

EATON CORPORATION
FINANCIAL REVIEW

BUSINESS SEGMENT INFORMATION

	1994	1993	1992
(Millions)			
<i>Net sales by classes of similar products</i>			
Vehicle Components			
Truck Components	\$1,798	\$1,504	\$1,244
Passenger Car Components	616	524	542
Off-Highway Vehicle Components	414	329	307
	2,828	2,357	2,093
Electrical and Electronic Controls			
Industrial and Commercial Controls	1,812	779	745
Automotive and Appliance Controls	839	735	723
Specialty Controls	437	338	308
	3,088	1,852	1,776
Defense Systems	136	192	232
	<u>\$6,052</u>	<u>\$4,401</u>	<u>\$4,101</u>
<i>Operating profit</i>			
Vehicle Components	\$ 354	\$ 247	\$ 170
Electrical and Electronic Controls			
(1993 reduced by the \$55 million acquisition integration charge)	239	83	85
Defense Systems	1	2	9
	594	332	264
Interest expense	(91)	(75)	(89)
Interest income	7	8	9
General corporate expenses - net	(22)	(3)	(3)
Income before income taxes	<u>\$ 488</u>	<u>\$ 262</u>	<u>\$ 181</u>
<i>Identifiable assets</i>			
Vehicle Components	\$1,359	\$1,230	\$1,194
Electrical and Electronic Controls	2,506	1,119	1,128
Defense Systems	115	117	250
	3,980	2,466	2,572
General corporate assets	702	802	648
Total assets	<u>\$4,682</u>	<u>\$3,268</u>	<u>\$3,220</u>
<i>Capital expenditures</i>			
Vehicle Components	\$ 149	\$ 124	\$ 93
Electrical and Electronic Controls	98	68	67
Defense Systems	5	7	14
Corporate	15	28	12
	<u>\$ 267</u>	<u>\$ 227</u>	<u>\$ 186</u>
<i>Depreciation and amortization</i>			
Vehicle Components	\$ 110	\$ 101	\$ 104
Electrical and Electronic Controls	114	69	71
Defense Systems	14	15	16
Corporate	13	11	9
	<u>\$ 251</u>	<u>\$ 196</u>	<u>\$ 200</u>

Results for 1994 reflect the acquisition of DCBU on January 31, 1994.

Operating profit of the Electrical and Electronic Controls segment in 1993 was reduced by a \$55 million acquisition integration charge related to the purchase of DCBU. Operating profit of the Vehicle Components segment in 1993 was reduced by a \$9 million charge for streamlining certain vehicle components operations in Europe.