

Richard J. Schlueter Vice President & Chief Accounting Officer

8000 West Florissant Ave. P.O. Box 4100 St. Louis, MO 63136-8506 T (314) 553 2327

November 30, 2011

Leslie F. Seidman Chairman Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

File Reference No. 2011 – 240 Proposed ASU: Comprehensive Income – Deferral of Effective Date for Amendments to the Presentation of Reclassification Items Out of Accumulated Other Comprehensive Income

Dear Ms. Seidman:

Emerson, a global manufacturing company with sales in excess of \$24 billion, appreciates the opportunity to respond to the proposed ASU. We strongly support deferral of the effective date of the requirement to display reclassification adjustments out of accumulated other comprehensive income on the face of the primary income statement. Further, we believe this requirement will confuse investors, and therefore should be rescinded.

- Separate presentation of recycled components by profit and loss line item in the primary income statement will confuse, rather than clarify understanding of financial performance, particularly for public companies that must display three years of results.
- Tracing recycled amounts affects several line items, for example, hedging of commodities
 and foreign currency could relate to sales, cost of sales, SG&A, and other expenses all of
 which are currently disclosed in the notes under existing rules; pension amortization affects
 cost of sales and SG&A.
- Some recycled components are capitalized into inventory or other assets through cost pools (labor, material and overhead) depending on what they relate to and it is difficult to precisely indicate what amount and when these costs have been recognized. Developing tracking mechanisms, which in the end will only be estimates, is costly for large international companies with hundreds of global operations and disparate systems. This should not be required.

- Displaying the nature and amount of each recycled component in Other Comprehensive Income along with the existing requirement to describe in the notes where these amounts are reported is more than sufficient, and inclusion in the primary income statement is redundant.
- We question the value of this information, as investors and analysts never ask questions
 regarding these disclosures. The existing requirements along with the expanded reporting of
 Other Comprehensive Income provides any analyst that desires to factor out these items
 sufficient information to do so without obscuring the primary reported income statement.
- In most cases, these amounts are not material in relation to the income statement line items
 included in reported results and will inappropriately be given greater prominence than
 fundamental revenue, costs and expenses of running the business. However, when the
 rules are so explicit, materiality is evaluated at a very low level.
- US GAAP should be conformed in this area to IFRS which allows the option of note disclosure. Therefore, the only addition to existing US GAAP that is necessary is the display of these components on a gross basis in Other Comprehensive Income.
- If no other amendment is made, at a minimum, condensed interim financial statements should not require this presentation in the statement of income.

We believe current footnote disclosures are adequate and that the requirement to display recycled Other Comprehensive Income components on the face of the primary income statement creates unnecessary complexity and confusion for most investors. Furthermore, the limited incremental information that would be provided is of questionable value and cannot be cost-justified. Finally, this is a very narrow area that FASB can and should conform with IFRS as it is not worthy of an exception. We recommend permanently rescinding the requirement to display recycled items on the face of the primary income statement, and retaining existing disclosure of these items in the derivatives, investments, pension and other notes.

We continue to stress the need for reduced complexity and more practicality in accounting and reporting. We trust our comments will be seriously considered in future deliberations on this matter.

Sincerely,

Richard J Schluter

Richard J. Schlueter

Vice President, Controller & Chief Accounting Officer

cc: Frank J. Dellaquila

Senior Vice President and Chief Financial Officer