

STRATEGIC BUSINESS UNITS	PRODUCT CLASSES	MAJOR PRODUCTS/SERVICES	MAJOR CUSTOMERS/USES	KEY COMPETITORS
TRANSPORTATION PRODUCTS Consumer Products Group	Aftermarket filters, electronic components and car care products	Oil, air, fuel, transmission and coolant filters PCV valves Spark plugs Wire and cable Antifreeze/coolant Ice-fighter products Windshield washer fluids Waxes, washes and specialty cleaners	Automotive and heavy vehicle aftermarket channels and original equipment service (OES) Mass merchandisers	AC Delco/Delphi/GM ArmorAll/STP/Clorox Autoqlyn Baldwin Bosch Champion Labs Champion/Cooper Ind. Cummins Diesel Donaldson Gold Eagle Gonher Havoline/Texaco Labinal Mac Quair Mann & Hummel NGK Peak Pennzoil/Quaker State Purolator/Arvin Ind Pyroil/Valvoline Turtle Wax Various Private Label Wix/Dana Zerex/Valvoline
Friction Materials	Friction materials Aftermarket brake hard parts	Disc brake pads Drum brake linings Brake blocks Disc and drum brake components Brake hydraulic components Brake fluid Aircraft brake linings Railway linings	Automotive and heavy vehicle OEMs, OES, brake manufacturers and aftermarket channels Mass merchandisers Installers Railway and commercial/military aircraft OEMs and brake manufacturers	Akebono BBA Group Dana Delphi Federal-Mogul ITT/Galfer JBI Nissinbo Pagid Sumitomo
Truck Brake Systems (joint venture)	Air brake systems	Anti-lock brake systems (ABS) Air disc brakes Air compressors Air valves Air dryers Actuators Truck electronics Competitive remanufactured products	On-highway medium and heavy truck, bus and trailer OEMs Off-highway equipment OEMs Aftermarket distributors and dealers/OES	Eaton Midland-Haldex Meritor WABCO

RECENT DEVELOPMENTS

Activity in Aerospace Systems included the acquisition, in January 1998, of substantially all the assets of Banner Aerospace, distributors of FAA-certified aircraft hardware, for common stock valued at approximately \$350 million. The acquired operations have annual sales of about \$250 million, principally to commercial air transport and general aviation customers. In June 1998, the Company acquired a controlling interest in the Normalair-Garrett Ltd environmental controls joint venture. The acquired operations have annual sales of approximately \$240 million. Several smaller acquisitions were also completed. In the first quarter of 1998, the Company sold its underwater detection systems business to L-3 Communications Corporation for approximately \$70 million in cash and, in September 1998, the Company sold its communications systems business to Raytheon Company for approximately \$60 million in cash. The divested businesses had annual sales of about \$190 million. Aerospace Systems also strengthened its leadership in flight safety products by winning several major contracts for its new FAA-approved Enhanced Ground Proximity Warning System which gives pilots advance warning time of a collision with terrain.

In June 1998, the Company acquired Pharmaceutical Fine Chemicals S.A. (PFC) of Lugano, Switzerland, for approximately \$390 million, including assumed