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

FORM 10-Q

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

For the Quarterly Period Ended December 31, 2016

Commission file number 1-12383

Rockwell Automation, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**25-1797617**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1201 South Second Street, Milwaukee, Wisconsin	**53204**
(Address of principal executive offices)	**(Zip Code)**

+1 (414) 382-2000

Registrant's telephone number, including area code

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 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☑ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐

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

128,599,808 shares of registrant's Common Stock, $1.00 par value, were outstanding on December 31, 2016 .

ROCKWELL AUTOMATION, INC.

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PART I. FINANCIAL INFORMATION

Item 1. ***Condensed Consolidated Financial Statements***

ROCKWELL AUTOMATION, INC.

CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)
(in millions, except per share amounts)

	December 31, 2016	September 30, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,594.6	$ 1,526.4
Short-term investments	888.0	902.8
Receivables	1,036.5	1,079.0
Inventories	541.7	526.6
Other current assets	426.4	150.2
Total current assets	4,487.2	4,185.0
Property, net of accumulated depreciation of $1,396.3 and $1,404.5, respectively	562.6	578.3
Goodwill	1,052.2	1,073.9
Other intangible assets, net	246.2	255.3
Deferred income taxes	617.3	633.9
Other assets	128.8	374.8
Total	$ 7,094.3	$ 7,101.2
LIABILITIES AND SHAREOWNERS' EQUITY		
Current liabilities:		
Short-term debt	$ 408.6	$ 448.6
Current portion of long-term debt	250.0	—
Accounts payable	506.8	543.1
Compensation and benefits	164.2	145.6
Advance payments from customers and deferred revenue	226.4	214.5
Customer returns, rebates and incentives	176.4	176.5
Other current liabilities	471.5	447.6
Total current liabilities	2,203.9	1,975.9
Long-term debt	1,240.9	1,516.3
Retirement benefits	1,404.3	1,430.2
Other liabilities	195.5	188.7
Commitments and contingent liabilities (Note 10)		
Shareowners' equity:		
Common stock ($1.00 par value, shares issued: 181.4)	181.4	181.4
Additional paid-in capital	1,603.4	1,588.2
Retained earnings	5,785.6	5,668.4
Accumulated other comprehensive loss	(1,588.9)	(1,538.8)
Common stock in treasury, at cost (shares held: December 31, 2016, 52.8; September 30, 2016, 52.9)	(3,931.8)	(3,909.1)
Total shareowners' equity	2,049.7	1,990.1
Total	$ 7,094.3	$ 7,101.2

See Notes to Condensed Consolidated Financial Statements.

ROCKWELL AUTOMATION, INC.

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)
(in millions, except per share amounts)

	Three Months Ended December 31,	
	2016	2015
Sales		
Products and solutions	$ 1,330.2	$ 1,271.3
Services	160.1	155.3
	1,490.3	1,426.6
Cost of sales		
Products and solutions	(747.1)	(708.6)
Services	(100.9)	(105.3)
	(848.0)	(813.9)
Gross profit	642.3	612.7
Selling, general and administrative expenses	(370.0)	(359.9)
Other income	4.0	1.5
Interest expense	(18.7)	(17.4)
Income before income taxes	257.6	236.9
Income tax provision	(42.9)	(51.4)
Net income	$ 214.7	$ 185.5
Earnings per share:		
Basic	$ 1.67	$ 1.41
Diluted	$ 1.65	$ 1.40
Cash dividends per share	$ 0.76	$ 0.725
Weighted average outstanding shares:		
Basic	128.3	131.8
Diluted	129.7	132.6

See Notes to Condensed Consolidated Financial Statements.

ROCKWELL AUTOMATION, INC.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)
(in millions)

	Three Months Ended December 31,	
	2016	**2015**
Net income	$ 214.7	$ 185.5
Other comprehensive income (loss), net of tax:		
Pension and other postretirement benefit plan adjustments (net of tax expense of $12.8 and $9.8)	24.5	18.4
Currency translation adjustments	(86.2)	(24.4)
Net change in unrealized gains and losses on cash flow hedges (net of tax expense of $4.0 and $0.2)	11.6	1.6
Other comprehensive loss	(50.1)	(4.4)
Comprehensive income	$ 164.6	$ 181.1

See Notes to Condensed Consolidated Financial Statements.

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ROCKWELL AUTOMATION, INC.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)
(in millions)

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015
Operating activities:		
Net income	$ 214.7	$ 185.5
Adjustments to arrive at cash provided by operating activities:		
Depreciation	32.5	33.7
Amortization of intangible assets	7.9	7.6
Share-based compensation expense	10.7	10.8
Retirement benefit expense	43.0	39.2
Pension contributions	(13.5)	(10.6)
Net loss on disposition of property	0.3	—
Excess income tax benefit from share-based compensation	—	(0.7)
Changes in assets and liabilities, excluding effects of acquisitions and foreign currency adjustments:		
Receivables	6.0	15.1
Inventories	(27.9)	(32.7)
Accounts payable	(10.4)	(19.0)
Advance payments from customers and deferred revenue	16.8	18.1
Compensation and benefits	22.4	(80.6)
Income taxes	22.3	11.3
Other assets and liabilities	(14.0)	7.1
Cash provided by operating activities	310.8	184.8
Investing activities:		
Capital expenditures	(39.4)	(40.2)
Acquisition of businesses, net of cash acquired	(1.1)	—
Purchases of short-term investments	(191.3)	(312.4)
Proceeds from maturities of short-term investments	193.9	261.1
Proceeds from sale of property	0.3	0.2
Cash used for investing activities	(37.6)	(91.3)
Financing activities:		
Net (repayment) issuance of short-term debt	(40.0)	161.0
Cash dividends	(97.5)	(95.6)
Purchases of treasury stock	(82.0)	(127.4)
Proceeds from the exercise of stock options	67.6	4.0
Excess income tax benefit from share-based compensation	—	0.7
Cash used for financing activities	(151.9)	(57.3)
Effect of exchange rate changes on cash	(53.1)	(14.3)
Increase in cash and cash equivalents	68.2	21.9
Cash and cash equivalents at beginning of period	1,526.4	1,427.3
Cash and cash equivalents at end of period	$ 1,594.6	$ 1,449.2

See Notes to Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1 . Basis of Presentation and Accounting Policies

In the opinion of management of Rockwell Automation, Inc. ("Rockwell Automation" or "the Company"), the unaudited Condensed Consolidated Financial Statements contain all adjustments necessary to present fairly the financial position, results of operations and cash flows for the periods presented and, except as otherwise indicated, such adjustments consist only of those of a normal, recurring nature. These statements should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 . The results of operations for the three -month period ended December 31, 2016 are not necessarily indicative of the results for the full year. All date references to years and quarters herein refer to our fiscal year and fiscal quarter unless otherwise stated.

Receivables

Receivables are stated net of an allowance for doubtful accounts of $22.6 million at December 31, 2016 and $24.5 million at September 30, 2016 . In addition, receivables are stated net of an allowance for certain customer returns, rebates and incentives of $8.0 million at December 31, 2016 and $7.9 million at September 30, 2016 .

Earnings Per Share

The following table reconciles basic and diluted earnings per share (EPS) amounts (in millions, except per share amounts):

	Three Months Ended December 31,	
	2016	2015
Net income	$ 214.7	$ 185.5
Less: Allocation to participating securities	(0.2)	(0.2)
Net income available to common shareowners	$ 214.5	$ 185.3
Basic weighted average outstanding shares	128.3	131.8
Effect of dilutive securities		
Stock options	1.2	0.8
Performance shares	0.2	—
Diluted weighted average outstanding shares	129.7	132.6
Earnings per share:		
Basic	$ 1.67	$ 1.41
Diluted	$ 1.65	$ 1.40

For the three months ended December 31, 2016 , share-based compensation awards for 1.0 million shares were excluded from the diluted EPS calculation because they were antidilutive. For the three months ended December 31, 2015 , share-based compensation awards for 2.9 million shares were excluded from the diluted EPS calculation because they were antidilutive.

Non-Cash Investing and Financing Activities

Capital expenditures of $12.9 million and $3.4 million were accrued within accounts payable and other current liabilities at December 31, 2016 and 2015 , respectively. At December 31, 2016 and 2015 , there were $4.5 million and $6.9 million , respectively, of outstanding common stock share repurchases recorded in accounts payable that did not settle until the next fiscal quarter. These non-cash investing and financing activities have been excluded from cash used for capital expenditures and treasury stock purchases in the Condensed Consolidated Statement of Cash Flows.

ROCKWELL AUTOMATION, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

1. Basis of Presentation and Accounting Policies (continued)

Recent Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board (FASB) issued a new standard on share-based compensation. This requirement is effective for us no later than October 1, 2017; however, we elected to adopt earlier as of October 1, 2016. This standard requires entities to record the excess income tax benefit or deficiency from share-based compensation within the income tax provision rather than within additional paid-in capital. The standard also requires this benefit or deficiency to be classified as an operating cash flow rather than as a financing cash flow. The requirement to record the benefit or deficiency within the income tax provision is effective on a prospective basis. We have elected to adopt the cash flow presentation requirement on a prospective basis. Our adoption of these and all other requirements under the new standard had no material impact on our financial statements.

In February 2016, the FASB issued a new standard on accounting for leases that requires lessees to recognize right-of-use assets and lease liabilities for most leases, among other changes to existing lease accounting guidance. The new standard also requires additional qualitative and quantitative disclosures about leasing activities. This guidance is effective for us for reporting periods beginning October 1, 2019. We are currently evaluating the impact the adoption of this guidance will have on our consolidated financial statements and related disclosures.

In May 2014, the FASB issued a new standard on revenue recognition related to contracts with customers. This standard supersedes nearly all existing revenue recognition guidance and involves a five-step principles-based approach to recognizing revenue. The underlying principle is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. The new standard will also require additional qualitative and quantitative disclosures about contracts with customers, significant judgments made in applying the revenue guidance, and assets recognized from the costs to obtain or fulfill a contract. We will adopt this new standard in the first quarter of fiscal 2019 and have established a cross-functional implementation team to adopt the new standard. We continue to evaluate the impact the adoption of this guidance will have on our consolidated financial statements and related disclosures.

2 . Share-Based Compensation

We recognized $10.7 million and $10.8 million of pre-tax share-based compensation expense during the three months ended December 31, 2016 and December 31, 2015 , respectively. Our annual grant of share-based compensation takes place during the first quarter of each fiscal year. The number of shares granted to employees and non-employee directors and the weighted average fair value per share during the periods presented were (in thousands, except per share amounts):

	Three Months Ended December 31,			
	2016		2015	
	Grants	Wtd. Avg. Share Fair Value	Grants	Wtd. Avg. Share Fair Value
Stock options	943	$ 25.27	1,122	$ 21.20
Performance shares	42	174.37	96	87.64
Restricted stock and restricted stock units	41	135.17	56	103.90
Unrestricted stock	6	120.57	6	100.36

3 . Inventories

Inventories consist of (in millions):

	December 31, 2016	September 30, 2016
Finished goods	$ 227.7	$ 215.8
Work in process	159.3	158.0
Raw materials	154.7	152.8
Inventories	$ 541.7	$ 526.6

4 . Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the three months ended December 31, 2016 are (in millions):

	Architecture & Software	Control Products & Solutions	Total
Balance as of September 30, 2016	$ 414.5	$ 659.4	$ 1,073.9
Acquisition of business	—	0.5	0.5
Translation	(4.6)	(17.6)	(22.2)
Balance as of December 31, 2016	$ 409.9	$ 642.3	$ 1,052.2

Other intangible assets consist of (in millions):

	December 31, 2016		
	Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:			
Computer software products	$ 182.4	$ 105.9	$ 76.5
Customer relationships	109.6	51.7	57.9
Technology	102.7	49.7	53.0
Trademarks	30.3	17.0	13.3
Other	10.3	8.5	1.8
Total amortized intangible assets	435.3	232.8	202.5
Allen-Bradley ® trademark not subject to amortization	43.7	—	43.7
Total	$ 479.0	$ 232.8	$ 246.2

	September 30, 2016		
	Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:			
Computer software products	$ 182.4	$ 103.4	$ 79.0
Customer relationships	112.6	51.9	60.7
Technology	103.9	48.5	55.4
Trademarks	31.4	17.0	14.4
Other	11.0	8.9	2.1
Total amortized intangible assets	441.3	229.7	211.6
Allen-Bradley ® trademark not subject to amortization	43.7	—	43.7
Total	$ 485.0	$ 229.7	$ 255.3

Estimated amortization expense is $29.6 million in 2017 , $24.9 million in 2018 , $21.7 million in 2019 , $19.0 million in 2020 and $18.3 million in 2021 .

We perform the annual evaluation of our goodwill and indefinite life intangible assets for impairment as required by accounting principles generally accepted in the United States (U.S. GAAP) during the second quarter of each year.

5 . Short-term Debt

Our short-term debt obligations primarily consist of commercial paper borrowings. Commercial paper borrowings outstanding were $408.1 million and $448.6 million at December 31, 2016 and September 30, 2016 , respectively. The weighted average interest rate of the commercial paper outstanding was 0.81 percent and 0.57 percent at December 31, 2016 and September 30, 2016 , respectively.

The current portion of long-term debt consists of our $250.0 million , 5.65% notes, due in December 2017. These notes were included within long-term debt at September 30, 2016 but are included within current liabilities at December 31, 2016 as they are due within the next twelve months.

At December 31, 2016 and September 30, 2016 , our total borrowing capacity under our unsecured revolving credit facility expiring in March 2020 was $1.0 billion . We did not borrow against this credit facility during the three months ended December 31, 2016 or the twelve months ended September 30, 2016 . In December 2016, we amended the financial covenant under this credit facility. The previous financial covenant, which limited our debt-to-total-capital ratio to 60 percent , was replaced with a minimum EBITDA-to-interest ratio of 3.0 to 1.0. The EBITDA-to-interest ratio is defined in the amendment as the ratio of consolidated EBITDA (as defined in the amendment) for the preceding four quarters to consolidated interest expense for the same period.

6 . Other Current Liabilities

Other current liabilities consist of (in millions):

	December 31, 2016	September 30, 2016
Unrealized losses on foreign exchange contracts	$ 15.4	$ 15.6
Product warranty obligations	27.2	28.0
Taxes other than income taxes	45.2	43.1
Accrued interest	16.2	16.9
Income taxes payable	60.5	28.6
Rocky Flats settlement (Note 13)	242.5	242.5
Other	64.5	72.9
Other current liabilities	$ 471.5	$ 447.6

7 . Product Warranty Obligations

We record a liability for product warranty obligations at the time of sale to a customer based upon historical warranty experience. Most of our products are covered under a warranty period that runs for twelve months from either the date of sale or installation. We also record a liability for specific warranty matters when they become probable and reasonably estimable.

Changes in product warranty obligations for the three months ended December 31, 2016 and 2015 are (in millions):

	Three Months Ended December 31,	
	2016	2015
Balance at beginning of period	$ 28.0	$ 27.9
Accruals for warranties issued during the current period	6.1	6.4
Adjustments to pre-existing warranties	(0.3)	(0.5)
Settlements of warranty claims	(6.6)	(6.2)
Balance at end of period	$ 27.2	$ 27.6

8 . Retirement Benefits

The components of net periodic benefit cost (income) are (in millions):

	Pension Benefits	
	Three Months Ended December 31,	
	2016	2015
Service cost	$ 24.1	$ 22.1
Interest cost	37.8	42.5
Expected return on plan assets	(56.2)	(54.7)
Amortization:		
Prior service credit	(0.8)	(0.7)
Net actuarial loss	38.0	31.1
Settlements	0.2	—
Net periodic benefit cost	$ 43.1	$ 40.3

	Other Postretirement Benefits	
	Three Months Ended December 31,	
	2016	2015
Service cost	$ 0.3	$ 0.3
Interest cost	0.6	0.8
Amortization:		
Prior service credit	(1.5)	(2.8)
Net actuarial loss	0.5	0.6
Net periodic benefit income	$ (0.1)	$ (1.1)

ROCKWELL AUTOMATION, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Unaudited)

9 . Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss by component were (in millions):

Three Months Ended December 31, 2016

	Pension and other postretirement benefit plan adjustments, net of tax	Accumulated currency translation adjustments, net of tax	Net unrealized gains (losses) on cash flow hedges, net of tax	Total accumulated other comprehensive loss, net of tax
Balance as of September 30, 2016	$ (1,239.8)	$ (294.9)	$ (4.1)	$ (1,538.8)
Other comprehensive income (loss) before reclassifications	0.7	(86.2)	11.8	(73.7)
Amounts reclassified from accumulated other comprehensive loss	23.8	—	(0.2)	23.6
Other comprehensive income (loss)	24.5	(86.2)	11.6	(50.1)
Balance as of December 31, 2016	$ (1,215.3)	$ (381.1)	$ 7.5	$ (1,588.9)

Three Months Ended December 31, 2015

	Pension and other postretirement benefit plan adjustments, net of tax	Accumulated currency translation adjustments, net of tax	Net unrealized gains (losses) on cash flow hedges, net of tax	Total accumulated other comprehensive loss, net of tax
Balance as of September 30, 2015	$ (1,097.1)	$ (252.4)	$ 14.9	$ (1,334.6)
Other comprehensive (loss) income before reclassifications	—	(24.4)	6.5	(17.9)
Amounts reclassified from accumulated other comprehensive loss	18.4	—	(4.9)	13.5
Other comprehensive income (loss)	18.4	(24.4)	1.6	(4.4)
Balance as of December 31, 2015	$ (1,078.7)	$ (276.8)	$ 16.5	$ (1,339.0)

9 . Accumulated Other Comprehensive Loss (continued)

The reclassifications out of accumulated other comprehensive loss to the Condensed Consolidated Statement of Operations were (in millions):

	Three Months Ended December 31,		Affected Line in the Condensed Consolidated Statement of Operations
	2016	2015	
Pension and other postretirement benefit plan adjustments:			
Amortization of prior service credit	$ (2.3)	$ (3.5)	(a)
Amortization of net actuarial loss	38.5	31.7	(a)
Settlements	0.2	—	(a)
	36.4	28.2	Income before income taxes
	(12.6)	(9.8)	Income tax provision
	$ 23.8	$ 18.4	Net income
Net unrealized losses (gains) on cash flow hedges:			
Forward exchange contracts	$ 0.5	$ 2.5	Sales
Forward exchange contracts	(1.0)	(8.8)	Cost of sales
Forward exchange contracts	0.3	—	Selling, general and administrative expenses
	(0.2)	(6.3)	Income before income taxes
	—	1.4	Income tax provision
	$ (0.2)	$ (4.9)	Net income
Total reclassifications	$ 23.6	$ 13.5	Net income

(a) Reclassified from accumulated other comprehensive loss into cost of sales and selling, general and administrative expenses. These components are included in the computation of net periodic benefit cost (income). See Note 8 for further information.

10 . Commitments and Contingent Liabilities

Various lawsuits, claims and proceedings have been or may be instituted or asserted against us relating to the conduct of our business, including those pertaining to product liability, environmental, safety and health, intellectual property, employment and contract matters. Although the outcome of litigation cannot be predicted with certainty and some lawsuits, claims or proceedings may be disposed of unfavorably to us, we believe the disposition of matters that are pending or have been asserted will not have a material effect on our business, financial condition or results of operations.

We (including our subsidiaries) have been named as a defendant in lawsuits alleging personal injury as a result of exposure to asbestos that was used in certain components of our products many years ago. Currently there are a few thousand claimants in lawsuits that name us as defendants, together with hundreds of other companies. In some cases, the claims involve products from divested businesses, and we are indemnified for most of the costs. However, we have agreed to defend and indemnify asbestos claims associated with products manufactured or sold by our former Dodge mechanical and Reliance Electric motors and motor repair services businesses prior to their divestiture by us, which occurred on January 31, 2007. We are also responsible for half of the costs and liabilities associated with asbestos cases against the former Rockwell International Corporation’s divested measurement and flow control business. But in all cases, for those claimants who do show that they worked with our products or products of divested businesses for which we are responsible, we nevertheless believe we have meritorious defenses, in substantial part due to the integrity of the products, the encapsulated nature of any asbestos-containing components, and the lack of any impairing medical condition on the part of many claimants. We defend those cases vigorously. Historically, we have been dismissed from the vast majority of these claims with no payment to claimants.

We have maintained insurance coverage that we believe covers indemnity and defense costs, over and above self-insured retentions, for claims arising from our former Allen-Bradley subsidiary. Our insurance carrier entered into a cost share agreement with us to pay the substantial majority of future defense and indemnity costs for Allen-Bradley asbestos claims. We believe that this arrangement will continue to provide coverage for Allen-Bradley asbestos claims throughout the remaining life of the asbestos liability.

We also have rights to historic insurance policies that provide indemnity and defense costs, over and above self-insured retentions, for claims arising out of certain asbestos liabilities relating to the divested measurement and flow control business. We initiated litigation against several insurers to pursue coverage for these claims, subject to each carrier's policy limits, and the case is now pending in Los Angeles County Superior Court. In September 2016, we entered into settlement agreements with certain insurance company defendants, and we continue to pursue our claims against the remaining defendants. We believe these settlement agreements will continue to provide partial coverage for these asbestos claims throughout the remaining life of asbestos liability.

The uncertainties of asbestos claim litigation make it difficult to predict accurately the ultimate outcome of asbestos claims. That uncertainty is increased by the possibility of adverse rulings or new legislation affecting asbestos claim litigation or the settlement process. Subject to these uncertainties and based on our experience defending asbestos claims, we do not believe these lawsuits will have a material effect on our business, financial condition or results of operations.

We have, from time to time, divested certain of our businesses. In connection with these divestitures, certain lawsuits, claims and proceedings may be instituted or asserted against us related to the period that we owned the businesses, either because we agreed to retain certain liabilities related to these periods or because such liabilities fall upon us by operation of law. In some instances, the divested business has assumed the liabilities; however, it is possible that we might be responsible for satisfying those liabilities if the divested business is unable to do so.

In connection with the spin-offs of our former automotive business, semiconductor systems business and avionics and communications business, the spun-off companies have agreed to indemnify us for substantially all contingent liabilities related to the respective businesses, including environmental and intellectual property matters.

In conjunction with the sale of our Dodge mechanical and Reliance Electric motors and motor repair services businesses, we agreed to indemnify Baldor Electric Company for costs and damages related to certain legal, legacy environmental and asbestos matters of these businesses arising before January 31, 2007, for which the maximum exposure would be capped at the amount received for the sale.

10 . Commitments and Contingent Liabilities (continued)

In many countries we provide a limited intellectual property indemnity as part of our terms and conditions of sale. We also at times provide limited intellectual property indemnities in other contracts with third parties, such as contracts concerning the development and manufacture of our products. As of December 31, 2016 , we were not aware of any material indemnification claims where an unfavorable outcome was probable or reasonably possible. Historically, claims that have been made under the indemnification agreements have not had a material impact on our business, financial condition or results of operations; however, to the extent that valid indemnification claims arise in the future, future payments by us could be significant and could have a material adverse effect on our business, financial condition or results of operations in a particular period.

11 . Income Taxes

At the end of each interim period, we estimate a base effective tax rate that we expect for the full fiscal year based on our most recent forecast of pre-tax income, permanent book and tax differences and global tax planning strategies. We use this base rate to provide for income taxes on a year-to-date basis, excluding the effect of significant unusual items and items that are reported net of their related tax effects in the period in which they occur.

The effective tax rate was 16.7 percent in the three months ended December 31, 2016 , compared to 21.7 percent in the three months ended December 31, 2015 . The effective tax rate was lower than the U.S. statutory rate of 35 percent in each period primarily because we benefited from lower non-U.S. tax rates. In the three months ended December 31, 2016 we also realized a benefit from discrete tax items. In the three months ended December 31, 2015 our effective tax rate was favorably impacted by the retroactive and permanent extension of the U.S. federal research and development tax credit.

The amount of gross unrecognized tax benefits was $37.4 million and $32.4 million at December 31, 2016 and September 30, 2016 , respectively, of which the entire amount would reduce our effective tax rate if recognized.

Accrued interest and penalties related to unrecognized tax benefits were $5.3 million and $5.2 million at December 31, 2016 and September 30, 2016 , respectively. We recognize interest and penalties related to unrecognized tax benefits in the income tax provision.

We believe it is reasonably possible that the amount of gross unrecognized tax benefits could be reduced by up to $15.4 million in the next 12 months as a result of the resolution of tax matters in various global jurisdictions and the lapses of statutes of limitations. If all of the unrecognized tax benefits were recognized, the net reduction to our income tax provision, including the recognition of interest and penalties and offsetting tax assets, could be up to $7.8 million .

We conduct business globally and are routinely audited by the various tax jurisdictions in which we operate. We are no longer subject to U.S. federal income tax examinations for years before 2014 and are no longer subject to state, local and foreign income tax examinations for years before 2003 .

12 . Business Segment Information

The following tables reflect the sales and operating results of our reportable segments (in millions):

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015
Sales		
Architecture & Software	$ 696.4	$ 642.9
Control Products & Solutions	793.9	783.7
Total	$ 1,490.3	$ 1,426.6
Segment operating earnings		
Architecture & Software	$ 208.6	$ 176.2
Control Products & Solutions	108.0	119.7
Total	316.6	295.9
Purchase accounting depreciation and amortization	(5.6)	(4.7)
General corporate – net	(14.9)	(18.0)
Non-operating pension costs	(19.8)	(18.9)
Interest expense	(18.7)	(17.4)
Income before income taxes	$ 257.6	$ 236.9

Among other considerations, we evaluate performance and allocate resources based upon segment operating earnings before income taxes, interest expense, costs related to corporate offices, non-operating pension costs, certain nonrecurring corporate initiatives, gains and losses from the disposition of businesses and purchase accounting depreciation and amortization. Depending on the product, intersegment sales within a single legal entity are either at cost or cost plus a mark-up, which does not necessarily represent a market price. Sales between legal entities are at an appropriate transfer price. We allocate costs related to shared segment operating activities to the segments using a methodology consistent with the expected benefit.

13 . Rocky Flats Settlement

From 1975 to 1989, Rockwell International Corporation (RIC) operated the Rocky Flats facility in Colorado for the U.S. Department of Energy (DoE). In 1990, a class of landowners near Rocky Flats sued RIC and Dow Chemical, another former operator of the facility. In May 2016, the parties agreed to settle this case and the DoE authorized the settlement. Under the settlement agreement, which is subject to court approval, we and Dow Chemical agreed to pay $375.0 million in the aggregate to resolve the claims. Under RIC’s contract with the DoE and federal law, RIC is entitled to indemnification by the DoE for its portion of the settlement amount, which is $243.75 million . When RIC was acquired by Boeing in 1996, we agreed to indemnify Boeing for RIC’s liabilities related to Rocky Flats and received the benefits of RIC’s corresponding indemnity rights against the DoE. Pursuant to the settlement agreement, in fiscal 2016, RIC paid an initial amount of $1.25 million to the plaintiff class escrow fund. In January, 2017, the DoE fulfilled its indemnification obligation by paying $243.75 million , and the full amounts of RIC's obligation under the settlement agreement has now been transferred to the plaintiff class escrow account. As a result, we will not be required to make any payment under the settlement agreement. At December 31, 2016 , the remaining liability of $242.5 million and an indemnification receivable of $243.75 million are included within other current liabilities and other current assets, respectively, in the Condensed Consolidated Balance Sheet.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareowners of
Rockwell Automation, Inc.
Milwaukee, Wisconsin

We have reviewed the accompanying condensed consolidated balance sheet of Rockwell Automation, Inc. and subsidiaries (the “Company”) as of December 31, 2016 , and the related condensed consolidated statements of operations, comprehensive income, and cash flows for the three-month periods ended December 31, 2016 and 2015 . These condensed consolidated interim financial statements are the responsibility of the Company’s management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Rockwell Automation, Inc. and subsidiaries as of September 30, 2016 , and the related consolidated statements of operations, comprehensive income, cash flows, and shareowners’ equity for the year then ended (not presented herein); and in our report dated November 15, 2016, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of September 30, 2016 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin
February 2, 2017

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Results of Operations

Forward-Looking Statements

This Quarterly Report contains statements (including certain projections and business trends) that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Words such as “believe”, “estimate”, “project”, “plan”, “expect”, “anticipate”, “will”, “intend” and other similar expressions may identify forward-looking statements. Actual results may differ materially from those projected as a result of certain risks and uncertainties, many of which are beyond our control, including but not limited to:

- macroeconomic factors, including global and regional business conditions, the availability and cost of capital, commodity prices, the cyclical nature of our customers’ capital spending, sovereign debt concerns and currency exchange rates;
- laws, regulations and governmental policies affecting our activities in the countries where we do business;
- the successful development of advanced technologies and demand for and market acceptance of new and existing products;
- the availability, effectiveness and security of our information technology systems;
- competitive products, solutions and services and pricing pressures, and our ability to provide high quality products, solutions and services;
- a disruption of our business due to natural disasters, pandemics, acts of war, strikes, terrorism, social unrest or other causes;
- our ability to manage and mitigate the risk related to security vulnerabilities and breaches of our products, solutions and services;
- intellectual property infringement claims by others and the ability to protect our intellectual property;
- the uncertainty of claims by taxing authorities in the various jurisdictions where we do business;
- our ability to attract and retain qualified personnel;
- our ability to manage costs related to employee retirement and health care benefits;
- the uncertainties of litigation, including liabilities related to the safety and security of the products, solutions and services we sell;
- our ability to manage and mitigate the risks associated with our solutions and services businesses;
- a disruption to our distribution channels;
- the availability and price of components and materials;
- the successful integration and management of acquired businesses;
- the successful execution of our cost productivity initiatives; and
- other risks and uncertainties, including but not limited to those detailed from time to time in our Securities and Exchange Commission (SEC) filings.

These forward-looking statements reflect our beliefs as of the date of filing this report. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. See Item 1A, ***Risk Factors*** , of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 for more information.

Non-GAAP Measures

The following discussion includes organic sales, total segment operating earnings and margin, Adjusted Income, Adjusted EPS, Adjusted Effective Tax Rate and free cash flow, which are non-GAAP measures. See **Supplemental Sales Information** for a reconciliation of reported sales to organic sales and a discussion of why we believe this non-GAAP measure is useful to investors. See **Results of Operations** for a reconciliation of income before income taxes to total segment operating earnings and margin and a discussion of why we believe these non-GAAP measures are useful to investors. See **Results of Operations** for a reconciliation of income from continuing operations, diluted EPS from continuing operations and effective tax rate to Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate, respectively, and a discussion of why we believe these non-GAAP measures are useful to investors. See **Financial Condition** for a reconciliation of cash flows from operating activities to free cash flow and a discussion of why we believe this non-GAAP measure is useful to investors.

Overview

Rockwell Automation, Inc., a leader in industrial automation and information, makes its customers more productive and the world more sustainable. Overall demand for our products, solutions and services is driven by:

- investments in manufacturing, including upgrades, modifications and expansions of existing facilities or production lines and new facilities or production lines;
- investments in basic materials production capacity, which may be related to commodity pricing levels;
- our customers' needs for faster time to market, lower total cost of ownership, improved asset utilization and optimization, and enterprise risk management;
- our customers' needs to continuously improve quality, safety and sustainability;
- industry factors that include our customers' new product introductions, demand for our customers' products or services, and the regulatory and competitive environments in which our customers operate;
- levels of global industrial production and capacity utilization;
- regional factors that include local political, social, regulatory and economic circumstances; and
- the spending patterns of our customers due to their annual budgeting processes and their working schedules.

Long-term Strategy

Our vision of being the most valued global provider of innovative industrial automation and information products, solutions and services is supported by our growth and performance strategy, which seeks to:

- achieve organic sales growth in excess of the automation market by expanding our served market and strengthening our competitive differentiation;
- diversify our sales streams by broadening our portfolio of products, solutions and services, expanding our global presence and serving a wider range of industries and applications;
- grow market share by gaining new customers and by capturing a larger share of existing customers' spending;
- enhance our market access by building our channel capability and partner network;
- acquire companies that serve as catalysts to organic growth by adding complementary technology, expanding our served market, or enhancing our domain expertise or market access;
- deploy human and financial resources to strengthen our technology leadership and our intellectual capital business model;
- continuously improve quality and customer experience; and
- drive annual cost productivity.

By implementing the above strategy, we seek to achieve our long-term financial goals, including above-market organic sales growth, EPS growth above sales growth, return on invested capital in excess of 20 percent and free cash flow equal to about 100 percent of Adjusted Income.

U. S. Industrial Economic Trends

In the first quarter of 2017 , sales in the U.S. accounted for 55 percent of our total sales. The various indicators we use to gauge the direction and momentum of our served U.S. markets include:

- The Industrial Production (IP) Index, published by the Federal Reserve, which measures the real output of manufacturing, mining and electric and gas utilities. The IP Index is expressed as a percentage of real output in a base year, currently 2012. Historically, there has been a meaningful correlation between the changes in the IP Index and the level of automation investment made by our U.S. customers in their manufacturing base.
- The Manufacturing Purchasing Managers' Index (PMI), published by the Institute for Supply Management (ISM), which indicates the current and near-term state of manufacturing activity in the U.S. According to the ISM, a PMI measure above 50 indicates that the U.S. manufacturing economy is generally expanding while a measure below 50 indicates that it is generally contracting.
- Industrial Equipment Spending, compiled by the Bureau of Economic Analysis, which provides insight into spending trends in the broad U.S. industrial economy. This measure over the longer term has proven to demonstrate a reasonable correlation with our domestic growth.
- Capacity Utilization (Total Industry), published by the Federal Reserve, which measures plant operating activity. Historically, there has been a meaningful correlation between Capacity Utilization and levels of U.S. IP.

The table below depicts trends in these indicators since the quarter ended September 2015 . In the first quarter of fiscal 2017 , U.S. IP and capacity utilization were flat to slightly down, but PMI and industrial equipment spending improved to the highest levels compared to the prior five quarters.

	IP Index	PMI	Industrial Equipment Spending (in billions)	Capacity Utilization (percent)
Fiscal 2017 quarter ended:				
December 2016	104.2	54.7	230.6	75.3
Fiscal 2016 quarter ended:				
September 2016	104.4	51.5	226.1	75.5
June 2016	103.9	53.2	227.3	75.2
March 2016	104.1	51.8	222.2	75.4
December 2015	104.6	48.0	224.7	75.8
Fiscal 2015 quarter ended:				
September 2015	105.5	50.0	219.8	76.6

Note: Economic indicators are subject to revision by the issuing organizations.

Non-U.S. Economic Trends

In the first quarter of 2017 , sales outside the U.S. accounted for 45 percent of our total sales. These customers include both indigenous companies and multinational companies with expanding global presence. In addition to the global factors previously mentioned in the "Overview" section, international demand, particularly in emerging markets, has historically been driven by the strength of the industrial economy in each region, investments in infrastructure and expanding consumer markets. We use changes in the respective countries' gross domestic product and IP as indicators of the growth opportunities in each region where we do business.

Economic projections call for growth in industrial production in all regions in fiscal 2017, except in Latin America, where Brazil is expected to remain in recession until late calendar 2017. The near-term outlook for Europe has improved as economic stimulus and weaker currencies are supporting growth. In Asia Pacific, the growth in China is expected to be stable, but the Indian economic outlook has been adversely impacted by the government's recent demonetization policies creating a cash shortage, which has impacted consumer demand. Canada's growth projections continue to improve due to higher commodity prices, a weaker currency and a strengthening U.S. economy.

Summary of Results of Operations

Sales in the first quarter of 2017 increased 4.5 percent compared to the first quarter of 2016 . Organic sales increased 3.8 percent year over year. Currency translation reduced sales by 1.1 percentage points , and acquisitions contributed 1.8 percentage points to sales growth. Across industries, we experienced strong growth in consumer and transportation, with continued weakness in heavy industries.

The following is a summary of our results related to key growth initiatives:

- Logix sales increased 7 percent year over year in the first quarter of 2017 . Logix organic sales increased 8 percent year over year.
- Process initiative sales increased 5 percent year over year in the first quarter of 2017 . Process initiative organic sales were flat year over year. Currency translation reduced process sales by 3 percentage points, and acquisitions contributed 8 percentage points to growth.
- Sales in emerging markets increased 5.6 percent year over year in the first quarter of 2017 . Organic sales in emerging countries increased 11.1 percent year over year. Currency translation reduced sales in emerging countries by 5.5 percentage points.

The following table reflects our sales and operating results for the three months ended December 31, 2016 and 2015 (in millions, except per share amounts and percentages):

	Three Months Ended December 31,	
	2016	2015
Sales		
Architecture & Software	$ 696.4	$ 642.9
Control Products & Solutions	793.9	783.7
Total sales (a)	$ 1,490.3	$ 1,426.6
Segment operating earnings [1]		
Architecture & Software	$ 208.6	$ 176.2
Control Products & Solutions	108.0	119.7
Total segment operating earnings [2] (b)	316.6	295.9
Purchase accounting depreciation and amortization	(5.6)	(4.7)
General corporate — net	(14.9)	(18.0)
Non-operating pension costs	(19.8)	(18.9)
Interest expense	(18.7)	(17.4)
Income before income taxes (c)	257.6	236.9
Income tax provision	(42.9)	(51.4)
Net income	$ 214.7	$ 185.5
Diluted EPS	$ 1.65	$ 1.40
Adjusted EPS [3]	$ 1.75	$ 1.49
Diluted weighted average outstanding shares	129.7	132.6
Total segment operating margin [2] (b/a)	21.2%	20.7%
Pre-tax margin (c/a)	17.3%	16.6%

(1) See Note 12 in the Condensed Consolidated Financial Statements for the definition of segment operating earnings.
(2) Total segment operating earnings and total segment operating margin are non-GAAP financial measures. We exclude purchase accounting depreciation and amortization, general corporate – net, non-operating pension costs, interest expense and income tax provision because we do not consider these costs to be directly related to the operating performance of our segments. We believe that these measures are useful to investors as measures of operating performance. We use these measures to monitor and evaluate the profitability of our operating segments. Our measures of total segment operating earnings and total segment operating margin may be different from measures used by other companies.
(3) Adjusted EPS is a non-GAAP earnings measure that excludes the non-operating pension costs and their related income tax effects. See ***Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate Reconciliation*** for more information on this non-GAAP measure.

Purchase accounting depreciation and amortization and non-operating pension costs are not allocated to our operating segments because these costs are excluded from our measurement of each segment's operating performance for internal purposes. If we were to allocate these costs, we would attribute them to each of our segments as follows (in millions):

	Three Months Ended December 31,	
	2016	2015
Purchase accounting depreciation and amortization		
Architecture & Software	$ 1.6	$ 0.9
Control Products & Solutions	3.8	3.5
Non-operating pension costs		
Architecture & Software	7.1	6.7
Control Products & Solutions	11.1	10.5

The increases in non-operating pension costs in both segments for the three months ended December 31, 2016 were primarily due to the decrease in our U.S. discount rate from 4.55 percent in 2015 to 3.75 percent in 2016.

Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate Reconciliation

Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate are non-GAAP earnings measures that exclude non-operating pension costs and their related income tax effects. Non-operating pension costs include defined benefit plan interest cost, expected return on plan assets, amortization of actuarial gains and losses and the impact of any plan curtailments or settlements. These components of net periodic pension cost primarily relate to changes in pension assets and liabilities that are a result of market performance; we consider these costs to be unrelated to the operating performance of our business. We believe that Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate provide useful information to our investors about our operating performance and allow management and investors to compare our operating performance period over period. Adjusted EPS is also used as a financial measure of performance for our annual incentive compensation. Our measures of Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate may be different from measures used by other companies. These non-GAAP measures should not be considered a substitute for income from continuing operations, diluted EPS and effective tax rate.

The following are the components of operating and non-operating pension costs for the three months ended December 31, 2016 and 2015 (in millions):

	Three Months Ended December 31,	
	2016	2015
Service cost	$ 24.1	$ 22.1
Amortization of prior service credit	(0.8)	(0.7)
Operating pension costs	23.3	21.4
Interest cost	37.8	42.5
Expected return on plan assets	(56.2)	(54.7)
Amortization of net actuarial loss	38.0	31.1
Settlements	0.2	—
Non-operating pension costs	19.8	18.9
Net periodic pension cost	$ 43.1	$ 40.3

The following are reconciliations of income from continuing operations, diluted EPS from continuing operations and effective tax rate to Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate, respectively, for the three months ended December 31, 2016 and 2015 (in millions, except per share amounts and percentages):

	Three Months Ended December 31,	
	2016	2015
Income from continuing operations	$ 214.7	$ 185.5
Non-operating pension costs	19.8	18.9
Tax effect of non-operating pension costs	(7.2)	(6.8)
Adjusted Income	$ 227.3	$ 197.6
Diluted EPS from continuing operations	$ 1.65	$ 1.40
Non-operating pension costs per diluted share	0.15	0.14
Tax effect of non-operating pension costs per diluted share	(0.05)	(0.05)
Adjusted EPS	$ 1.75	$ 1.49
Effective tax rate	16.7%	21.7%
Tax effect of non-operating pension costs	1.4%	1.1%
Adjusted Effective Tax Rate	18.1%	22.8%

Three Months Ended December 31, 2016 Compared to Three Months Ended December 31, 2015

	Three Months Ended December 31,		
(in millions, except per share amounts)	2016	2015	Change
Sales	$ 1,490.3	$ 1,426.6	$ 63.7
Income before income taxes	257.6	236.9	20.7
Diluted EPS	1.65	1.40	0.25
Adjusted EPS	1.75	1.49	0.26

Sales

Sales increased 4.5 percent year over year in the three months ended December 31, 2016 . Organic sales increased 3.8 percent year over year. Currency translation reduced sales by 1.1 percentage points , and acquisitions contributed 1.8 percentage points to sales growth in the three months ended December 31, 2016 .

Pricing contributed less than one percentage point to sales growth in the three months ended December 31, 2016 .

The table below presents our sales, attributed to the geographic regions based upon country of destination, for the three months ended December 31, 2016 and the percentage change from the same period a year ago (in millions, except percentages):

	Three Months Ended December 31, 2016	Change vs. Three Months Ended December 31, 2015	Change in Organic Sales [1] vs. Three Months Ended December 31, 2015
United States	$ 820.1	4.2 %	1.8 %
Canada	82.7	5.1 %	5.3 %
Europe, Middle East and Africa (EMEA)	270.7	(1.3)%	(1.8)%
Asia Pacific	205.6	18.8 %	19.8 %
Latin America	111.2	(1.9)%	5.9 %
Total sales	$ 1,490.3	4.5 %	3.8 %

[1] *Organic sales are sales excluding the effect of changes in currency exchange rates and acquisitions. See* ***Supplemental Sales Information*** *for information on this non-GAAP measure.*

Three Months Ended December 31, 2016 Compared to Three Months Ended December 31, 2015

- Sales in the United States increased in the three months ended December 31, 2016 , mainly due to strength in the consumer and automotive industries, partially offset by weakness in heavy industries, particularly oil and gas.
- Canada sales increased in the three months ended December 31, 2016 , led by strength in the pulp and paper and consumer industries, partially offset by a decline in oil and gas.
- EMEA sales decreased in the three months ended December 31, 2016 , due to weakness in heavy industries and the unfavorable impact of currency translation, partially offset by sales from acquisitions.
- Sales in Asia Pacific increased in the three months ended December 31, 2016 , with broad-based growth across the region led by China.
- Latin America sales were down in the three months ended December 31, 2016 , due to the unfavorable impact of currency translation, with organic sales growth led by Mexico and Brazil.

General Corporate - Net

General corporate - net expenses were $14.9 million in the three months ended December 31, 2016 , compared to $18.0 million in the three months ended December 31, 2015 .

Income before Income Taxes

Income before income taxes increased 9 percent year over year in the three months ended December 31, 2016 . Total segment operating earnings increased 7 percent year over year in the three months ended December 31, 2016 . The increases in income before income taxes and total segment operating earnings were primarily due to higher sales and strong margin performance.

Income Taxes

The effective tax rate for the three months ended December 31, 2016 , was 16.7 percent compared to 21.7 percent for the three months ended December 31, 2015 . Our Adjusted Effective Tax Rate for the three months ended December 31, 2016 , was 18.1 percent compared to 22.8 percent in the three months ended December 31, 2015 . The decreases in the effective tax rate and the Adjusted Effective Tax Rate were primarily due to larger favorable discrete tax items in the current quarter compared to the prior year.

Three Months Ended December 31, 2016 Compared to Three Months Ended December 31, 2015

Architecture & Software

(in millions, except percentages)	Three Months Ended December 31, 2016	2015	Change
Sales	$ 696.4	$ 642.9	$ 53.5
Segment operating earnings	208.6	176.2	32.4
Segment operating margin	30.0%	27.4%	2.6 pts

Sales

Architecture & Software sales increased 8.3 percent year over year in the three months ended December 31, 2016 , and organic sales increased 7.6 percent . Currency translation reduced sales by 1.0 percentage point , and acquisitions contributed 1.7 percentage points to sales growth in the three months ended December 31, 2016 .

All regions experienced growth in reported sales in the three months ended December 31, 2016 , except Latin America, which declined due to the unfavorable impact of currency translation. Asia Pacific and the United States were the strongest performing regions for both reported and organic sales.

Logix sales increased 7 percent year over year in the three months ended December 31, 2016 . Logix organic sales increased 8 percent year over year in the three months ended December 31, 2016 , while currency translation reduced Logix sales by 1 percentage point.

Operating Margin

Architecture & Software segment operating earnings increased 18 percent year over year in the three months ended December 31, 2016 . Segment operating margin increased to 30.0 percent in the three months ended December 31, 2016 , from 27.4 percent a year ago, primarily due to higher sales.

Three Months Ended December 31, 2016 Compared to Three Months Ended December 31, 2015

Control Products & Solutions

	Three Months Ended December 31,		
(in millions, except percentages)	2016	2015	Change
Sales	$ 793.9	$ 783.7	$ 10.2
Segment operating earnings	108.0	119.7	(11.7)
Segment operating margin	13.6%	15.3%	(1.7) pts

Sales

Control Products & Solutions sales increased 1.3 percent year over year in the three months ended December 31, 2016 , and organic sales increased 0.7 percent . Currency translation reduced sales by 1.3 percentage points , and acquisitions contributed 1.9 percentage points to sales growth in the three months ended December 31, 2016 .

Strong growth in Asia Pacific was partially offset by declines in EMEA and the United States, with growth in the remaining regions.

Sales in our solutions and services businesses increased one percent year over year in the three months ended December 31, 2016 , and organic sales decreased one percent year over year. Currency translation reduced sales by one percentage point, and acquisitions contributed 3 percentage points to sales growth in the three months ended December 31, 2016 .

Product sales increased 2 percent year over year in the three months ended December 31, 2016 . Product organic sales increased 3 percent year over year in the three months ended December 31, 2016 , and currency translation reduced sales by one percentage point.

Operating Margin

Control Products & Solutions segment operating earnings decreased 10 percent year over year in the three months ended December 31, 2016 . Segment operating margin decreased to 13.6 percent in the three months ended December 31, 2016 , compared to 15.3 percent a year ago, primarily due to higher incentive compensation.

Financial Condition

The following is a summary of our cash flows from operating, investing and financing activities, as reflected in the Condensed Consolidated Statement of Cash Flows (in millions):

	Three Months Ended December 31,	
	2016	2015
Cash provided by (used for):		
Operating activities	$ 310.8	$ 184.8
Investing activities	(37.6)	(91.3)
Financing activities	(151.9)	(57.3)
Effect of exchange rate changes on cash	(53.1)	(14.3)
Cash provided by continuing operations	$ 68.2	$ 21.9

The following table summarizes free cash flow (in millions), which is a non-GAAP financial measure:

	Three Months Ended December 31,	
	2016	2015
Cash provided by continuing operating activities	$ 310.8	$ 184.8
Capital expenditures	(39.4)	(40.2)
Excess income tax benefit from share-based compensation	—	0.7
Free cash flow	$ 271.4	$ 145.3

Our definition of free cash flow takes into consideration capital investments required to maintain our businesses' operations and execute our strategy. Cash provided by continuing operating activities adds back non-cash depreciation expense to earnings but does not reflect a charge for necessary capital expenditures. Our definition of free cash flow excludes the operating cash flows and capital expenditures related to our discontinued operations. Operating, investing and financing cash flows of our discontinued operations are presented separately in our statement of cash flows. In the first quarter of fiscal year 2017, we adopted a new share-based compensation accounting standard that requires the excess income tax benefit from share-based compensation to be classified as an operating, rather than as a financing, cash flow. In previous periods, we added this benefit back to our calculation of free cash flow in order to generally classify cash flows arising from income taxes as operating cash flows. Beginning in the first quarter of fiscal year 2017, no adjustment is necessary as this benefit is already included in operating cash flows. In our opinion, free cash flow provides useful information to investors regarding our ability to generate cash from business operations that is available for acquisitions and other investments, service of debt principal, dividends and share repurchases. We use free cash flow, as defined, as one measure to monitor and evaluate our performance, including as a financial measure for our annual incentive compensation. Our definition of free cash flow may differ from definitions used by other companies.

Cash provided by operating activities was $310.8 million for the three months ended December 31, 2016 compared to $184.8 million for the three months ended December 31, 2015 . Free cash flow was $271.4 million for the three months ended December 31, 2016 compared to $145.3 million for the three months ended December 31, 2015 . The year-over-year increases in cash provided by operating activities and free cash flow were primarily due to lower incentive compensation payments and higher pre-tax income in the first quarter of 2016 as compared to the first quarter of 2015.

We repurchased approximately 0.6 million shares of our common stock under our share repurchase program in the first three months of 2017 . The total cost of these shares was $80.8 million , of which $4.5 million was recorded in accounts payable at December 31, 2016 , related to shares that did not settle until January 2017 . We also paid $5.3 million in the first quarter of 2017 for unsettled share repurchases outstanding at September 30, 2016 . We repurchased approximately 1.2 million shares of our common stock in the first three months of 2016 . The total cost of these shares was $121.8 million , of which $6.9 million was recorded in accounts payable at December 31, 2015 , related to shares that did not settle until January 2016 . Our decision to repurchase additional shares in the remainder of 2017 will depend on business conditions, free cash flow generation, other cash requirements and stock price. At December 31, 2016 , we had approximately $864.2 million remaining for share repurchases under the $1.0 billion share repurchase authorization approved by the Board of Directors in 2016. See Part II, Item 2, ***Unregistered Sales of Equity Securities and Use of Proceeds*** , for additional information regarding share repurchases.

Financial Condition (continued)

We expect future uses of cash to include working capital requirements, capital expenditures, additional contributions to our retirement plans, acquisitions of businesses, dividends to shareowners, repurchases of common stock and repayments of debt, including the current portion of long-term debt. We expect to fund future uses of cash with a combination of existing cash balances and short-term investments, cash generated by operating activities, commercial paper borrowings or a new issuance of debt or other securities.

Given our extensive international operations, significant amounts of our cash, cash equivalents and short-term investments (funds) are held by non-U.S. subsidiaries where our undistributed earnings are indefinitely reinvested. Generally, these funds would be subject to U.S. tax if repatriated. As of December 31, 2016 , approximately 98 percent of our funds were held by these non-U.S. subsidiaries. The percentage of these funds held in non-U.S. subsidiaries can vary from quarter to quarter with an average of approximately 95 percent over the past eight quarters. We have not encountered and do not expect to encounter any difficulty meeting the liquidity requirements of our domestic and international operations.

In addition to cash generated by operating activities, we have access to existing financing sources, including the public debt markets and unsecured credit facilities with various banks. Our short-term debt obligations are primarily comprised of commercial paper borrowings. Commercial paper borrowings outstanding were $408.1 million at December 31, 2016 , with a weighted average interest rate of 0.81 percent and weighted average maturity period of 27 days . Commercial paper borrowings outstanding were $448.6 million at September 30, 2016 , with a weighted average interest rate of 0.57 percent and weighted average maturity period of 35 days .

At December 31, 2016 and September 30, 2016 , our total current borrowing capacity under our unsecured revolving credit facility expiring in March 2020 was $1.0 billion. We can increase the aggregate amount of this credit facility by up to $350.0 million, subject to the consent of the banks in the credit facility. We did not borrow against this credit facility during the three months ended December 31, 2016 . Borrowings under this credit facility bear interest based on short-term money market rates in effect during the period the borrowings are outstanding. In December 2016, we amended the financial covenant under this credit facility. The previous financial covenant, which limited our debt-to-total-capital ratio to 60 percent, was replaced with a minimum EBITDA-to-interest ratio of 3.0 to 1.0. The EBITDA-to-interest ratio is defined in the amendment as the ratio of consolidated EBITDA (as defined in the amendment) for the preceding four quarters to consolidated interest expense for the same period. We believe the new covenant provides us greater financial flexibility.

Separate short-term unsecured credit facilities of approximately $120.5 million at December 31, 2016 were available to non-U.S. subsidiaries. Borrowings under our non-U.S. credit facilities at December 31, 2016 and 2015 were not significant. We were in compliance with all covenants under our credit facilities at December 31, 2016 and 2015 . There are no significant commitment fees or compensating balance requirements under our credit facilities.

Among other uses, we can draw on our credit facility as a standby liquidity facility to repay our outstanding commercial paper as it matures. This access to funds to repay maturing commercial paper is an important factor in maintaining the short-term credit ratings set forth in the table below. Under our current policy with respect to these ratings, we expect to limit our other borrowings under our credit facility, if any, to amounts that would leave enough credit available under the facility so that we could borrow, if needed, to repay all of our then outstanding commercial paper as it matures.

The following is a summary of our credit ratings as of December 31, 2016 :

Credit Rating Agency	Short-Term Rating	Long-Term Rating	Outlook
Standard & Poor’s	A-1	A	Stable
Moody’s	P-2	A3	Stable
Fitch Ratings	F1	A	Stable

Our ability to access the commercial paper market, and the related costs of these borrowings, is affected by the strength of our credit ratings and market conditions. We have not experienced any difficulty in accessing the commercial paper market to date. If our access to the commercial paper market is adversely affected due to a change in market conditions or otherwise, we would expect to rely on a combination of available cash and our unsecured committed credit facility to provide short-term funding. In such event, the cost of borrowings under our unsecured committed credit facility could be higher than the cost of commercial paper borrowings.

We regularly monitor the third-party depository institutions that hold our cash and cash equivalents and short-term investments. We diversify our cash and cash equivalents among counterparties to minimize exposure to any one of these entities. Our emphasis is primarily on safety and liquidity of principal and secondarily on maximizing yield on those funds.

Financial Condition (continued)

We use foreign currency forward exchange contracts to manage certain foreign currency risks. We enter into these contracts to hedge our exposure to foreign currency exchange rate variability in the expected future cash flows associated with certain third-party and intercompany transactions denominated in foreign currencies forecasted to occur within the next two years. We also use these contracts to hedge portions of our net investments in certain non-U.S. subsidiaries against the effect of exchange rate fluctuations on the translation of foreign currency balances to the U.S. dollar. In addition, we use foreign currency forward exchange contracts that are not designated as hedges to offset transaction gains or losses associated with some of our assets and liabilities resulting from intercompany loans or other transactions with third parties that are denominated in currencies other than our entities' functional currencies. Our foreign currency forward exchange contracts are usually denominated in currencies of major industrial countries. We diversify our foreign currency forward exchange contracts among counterparties to minimize exposure to any one of these entities.

Net gains and losses related to derivative forward exchange contracts designated as cash flow hedges offset the related gains and losses on the hedged items during the periods in which the hedged items are recognized in earnings. During the three months ended December 31, 2016 and 2015 , we reclassified $0.2 million and $6.3 million , respectively, in pre-tax net gains related to cash flow hedges from accumulated other comprehensive loss into the Condensed Consolidated Statement of Operations. We expect that approximately $4.3 million of pre-tax net unrealized gains on cash flow hedges as of December 31, 2016 will be reclassified into earnings during the next 12 months.

Information with respect to our contractual cash obligations is contained in Item 7, ***Management's Discussion and Analysis of Financial Condition and Results of Operations*** , of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 . We believe that at December 31, 2016 , there has been no material change to this information, except as discussed below.

From 1975 to 1989, Rockwell International Corporation (RIC) operated the Rocky Flats facility in Colorado for the U.S. Department of Energy (DoE). In 1990, a class of landowners near Rocky Flats sued RIC and Dow Chemical, another former operator of the facility. In May 2016, the parties agreed to settle this case and the DoE authorized the settlement. Under the settlement agreement, which is subject to court approval, we and Dow Chemical agreed to pay $375.0 million in the aggregate to resolve the claims. In January, 2017, the DoE fulfilled its indemnification obligation to RIC by paying $243.75 million, which represents RIC's portion of the settlement amount. The full amount of RIC's obligation under the settlement agreement has now been transferred to the plaintiff class escrow account, such that we will not be required to make any payment under the settlement agreement. Refer to Note 13 in the Condensed Consolidated Financial Statements for further discussion of the Rocky Flats settlement.

Supplemental Sales Information

We translate sales of subsidiaries operating outside of the United States using exchange rates effective during the respective period. Therefore, changes in currency exchange rates affect our reported sales. Sales by acquired businesses also affect our reported sales. We believe that organic sales, defined as sales excluding the effects of changes in currency exchange rates and acquisitions, which is a non-GAAP financial measure, provides useful information to investors because it reflects regional and operating segment performance from the activities of our businesses without the effect of changes in currency exchange rates and acquisitions. We use organic sales as one measure to monitor and evaluate our regional and operating segment performance. We determine the effect of changes in currency exchange rates by translating the respective period's sales using the same currency exchange rates that were in effect during the prior year. When we acquire businesses, we exclude sales in the current period for which there are no comparable sales in the prior period. Organic sales growth is calculated by comparing organic sales to reported sales in the prior year. We attribute sales to the geographic regions based on the country of destination.

The following is a reconciliation of our reported sales by geographic region to organic sales (in millions):

	Three Months Ended December 31, 2016					Three Months Ended December 31, 2015
	Sales	Effect of Changes in Currency	Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Sales	Sales
United States	$ 820.1	$ 0.2	$ 820.3	$ (18.7)	$ 801.6	$ 787.3
Canada	82.7	0.3	83.0	(0.1)	82.9	78.7
Europe, Middle East and Africa	270.7	4.1	274.8	(5.4)	269.4	274.2
Asia Pacific	205.6	3.2	208.8	(1.5)	207.3	173.0
Latin America	111.2	9.0	120.2	(0.1)	120.1	113.4
Total Company Sales	$ 1,490.3	$ 16.8	$ 1,507.1	$ (25.8)	$ 1,481.3	$ 1,426.6

The following is a reconciliation of our reported sales by operating segment to organic sales (in millions):

	Three Months Ended December 31, 2016					Three Months Ended December 31, 2015
	Sales	Effect of Changes in Currency	Sales Excluding Effect of Changes in Currency	Effect of Acquisitions	Organic Sales	Sales
Architecture & Software	$ 696.4	$ 6.6	$ 703.0	$ (11.1)	$ 691.9	$ 642.9
Control Products & Solutions	793.9	10.2	804.1	(14.7)	789.4	783.7
Total Company Sales	$ 1,490.3	$ 16.8	$ 1,507.1	$ (25.8)	$ 1,481.3	$ 1,426.6

Critical Accounting Policies and Estimates

We have prepared the Condensed Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States, which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Condensed Consolidated Financial Statements and revenues and expenses during the periods reported. Actual results could differ from those estimates. Information with respect to our critical accounting policies that we believe could have the most significant effect on our reported results or require subjective or complex judgments by management is contained in Item 7, ***Management's Discussion and Analysis of Financial Condition and Results of Operations*** , of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 . We believe that at December 31, 2016 , there has been no material change to this information.

Environmental Matters

Information with respect to the effect of compliance with environmental protection requirements and resolution of environmental claims on us and our manufacturing operations is contained in Note 14 of the Consolidated Financial Statements in Item 8, ***Financial Statements and Supplementary Data*** , of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 . We believe that at December 31, 2016 , there has been no material change to this information.

Recent Accounting Pronouncements

See Note 1 in the Condensed Consolidated Financial Statements regarding recent accounting pronouncements.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Information with respect to our exposure to interest rate risk and foreign currency risk is contained in Item 7A, ***Quantitative and Qualitative Disclosures About Market Risk*** , of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 . We believe that at December 31, 2016 , there has been no material change to this information.

Item 4 . *Controls and Procedures*

Disclosure Controls and Procedures: We, with the participation of our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the fiscal quarter covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the fiscal quarter covered by this report, our disclosure controls and procedures were effective.

Internal Control Over Financial Reporting: There has not been any change in our internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information with respect to our legal proceedings is contained in Item 3, ***Legal Proceedings*** , of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 . We believe that at December 31, 2016 , there has been no material change to this information.

Item 1A. *Risk Factors*

Information about our most significant risk factors is contained in Item 1A, ***Risk Factors*** , of our Annual Report on Form 10-K for the fiscal year ended September 30, 2016 . We believe that at December 31, 2016 , there has been no material change to this information.

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

Share Repurchases

The table below sets forth information with respect to purchases made by or on behalf of us of shares of our common stock during the three months ended December 31, 2016 :

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approx. Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
October 1 - 31, 2016	308,809	$ 118.45	308,809	$ 908,466,737
November 1 - 30, 2016	153,191	125.03	150,000	889,698,233
December 1 - 31, 2016	187,100	136.23	187,100	864,210,440
Total	649,100	125.13	645,909	

(1) All of the shares purchased during the quarter ended December 31, 2016 were acquired pursuant to the repurchase programs described in (3) below, except for 3,191 shares that were acquired in November in connection with stock swap exercises of employee stock options.

(2) Average price paid per share includes brokerage commissions.

(3) On April 6, 2016, the Board of Directors authorized us to expend $1.0 billion to repurchase shares of our common stock. Our repurchase program allows us to repurchase shares at management's discretion or at our broker’s discretion pursuant to a share repurchase plan subject to price and volume parameters.

Item 6 . ***Exhibits***

(a) Exhibits:

Exhibit 10	—	First Amendment to Five-Year Credit Agreement dated as of December 12, 2016 among the Company, the Banks signatory thereto and JPMorgan Chase Bank, N.A., as administrative agent.
Exhibit 15	—	Letter of Deloitte & Touche LLP regarding Unaudited Financial Information.
Exhibit 31.1	—	Certification of Periodic Report by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
Exhibit 31.2	—	Certification of Periodic Report by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
Exhibit 32.1	—	Certification of Periodic Report by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	—	Certification of Periodic Report by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101	—	Interactive Data Files.

INDEX TO EXHIBITS

Exhibit No.	Exhibit
10	First Amendment to Five-Year Credit Agreement dated as of December 12, 2016 among the Company, the Banks signatory thereto and JPMorgan Chase Bank, N.A., as administrative agent.
15	Letter of Deloitte & Touche LLP regarding Unaudited Financial Information.
31.1	Certification of Periodic Report by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Periodic Report by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of Periodic Report by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Periodic Report by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Interactive Data Files.

SIGNATURES

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

ROCKWELL AUTOMATION, INC.
(Registrant)

Date: February 2, 2017	By	/s/ THEODORE D. CRANDALL
		Theodore D. Crandall Senior Vice President and Chief Financial Officer (Principal Financial Officer)
Date: February 2, 2017	By	/s/ DAVID M. DORGAN
		David M. Dorgan Vice President and Controller (Principal Accounting Officer)

FIRST AMENDMENT TO FIVE-YEAR CREDIT AGREEMENT

THIS FIRST AMENDMENT TO FIVE-YEAR CREDIT AGREEMENT (this " Amendment ") is dated as of December 12, 2016, among ROCKWELL AUTOMATION, INC., a Delaware corporation (the " Company "), the Banks signatory hereto and JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the " Administrative Agent "). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement referred to below.

RECITALS:

A. The Company, the Banks from time to time party thereto and the Administrative Agent entered into that certain Five-Year Credit Agreement dated as of March 24, 2015 (as the same may have been amended, supplemented or otherwise modified prior to the date hereof, the " Credit Agreement "), pursuant to which the Banks have agreed to make Loans and provide certain other credit accommodations to the Company.

B. The Company has requested that the Administrative Agent and the Banks agree to amend the Credit Agreement as set forth herein.

C. Subject to the conditions set forth in Section 2 hereof, the Banks party hereto are willing to agree to the amendments set forth in Section 1 hereof relating to the Credit Agreement;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Administrative Agent and the Banks hereby agree as follows:

Section 1. Credit Agreement Amendments . In reliance on the representations, warranties, covenants and agreements contained in this Amendment, the Credit Agreement shall be amended effective as of the Amendment Effective Date (as defined below) in the manner provided in this Section 1 .

1.1 Section 1.01 of the Credit Agreement is hereby amended by adding in the correct place alphabetically the following additional definitions:

" **Agreement** " means this Five-Year Credit Agreement, as the same may at any time be amended, restated, amended and restated, supplemented or otherwise modified in accordance with the terms hereof.

" **Bail-In Action** " means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

" **Bail-In Legislation** " means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

" **Consolidated EBITDA** " means, for any period, Consolidated Net Income for such period, plus, (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the sum of (i) Consolidated Interest Expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) any extraordinary non-cash charges for such period, and minus (b) without duplication and to the extent included in determining such Consolidated Net Income, any extraordinary gains for such period, all determined on a consolidated basis in accordance with GAAP.

“ **Consolidated Interest Expense** ” means, for any period, the consolidated total interest expense of the Company and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP.

“ **Consolidated Net Income** ” means, for any period, the net income or net loss of the Company and its Consolidated Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded, without duplication, the income or loss of any Person accrued prior to the date it becomes a Subsidiary of the Company or is merged into or consolidated with the Company or any of its Subsidiaries, or the date that such Person's assets are acquired by the Company or any Subsidiary.

“ **EEA Financial Institution** ” means (a) any credit institution or investment firm established in an EEA Member Country which is subject to the supervision of an EEA Resolution Authority; (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition; or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“ **EEA Member Country** ” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“ **EEA Resolution Authority** ” means any public administrative authority or any person entrusted with public administrative authority of an EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“ **EU Bail-In Legislation Schedule** ” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“ **Loan Document** ” means this Agreement, including without limitation, schedules and exhibits hereto and any agreements entered into in connection herewith, including amendments, modifications or supplements hereto or waivers hereof, any promissory notes and any other documents executed and delivered in connection with this Agreement.

“ **Write-Down and Conversion Powers** ” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of the applicable EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 The definition of “ **Federal Funds Rate** ” in Section 1.01 is amended by deleting the phrase “arranged by Federal funds brokers”.

1.3 Section 1.01 of the Credit Agreement is hereby amended by deleting the terms “ **Consolidated Debt** ” and “ **Total Capitalization** ”.

1.4 The definition of “ **Defaulting Bank** ” in Section 1.01 of the Credit Agreement is hereby amended by inserting “or (iii) become or has a parent company that has become the subject of a Bail-In Action” in between subclause (ii) of clause (e) of such definition and the phrase “(unless in the case of any Bank referred to in this clause (e) the Company and the Administrative Agent shall be satisfied that such Bank intends, and has all approvals required to enable it, to continue to perform its obligations as a Bank hereunder)”.

1.5 Section 5.05 is hereby amended and restated in its entirety to read as follows:

Section 5.05. *Interest Coverage Ratio.* The Company will not permit the ratio of Consolidated EBITDA to Consolidated Interest Expense, for any period of four consecutive fiscal quarters, to be less than 3.00 to 1.00, determined as of the last day of any fiscal quarter of the Company (commencing with the fiscal quarter ending on or about December 31, 2016 and for the four consecutive fiscal quarters then ended).

1.6 A new Section 9.15 is hereby added to the Credit Agreement, such new Section 9.15 to read in its entirety as follows:

Section 9.15. *Acknowledgement and Consent to Bail-In of EEA Financial Institutions* . Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by,

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 2. Condition Precedent to Credit Agreement Amendments . This Amendment shall become effective on the date (the " Amendment Effective Date ") the Administrative Agent (or its counsel) shall have received:

2.1 counterparts of this Amendment signed by the Administrative Agent, the Company and the Required Banks (or, in the case of any party as to which an executed counterpart shall not have been received, receipt by the Administrative Agent in form satisfactory to it of electronic or other written confirmation from such party of execution of a counterpart hereof by such party);

2.2 (i) a consent fee of $10,000 for the account of each Bank that consents to this Amendment (each such Bank, a " Consenting Bank "), which shall be payable to the Administrative Agent for the accounts of the Consenting Banks on the Amendment Effective Date and (ii) all other fees, costs and expenses due and payable to the Administrative Agent, any arranger or any Bank in connection with this Amendment, including the fees, charges and disbursements of counsel to the Administrative Agent, to the extent invoiced prior to the date hereof.

Section 3. Representations and Warranties . To induce the Banks and the Administrative Agent to enter into this Amendment, the Company hereby represents and warrants to the Banks and the Administrative Agent as follows:

3.1 (i) the Company has all corporate power and authority to execute, deliver and perform its obligations under this Amendment, (ii) this Amendment has been duly executed and delivered by the Company and (iii) this Amendment constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency or similar laws relating to or affecting creditors' rights generally and by general principles of equity, regardless of whether considered in a proceeding in equity or at law;

3.2 the representations and warranties of the Company set forth in Article 4 of the Credit Agreement (other than the representations and warranties set forth in Sections 4.04, 4.05 and 4.06 of the Credit Agreement) will be true and correct on and as of the Amendment Effective Date; and

3.3 as of the Amendment Effective Date, no Default or Event of Default has occurred and is continuing or would result from this Amendment.

Section 4. Miscellaneous .

4.1 Reaffirmation of Loan Documents . All of the terms and provisions of the Credit Agreement and the other Loan Documents shall, except as expressly amended and modified hereby, remain in full force and effect and are hereby ratified and affirmed by the Company, as amended. This Amendment is a Loan Document. Following the Amendment Effective Date, any reference to the Credit Agreement in the Loan Documents shall mean the Credit Agreement as amended or supplemented hereby. Nothing herein shall be deemed to entitle the Company to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or the other Loan Documents in similar or different circumstances.

4.2 Counterparts; Execution; Entire Agreement . This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or in electronic ("pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment, the Credit Agreement and the other Loan Documents constitute the entire agreement and understanding among the parties and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

4.3 Headings . The headings used in this Amendment are for convenience only and shall not be deemed to limit, amplify or modify the terms of this Amendment, nor affect the meaning thereof.

4.4 Governing Law . This Amendment shall be governed by and construed in accordance with the laws of the State of New York. The Company hereby submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York State court sitting in the Borough of Manhattan for purposes of all legal proceedings arising out of or relating to this Amendment or the transactions contemplated hereby. The Company irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

ROCKWELL AUTOMATION, INC.

By: /s/ Steven W. Etzel

Name: Steven W. Etzel

Title: Vice President and Treasurer

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Bank

By: /s/ Gene Riego de Dios

Name: Gene Riego de Dios

Title: Vice President

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

Bank of America, N.A., as a Bank

By: /s/ Matthew Walt

Name: Matthew Walt

Title: Vice President

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

Goldman Sachs Bank USA, as a Bank

By: /s/ Ushma Dedhiya

Name: Ushma Dedhiya

Title: Authorized Signatory

[*for Banks requiring two signature blocks*]

By: ______________________

Name:

Title:

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

BMO Harris Bank N.A., as a Bank

By: /s/ Ronald J. Carey

Name: Ronald J. Carey

Title: Senior Vice President

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

THE BANK OF NEW YORK MELLON, as a Bank

By: /s/ Brandon Bouchard

Name: Brandon Bouchard

Title: Senior Credit Associate

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

CITIBANK, N.A., as a Bank

By: /s/ Stephanie Bowker

Name: Stephanie Bowker

Title: Vice President

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

DEUTSCHE BANK AG NEW YORK BRANCH, as a Bank

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Director

[*for Banks requiring two signature blocks*]

By: /s/ Virginia Cosenza
Name: Virginia Cosenza
Title: Vice President

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

The Northern Trust Company, as a Bank

By: /s/ Murtuza Ziauddin
Name: Murtuza Ziauddin
Title: Vice President

[*for Banks requiring two signature blocks*]

By:
Name:
Title:

PNC Bank, N.A., as a Bank

By: /s/ Joseph A. Vehec

Name: Joseph A. Vehec

Title: Assistant Vice President

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

U.S. BANK NATIONAL ASSOCIATION, as a Bank

By: /s/ Caroline V. Krider

Name: Caroline V. Krider

Title: Senior Vice President

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as a Bank

By: /s/ Ashley Walsh
Name: Ashley Walsh
Title: Director

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

Bank of China, Chicago Branch, as a Bank

By: /s/ Kefei Xu
Name: Kefei Xu
Title: SVP & Branch Manager

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

Comerica Bank, as a Bank

By: /s/ Brandon Kotcher

Name: Brandon Kotcher

Title: Relationship Manager

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

ING Bank N.V., Dublin Branch

By: /s/ Shaun Hawley
Name: Shaun Hawley
Title: Director

ING Bank N.V., Dublin Branch

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

Lloyds Bank plc, as a Bank

By: /s/ Daven Popat

Name: Daven Popat

Title: Senior Vice President
P003

By: /s/ Dennis McClellan

Name: Dennis McClellan

Title: Assistant Vice President

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

Toronto Dominion (New York) LLC, as a Bank

By: /s/ Annie Dorval

Name: Annie Dorval

Title: Authorized Signatory

[*for Banks requiring two signature blocks*]

By: NA

Name:

Title:

[Signature Page to First Amendment to Five-Year Credit Agreement (Rockwell Automation)]

Exhibit 15

February 2, 2017

Rockwell Automation, Inc.
1201 South Second Street
Milwaukee, Wisconsin 53204

We have reviewed, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the unaudited interim financial information of Rockwell Automation, Inc. and subsidiaries for the three-month periods ended December 31, 2016 and 2015 , as indicated in our report dated February 2, 2017 ; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended December 31, 2016 , is incorporated by reference in Registration Statement Nos. 333-38444, 333-101780, 333-113041, 333-149581, 333-150019, 333-157203, 333-165727, 333-180557, 333-184400, 333-205022, and 333-209706 on Form S-8 and Registration Statement Nos. 333-24685 and 333-202013 on Form S-3.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin

Exhibit 31.1

CERTIFICATION

I, Blake D. Moret , certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rockwell Automation, Inc.;

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 (or persons performing the equivalent functions):

   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: February 2, 2017

/s/ B LAKE D. M ORET

Blake D. Moret
President and Chief
Executive Officer

Exhibit 31.2

CERTIFICATION

I, Theodore D. Crandall, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rockwell Automation, Inc.;

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 (or persons performing the equivalent functions):

   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: February 2, 2017

/s/ Theodore D. Crandall

Theodore D. Crandall
Senior Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PERIODIC REPORT

I, Blake D. Moret , President and Chief Executive Officer of Rockwell Automation, Inc. (the “Company”), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended December 31, 2016 (the “Report”) fully complies with the requirements of Section 13(a) 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.

Date: February 2, 2017

/s/ B LAKE D. M ORET

Blake D. Moret
President and Chief
Executive Officer

Exhibit 32.2

CERTIFICATION OF PERIODIC REPORT

I, Theodore D. Crandall, Senior Vice President and Chief Financial Officer of Rockwell Automation, Inc. (the “Company”), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended December 31, 2016 (the “Report”) fully complies with the requirements of Section 13(a) 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.

Date: February 2, 2017

/s/ Theodore D. Crandall

Theodore D. Crandall
Senior Vice President and
Chief Financial Officer