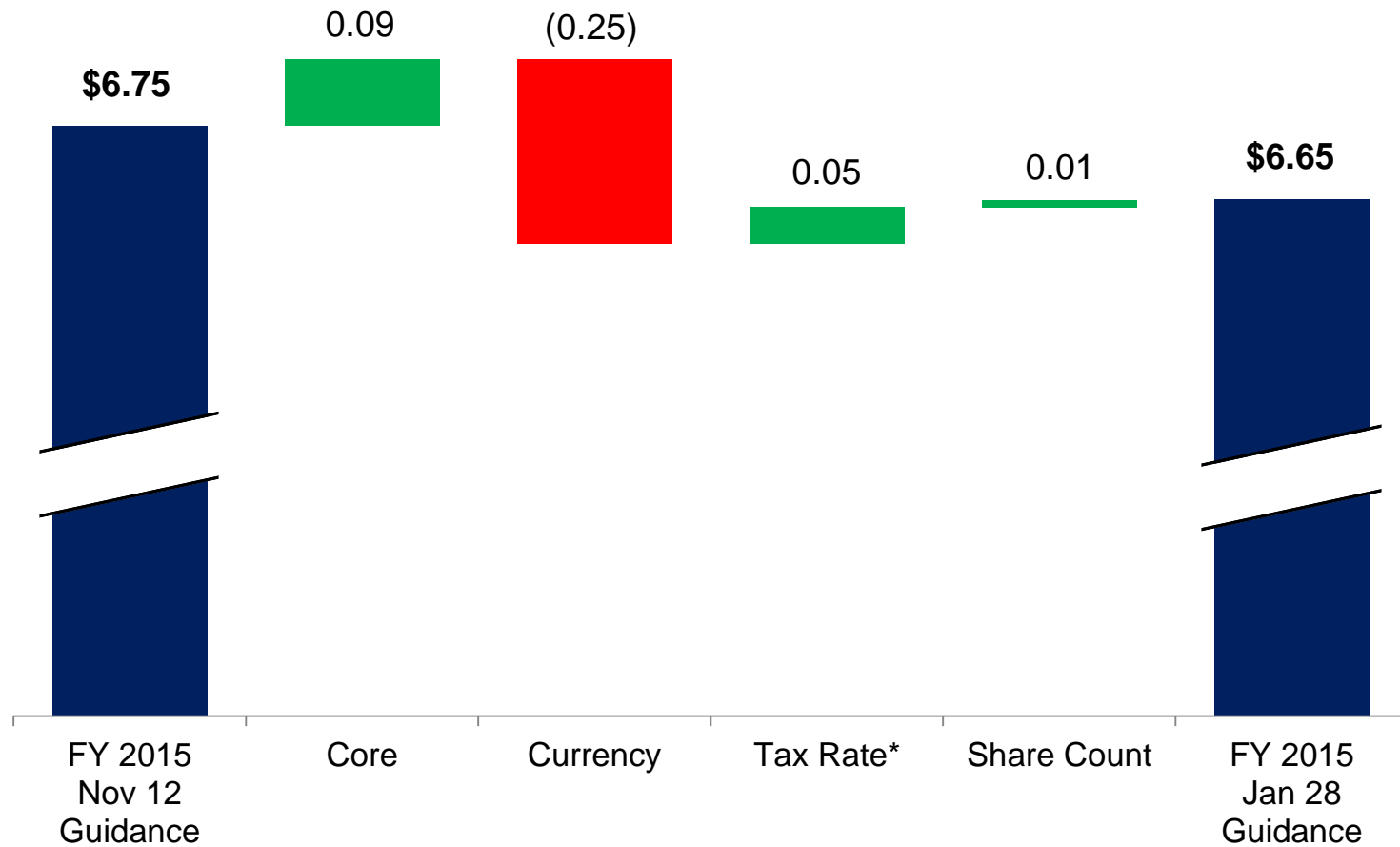
* All growth comments refer to organic growth

Revised Fiscal 2015 Guidance

Sales Midpoint	~ \$6.6B
Organic Growth Range	2.5% to 5.5%
Currency Translation	~ (4.5)%
Acquisitions	0.2%
Segment Operating Margin	~ 21%
Adjusted Effective Tax Rate	~ 26.5%
Adjusted EPS	\$6.50 to \$6.80
Free Cash Flow as a % of Adjusted Income	~ 100%

Note: As of January 28, 2015

FY 2015 Midpoint Revised Guidance Adjusted EPS Walk



Currency now a more significant headwind than originally expected

* Adjusted Effective Tax Rate

Appendix

Supplemental Financial Information and
Reconciliations to non-GAAP Measures

First Quarter Results: Summary

(in millions, except per share amounts)	<u>Q1 2015</u>	<u>Q1 2014</u>
Total Sales	<u>\$ 1,574.4</u>	<u>\$ 1,591.7</u>
Total Segment Operating Earnings	\$ 346.8	\$ 328.0
Purchase Accounting Depreciation and Amortization	(5.4)	(4.6)
General Corporate - Net	(22.8)	(21.7)
Non-Operating Pension Costs	(16.2)	(14.0)
Interest Expense	(14.9)	(14.9)
Income Tax Provision	(73.3)	(74.7)
Net Income	<u>\$ 214.2</u>	<u>\$ 198.1</u>
<u>Adjustments</u>		
Non-Operating Pension Costs, Net of Tax	10.6	9.0
Adjusted Income	<u>\$ 224.8</u>	<u>\$ 207.1</u>
Adjusted EPS	<u>\$ 1.64</u>	<u>\$ 1.47</u>
Average Diluted Shares	<u>136.9</u>	<u>140.4</u>

Free Cash Flow

(in millions)	<u>Q1 2015</u>
Net Income	\$ 214.2
Depreciation/Amortization	40.6
Retirement Benefits Expense	36.1
Receivables/Inventory/Payables	38.5
Compensation and Benefits	(99.2)
Pension Contributions	(8.6)
Income Taxes	46.9
Other	<u>(0.3)</u>
Cash Flow from Operations	268.2
Capital Expenditures	(40.0)
Income Tax Benefit from Share-based Compensation	4.4
Free Cash Flow	<u><u>\$ 232.6</u></u>

Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

	Three Months Ended December 31,						Sales Growth (Decline) (a)/(c)	Organic Growth (Decline) (b)/(c)
	2014			2013				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)		
United States	\$ 836.8	\$ 0.6	\$ 837.4	\$ (1.0)	\$ 836.4	\$ 836.4	—%	—%
Canada	100.0	7.8	107.8	—	107.8	99.6	0.4%	8.2%
Europe, Middle East, Africa	296.9	26.5	323.4	(2.5)	320.9	324.4	(8.5)%	(1.1)%
Asia Pacific	207.2	5.5	212.7	—	212.7	206.8	0.2%	2.9%
Latin America	133.5	13.6	147.1	—	147.1	124.5	7.2%	18.2%
Total	\$ 1,574.4	\$ 54.0	\$ 1,628.4	\$ (3.5)	\$ 1,624.9	\$ 1,591.7	(1.1)%	2.1%

	Three Months Ended December 31,						Sales Growth (Decline) (a)/(c)	Organic Growth (Decline) (b)/(c)
	2014			2013				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)		
Architecture & Software	\$ 707.8	\$ 25.4	\$ 733.2	\$ (1.6)	\$ 731.6	\$ 695.9	1.7%	5.1%
Control Products & Solutions	866.6	28.6	895.2	(1.9)	893.3	895.8	(3.3)%	(0.3)%
Total	\$ 1,574.4	\$ 54.0	\$ 1,628.4	\$ (3.5)	\$ 1,624.9	\$ 1,591.7	(1.1)%	2.1%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(in millions, except percentages)

	<u>Three Months Ended December 31, 2014</u>	<u>Three Months Ended December 31, 2013</u>
Sales		
Architecture & Software (a)	\$ 707.8	\$ 695.9
Control Products & Solutions (b)	866.6	895.8
Total sales (c)	<u>\$ 1,574.4</u>	<u>\$ 1,591.7</u>
Segment operating earnings		
Architecture & Software (d)	\$ 221.4	\$ 211.9
Control Products & Solutions (e)	125.4	116.1
Total segment operating earnings (f)	<u>346.8</u>	<u>328.0</u>
Purchase accounting depreciation and amortization	(5.4)	(4.6)
General corporate - net	(22.8)	(21.7)
Non-operating pension costs	(16.2)	(14.0)
Interest expense	(14.9)	(14.9)
Income before income taxes (g)	<u>\$ 287.5</u>	<u>\$ 272.8</u>
Segment operating margin:		
Architecture & Software (d/a)	31.3 %	30.4 %
Control Products & Solutions (e/b)	14.5 %	13.0 %
Total segment operating margin (f/c)	22.0 %	20.6 %
Pretax margin (g/c)	18.3 %	17.1 %

Reconciliation to Non-GAAP Measures

Adjusted Income and Adjusted EPS

(in millions, except per share amounts)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013
Income from continuing operations	\$ 214.2	\$ 198.1
Non-operating pension costs	16.2	14.0
Tax effect of non-operating pension costs	(5.6)	(5.0)
Adjusted Income	<u>\$ 224.8</u>	<u>\$ 207.1</u>
Diluted EPS from continuing operations	\$ 1.56	\$ 1.41
Non-operating pension costs per diluted share	0.12	0.10
Tax effect of non-operating pension costs per diluted share	(0.04)	(0.04)
Adjusted EPS	<u>\$ 1.64</u>	<u>\$ 1.47</u>
	Fiscal 2015 Guidance	
Diluted EPS from continuing operations	\$6.19 - \$6.49	
Non-operating pension costs per diluted share	0.48	
Tax effect of non-operating pension costs per diluted share	(0.17)	
Adjusted EPS	<u>\$6.50 - \$6.80</u>	

Non-Operating Pension Costs

(in millions)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013
Interest cost	\$ 42.3	\$ 43.6
Expected return on plan assets	(56.1)	(54.5)
Amortization of net actuarial loss	30.0	24.9
Non-operating pension costs	<u>\$ 16.2</u>	<u>\$ 14.0</u>