

VEHICLE COMPONENTS

Q. Your major engine component products are valves and lifters. Are you expanding beyond these core technologies?

A. We're really a valve train systems supplier and have been since the 1940s. Besides valves and lifters, automakers often call on us to specify other components, such as valve seats, valve guides, rocker arms, springs and retaining devices, all of which are part of the valve train system. We continually seek opportunities to integrate and coordinate these components to supply a reliable and cost-effective system for our customers.

Q. What is the next big technological development in the valve train market?

A. The ever-present demands for fuel economy and improved emissions control are leading toward variable valve train actuation and control mechanisms, which are feasible now because of improved electronic technology. The desire to reduce noise, vibration and harshness also drives this technology. Eaton will be a leader in this technology in the next few years as we continue to reduce the size and weight of valve train components.

CONTROLS

us the multiplexing contract for the Jeep Cherokee. We also penetrated Mitsubishi with a number of our switch products, successfully integrated a line of switches from Illinois Tool Works, and opened a new plant to manufacture valves for air conditioning systems.

Q. Did the appliance business suffer the same fate: good in North America, poor in Europe?

A. Yes, but the difference was not quite as stark. The European appliance markets held up better than we anticipated. The drastic change in relative currency values early in 1993 demonstrated the necessity of multi-currency sourcing, and we've transferred significant production into Eastern Europe. In North America, the market for white goods is driven by new home construction rather than to be. In fact, estimates are that up to 85 percent of white goods demand is now driven by consumers replacing old appliances, and that's good for Eaton. Top-end appliances have more features and more of the type of electrical and electronic controls that Eaton builds.

Q. What about commercial and military markets?

A. The commercial markets made a very solid recovery. The market for portable tool switches, full-size power switches and

TOP: Eaton's limited-slip and locking differentials offer optimal traction for passenger cars and light trucks under all road conditions. **SECOND FROM TOP:** This award-winning Eaton electronic range control, used on GE's "Quickset" range, assures oven temperature accuracy within plus or minus 10 degrees. **THIRD FROM TOP:** Cutaway shows components of Eaton's lightweight bucket lifters, which are manufactured in Massa, Italy, for major European automakers. **BOTTOM:** Ford's "world" car, named the Mondeo in Europe, features Eaton steering column switches.