

EATON CORPORATION

CONSOLIDATED BALANCE SHEETS

December 31	1994	1993
(Millions)		
Assets		
Current assets		
Cash	\$ 18	\$ 32
Short-term investments	23	268
Accounts receivable	889	550
Inventories	698	434
Deferred income taxes	151	127
Other current assets	67	55
	1,846	1,466
Property, plant and equipment		
Land	50	41
Buildings	539	486
Machinery and equipment	2,321	1,959
	2,910	2,486
Accumulated depreciation	(1,441)	(1,298)
	1,469	1,188
Excess of cost over net assets of businesses acquired	850	265
Deferred income taxes	158	112
Other assets	359	237
	<u>\$4,682</u>	<u>\$3,268</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt	\$ 14	\$ 14
Current portion of long-term debt	22	110
Accounts payable	449	266
Accrued compensation	163	106
Accrued income and other taxes	60	23
Other current liabilities	394	268
	1,102	787
Long-term debt	1,053	649
Postretirement benefits other than pensions	573	509
Other long-term liabilities	274	218
Shareholders' equity		
Common Shares (78.0 in 1994 and 71.3 in 1993)	39	36
Capital in excess of par value	806	535
Retained earnings	988	708
Foreign currency translation adjustments	(71)	(78)
Unallocated Employee Stock Ownership Plan shares	(82)	(96)
	1,680	1,105
	<u>\$4,682</u>	<u>\$3,268</u>

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