Eaton Corporation

QUARTERLY DATA
(Unaudited)

Quarter ended	*Dec. 31*	*Sept. 30*	*June 30*	*Mar. 31*
(Millions of dollars except for per share data)				
1993				
Net sales	$1,115	$1,053	$1,147	$1,086
Gross margin	297	266	279	275
Percent of sales	27%	25%	24%	25%
Income before extraordinary item	30	44	53	53
Extraordinary item	(4)			(3)
Net income	26	44	53	50
Per Common Share				
Income before extraordinary item	$ .41	$ .63	$ .77	$ .76
Extraordinary item	(.05)			(.05)
Net income	.36	.63	.77	.71
Cash dividends paid	.30	.30	.275	.275
Market price				
High	55[illegible]	51[illegible]	47[illegible]	43[illegible]
Low	48	43	41[illegible]	38[illegible]
1992				
Net sales	$1,030	$1,012	$1,064	$ 995
Gross margin	253	223	256	235
Percent of sales	24%	22%	24%	24%
Income before cumulative effect of accounting changes	39	28	41	32
Cumulative effect of accounting changes				
Postretirement benefits other than pensions				(274)
Income taxes				6
Net income (loss)	39	28	41	(236)
Per Common Share				
Income before cumulative effect of accounting changes	$ .57	$ .40	$ .60	$ .46
Cumulative effect of accounting changes				
Postretirement benefits other than pensions				(4.00)
Income taxes				.09
Net income (loss)	.57	.40	.60	(3.45)
Cash dividends paid	.275	.275	.275	.275
Market price				
High	40[illegible]	40[illegible]	41[illegible]	39[illegible]
Low	35	35[illegible]	35[illegible]	30[illegible]

The fourth quarter of 1993 includes an acquisition integration charge of $55 million before income tax credits ($34 million after income tax credits, or $.49 per Common Share).

The redemption of debentures in 1993 resulted in extraordinary losses of $5 million and $6 million before income tax credits in the first and fourth quarters, respectively ($3 million and $4 million after income tax credits, or $.05 per Common Share in each quarter). The previously reported first quarter results were restated to segregate the e[illegible]dinary loss.

Gross margin for the second quarter of 1993 was reduced by a charge of $9 million for the restructuring of certain vehicle components operations in Europe.

The third quarter of 1992 includes an $11 million gain, before income taxes, on the sale of an interest in a limited partnership. The gain was partially offset by the accrual in the third quarter of 1992 of the contribution to the Company's charitable trust of marketable securities with a market value of $8 million.

In 1992, the Company adopted the new accounting standards for postretirement benefits other than pensions and income taxes, retroactive to January 1, 1992. Net income in the first quarter of 1992 includes the cumulative effect of the accounting change for postretirement benefits other than pensions for prior years of $442 million before income tax credits ($274 million after income tax credits, or $4.00 per Common Share). Net income in the first quarter of 1992 also includes the cumulative effect of the accounting change for income taxes for prior years of $6 million, or $.09 per Common Share.

BUSINESS SEGMENT AND GEOGRAPHIC REGION INFORMATION

Operations are classified among three business segments: Vehicle Components, Electrical and Electronic Controls and Defense Systems. The major classes of products included in each segment and other information follow.

Vehicle Components

Truck Components – Heavy and medium duty mechanical transmissions; power take-offs; drive, trailer and steering axles; brakes; locking differentials; engine valves; valve lifters; leaf springs; viscous fan drives; fans and fan shrouds; power steering pumps; tire pressure control systems; tire valves.

Passenger Car Components – Engine valves; hydraulic valve lifters; viscous fan drives; fans and fan shrouds; locking differentials; spring fluid dampers; superchargers; tire valves.

Off-Highway Vehicle Components – Mechanical and automatic transmissions; drive and steering axles; brakes; engine valves; hydraulic valve lifters; gear and piston pumps and motors; transaxles and steering systems; geroters; control valves and cylinders; forgings; tire valves.

The principal market for these products is original equipment manufacturers of trucks, passenger cars and off-highway vehicles. Most sales of these products are made directly from the Company's plants to such manufacturers.

Electrical and Electronic Controls

Industrial and Commercial Controls - Electromechanical and electronic controls: motor starters, contactors, overloads and electric drives; programmable controllers, counters, man/machine interface panels and pushbuttons; photoelectric, proximity, temperature and pressure sensors, circuit breakers, loadcenters, safety switches; panelboards; switchboards; dry type transformers; busway, meter centers; portable tool switches; commercial switches; relays; illuminated panels; annunciator panels; electrically actuated valves and actuators

Automotive and Appliance Controls - Electromechanical and electronic controls: convenience, stalk and concealed switches; knock sensors; climate control components, speed controls; timers; pressure switches; water valves; range controls, thermostats; gas valves; infinite switches, temperature and humidity sensors