

VEHICLE COMPONENTS

- Q.** *Eaton's vehicle businesses performed very well in 1993. What do you expect in 1994?*
- Another good year in North America with continued strength in sales of heavy-duty trucks, passenger cars, light trucks and vans. We'll also see stronger construction and agricultural markets. We're not looking for much improvement in medium truck sales, which have been lackluster throughout the recovery. Looking at the overall picture, however, we think 1994 will be a strong year.

- Q.** *You mentioned strong heavy truck sales. How did 1993 compare on a historical basis?*
- North American factory sales of 188,000 units in 1993 were the second highest ever, exceeded only by 1979's 212,000. The good

news for 1994 is that truck manufacturers at year end had a backlog of nearly 100,000 trucks that had been ordered and were awaiting shipment.

- Q.** *Besides the rosy outlook for trucks in North America, what's the world view?*

We're quite optimistic. We expect Europe to begin a slow recovery from the recession by the end of 1994, and we're prepared to meet

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CONTROLS



- Q.** *How would you characterize the Controls business performance in 1993?*

- A.** Very much improved over 1992. Many of the actions and programs we undertook in 1992 resulted in real improvement in 1993. Our commercial, appliance and industrial control and power distribution businesses made a solid recovery following the earlier strengthening of our automotive controls business. The market for semiconductor equipment far exceeded our expectations and was a very pleasant surprise.

- Q.** *The acquisition of Westinghouse Electric's Distribution and Control Business Unit was certainly the big news in 1993. What does the purchase accomplish?*

- A.** It makes us one of the leaders in the industrial control and power distribution markets. Cutler-Hammer's traditional strength has been industrial control while DCBU's strength has been power distribution. The combination, which we plan to advertise as The New Cutler-Hammer, makes us a powerful competitor. We're delighted with this

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TOP: Eaton utilizes its Freedom Series starters and contactors to develop customized control panels for motors and *Electronic engine valves for the new Ford*