EMERSON
Network Power

Embedded Computing

Emerson Completes Acquisition of Motorola Embedded Communications Computing Group

Completion of deal announced September 2007 positions Emerson Network Power as embedded computing industry leader

Tempe, Ariz. [January 8, 2008] – Emerson Network Power, a business of Emerson (NYSE: EMR) and the global leader in enabling Business-Critical Continuity™, today announced the completion of the acquisition of Motorola's Embedded Communications Computing group.

The long-time Motorola entity is now part of the Embedded Computing business of Emerson Network Power where it will continue to focus on providing industry-leading solutions based on open standards such as AdvancedTCA® (ATCA®), MicroTCATM, CompactPCI® and VMEbus to equipment manufacturers in telecommunications, defense, aerospace, industrial automation and medical diagnostics.

"The completion of this acquisition positions Emerson as one of the leaders in the embedded computing industry, a strong market with significant opportunities for growth," said Brian Partridge, program manager at leading industry analyst firm Yankee Group. "Acquiring Motorola's Embedded Computing group brings complementary advanced technology and strong customer relationships to Emerson Network Power's Embedded Computing business."

"The addition of Motorola's extensive product portfolio and well-established customer base strengthens Emerson's existing embedded computing business," said Jay Geldmacher, executive vice president, Emerson. "We anticipate a bright future, one where Emerson Network Power will drive the continued evolution and growth of the embedded computing market."

"We believe the whole industry will benefit from this transaction – from customers and prospects to partners, suppliers and industry organizations," said Earle Weaver, group vice president, Emerson, with the responsibility for the Embedded Computing business. "We intend to focus Emerson's considerable resources on developing advanced embedded computing technologies and delivering integrated, single-source solutions using our expertise to drive the adoption of common platforms that benefit this market. "

A significant trend in the embedded computing industry is the adoption of industry standards, including ATCA, MicroTCA and AdvancedMC (collectively known as xTCA). Many analyst firms forecast that xTCA products will be a multi-billion dollar market by 2010, with ATCA leading the way. Currently, more than 40 percent of network equipment providers are shipping ATCA-based systems.

"Motorola and Emerson have many of the same customers who have told us that they view this transaction as a very positive move," said Stephen Dow, general manager of the former Motorola Embedded Communications Computing group and now president of Emerson Network Power's Embedded Computing business. "The combined resources and expertise of our two businesses creates a very powerful industry player. I look forward with great enthusiasm to this new and exciting opportunity."

For more information, visit www.emersonnetworkpower.com/embeddedcomputing

Note to editors: Supporting quotes from customers, distributors and partners can be found at the end of this press release.

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About Emerson Network Power
Emerson Network Power, a business of Emerson (NYSE:EMR), is the global leader in enabling Business-Critical Continuity™. The company is the trusted source for adaptive and ultra-reliable solutions that enable and protect its customers' business-critical technology infrastructures. Backed by the largest global services organization in the industry, Emerson Network Power offers a full range of innovative power, embedded computing, precision cooling and connectivity products and services for computer, communications, healthcare and industrial systems. For more information, visit www.emersonnetworkpower.com.

About Emerson
Emerson (NYSE: EMR), based in St. Louis, is a global leader in bringing technology and engineering together to provide innovative solutions to customers through its network power, process management, industrial automation, climate technologies, and appliance and tools businesses. Sales in fiscal 2007 were $22.6 billion.

For more information, visit www.emerson.com.

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Note: AdvancedTCA is a registered trademark of the PCI Industrial Computers Manufacturers Group. Service Availability Forum is a proprietary trademark used under license. All other product or service names are the property of their respective owners.

Supporting Quotes

Customers
Motorola
"We have found Motorola's integrated ATCA system as a cost-effective, convergent solution for telecom infrastructure," said Clayton Payne, Motorola Networks business product manager. "As the embedded computing business transitions to Emerson, we plan to deploy several network elements in a single Emerson ATCA chassis, on schedule, plus have the flexibility for more functionality in the future."

Nokia Siemens Networks
"Through our existing ODM business with Emerson and our preferred OEM vendor relationship with Motorola's Embedded Communications Computing group, both companies are well-known to me," said Vesa Särkikangas, director, Nokia Siemens Networks Platforms R&D, Supplier Relations. "I see this acquisition as positive news. With the addition of Motorola's Embedded Communications Computing group, Emerson will be able to offer an extensive portfolio of solutions and expertise that can support NSN platforms in nearly all of our hardware needs."

OKI
"OKI believes this acquisition will enhance Emerson's leadership in the embedded computing industry," said Masasuke Kishi, executive officer of Network Systems Company at Oki Electric Industry. "We will continue to adopt the Emerson ATCA platform, which assures carrier-grade reliability by integrating Carrier Grade Linux distribution, comprehensive centralized platform management and high-availability fabric management in an SA Forum compliant platform."

Partners
Cavium Networks
"Cavium has enjoyed a close relationship with Motorola's Embedded Communications Computing group, collaborating on ATCA and AMC products using our market-leading processors," said Rajiv Khemani, vice president of marketing and sales, Cavium Networks. "We look forward to continuing our relationship with Emerson Network Power to address the needs of our mutual customers."

Interphase
"As a strategic partner of Motorola's Embedded Computing group, Interphase has been in a longstanding relationship that has enabled both companies to deliver complementary products for standards-based integrated platform solutions," said Greg B. Kalush, president and CEO of Interphase Corporation. "We are committed to extending this trusted partner relationship, as the group transitions to Emerson under Emerson Network Power, addressing our customers' needs for pre-integrated and pre-tested AdvancedTCA and MicroTCA platforms. Interphase is excited by the opportunity to further expand this collaboration to tailor our joint solutions to a broader and more diverse customer base in communications, networking, military, medical and industrial automation applications."

MontaVista
"MontaVista has worked with Motorola's Embedded Computing group since 1999, and MontaVista Linux runs on its network equipment at leading telecommunications carriers around the world," said Jim Ready, CTO and founder of MontaVista Software. "We've also had a long-standing, successful relationship with Emerson, and through our experience with both of these innovative companies, we are confident that together, they will be a major force in the telecom industry."

Wind River
"Over the years, Wind River has worked closely with Motorola's Embedded Computing group, partnering on many different customer initiatives to the mutual benefit of each company," said Ken Klein, president and chief executive officer, Wind River. "We view this transition as a positive move for the industry and look forward to continuing our relationship with the Embedded Computing business of Emerson Network Power."

Distributors
Arrow
"From our perspective this transition is simply trading one powerhouse brand for another powerhouse brand," said Kurt Colehower, president, Arrow North American Components. "Other than that, it's the same dedicated organization with the same 25-plus-year heritage in embedded computing."

Avnet
"We recently returned from Motorola's annual Embedded Communications Computing Channels Summit where we witnessed a highly energized sales and executive team," said Avnet Technology Solutions' Pat Cathey, senior vice president and general manager of the Embedded Solutions division, and long time distributor of Motorola's embedded computing products. "Judging from Emerson's track record, we believe Motorola's Embedded Computing group couldn't have found a better home."

Qbix Technology
"We believe the merging of Emerson's and Motorola's embedded computing businesses will result in a strong industry leader in embedded hardware platforms including AdvancedTCA, MicroTCA, VME and Compact PCI. We believe Emerson will continue to lead engineering, product development, product support and product management in the embedded computing space," said S.H. Kim, CEO of Qbix Technology Inc.

Tai Full – Taiwan
"Feedback from our existing customers and prospects shows that they feel very positive about this transaction because Emerson and Motorola's embedded computing groups are both highly reliable companies in their respective service markets," said Billy Tsai, president of Tai Full Technology.

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