EATON CORPORATION

STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

(Shares in thousands, dollars in millions)	Common Shares Shares	Common Shares Amount	Capital in excess of par value	Retained earnings	Foreign currency translation adjustments	Unallocated ESOP shares	Total share-holders' equity
Balance at January 1, 1992	34,069	$17	$418	$838	$ 2	$(122)	$1,153
Net loss				(128)			(128)
Cash dividends paid, net of Employee Stock Ownership Plan (ESOP) tax benefit				(74)			(74)
Issuance of shares under employee benefit plans, including tax benefit	598		34				34
Reduction of unallocated ESOP shares						12	12
Foreign currency translation adjustments					(49)		(49)
Balance at December 31, 1992	34,667	17	452	636	(47)	(110)	948
Net income				173			173
Cash dividends paid, net of ESOP tax benefit				(83)			(83)
Issuance of shares under employee benefit plans, including tax benefit	483		22				22
Two-for-one stock split	34,867	18		(18)			
Sale of shares	1,287	1	61				62
Reduction of unallocated ESOP shares						14	14
Foreign currency translation adjustments					(31)		(31)
Balance at December 31, 1993	71,304	36	535	708	(78)	(96)	1,105
Net income				333			333
Cash dividends paid, net of ESOP tax benefit				(89)			(89)
Issuance of shares under employee benefit plans, including tax benefit	503		21				21
Sale of shares	4,560	2	250				252
›ling-of-interests with Lectron Products, Inc.	1,600	1		25			26
Unrealized net gain on available-for-sale securities, net of income taxes				11			11
Reduction of unallocated ESOP shares						14	14
Foreign currency translation adjustments					7		7
Balance at December 31, 1994	77,967	$39	$806	$988	$(71)	$ (82)	$1,680

The Financial Review on pages 24 to 32 is an integral part of the consolidated financial statements.