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Fiscal Year 2016 Second Quarter Conference Call

April 27, 2016

- 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 2016 Second Quarter and First Half Results

Q2 Results

- Organic sales down 3.6% YOY
 - Weak heavy industries, growth in consumer and auto
 - Modest sequential growth in U.S. and China
- Adjusted EPS of \$1.37
- Strong cash flow conversion; ROIC of 32%

First Half

- Organic sales down 3.5% YOY
- Segment operating margin of 20%, despite 8% lower reported sales
- Ethisphere award winner for the eighth time; one of the world's most ethical companies

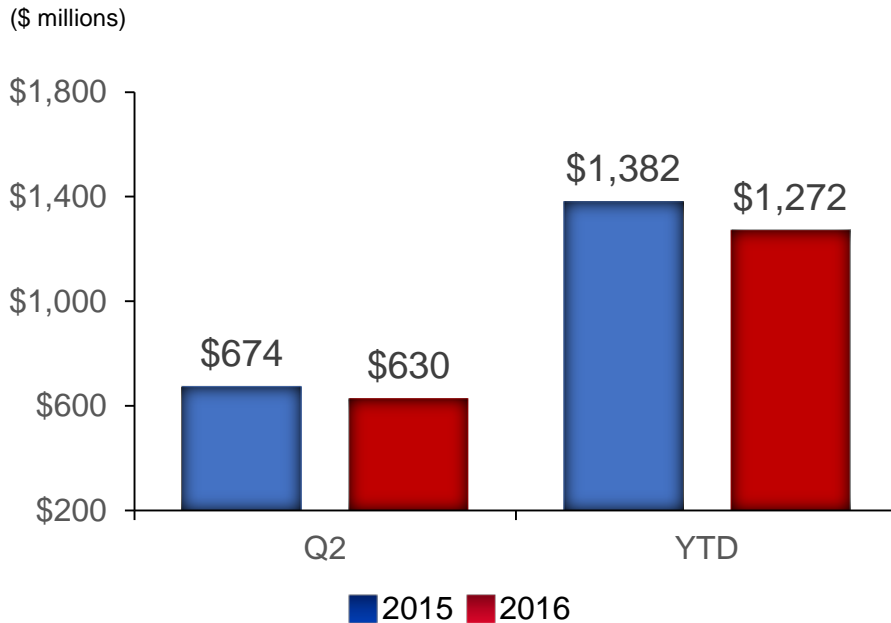
Narrowing fiscal 2016 Adjusted EPS guidance range to \$5.75 - \$6.15

Key Financial Information: Second Quarter

(in millions, except per share amounts)

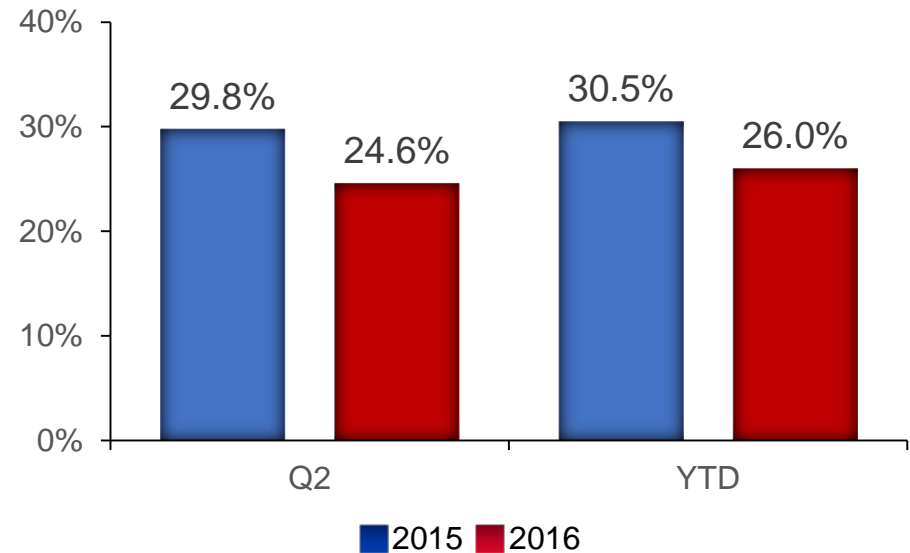
	<u>Q2 2016</u>	<u>Q2 2015</u>	<u>YOY B/(W)</u>
Sales	\$ 1,440	\$ 1,551	(7.1)%
Segment Operating Margin	19.3%	21.6%	(230) bps
General Corporate - Net	\$ 20	\$ 21	\$ 1
Adjusted EPS	\$ 1.37	\$ 1.59	(13.8)%
Adjusted Effective Tax Rate	23.7%	26.0%	230 bps
Free Cash Flow	\$ 203	\$ 269	\$ (66)
ROIC	32.0%	32.0%	— bps

Sales



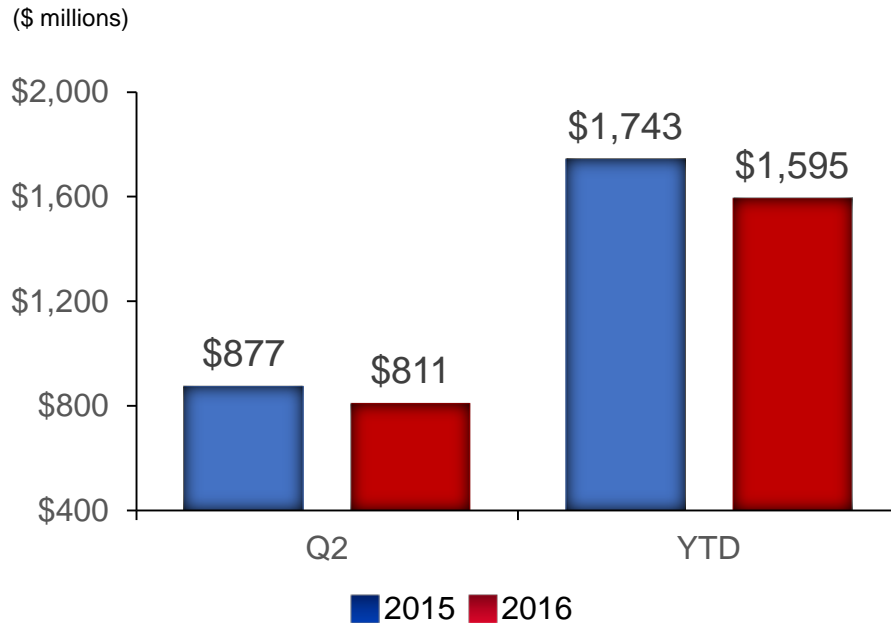
	YOY Sales % Change	
	Q2 2016	YTD
Reported	(6.6)%	(7.9)%
Organic	(3.3)%	(3.0)%

Segment Operating Margin



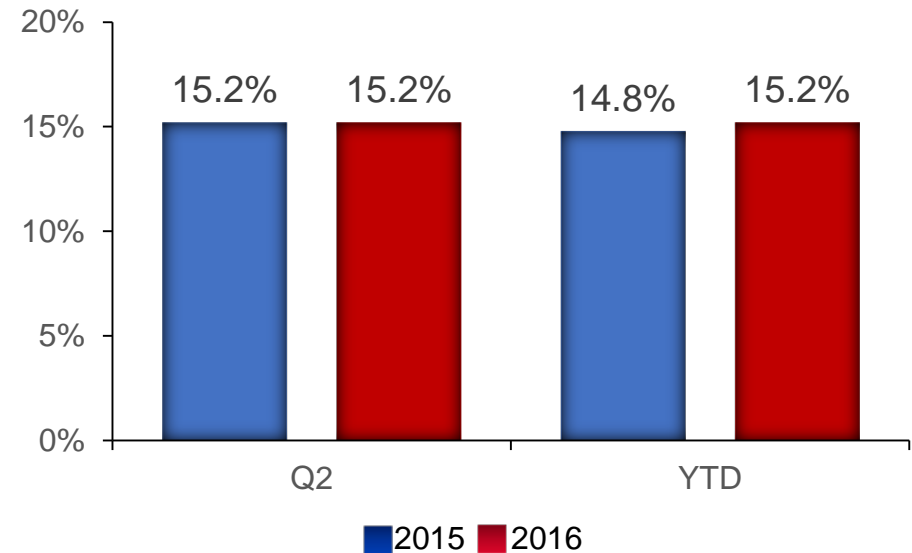
- Segment operating margin contracted 520 bps in Q2, primarily due to lower sales, unfavorable mix and currency effects, and increased spending

Sales



	<u>YOY Sales % Change</u>	
	<u>Q2 2016</u>	<u>YTD</u>
Reported	(7.5)%	(8.5)%
Organic	(3.9)%	(3.8)%

Segment Operating Margin



- Segment operating margin remained flat in Q2, primarily due to lower sales, offset by productivity

Regional Sales

(in millions, except percentages)

<u>Region</u>	<u>Q2 2016</u>		<u>YTD</u>	
	<u>Sales</u>	<u>Organic % Change</u>	<u>Sales</u>	<u>Organic % Change</u>
U.S.	\$ 805	(6.7)%	1,592	(6.3)%
Canada	76	(1.9)%	155	(5.1)%
EMEA	275	(0.7)%	549	2.6%
Asia Pacific	179	(4.8)%	352	(7.9)%
Latin America	105	12.9%	219	10.0%
TOTAL	<u>\$ 1,440</u>	(3.6)%	<u>2,867</u>	(3.5)%

Second Quarter *

- Weak heavy industries in the U.S., driven by oil and gas
- EMEA decline primarily due to project timing in emerging countries
- Strong growth in India
- China down low teens
- Continued growth in Latin America, led by Mexico

* All growth comments refer to organic growth

Revised Fiscal 2016 Guidance

	April Guidance	January Guidance
Sales Midpoint	~ \$5.9B	~ \$5.9B
Organic Growth Range	(4.5)% to (1.5)%	(5)% to (1)%
Currency Translation	~ (3)%	~ (4)%
Segment Operating Margin	~ 20.5%	~ 20.5%
Adjusted Effective Tax Rate	~ 25%	~ 25%
Adjusted EPS	\$5.75 - \$6.15	\$5.70 - \$6.20
Free Cash Flow as a % of Adjusted Income	~ 100%	~ 100%

Note: As of April 27, 2016

Appendix

Supplemental Financial Information and
Reconciliations to Non-GAAP Measures

Second Quarter Results: Summary

(in millions, except per share amounts)

	<u>Q2 2016</u>	<u>Q2 2015</u>
Total Sales	<u>\$ 1,440.3</u>	<u>\$ 1,550.8</u>
Total Segment Operating Earnings	\$ 277.5	\$ 334.2
Purchase Accounting Depreciation and Amortization	(4.5)	(5.2)
General Corporate - Net	(19.5)	(21.4)
Non-Operating Pension Costs	(18.9)	(15.4)
Interest Expense	(17.6)	(15.7)
Income Tax Provision	(49.0)	(70.5)
Net Income	<u>\$ 168.0</u>	<u>\$ 206.0</u>
<u>Adjustments</u>		
Non-Operating Pension Costs, Net of Tax	12.0	10.0
Adjusted Income	<u>\$ 180.0</u>	<u>\$ 216.0</u>
Adjusted EPS	<u>\$ 1.37</u>	<u>\$ 1.59</u>
Average Diluted Shares	<u>131.3</u>	<u>136.0</u>

Free Cash Flow

(in millions)	<u>Q2 2016</u>	<u>YTD</u>
Net Income	\$ 168.0	\$ 353.5
Depreciation/Amortization	45.1	86.4
Retirement Benefits Expense	39.0	78.2
Receivables/Inventory/Payables	19.6	(17.0)
Compensation and Benefits	6.9	(73.7)
Pension Contributions	(10.6)	(21.2)
Income Taxes	(69.3)	(58.0)
Other	15.8	51.1
Cash Flow from Operations	214.5	399.3
Capital Expenditures	(12.4)	(52.6)
Excess Income Tax Benefit from Share-based Compensation	0.5	1.2
Free Cash Flow	<u>\$ 202.6</u>	<u>\$ 347.9</u>

Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

	Three Months Ended March 31,						Sales Growth (Decline) (a)/(c)	Organic Growth (Decline) (b)/(c)
	2016			2015				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)		
United States	\$ 804.8	\$ 0.5	\$ 805.3	\$ —	\$ 805.3	\$ 863.2	(6.8)%	(6.7)%
Canada	76.2	8.0	84.2	—	84.2	85.8	(11.2)%	(1.9)%
Europe, Middle East, Africa	274.6	9.4	284.0	—	284.0	285.9	(4.0)%	(0.7)%
Asia Pacific	179.4	10.5	189.9	(0.1)	189.8	199.4	(10.0)%	(4.8)%
Latin America	105.3	26.2	131.5	—	131.5	116.5	(9.6)%	12.9%
Total	\$ 1,440.3	\$ 54.6	\$ 1,494.9	\$ (0.1)	\$ 1,494.8	\$ 1,550.8	(7.1)%	(3.6)%

	Six Months Ended March 31,						Sales Growth (Decline) (a)/(c)	Organic Growth (Decline) (b)/(c)
	2016			2015				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)		
United States	\$ 1,592.1	\$ 1.3	\$ 1,593.4	\$ (0.3)	\$ 1,593.1	\$ 1,700.0	(6.3)%	(6.3)%
Canada	154.9	21.4	176.3	—	176.3	185.8	(16.6)%	(5.1)%
Europe, Middle East, Africa	548.8	49.3	598.1	—	598.1	582.8	(5.8)%	2.6%
Asia Pacific	352.4	22.3	374.7	(0.1)	374.6	406.6	(13.3)%	(7.9)%
Latin America	218.7	56.4	275.1	—	275.1	250.0	(12.5)%	10.0%
Total	\$ 2,866.9	\$ 150.7	\$ 3,017.6	\$ (0.4)	\$ 3,017.2	\$ 3,125.2	(8.3)%	(3.5)%

Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

	Three Months Ended March 31,						Sales Growth (Decline) (a)/(c)	Organic Growth (Decline) (b)/(c)
	2016					2015		
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)		
Architecture & Software	\$ 629.5	\$ 22.9	\$ 652.4	\$ (0.1)	\$ 652.3	\$ 674.3	(6.6)%	(3.3)%
Control Products & Solutions	810.8	31.7	842.5	—	842.5	876.5	(7.5)%	(3.9)%
Total	<u>\$ 1,440.3</u>	<u>\$ 54.6</u>	<u>\$ 1,494.9</u>	<u>\$ (0.1)</u>	<u>\$ 1,494.8</u>	<u>\$ 1,550.8</u>	(7.1)%	(3.6)%

	Six Months Ended March 31,						Sales Growth (Decline) (a)/(c)	Organic Growth (Decline) (b)/(c)
	2016					2015		
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)		
Architecture & Software	\$ 1,272.4	\$ 68.8	\$ 1,341.2	\$ (0.1)	\$ 1,341.1	\$ 1,382.1	(7.9)%	(3.0)%
Control Products & Solutions	1,594.5	81.9	1,676.4	(0.3)	1,676.1	1,743.1	(8.5)%	(3.8)%
Total	<u>\$ 2,866.9</u>	<u>\$ 150.7</u>	<u>\$ 3,017.6</u>	<u>\$ (0.4)</u>	<u>\$ 3,017.2</u>	<u>\$ 3,125.2</u>	(8.3)%	(3.5)%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(in millions, except percentages)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Six Months Ended March 31, 2016	Six Months Ended March 31, 2015
Sales				
Architecture & Software (a)	\$ 629.5	\$ 674.3	\$ 1,272.4	\$ 1,382.1
Control Products & Solutions (b)	810.8	876.5	1,594.5	1,743.1
Total sales (c)	\$ 1,440.3	\$ 1,550.8	\$ 2,866.9	\$ 3,125.2
Segment operating earnings				
Architecture & Software (d)	\$ 154.6	\$ 200.8	\$ 330.8	\$ 422.2
Control Products & Solutions (e)	122.9	133.4	242.6	258.8
Total segment operating earnings (f)	277.5	334.2	573.4	681.0
Purchase accounting depreciation and amortization	(4.5)	(5.2)	(9.2)	(10.6)
General corporate - net	(19.5)	(21.4)	(37.5)	(44.2)
Non-operating pension costs	(18.9)	(15.4)	(37.8)	(31.6)
Interest expense	(17.6)	(15.7)	(35.0)	(30.6)
Income before income taxes (g)	\$ 217.0	\$ 276.5	\$ 453.9	\$ 564.0
Segment operating margin:				
Architecture & Software (d/a)	24.6 %	29.8 %	26.0 %	30.5 %
Control Products & Solutions (e/b)	15.2 %	15.2 %	15.2 %	14.8 %
Total segment operating margin (f/c)	19.3 %	21.6 %	20.0 %	21.8 %
Pretax margin (g/c)	15.1 %	17.8 %	15.8 %	18.0 %

Reconciliation to Non-GAAP Measures

Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate

(in millions, except per share amounts)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Six Months Ended March 31, 2016		Six Months Ended March 31, 2015	
Income from continuing operations	\$ 168.0	\$ 206.0	\$ 353.5		\$ 420.2	
Non-operating pension costs	18.9	15.4	37.8		31.6	
Tax effect of non-operating pension costs	(6.9)	(5.4)	(13.7)		(11.0)	
Adjusted Income	<u>\$ 180.0</u>	<u>\$ 216.0</u>	<u>\$ 377.6</u>		<u>\$ 440.8</u>	
Diluted EPS from continuing operations	\$ 1.28	\$ 1.51	\$ 2.68		\$ 3.08	
Non-operating pension costs per diluted share	0.14	0.12	0.29		0.23	
Tax effect of non-operating pension costs per diluted share	(0.05)	(0.04)	(0.11)		(0.08)	
Adjusted EPS	<u>\$ 1.37</u>	<u>\$ 1.59</u>	<u>\$ 2.86</u>		<u>\$ 3.23</u>	
	Fiscal 2016 Guidance		Three Months Ended March 31,		Six Months Ended March 31,	
			2016	2015	2016	2015
Diluted EPS from continuing operations	\$5.38 - \$5.78	Effective tax rate	22.6%	25.5%	22.1%	25.5%
Non-operating pension costs per diluted share	0.58	Tax effect of non-				
Tax effect of non-operating pension costs per diluted share	(0.21)	operating pension costs	1.1%	0.5%	1.1%	0.5%
Adjusted EPS	<u>\$5.75 - \$6.15</u>	Adj. Effective Tax Rate	<u>23.7%</u>	<u>26.0%</u>	<u>23.2%</u>	<u>26.0%</u>

Non-Operating Pension Costs

(in millions)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Six Months Ended March 31, 2016		Six Months Ended March 31, 2015	
Interest cost	\$ 42.2	\$ 41.6	\$ 84.7		\$ 83.9	
Expected return on plan assets	(54.4)	(55.8)	(109.1)		(111.9)	
Amortization of net actuarial loss	31.1	29.6	62.2		59.6	
Non-operating pension costs	<u>\$ 18.9</u>	<u>\$ 15.4</u>	<u>\$ 37.8</u>		<u>\$ 31.6</u>	

Reconciliation to Non-GAAP Measures

Return On Invested Capital

(in millions, except percentages)

	Twelve Months Ended March 31,	
	2016	2015
(a) Return		
Income from continuing operations	\$ 760.9	\$ 868.6
Interest expense	68.1	60.0
Income tax provision	256.5	308.4
Purchase accounting depreciation and amortization	19.6	21.8
Return	<u>1,105.1</u>	<u>1,258.8</u>
(b) Average invested capital		
Short-term debt	87.7	291.1
Long-term debt	1,500.9	1,025.5
Shareowners' equity	2,366.3	2,654.6
Accumulated amortization of goodwill and intangibles	802.2	783.2
Cash and cash equivalents	(1,448.6)	(1,260.2)
Short-term investments	(726.3)	(588.8)
Average invested capital	<u>2,582.2</u>	<u>2,905.4</u>
(c) Effective tax rate		
Income tax provision	256.5	308.4
Income from continuing operations before income taxes	\$ 1,017.4	\$ 1,177.0
Effective tax rate	<u>25.2%</u>	<u>26.2%</u>
(a) / (b) * (1-c) Return On Invested Capital	<u>32.0%</u>	<u>32.0%</u>