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## 2009 EPG Conference

**Keith Nosbusch**

Chairman and CEO

May 19, 2009

# 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:
  - economic changes in global markets where we compete, such as currency exchange rates, inflation rates, recession, interest rates and the volatility and disruption of the capital and credit markets for us, our customers and our suppliers;
  - 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;
  - general global and regional economic, business or industry conditions, including levels of capital spending in industrial markets;
  - 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;
  - the uncertainties of litigation;
  - disruption of our distribution channels;
  - the availability and price of components and materials;
  - the ability of our divested businesses to satisfy certain obligations that they have assumed;
  - successful execution of our cost productivity, restructuring and globalization initiatives;
  - our ability to execute strategic actions, including acquisitions and integration of acquired businesses; 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 filing 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 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 [www.rockwellautomation.com](http://www.rockwellautomation.com).

# Rockwell Automation Today

- Fiscal 2008 Sales: \$5.7B
  - 50% outside the US
- Two Operating Segments
  - Architecture & Software
  - Control Products & Solutions
- Employees: ~20,000
- Serving customers in 80+ countries
- Trading Symbol: ROK



Leading global provider of industrial power, control and information solutions



# FY09 Q2 Results and Full Year Guidance

	2009	
	Q2	Full Year
Revenue Growth		
Excluding Currency Translation	-18%	-16% to -18%
Currency Translation	-7%	-7%
Segment Operating Margin	8.1%	9.0% to 11.0%
Diluted EPS Excluding Special Items	\$0.27	\$1.40 to \$1.70
Free Cash Flow	\$152.1	~110% of Net Income

Note: As of April 29, 2009

# Long-Term Growth and Performance Strategy

## Revenue

- Sustained secular, organic growth
- Expanded served market
- Enhanced market access
- Acquisitions as catalysts

Generate 3-4% annual cost productivity & maintain operating leverage

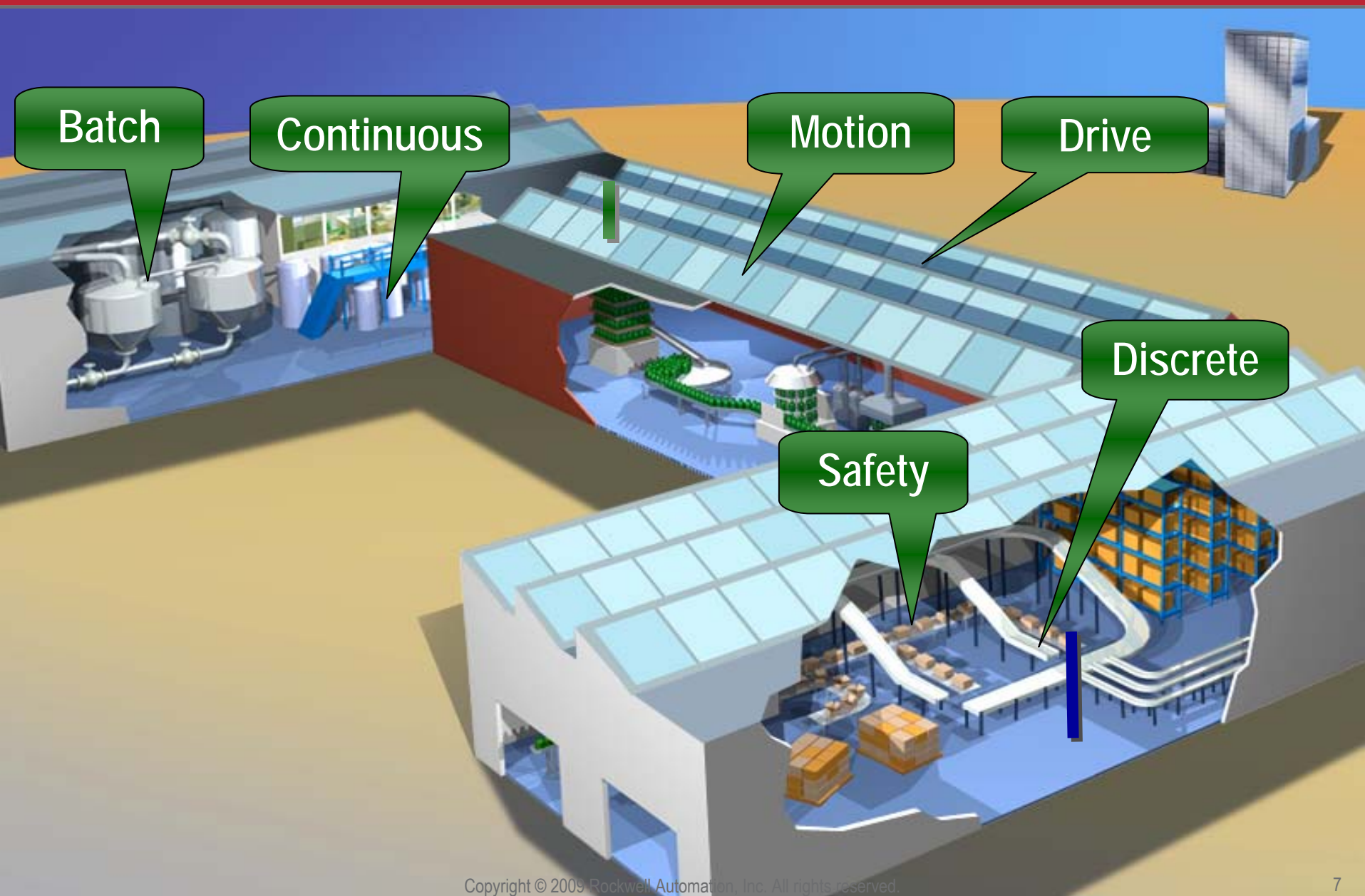
## Reinvestment

Deploy human and financial resources to highest-ROIC opportunities

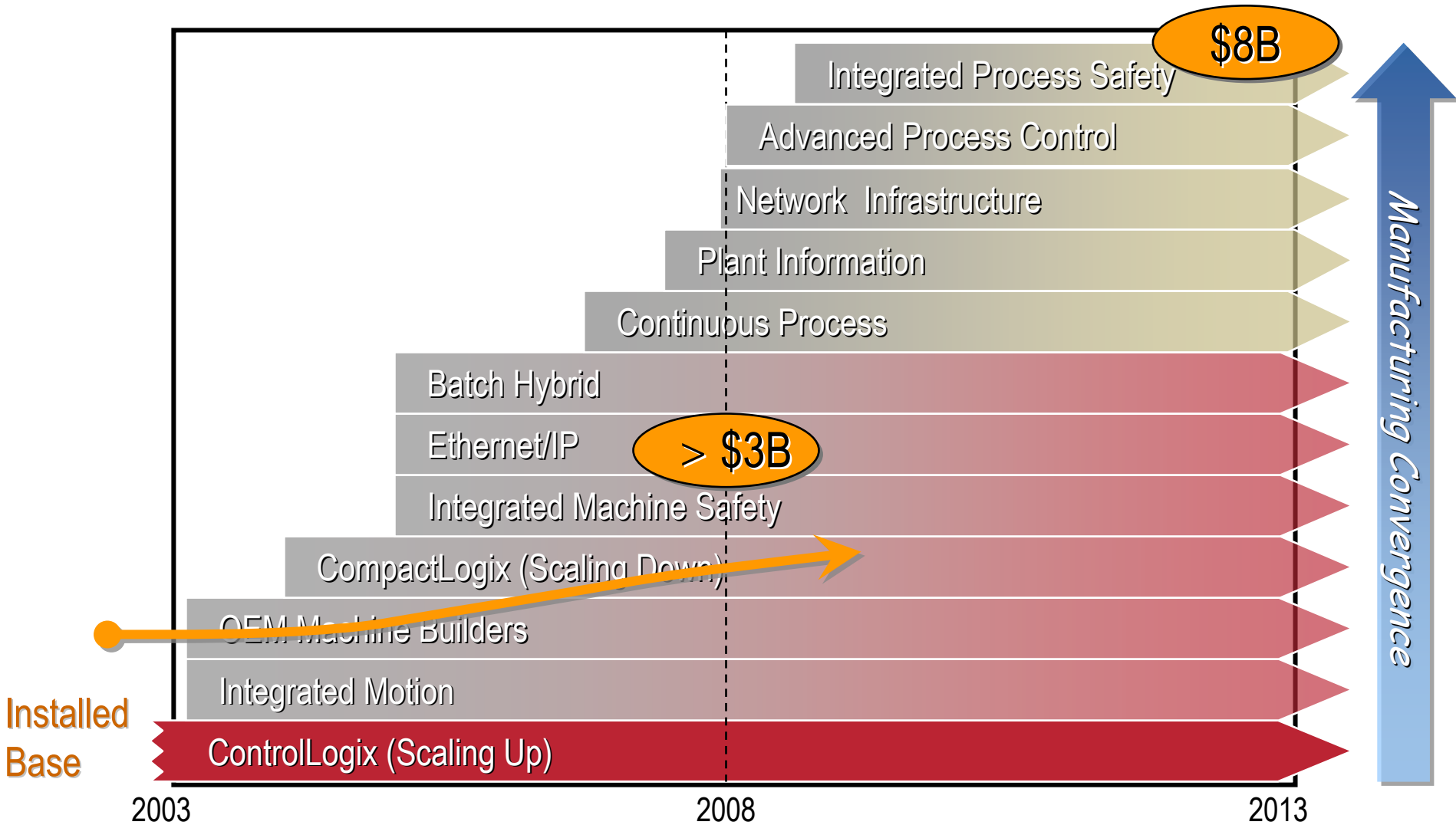
## Intellectual Capital

Balance of Growth and Productivity Key to RA Future

# Information Enabled, Plant Wide Control



# Integrated Architecture: Logix Evolution

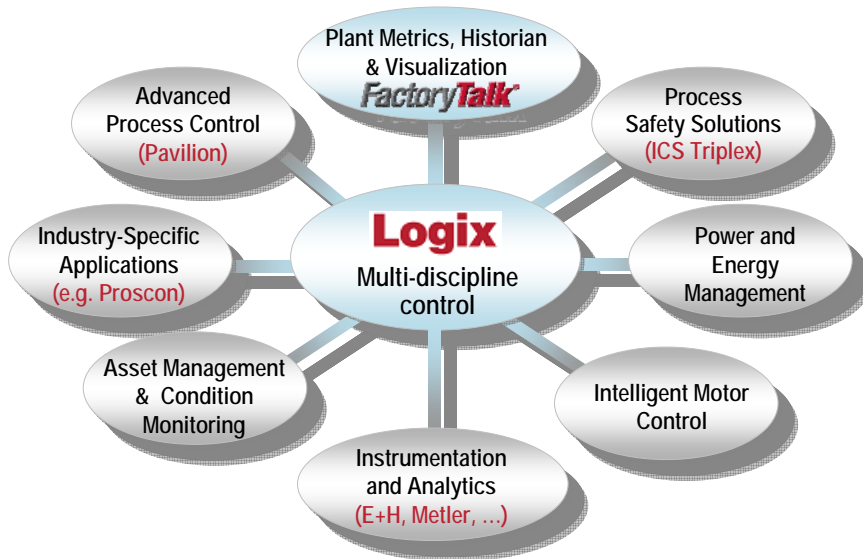


With an Installed Base >\$3B and Planned Developments . . . the best is still yet to come

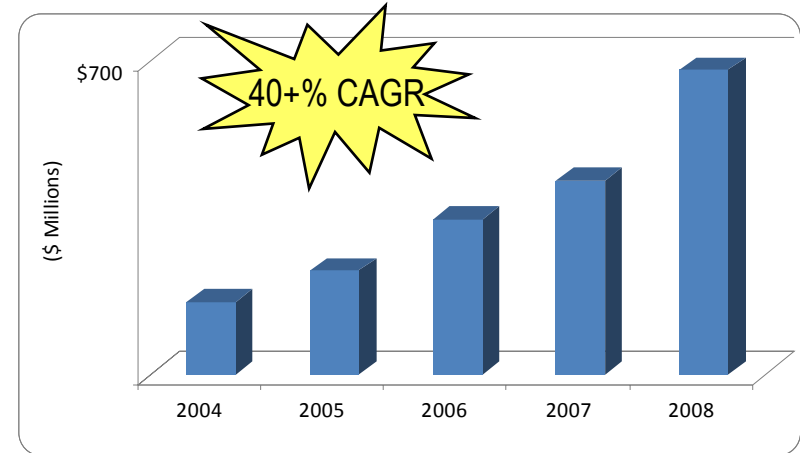
# Process

## Strategy

- Taking share from traditional DCS players
- Building upon scalable Logix platform (Multiple Control Discipline Core)
- Extending into process safety, advanced process control, and asset management
- Adding domain expertise - globally



## Revenue



## Fiscal 2009 YTD Highlights

- Positive revenue growth through first six months of FY2009
- Strong showing in 2009 Control Magazine's Reader's Choice Awards
- Successful launch of PlantPax Process Automation System

Core Investments + Acquisitions Building Process Leadership and Depth

# *PlantP*Ax Introduction

- A unified framework for the Rockwell Automation process technologies, systems, solutions and services
- An integration of our core capabilities with those of our market leading partners and acquisitions
- Libraries and workstations fit to process industry applications

***PlantP*Ax**  
*Process Automation System*

Continued Innovation and Value to Process Industry Customers

# Safety

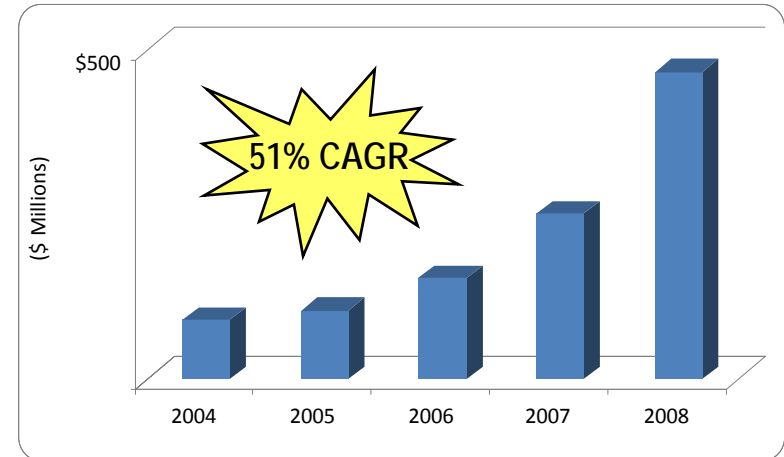
## Market Opportunity

- \$3.2B available market
  - Machinery: \$1.8B market
  - Process: \$1.4B market
- Customer emphasis on social responsibility and sustainability
- Globalization of safety standards

## Strategy

- Leverage Logix platform to deliver integrated machine and process safety solutions
- Leverage ICS Triplex safety solutions to expand RA opportunities in process
- Expand product portfolio and organizational competency

## Revenue



## Fiscal 2009 YTD Highlights

- # 1 global market share position
- Enhanced component and system portfolio
- Successful integration of Cedes acquisition

Well-Positioned to Extend Safety Market Leadership

# Oil and Gas Industry

## Industry Drivers

- Rising global energy demand
- Shrinking knowledge pool
- Rise in cost of sustaining operations
- Search for efficiencies in complex facilities



## Industry Sectors

- Exploration and production
- Oil refining
- Gas processing
- Chemicals production

## RA Differentiation

- Integrated process & safety control
- Advanced process control and predictive modeling tools
- Intelligent packaged power
- More efficient and modular approach to asset performance

# Information: FactoryTalk

## Market Opportunity

- \$4.3B available market
- Highly fragmented, many small players
- Replace internally developed systems
- Customers value seamless information flow from the plant floor to enterprise and supply chain

## Strategy

- Deliver comprehensive suite (integrated, modular and scalable)
- Leverage RA manufacturing knowledge and installed base
- Deliver complete solutions for customers' aging business systems
  - Industry applications for key verticals
  - Expand RA partner and delivery capability
- Evolve software business model



## Fiscal 2009 YTD Highlights

- VantagePoint – the integration of Incuity's manufacturing intelligence software into the FactoryTalk suite
- ViewPoint – the next evolution in visualization software provides real-time visualization using the simplicity of a web browser

Large and Highly Fragmented Market . . . Positioning for the Future

# Intelligent Motor Control

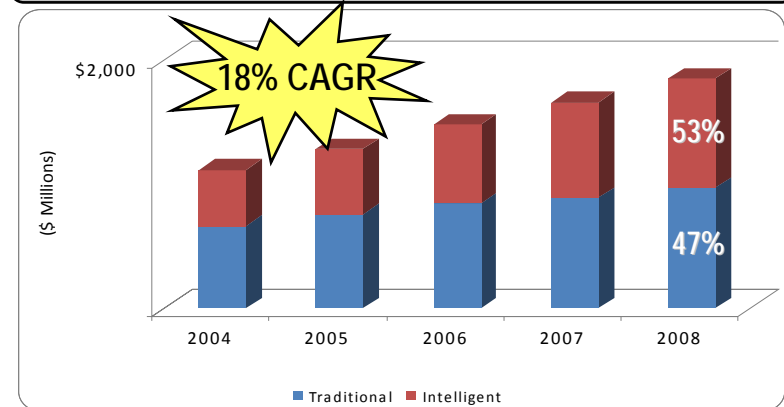
## Market Trends

- Energy efficiency as a top business driver
- Need for improved power quality and reliability
- Increasing integration of power and control
- Infrastructure investments in emerging markets

## Strategy

- Differentiated Intelligent Motor Control approach
  - Motor & process performance
  - Motor protection & reliability
  - Premier integration
- Lead offering / large installed base in heavy industries
- Maintain / extend – top 3 global position

## Revenue



## Fiscal 2009 YTD Highlights

- Introduction of next generation AC drive family
  - Higher performance and efficiency
- Gaining traction on IEC-style IntelliCENTER MCCs
  - Doubled addressable market for MCCs



Improve Customers' Energy Efficiency and Asset Utilization

# Solutions & Services

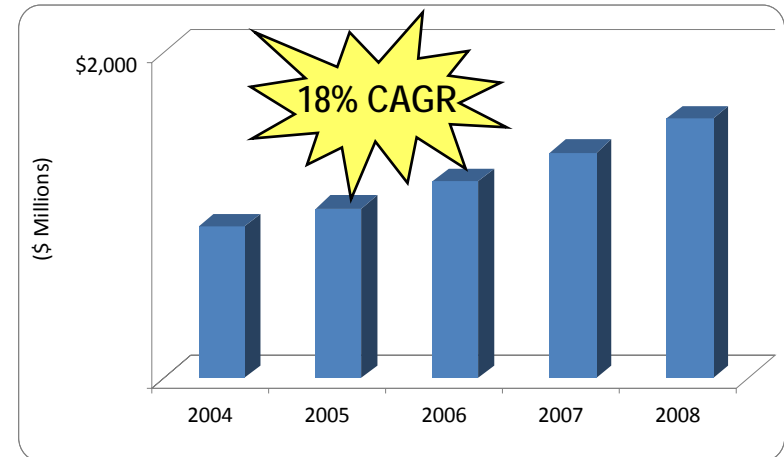
## Market Opportunity

- \$16B available market
- Customers outsourcing service and solution delivery – skilled labor shortage
- Emerging markets have a greater need for solutions and services capabilities

## Strategy

- Leverage solutions and services to achieve greater customer intimacy
- Lead with consulting and assessments to build recurring services revenues
- Build repeatable applications to ensure quality and productivity
- Differentiate RA through global solution and service excellence

## Revenue



## Fiscal 2009 YTD Highlights

- Positive revenue growth through first six months of FY2009
- Acquired two engineering firms - Xi'An Hengsheng and Rutter Hinz

Solutions & Services Becoming a Larger Portion of Revenue Base

# Repeatable Solutions for Industry

*Repeatable Solutions: Reusable Engineering, Tools & Processes to Reduce Cost and Time*



## Consumer Packaged Goods

- Tracking & Tracing
- Production Management
- Clean In Place (CIP)
- Batch Mixing & Blending
- Brewhouse Automation
- Fluid Routing
- Energy & Combustion Control



## Life Sciences

- Full MES & Compliance
- Formulation & Filling
- Solid Dosage Suite



## Specialty Chemical

- Formulation & Mixing
- Chemical Synthesis



## Power & Infrastructure

- Flue Gas Scrubbing
- Solar & Wind Power Generation
- Alternative Energy



## Metals

- Material Handling
- Melting & Forming
- Processing & Finishing



## Pulp & Paper

- Digesters & Boilers
- Tissue & Paper Machines
- Printing



## Mining & Cement

- Material Handling
- Raw Mill & Kiln Control
- Waste Fuel Control



## Automotive/Tire & Rubber

- MES Systems
- Body, Paint & Assembly
- Mixers & Tire Machines



## Oil & Gas

- On Shore Production Facilities
- Safety/Critical Control Systems
- Pipelines & Off Shore Platforms

**Domain Expertise to Deliver Industry-Specific Applications**

# Sustainable Production

- **Environment**

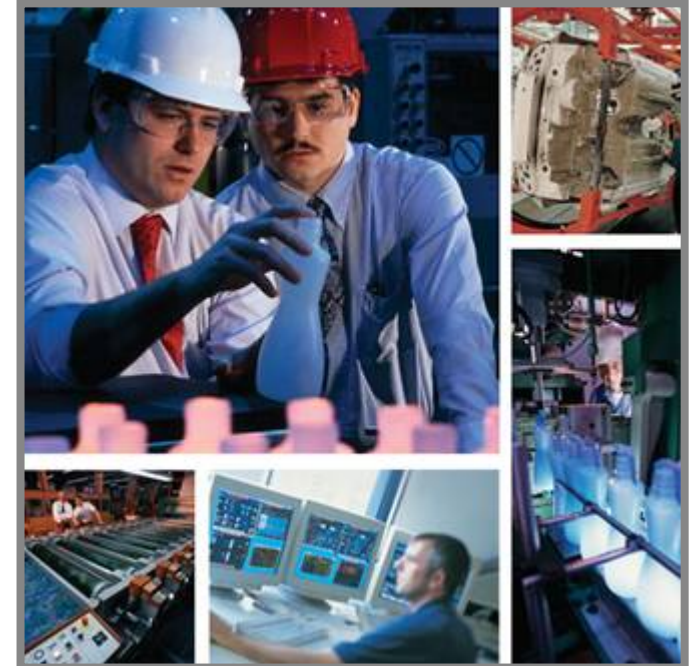
- Recovery and recycling
- Raw material reduction and process optimization
- Emissions monitoring and optimization
- Responsible product and package design

- **Safety**

- Worker and machine safety
- Community and process safety
- Product and supplier quality

- **Energy**

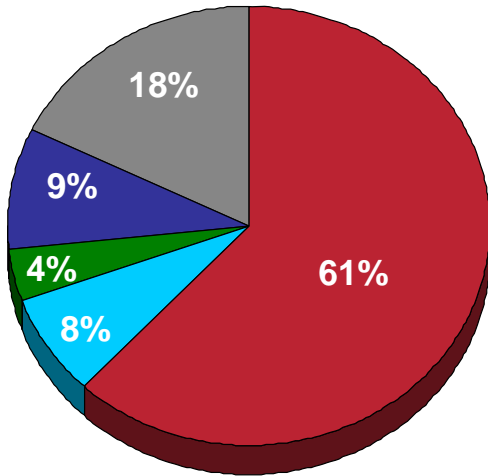
- Energy efficiency through process improvements and conservation
- Assist with energy recovery
- Renewable energy alternatives



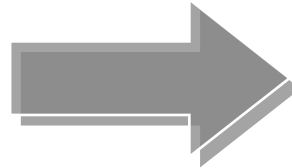
Cleaner . . . Safer . . . More Energy Efficient

# Globalization - Responding to Market Shifts

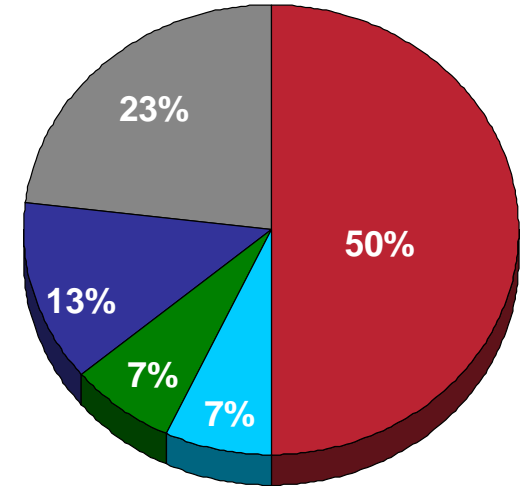
2004 Incl. Power Systems



■ U.S. ■ Canada ■ LA ■ AP ■ EMEA



2008



Original Goal: 50% of Revenue Outside of U.S. by 2009 – Achieved in 2008

## Shanghai, China (3rd Factory)

- Manufacturing, Application Engineering and Research Center

## Singapore – Asian Business Center

- Manufacturing and Business HQ

## Katowice, Poland

- Manufacturing, Application Engineering, Shared Services Center and Software Development

## Monterrey, Mexico

- Manufacturing and Application Engineering



**New Goal: 60% of Revenue Outside of U.S. by 2013**

# Acquisitions as a Catalyst



Process Safety Solutions	Life Science Application Delivery Expertise	APC & Process Optimization	Safety Light Curtains	EMI	Chinese Heavy Industry Integrator	Canadian Heavy Industry Integrator
<ul style="list-style-type: none"> <li>• Largest independent ... top 3 market position</li> <li>• Highly scalable technology ... complementary to Logix platform</li> </ul>	<ul style="list-style-type: none"> <li>• Leading position in Ireland and Western Europe</li> <li>• Unique modular construction approach</li> <li>• Solvent recovery systems</li> </ul>	<ul style="list-style-type: none"> <li>• Outstanding IP portfolio</li> <li>• Improves mfg. profitability and reduces risk</li> <li>• Value-First™ customer methodology</li> </ul>	<ul style="list-style-type: none"> <li>• High quality portfolio of machinery safety optoelectronics products</li> <li>• Opportunity to increase market share at OEMs</li> </ul>	<ul style="list-style-type: none"> <li>• Fills EMI gap in our plant wide information strategy</li> <li>• Innovative data model applicable to MES and IA evolution</li> </ul>	<ul style="list-style-type: none"> <li>• Electrical power and heavy process experience</li> <li>• Serves fast growing Mid / West China</li> </ul>	<ul style="list-style-type: none"> <li>• Oil &amp; Gas (Oil Sands) and heavy process experience</li> <li>• Global project mgmt and engineering solutions delivery</li> </ul>

## Rockwell Automation Growth Initiatives

	Process	Information	Safety	Globalization	Sustainability
	X		X	X	X
	X			X	X
	X	X			X
			X	X	X
	X	X			X
	X			X	X
	X			X	X

## General Mills to use FactoryTalk VantagePoint globally at 50 plants

- Improves General Mills supply chain integration and helps ensure their products are produced safely and securely
- Integrates information from many disparate sources in production, operations and other enterprise-wide systems
- The integration provides valuable insight and real-time intelligence for business decision support, enabling General Mills to better respond to their customers and changing industry demands



Real-time Information...Optimizing Operations Performance

# Why Rockwell?

- Long-term sustainable growth
  - Automation markets have grown in excess of GDP growth
  - Expanding addressable market...Process, Safety, Information and Services
  - Emerging markets today...and as they transition to consumer economies
- Diversification
  - Expanding product, solutions and services portfolio
  - End markets and applications
  - Geographic
- Competitive differentiation
  - Technology leader...focused on innovation
  - Domain expertise
- Financial strength
  - Strong balance sheet and cash flow generation
  - Best in class ROIC; an intellectual capital business

**A Superior Long-Term Investment**

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## Appendix

### Reconciliation to Non-GAAP Measures

# Reconciliation to Non-GAAP Measures

## EPS excluding special items

(in millions, except per share amounts)

Three Months Ended

March 31,

2009

Income from continuing operations	\$ 40.6
Special items, net of tax	<u>(2.8)</u>
Income from continuing operations excluding special items	<u>\$ 37.8</u>
<b>Diluted Earnings Per Share</b>	
Income from continuing operations	\$ 0.29
Special items	<u>(0.02)</u>
Income from continuing operations excluding special items	<u>\$ 0.27</u>
Average diluted shares	<u>142.1</u>

# Reconciliation to Non-GAAP Measures cont'd

## Segment operating margin

(in millions, except percentages)

	<u>Three Months Ended</u> <u>March 31, 2009</u>
Sales	
Architecture & Software	\$ 393.5
Control Products & Solutions	664.6
Total sales (a)	<u>\$ 1,058.1</u>
Segment operating earnings	
Architecture & Software	\$ 33.2
Control Products & Solutions	53.0
Total segment operating earnings (b)	86.2
Purchase accounting depreciation and amortization	(4.8)
General corporate - net	(14.7)
Interest expense	(15.3)
Special items	4.0
Income from continuing operations before income taxes	<u>\$ 55.4</u>
Segment operating margin (b/a)	8.1%

# Reconciliation to Non-GAAP Measures cont'd

## Free Cash Flow

(in millions)

	Three Months Ended March 31, 2009
Cash provided by continuing operating activities	\$ 169.9
Capital expenditures of continuing operations	(18.3)
Excess income tax benefit from the exercise of stock options	0.5
Free cash flow	<u>\$ 152.1</u>

The following is a reconciliation of revenue growth excluding changes in currency to revenue growth for our second quarter 2009 results and our fiscal year 2009 outlook:

	Second Quarter 2009 Results as Compared to Second Quarter 2008 Results	Fiscal Year 2009 Outlook
Revenue growth excluding changes in currency	-18%	-16% to -18%
Currency translation	-7%	-7%
Revenue growth	<u>-25%</u>	<u>-23% to -25%</u>