

Eaton Corporation Statements of Consolidated Income

Year ended December 31

1996

1995

1994

(Millions except for per share data)

Net sales	1,181	1,022	1,052
Costs and expenses:			
Cost of products sold	511	512	517
Selling and administrative	81	75	80
Research and development	21	22	23
	613	609	620
Income from operations	568	410	432
Other income (expenses):			
Interest expense	(1)	(1)	(1)
Interest income	1	1	1
Other income (loss)	(1)	(1)	(1)
	(1)	(1)	(1)
Income before income taxes	567	409	431
Income taxes	11	11	12
Income	556	398	419
Per Common Share:			
Net income	5.56	3.98	4.19
Cash dividends paid	1.00	1.00	1.00
Average number of Common shares outstanding	100	100	100

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