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Fiscal Year 2011  
Third Quarter  
Conference Call  
July 28, 2011

Spare Allen-Bradley Parts

# Safe Harbor Statement

- This presentation 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, 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;
  - 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 product and pricing pressures;
  - disruption of our operations due to natural disasters, acts of war, strikes, terrorism or other causes;
  - intellectual property infringement claims by others and the ability to protect our intellectual property;
  - our ability to successfully address 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;
  - disruption of our distribution channels;
  - the availability and price of components and materials;
  - successful execution of our cost productivity and globalization initiatives; and
  - other risks and uncertainties, including but not limited to those detailed from time to time in our Securities and Exchange Commission filings.
- These forward-looking statements reflect our beliefs as of the date of this presentation. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

# Notice Regarding Financial Information

- This presentation contains non-GAAP financial information. Reconciliations from GAAP to non-GAAP measures are contained in the appendix of this presentation.
- All information should be read in conjunction with the historical financial statements and financial information contained in Rockwell Automation's Annual Report on Form 10-K, periodic reports on Form 10-Q and Form 8-K, and public announcements of financial information.
- Copies of these reports, as well as a financial information overview, are available on the Investor Relations section of Rockwell Automation's website at <http://www.rockwellautomation.com/investors/>

## Spare Allen-Bradley Parts

# Q3 Highlights

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- Record quarterly results
  - Sales of \$1.5B – exceeding previous cycle peak
  - Earnings per share from continuing operations of \$1.22
  - Return on invested capital of 29.3%
- Segment operating margin improved 1.8 pts YOY
- Strong free cash flow of \$194M - 108% of net income
- Closed two acquisitions
- Increased dividend by 21% and stepped up share repurchases

# Q3 Results: Summary

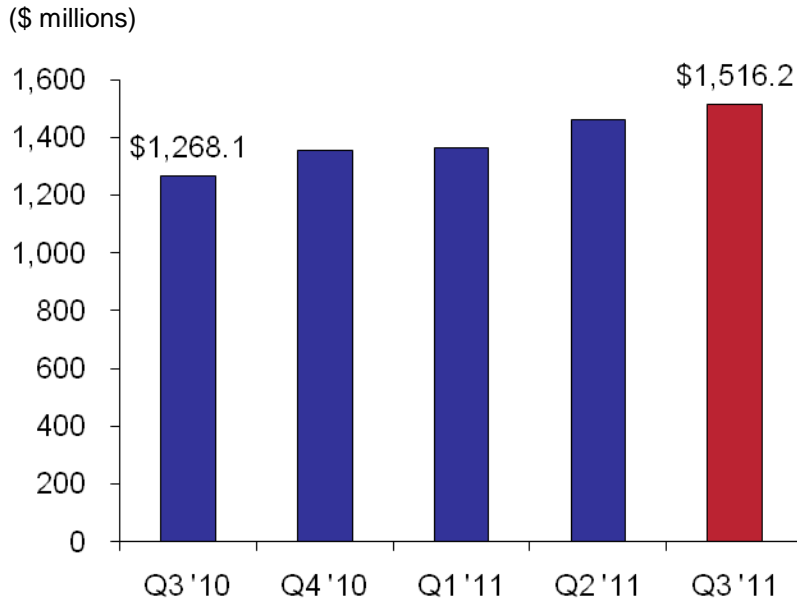
(\$ millions, except per share amounts)

	<u>Q3 2011</u>	<u>Q3 2010</u>
Total Sales	\$ 1,516.2	\$ 1,268.1
Total Segment Operating Earnings	\$ 263.3	\$ 198.0
Purchase Accounting Depreciation and Amortization	(5.1)	(4.6)
General Corporate - Net	(22.3)	(23.1)
Interest Expense	(14.7)	(14.8)
Income Tax Provision	(42.4)	(36.1)
Income from Continuing Operations	<u>\$ 178.8</u>	<u>\$ 119.4</u>
Diluted EPS from Continuing Operations	<u>\$ 1.22</u>	<u>\$ 0.83</u>
Diluted EPS	<u>\$ 1.23</u>	<u>\$ 0.83</u>
Average Diluted Shares	<u>145.9</u>	<u>144.3</u>

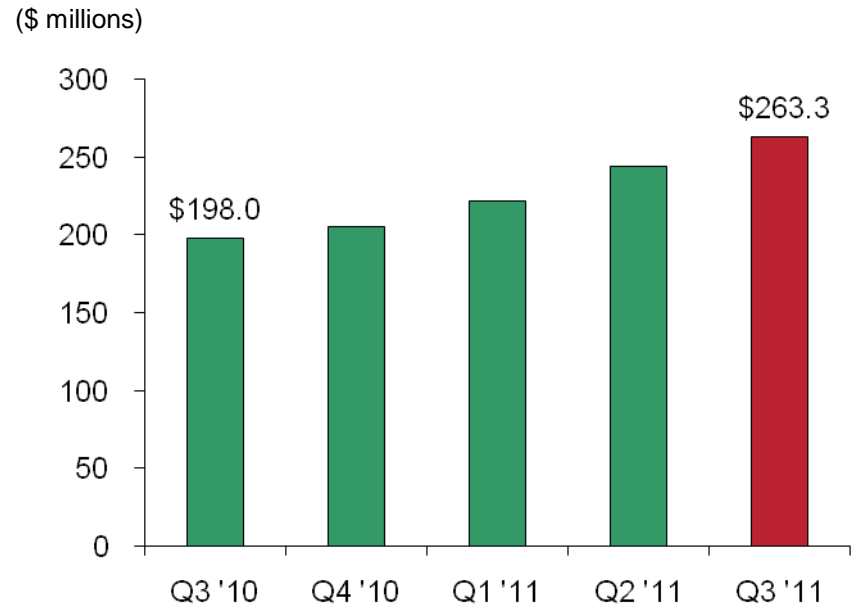
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# Q3 Results: Rockwell Automation Total

## Sales



## Segment Operating Earnings

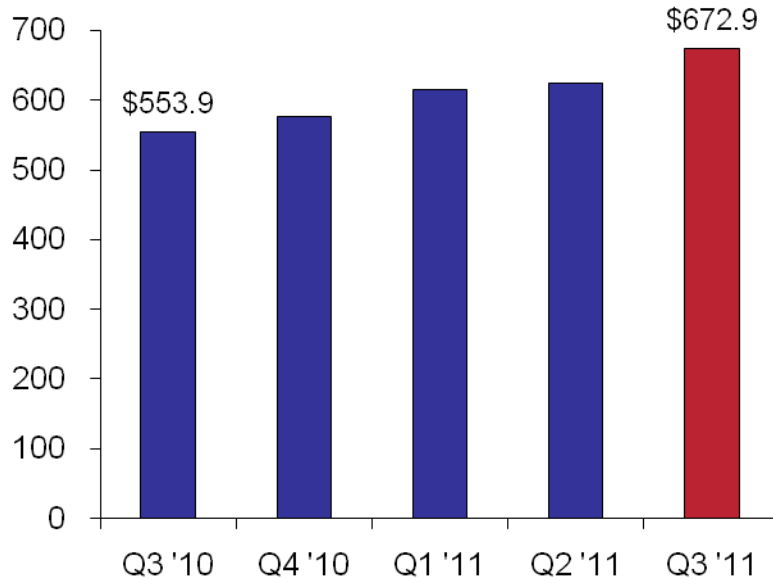


- Sales increased 20% YOY, including 6 pts from currency translation
- Sales increased 4% sequentially
- Segment operating earnings up 33% YOY
- Segment operating margin expanded 1.8 pts YOY to 17.4%, primarily due to higher margin in the A&S segment

# Q3 Results: Architecture & Software

## Sales

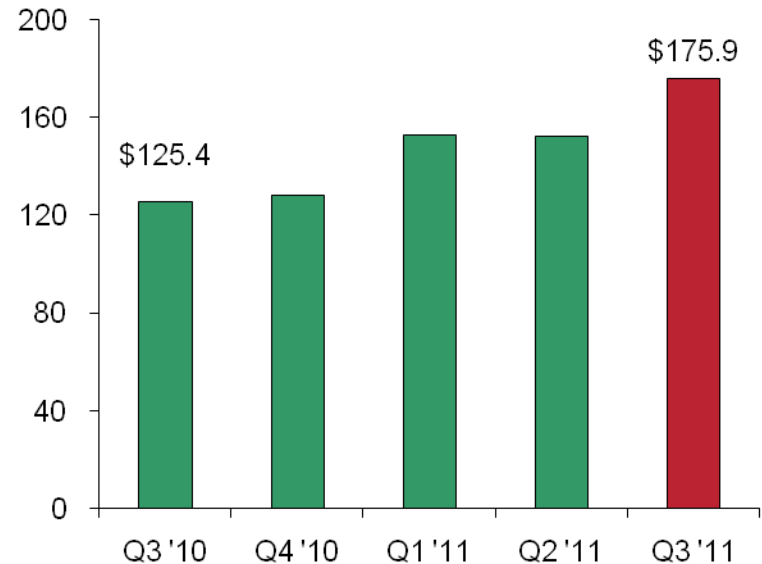
(\$ millions)



- Sales increased 21% YOY, including 6 pts from currency translation
- Sales increased 8% sequentially

## Segment Operating Earnings

(\$ millions)



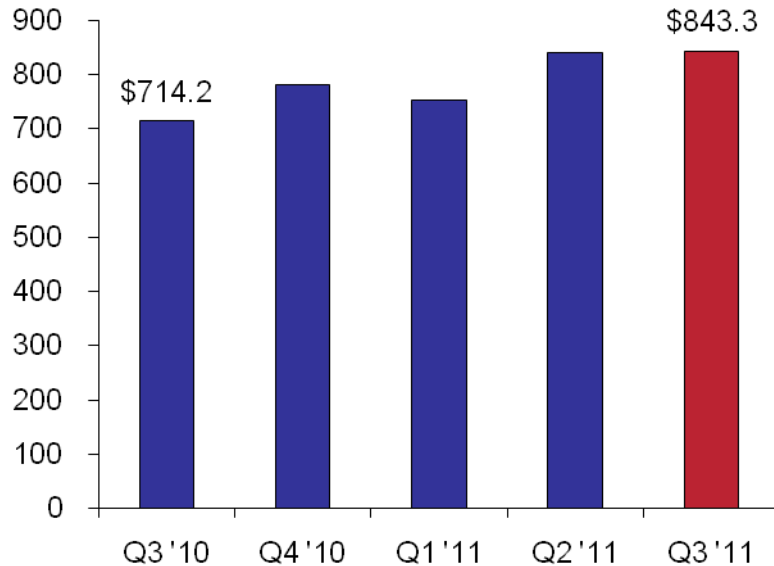
- Segment operating earnings up 40% YOY
- Segment operating margin expanded 3.5 pts YOY to 26.1%, primarily due to volume leverage, partially offset by spending to support growth

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# Q3 Results: Control Products & Solutions

## Sales

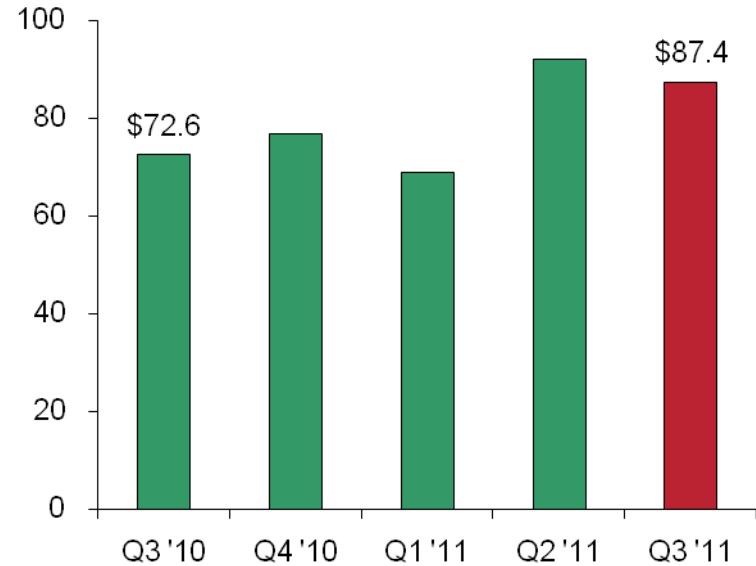
(\$ millions)



- Sales increased 18% YOY, including 5 pts from currency translation and 1 pt from acquisitions

## Segment Operating Earnings

(\$ millions)



- Segment operating earnings up 20% YOY
- Segment operating margin expanded 0.2 pts YOY to 10.4%, primarily due to volume leverage, offset by spending to support growth and somewhat lower margins in our solutions businesses



# Q3 Results: Regional Sales

(\$ millions)

<u>Region</u>	<u>Reported Sales</u>	<u>% Change vs. Q3 10</u>	<u>Adjusted For Currency % Change</u>
U.S.	\$ 732.9	11%	11%
Canada	101.7	15%	8%
EMEA	327.1	36%	21%
Asia-Pacific	228.6	23%	14%
Latin America	<u>125.9</u>	33%	21%
TOTAL	<u>\$ 1,516.2</u>	20%	14%

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# Free Cash Flow

(\$ millions)

	<u>Q3 2011</u>	<u>YTD</u>
Income from Cont. Ops.	\$ 178.8	\$ 495.3
Depreciation/Amortization	32.9	96.6
Retirement Benefits Expense	25.1	75.6
Receivables/Inventory/Payables	(85.4)	(184.8)
Compensation and Benefits	32.1	(73.7)
Pension Contributions	(7.8)	(23.3)
Income Taxes	30.1	67.5
Other	21.0	47.1
Capital Expenditures	<u>(33.1)</u>	<u>(76.0)</u>
Free Cash Flow	<u>\$ 193.7</u>	<u>\$ 424.3</u>

# 2011 Revised Guidance

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Sales	~\$5.9B
Sales Increase (Excluding Currency Translation)	~18%
Currency Translation	+3%
Segment Operating Margin	~17%
Diluted EPS	\$4.55 to \$4.65

Note: As of July 28, 2011

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## Appendix

### Reconciliation to Non-GAAP Measures

# Reconciliation to Non-GAAP Measures

## Segment operating margin

(in millions, except percentages)

	<u>Three Months Ended June 30, 2011</u>	<u>Three Months Ended June 30, 2010</u>
Sales		
Architecture & Software (a)	\$ 672.9	\$ 553.9
Control Products & Solutions (b)	843.3	714.2
Total sales (c)	<u>\$ 1,516.2</u>	<u>\$ 1,268.1</u>
Segment operating earnings		
Architecture & Software (d)	\$ 175.9	\$ 125.4
Control Products & Solutions (e)	87.4	72.6
Total segment operating earnings (f)	263.3	198.0
Purchase accounting depreciation and amortization	(5.1)	(4.6)
General corporate - net	(22.3)	(23.1)
Interest expense	(14.7)	(14.8)
Income from continuing operations before income taxes	<u>\$ 221.2</u>	<u>\$ 155.5</u>
Segment operating margin:		
Architecture & Software (d/a)	26.1%	22.6%
Control Products & Solutions (e/b)	10.4%	10.2%
Total segment operating margin (f/c)	17.4%	15.6%

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# Reconciliation to Non-GAAP Measures

## Free Cash Flow

(in millions)

	Three Months Ended June 30, 2011	Nine Months Ended June 30, 2011
Cash provided by continuing operating activities	\$ 224.7	\$ 462.5
Capital expenditures of continuing operations	(33.1)	(76.0)
Excess income tax benefit from share-based compensation	2.1	37.8
Free cash flow	<u>\$ 193.7</u>	<u>\$ 424.3</u>

# Reconciliation to Non-GAAP Measures

## Organic Sales

(in millions, except percentages)

	Three Months Ended June 30,								
	2011				2010				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency(b)	Effect of Acquisitions	Organic Sales(c)	Sales(d)	Sales Growth (Decline) (a)/(d)	Sales Growth Ex-currency (b)/(d)	Organic Growth (c)/(d)
United States	\$ 732.9	\$ (1.5)	\$ 731.4	\$ (0.2)	\$ 731.2	\$ 658.7	11%	11%	11%
Canada	101.7	(6.2)	95.5	-	95.5	88.2	15%	8%	8%
Europe, Middle East, Africa	327.1	(35.6)	291.5	(4.9)	286.6	240.3	36%	21%	19%
Asia-Pacific	228.6	(16.9)	211.7	(0.1)	211.6	186.1	23%	14%	14%
Latin America	125.9	(11.6)	114.3	-	114.3	94.8	33%	21%	21%
Total	<u>\$ 1,516.2</u>	<u>\$ (71.8)</u>	<u>\$ 1,444.4</u>	<u>\$ (5.2)</u>	<u>\$ 1,439.2</u>	<u>\$ 1,268.1</u>	20%	14%	14%

	Nine Months Ended June 30,								
	2011				2010				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency(b)	Effect of Acquisitions	Organic Sales(c)	Sales(d)	Sales Growth (a)/(d)	Sales Growth Ex-currency (b)/(d)	Organic Growth (c)/(d)
United States	\$ 2,117.8	\$ (4.8)	\$ 2,113.0	\$ (0.2)	\$ 2,112.8	\$ 1,778.3	19%	19%	19%
Canada	292.0	(15.4)	276.6	-	276.6	239.2	22%	16%	16%
Europe, Middle East, Africa	924.1	(15.8)	908.3	(4.9)	903.4	714.6	29%	27%	26%
Asia-Pacific	650.2	(35.4)	614.8	(0.1)	614.7	512.3	27%	20%	20%
Latin America	362.0	(22.8)	339.2	-	339.2	255.7	42%	33%	33%
Total	<u>\$ 4,346.1</u>	<u>\$ (94.2)</u>	<u>\$ 4,251.9</u>	<u>\$ (5.2)</u>	<u>\$ 4,246.7</u>	<u>\$ 3,500.1</u>	24%	21%	21%

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# Reconciliation to Non-GAAP Measures

	Three Months Ended June 30,						Sales Growth (a)/(c)	Sales Growth Ex-currency (b)/(d)	Organic Growth (c)/(d)
	2011					2010			
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency(b)	Effect of Acquisitions	Organic Sales(c)	Sales(d)			
Architecture & Software	\$ 672.9	\$ (34.1)	\$ 638.8	\$ -	\$ 638.8	\$ 553.9	21%	15%	15%
Control Products & Solutions	843.3	(37.7)	805.6	(5.2)	800.4	714.2	18%	13%	12%
<b>Total</b>	<b>\$ 1,516.2</b>	<b>\$ (71.8)</b>	<b>\$ 1,444.4</b>	<b>\$ (5.2)</b>	<b>\$ 1,439.2</b>	<b>\$ 1,268.1</b>	<b>20%</b>	<b>14%</b>	<b>14%</b>

	Nine Months Ended June 30,						Sales Growth (a)/(c)	Sales Growth Ex-currency (b)/(d)	Organic Growth (c)/(d)
	2011					2010			
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency(b)	Effect of Acquisitions	Organic Sales(c)	Sales(d)			
Architecture & Software	\$ 1,911.0	\$ (39.1)	\$ 1,871.9	\$ -	\$ 1,871.9	\$ 1,539.1	24%	22%	22%
Control Products & Solutions	2,435.1	(55.1)	2,380.0	(5.2)	2,374.8	1,961.0	24%	21%	21%
<b>Total</b>	<b>\$ 4,346.1</b>	<b>\$ (94.2)</b>	<b>\$ 4,251.9</b>	<b>\$ (5.2)</b>	<b>\$ 4,246.7</b>	<b>\$ 3,500.1</b>	<b>24%</b>	<b>21%</b>	<b>21%</b>



# Reconciliation to Non-GAAP Measures

## Return On Invested Capital

ROIC is calculated as follows:

	Twelve Months End June 30, <u>2011</u>
<b>(a) Return</b>	
Income from continuing operations	\$ 626.6
Interest expense	60.1
Income tax provision	142.7
Purchase accounting depreciation and amortization	19.3
Return	<u>848.7</u>
<b>(b) Average invested capital</b>	
Long-term debt	904.9
Shareowners' equity	1,635.3
Accumulated amortization of goodwill and intangibles	706.7
Cash and cash equivalents	(890.2)
Average invested capital	<u>2,356.7</u>
<b>(c) Effective tax rate</b>	
Income tax provision	142.7
Income from continuing operations before income taxes	<u>\$ 769.3</u>
Effective tax rate	<u>18.5%</u>
<b>(a) / (b) * (1-c) Return On Invested Capital</b>	<u><u>29.3%</u></u>

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