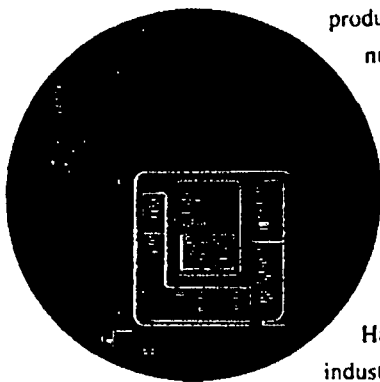


EXPANDING OUR REACH

Over the last 10 years, Eaton has spent \$1.7 billion on acquisitions that sustain and build market leadership. As a result, more than 80 percent of Eaton's sales come from products that are number one or number two in the markets they serve.



This vacuum circuit breaker, rated 15,000 volts and weighing 350 pounds, is an integral part of Cutler-Hammer's medium-voltage switchgear, which is marketed globally

The acquisition of the Westinghouse Distribution and Controls Business Unit (DCBU) in 1994 merged two heavyweights – Cutler-Hammer, a major player in industrial controls, and DCBU, a leader in electrical distribution equipment – into one world-class franchise marketed as “The New Cutler-Hammer.” The combination created one of the broadest selections of electrical components available from a single supplier.

Cutler-Hammer sales in 1994 approached \$1.5 billion. These sales come from two broad categories of products:

- Industrial controls include contactors and motor starters, variable speed drives, photoelectric and proximity sensors, PanelMate video control panels, microprocessor-based control and protection devices, as well as pushbuttons and switches, all designed to enhance factory performance.
- Power distribution equipment includes the most complete family of circuit breakers in the industry, ranging from miniature breakers rated 120 volts up to world class vacuum breakers rated up to 38 kilovolts. These products are used

wherever there is a demand for electrical power – in residences, high-rise apartment and office buildings, commercial sites, hospitals and factories. The company's Series C molded case circuit breakers provide increased performance in less space than standard breakers and, like the vacuum breakers, meet all major international electrical standards. As a result, the company has high expectations of substantially improving export sales and sales at seven international subsidiaries.

Leading-Edge Products

Microprocessors are changing the electrical equipment industry, and Cutler-Hammer's leading-edge products provide substantial competitive advantages. The new Digitrip OPTIM programmable electronic trip unit uses microprocessors to monitor and adjust settings on installed circuit breakers, reducing downtime, increasing productivity and trimming costs. This technology, previously feasible only on large breakers, is now available on smaller molded case breakers. The OPTIM trip units perform optimally with the company's Series C molded case circuit breakers and