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2 July 2010

Recommended cash offer for Chloride Group PLC

The boards of directors of Emerson Electric Co. ("**Emerson**") and Chloride Group PLC ("**Chloride**") are pleased to announce that, following further discussions between them, the board of directors of Chloride has resolved that it intends unanimously to recommend acceptance of the cash offer (the "**Offer**") announced by Emerson on 29 June 2010 for the entire issued and to be issued share capital of Chloride. The Offer will be made by Rutherford Acquisitions Limited (the "**Offeror**"), a wholly owned subsidiary of Emerson.

Under the terms set out by Emerson in the announcement of the Offer (the "**Offer Announcement**"), Chloride shareholders will receive 375 pence in cash for each Chloride share. Chloride shareholders will also be entitled to receive the final dividend of 3.3 pence per share as proposed by the board of directors of Chloride on 24 May 2010.

Consequently, the board of directors of Chloride has today withdrawn its recommendation of the offer by ABB Ltd ("**ABB**") of 325 pence per share in cash (and the entitlement to receive the final dividend referred to above) for the entire issued and to be issued share capital of Chloride announced on 8 June 2010, and will adjourn indefinitely the court and shareholder meetings scheduled for 16 July 2010 in connection with the ABB offer. Accordingly, Chloride shareholders should take no further action in relation to the ABB scheme document and proxy forms which were posted on 25 June 2010. Chloride has also today served notice on ABB that, following the withdrawal of the board of Chloride's recommendation of ABB's offer, the Implementation Agreement dated 8 June 2010 between Chloride and ABB has now been terminated in accordance with its terms.

As set out in the Offer Announcement, Emerson may, with the agreement of the board of directors of Chloride and the Panel on Takeovers and Mergers, elect to implement the Offer by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006. Any such scheme would be subject to terms no less favourable to Chloride shareholders, as applicable, than those which were set out in the Offer Announcement.

Commenting on the acquisition, David N. Farr, Chairman, Chief Executive Officer and President of Emerson, said: "We welcome the decision of the Chloride Board to recommend our offer to their shareholders. Specialist industry knowledge, geographic access and global scale have become increasingly important in the UPS market. This combination of Emerson and Chloride will create a global competitor ideally positioned to deliver a wide range of products, services and solutions to our customers all around the world."

Norman Broadhurst, Chairman of Chloride, said: “Chloride is an excellent business with a strong strategic position in an attractive growth market. The Emerson offer reflects these qualities, our expertise and the Group’s potential. Consequently, the Board believes it is in the best interests of shareholders to recommend Emerson’s offer.”

Tim Cobbold, Chief Executive of Chloride, said: “Chloride and Emerson will represent a powerful combination in the global secure power market. The geographic reach of the two companies are complementary and Emerson intends that Chloride serves as its new European Network Power Systems headquarters. We have a strong and experienced management team who will work closely with Emerson to fully realise the potential of the combined business.”

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*This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise. The Offer will be made solely through the Offer Documentation, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. Any acceptance or other response to the Offer should be made only on the basis of the information in the offer documentation to be sent to Chloride shareholders (the “**Offer Documentation**”).*

Greenhill & Co. and J.P. Morgan Cazenove are acting as financial advisers to Emerson and the Offeror. J.P. Morgan Cazenove is also acting as corporate broker. Slaughter and May and Davis Polk & Wardwell LLP are acting as legal advisers to Emerson and the Offeror.

Greenhill & Co. International LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Emerson and the Offeror and for no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Emerson and the Offeror for providing the protections afforded to clients of Greenhill & Co. International LLP or for providing advice in relation to the Offer or any of the other matters set out in this announcement.

J.P. Morgan plc, which conducts its UK investment banking business as J.P. Morgan Cazenove and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Emerson and the Offeror and for no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Emerson and the Offeror for providing the protections afforded to clients of J.P. Morgan plc or for providing advice in relation to Offer or any of the other the matters set out in this announcement.

Citi, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Chloride and no one else in connection with the Offer and this announcement and will not be responsible to anyone other than Chloride for providing the protections afforded to customers of Citi or for providing advice in relation to the Offer or any matter referred to herein.

Investec, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Chloride and no one else in connection with the Offer and this announcement and will not be responsible to anyone other than Chloride for providing the protections afforded to customers of Investec or for providing advice in relation to the Offer or any matter referred to herein.

Overseas Jurisdictions

*Unless otherwise determined by the Offeror or required by the City Code on Takeovers and Mergers (the “**Code**”) and permitted by applicable law and regulation, the Offer is not being, and will not be made, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or other forms of electronic transmission) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, Canada, Australia, Japan or any other jurisdiction*

where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which the Offeror regards as unduly onerous (a “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, means, instrumentality or facility or from within Canada, Australia, Japan or any other Restricted Jurisdiction. Accordingly, unless otherwise determined by the Offeror or required by the Code and permitted by applicable law and regulation, copies of any documents relating to the Offer are not being and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in, into or from Canada, Australia, Japan or any other Restricted Jurisdiction and persons receiving such documents (including, without limitation, custodians, nominees and trustees) must not, directly or indirectly, mail, transmit or otherwise forward, distribute or send them in, into or from any such jurisdiction.

The availability of the Offer to persons who are not resident in the United Kingdom or the United States may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in the United Kingdom or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdiction. Further details in relation to overseas shareholders will be contained in the Offer Documentation. Any failure to comply with such applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom or the United States may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This announcement has been prepared for the purpose of complying with English law and the Code, and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.

Any person (including, without limitation, any custodian, nominee and trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement and/or the Offer Documentation and/or any other related document to any jurisdiction outside the United Kingdom or the United States should inform themselves of, and observe, any applicable legal or regulatory requirements of such jurisdiction before taking any action.

Notice to US holders of Chloride Shares

The Offer will be for the acquisition of securities of a corporation organised under the laws of England and Wales and will be subject to the procedure and disclosure requirements of England and Wales, which are different from those of the United States. The Offer will be made in the United States pursuant to an exemption from certain US tender offer rules provided by Rule 14d-1(c) of the US Exchange Act and otherwise in accordance with the requirements of the Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including

with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law. The financial information relating to Chloride included in this announcement and in the Offer Documentation has not been, and will not be, prepared in accordance with US GAAP and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP.

It may be difficult for US holders of Chloride Shares to enforce their rights and any claim arising out of the US federal securities laws, since Chloride is located in a non-US jurisdiction, and some or all of its officers and directors may be resident of a non-US jurisdiction. US holders of Chloride Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

The receipt of cash pursuant to the Offer by a US holder of Chloride Shares may be a taxable transaction for US federal income tax purposes and under applicable state and local income tax laws, as well as under foreign and other tax laws. Each holder of Chloride Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

In accordance with and subject to the applicable laws and regulatory requirements of the United Kingdom and pursuant to Rule 14e-5(b) of the US Exchange Act, Emerson and/or the Offeror and/or its or their nominees or brokers (acting as agents) may from time to time make purchases of, or arrangements to purchase, Chloride Shares other than pursuant to the Offer. These purchases, or arrangements to purchase, may occur either in the open market at prevailing prices or in private transactions at negotiated prices and shall comply with applicable rules in the United Kingdom and applicable United States securities laws. In addition, in accordance with and subject to the applicable laws and regulatory requirements of the United Kingdom and the United States, the financial advisors to Emerson and the Offeror, or their respective affiliates and separately identifiable departments, may make purchases of, or arrangements to purchase, Chloride Shares outside of the Offer or engage in trading activities involving Chloride Shares and various related derivative transactions in the normal course of their business. Any information about such purchases will be disclosed as required in the UK and will be available from the Regulatory News Service on the London Stock Exchange website, www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Forward-looking Statements

*This announcement, including any information included or incorporated by reference in this announcement, contains "forward-looking statements" concerning Emerson, the Offeror and the Emerson Group, Chloride and the Chloride Group, and the combined Emerson Group and Chloride Group following completion of the Offer (the "**Enlarged Group**"), that are subject to risks and uncertainties. These forward-looking statements may be identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this announcement, including any information included or*

incorporated by reference in this announcement, among others: (1) economic and currency conditions; (2) market demand; (3) pricing; (4) competitive and technological factors; (5) the risk that the transaction may not be consummated; (6) the risk that a regulatory approval that may be required for the transaction is not obtained or is obtained subject to conditions that are not anticipated; (7) the risk that Chloride will not be integrated successfully into Emerson; and (8) the risk that revenue opportunities, cost savings and other anticipated synergies from the transaction may not be fully realised or may take longer to realise than expected. Other unknown or unpredictable factors could cause actual results to differ materially from those in any forward-looking statement. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Neither Emerson nor the Offeror undertakes any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of any member of the Emerson Group, the Chloride Group or the Enlarged Group following completion of the Offer unless otherwise stated.

Dealing Disclosure Requirements under the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Publication

In accordance with Rule 19.11 of the Code, a copy of this announcement will be published on the following websites: www.emerson.com and www.chloridepower.com.