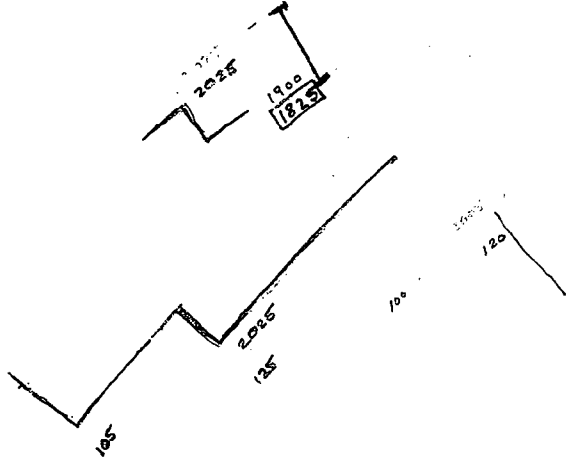




VOLVO - WHITE PROPOSAL '8

EATON CORPORATION
TRUCK COMPONENTS GROUP

PRESENTATION
TO

VOLVO WHITE
MARCH 23, 1987

In re: All Asbestos Litigation Filed by Simmons Cooper, Circuit Court, Third Judicial District, Madison Cty., IL; 11/17/05.

- TRANSMISSION DIVISION -

EAB 066854

In re: All Asbestos Litigation Filed by Simmons Cooper, Circuit Court, Third Judicial District, Madison Cty., IL; 11/17/05.

FULLER TRANSMISSION
VOLVO WHITE SALES HISTORY

	2 MONTHS					
	1982	1983	1984	1985	1986	1987
TRANSMISSIONS	-----					
UNITS	2,800	4,200	8,900	9,075	9,048	1,617
DOLLARS	6,200,000	9,900,000	21,500,000	22,255,000	22,033,000	3,891,000
SERVICE PARTS						
DOLLARS	2,500,000	5,000,000	10,500,000	7,737,000	7,428,000	1,396,000
REMAN						
UNITS					194	64
DOLLARS					306,000	114,000

TOTAL DOLLARS	8,700,000	14,900,000	32,000,000	29,992,000	29,767,000	5,491,000

EATON FULLER
3/23/87

EAB 066855

VOLVO WHITE USAGE 1986

<u>9 SPEEDS</u>		<u>10 SPEEDS</u>		<u>13 SPEEDS</u>		<u>15 SPEEDS</u>	
8609	472	11610	90	11613	74	11615	28
11609A	2,965	12610	75	14613	893	14615	147
11609B	267	14610	36	14613RT00	63	15615	16
12609A	2,405	201 / 2%		15613	30	191 / 2%	
12609B	90			1,060 / 12 %			
14609A	586						
14609B	178						

5,963 / 66 %

FLEET = 5,428 / 60 %

CONSTRUCTION = 535 / 6 %

EATON FULLER

3/23/87

EAB 066856

VOLVO-WHITE		INCLUDES: ALL PLANTS												1986	1985
MODEL		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	V.T.D.	CAL. YEAR
MEDIUM HEAVY															
6610		0	0	0	0	1	1	0	1	3	1	0	0	7	17
6613		0	0	1	2	0	1	0	3	0	4	0	0	11	19
TOTAL		0	0	1	2	1	2	0	4	3	5	0	0	18	36
FLEET															
8607A/B		0	0	0	0	0	0	0	0	0	0	0	0	0	0
8609		0	0	1	0	4	0	27	100	131	101	29	79	472	8
11607A/B		1	6	19	73	17	3	6	36	8	0	0	0	169	64
11608		0	0	0	8	0	1	0	48	0	31	16	3	107	131
14608		0	0	0	0	0	0	0	0	0	0	0	7	7	33
11609A		221	218	281	221	178	350	74	297	409	305	284	127	2,965	3,675
12609A		234	151	91	146	110	65	36	80	97	133	173	87	1,405	1,060
14609A		63	72	20	69	71	43	23	17	35	50	66	57	586	415
11610		8	13	4	8	9	11	2	9	7	3	10	6	90	176
12610		5	14	11	20	4	5	2	2	2	2	3	5	75	223
14610		0	1	5	15	0	9	0	1	3	0	1	1	36	77
11615		1	2	0	1	0	10	1	9	0	0	0	4	28	46
TOTAL		535	477	432	561	393	497	171	599	692	625	582	376	5,940	5,908
PERFORMANCE															
11613		8	5	7	7	0	5	2	17	10	11	2	0	74	52
14613		147	86	82	90	52	71	66	108	65	53	30	43	893	1,241
1513		5	0	0	3	1	6	4	2	1	6	0	2	30	10
14615		14	15	8	7	23	14	8	11	15	6	19	7	147	222
15615		2	0	1	2	1	5	2	0	0	2	0	1	16	5
TOTAL		176	106	98	109	77	101	82	138	91	78	51	53	1,160	1,530
ON/OFF HIGHWAY															
11607L		6	14	12	14	0	5	1	0	1	1	1	0	55	15
11607LL		8	6	15	21	17	4	4	3	12	0	2	1	93	104
11608LL		115	95	107	55	56	92	43	52	67	45	54	70	851	700
14608LL		33	40	22	34	40	21	14	26	27	20	16	25	318	276
11609B		10	5	5	32	91	76	3	8	1	24	5	7	267	172
12609B		5	4	2	35	12	2	4	3	8	0	15	0	90	101
14609B		5	3	25	28	11	12	7	6	6	45	24	6	178	164
11613 RT00		1	1	1	1	0	2	(4)	0	0	0	0	0	2	24
14613 RT00		10	11	4	16	20	3	3	0	0	0	0	0	67	24
TOTAL		193	179	193	236	247	217	75	98	122	135	117	109	1,921	1,580
OTHER															
11605		0	2	0	1	0	1	1	0	1	1	2	0	9	21
TOTAL ALL		904	764	724	909	718	818	329	839	909	844	752	538	9,048	9,075
02		0	0	3	0	3	0	0	0	2	0	0	0	8	27

VOLVO-WHITE		INCLUDES: ALL PLANTS												1987	1986
MODEL		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Y.T.D.	CAL. YEAR
MEDIUM HEAVY															
6610		0	2											2	7
6613		1	1											2	11
TOTAL		1	3	0	0	0	0	0	0	0	0	0	0	4	18
FLEET															
8607A/B		0	0											0	0
8609		65	0											65	472
11607A/B		1	17											18	169
11608		15	2											17	107
14608		0	0											0	7
11609A		154	215											371	2,965
12609A		201	200											401	1,405
14609A		92	49											141	586
11610		11	25											36	90
12610		4	1											5	75
14610		1	1											2	36
11615		1	0											1	28
TOTAL		547	510	0	0	0	0	0	0	0	0	0	0	1,057	5,940
PERFORMANCE															
11613		6	3											9	74
14613		101	68											169	893
15613		3	1											4	30
14615		22	12											34	147
15615		2	2											4	16
TOTAL		134	86	0	0	0	0	0	0	0	0	0	0	220	1,160
ON/OFF HIGHWAY															
11607L		1	4											5	55
11607LL		4	14											20	93
11608LL		99	60											159	851
14608LL		20	16											36	318
11609B		14	9											23	267
12609B		10	0											10	90
14609B		12	46											58	178
11613 RTOD		2	4											6	2
14613 RTOD		8	8											16	67
TOTAL		172	161	0	0	0	0	0	0	0	0	0	0	333	1,921
OTHER															
11605		1	2											3	9
TOTAL ALL		855	762	0	0	0	0	0	0	0	0	0	0	1,617	9,048
SD2		0	0											0	8

VOLVO WHITE BASE PRICE

5 YEAR HISTORY

<u>MODEL</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
11609	2070.20	2090.90	2122.25	2122.25	2122.25
	1%	1.5%			
11607/ 14607	2071.75	2127.70	2077.70	1937.70	1937.70
	2.7%	(2.4%)	(6.7%)		

EATON FULLER
3/23/87

EAB 066859

VOLVO WHITE UNITS/PERCENT
HEAVY TRANSMISSIONS

<u>MANUFACTURER</u>	JAN & FEB				
	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
FULLER	3,821 83.8	8,135/ 85.2	9,202/ 86.5	9,093/ 80.0	1,571/ 84.5
SPICER	108/ 2.3	844/ 8.8	575/ 5.4	421/ 3.7	23/ 1.2
ALLISON	633/ 13.9	575/ 6.0	859/ 8.1	1,236/ 10.9	177/ 9.5
VOLVO-WHITE N10/N12				612/ 5.4	90/ 4.8
TOTAL	4,562/ 100.0	9,554/ 100.0	10,636/ 100.0	11,362/ 100.0	1,861/ 100.0

**EATON FULLER
3/23/87**

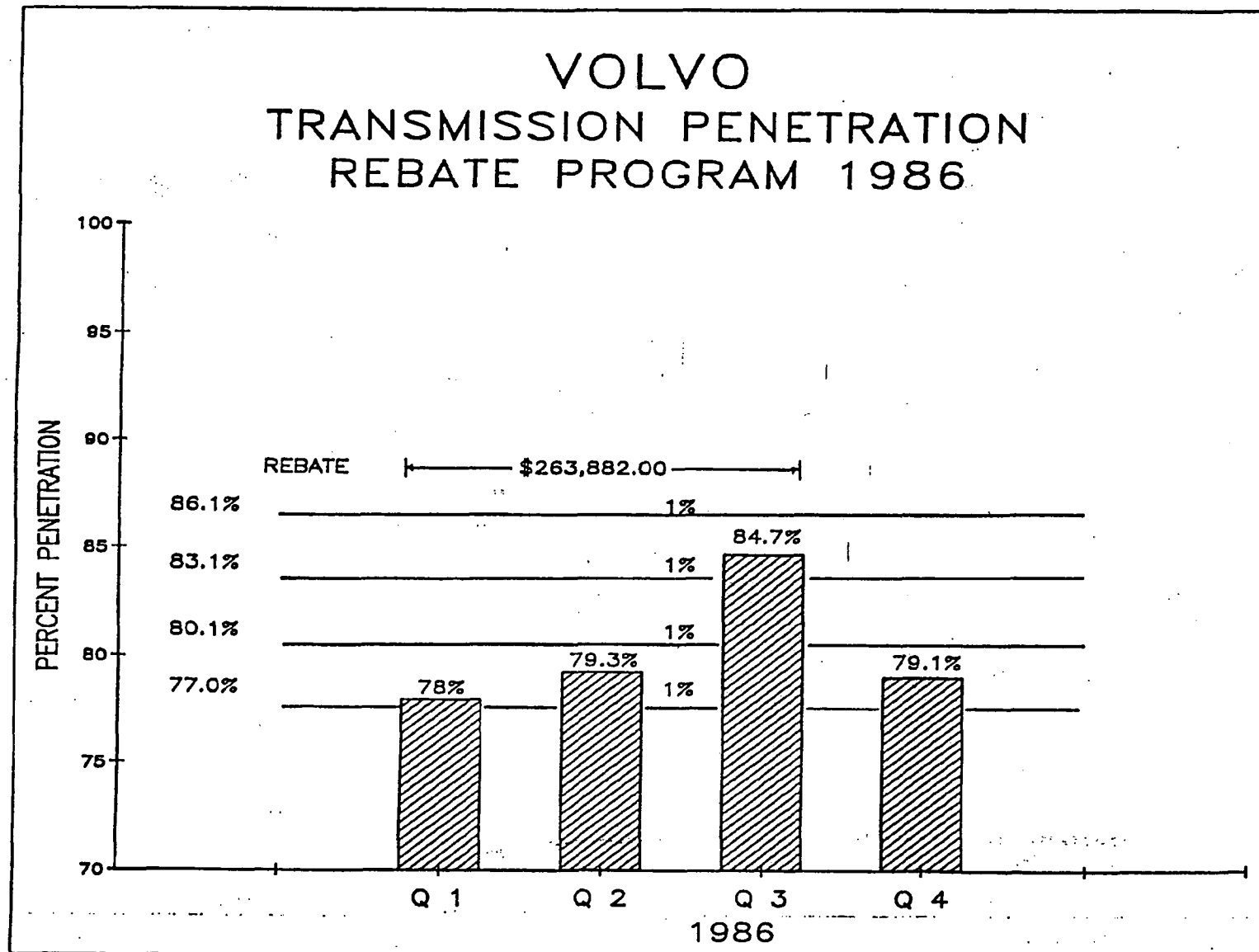
EAB 066860

VOLVO WHITE UNITS/PERCENT
HEAVY TRANSMISSIONS

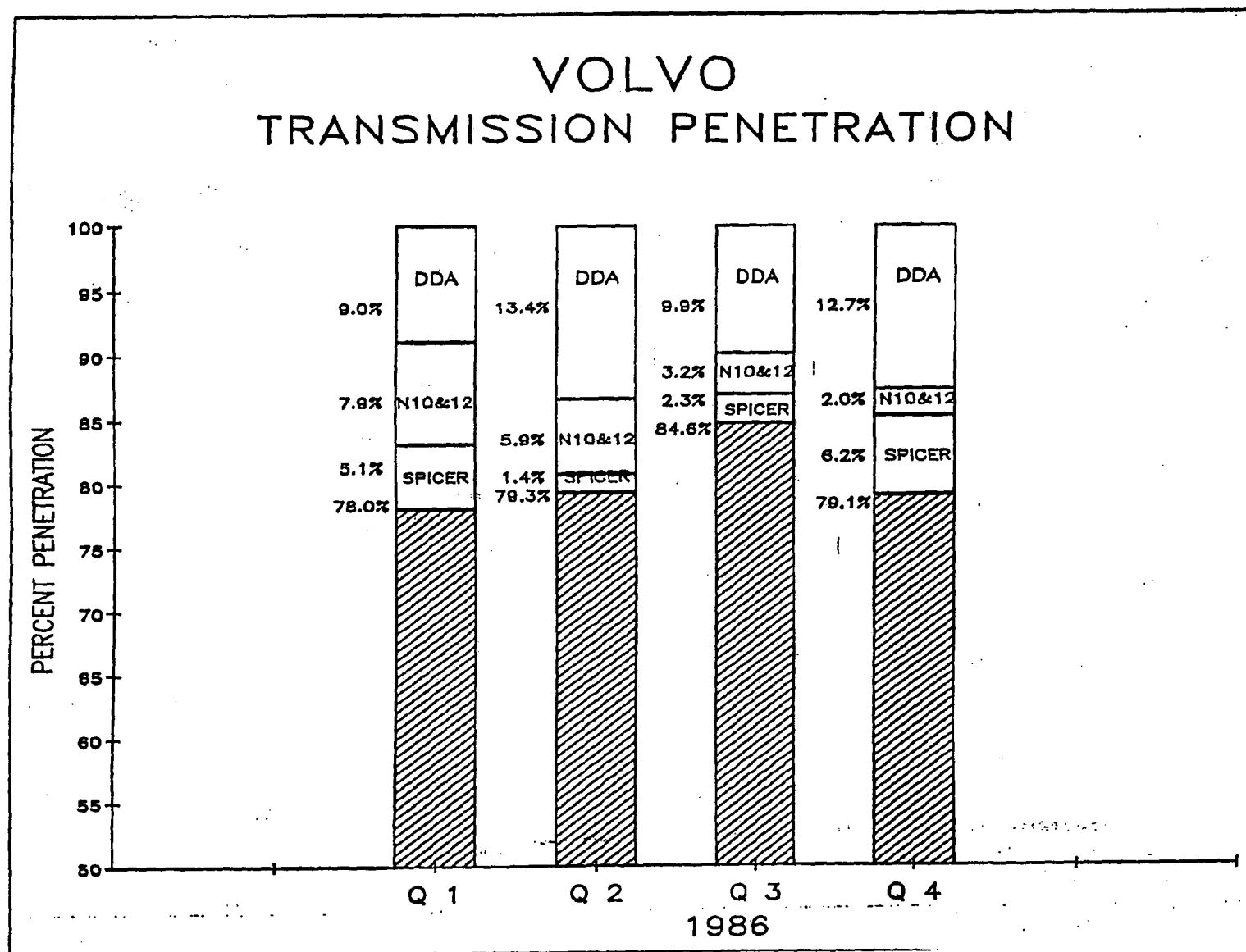
<u>MFG</u>	<u>1ST QTR</u>	<u>2ND QTR</u>	<u>3RD QTR</u>	<u>4TH QTR</u>	<u>JAN</u> <u>1987</u>	<u>FEB</u> <u>1987</u>
FULLER	2437 78%	2516 79.3%	2040 84.7%	2100 79.1%	748 82.5%	823 86.3%
SPICER	159 5%	45 1.4%	52 2.2%	165 6.2%	8 .9%	15 1.6%
ALLISON	280 8.9%	381 12%	238 9.9%	337 12.7%	101 11.1%	76 7.9%
N10/N12	250 <u>8%</u>	232 <u>7.3%</u>	78 <u>3.2%</u>	52 <u>1.9%</u>	50 <u>5.5%</u>	40 <u>4.2%</u>
TOTAL	3126	3174	2408	2654	907	954

EATON FULLER
3/23/87

EAB 066861



EAB 066862



EAB 066863

GMC SALES HISTORY

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
TRANSMISSIONS							
UNITS	14,090	12,179	6,133	5,253	12,786	9,487	8,231
DOLLARS	22,938,000	21,243,000	11,285,000	13,655,000	30,246,000	22,842,000	19,172,000
SERVICE PARTS							
DOLLARS	1,524,000	2,111,000	1,019,000	924,000	1,617,000	1,128,000	999,000
REMAN							
UNITS							-0-
DOLLARS							-0-
TOTAL DOLLARS	24,462,000	23,354,000	12,304,000	14,579,000	31,863,000	23,970,000	20,171,000

SERVICE PARTS	JAN.	74,000
(ON ORDER)	FEB.	13,000
	MAR.	-0-

LL1/30/87

EAB 066864

GMC UNITS/PERCENT
HEAVY TRANSMISSIONS

<u>MANUFACTURER</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
FULLER	5,972/ 78.4	5,869/ 77.4	9,941/ 66.0	7,467/ 68.5	5,574/ 67.1
SPICER	1,416/ 18.6	1,380/ 18.2	4,848/ 32.2	3,069/ 28.2	2,409/ 29.0
ALLISON	225/ 3.0	334/ 4.4	271/ 1.8	354/ 3.3	324/ 3.9
TOTAL	7,613/ 100	7,583/ 100	15,060/ 100.0	10,890/ 100.0	8,307/ 100.0

EATON FULLER
3/23/87

EAB 066865

INCLUDES: ALL PLANTS														1986	1985
MODEL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Y. T. D.	CAL. YEAR	
MEDIUM HEAVY															
8106	21	68	55	38	22	19	35	29	53	26	120	24	510	182	
6610	88	99	66	67	98	160	103	60	43	24	33	62	903	846	
6613	64	41	128	129	201	121	73	32	33	27	36	45	930	992	
TOTAL	173	208	249	234	321	300	211	121	129	77	189	131	2,343	2,020	
FLEET															
8607A	0	0	0	0	0	0	0	0	1	2	0	5	8	0	
8609A	0	0	1	0	0	6	3	16	16	6	2	47	97	0	
11607A/B	0	2	13	12	8	27	0	0	0	0	35	26	123	104	
11608	0	0	0	0	0	2	0	0	0	0	0	0	2	1	
11609A	75	240	82	195	226	117	162	91	143	199	209	163	1,902	2,626	
12609A	20	15	9	19	27	10	18	24	6	40	96	23	307	520	
14609A	9	21	1	10	14	8	7	4	6	13	15	22	130	240	
11610	5	4	83	3	1	21	51	2	8	3	16	8	205	161	
12610	1	0	1	16	1	0	0	1	0	0	0	0	20	14	
14610	0	20	0	2	1	1	0	0	0	0	0	0	24	48	
11615	12	48	0	2	0	1	4	0	1	1	0	0	69	98	
TOTAL	122	350	190	259	278	193	245	138	180	262	373	289	2,879	3,812	
PERFORMANCE															
11613	37	24	17	79	58	64	51	23	28	13	19	14	427	639	
11613	82	58	79	116	114	102	125	104	85	89	71	32	1,057	1,743	
11615	24	9	59	87	50	93	41	32	38	25	46	15	519	274	
TOTAL	143	91	155	282	222	259	217	159	151	127	136	61	2,003	2,656	
ON/OFF HIGHWAY															
11607L	0	0	0	0	0	0	0	0	0	0	0	0	0	2	
11607LL	2	10	0	0	40	10	8	5	2	0	4	2	83	7	
11608LL	36	8	67	71	57	44	32	33	31	19	83	41	522	562	
14608LL	17	7	29	39	40	19	36	25	15	13	25	7	272	296	
11609B	0	1	0	23	2	13	5	18	12	6	7	3	90	38	
12609B	1	0	0	0	0	14	0	0	0	0	0	0	15	78	
14609B	0	0	0	0	0	4	2	0	0	0	1	0	7	4	
TOTAL	56	26	96	133	139	104	83	81	60	38	120	53	989	987	
OTHER															
11605	0	0	0	0	2	5	10	0	0	0	0	0	17	12	
TOTAL ALL	494	675	690	908	962	861	766	499	520	504	818	534	8,231	9,487	

GMC BASE PRICE
5 YEAR HISTORY

<u>MODEL</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
11609	2087.35	2129.10	2129.10	2129.10	2129.10

2.0%

EATON FULLER
3/23/87

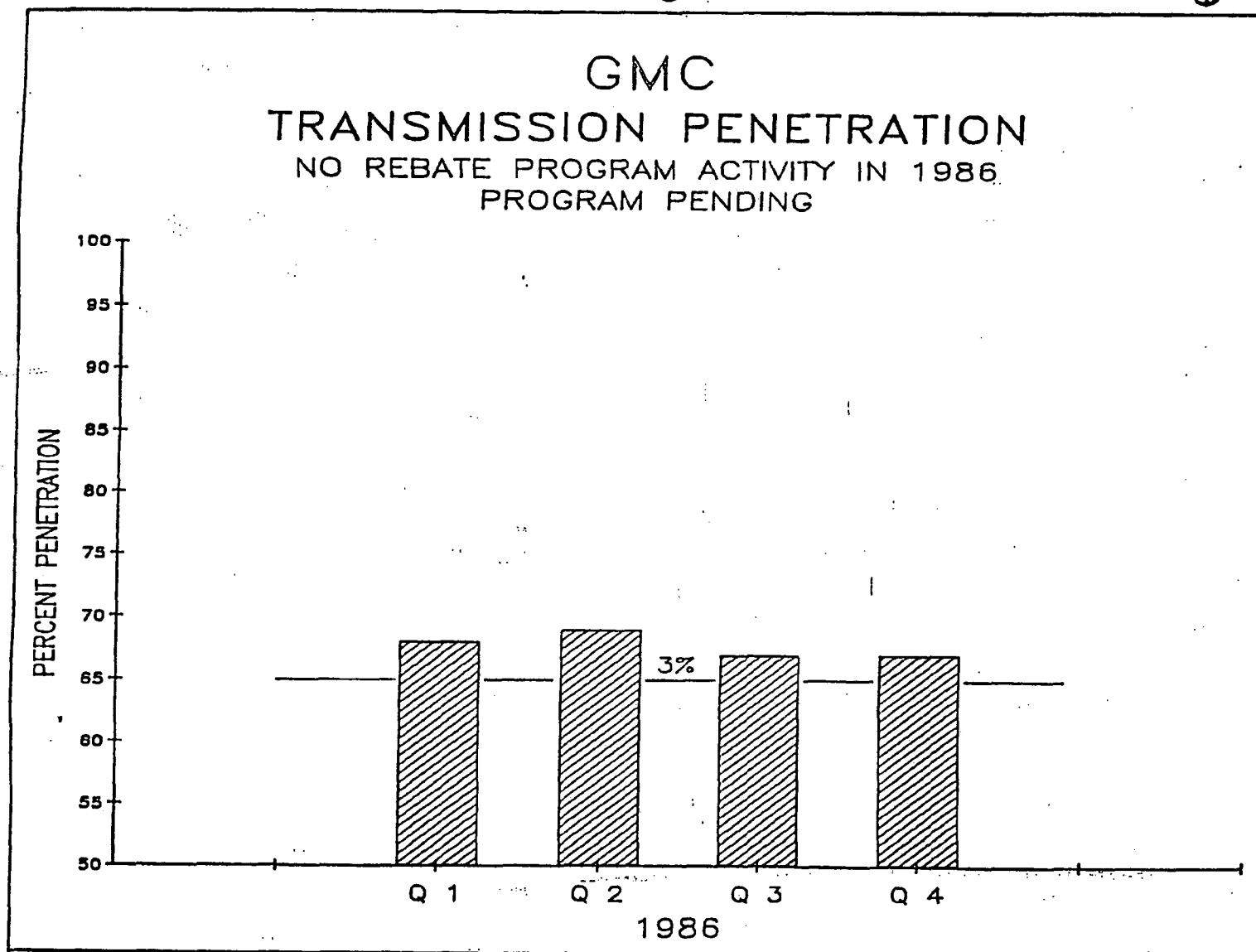
EAB 066867

GMC UNITS/PERCENT
HEAVY TRANSMISSIONS

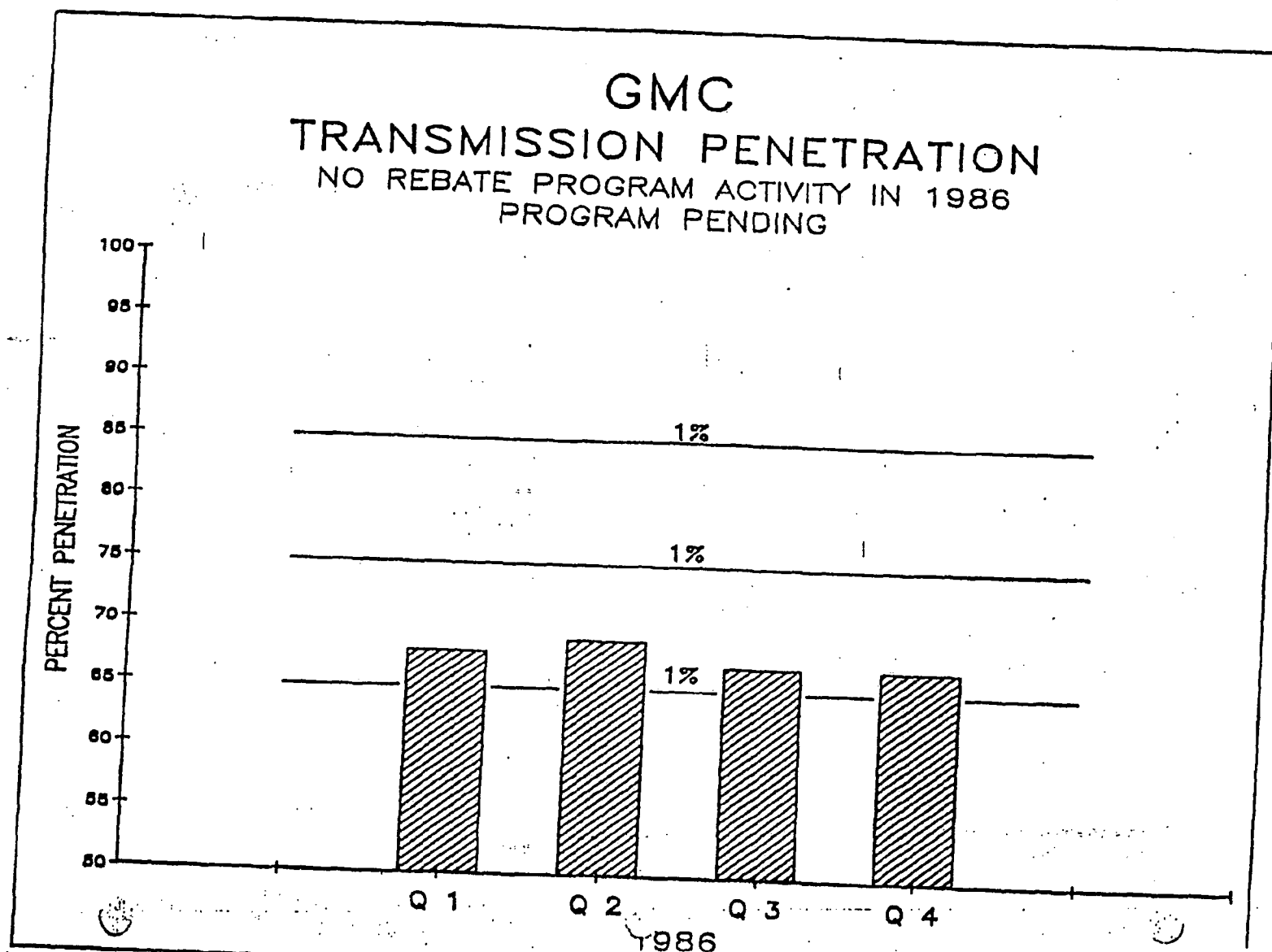
<u>MANUFACTURER</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
FULLER	5,972/ 78.4	5,869/ 77.4	9,941/ 66.0	7,467/ 68.5	5,574/ 67.1
SPICER	1,416/ 18.6	1,380/ 18.2	4,848/ 32.2	3,069/ 28.2	2,409/ 29.0
ALLISON	225/ 3.0	334/ 4.4	271/ 1.8	354/ 3.3	324/ 3.9
TOTAL	7,613/ 100	7,583/ 100	15,060/ 100.0	10,890/ 100.0	8,307/ 100.0

EATON FULLER
3/23/87

EAB 006868



EAB 066869



EAB 066870

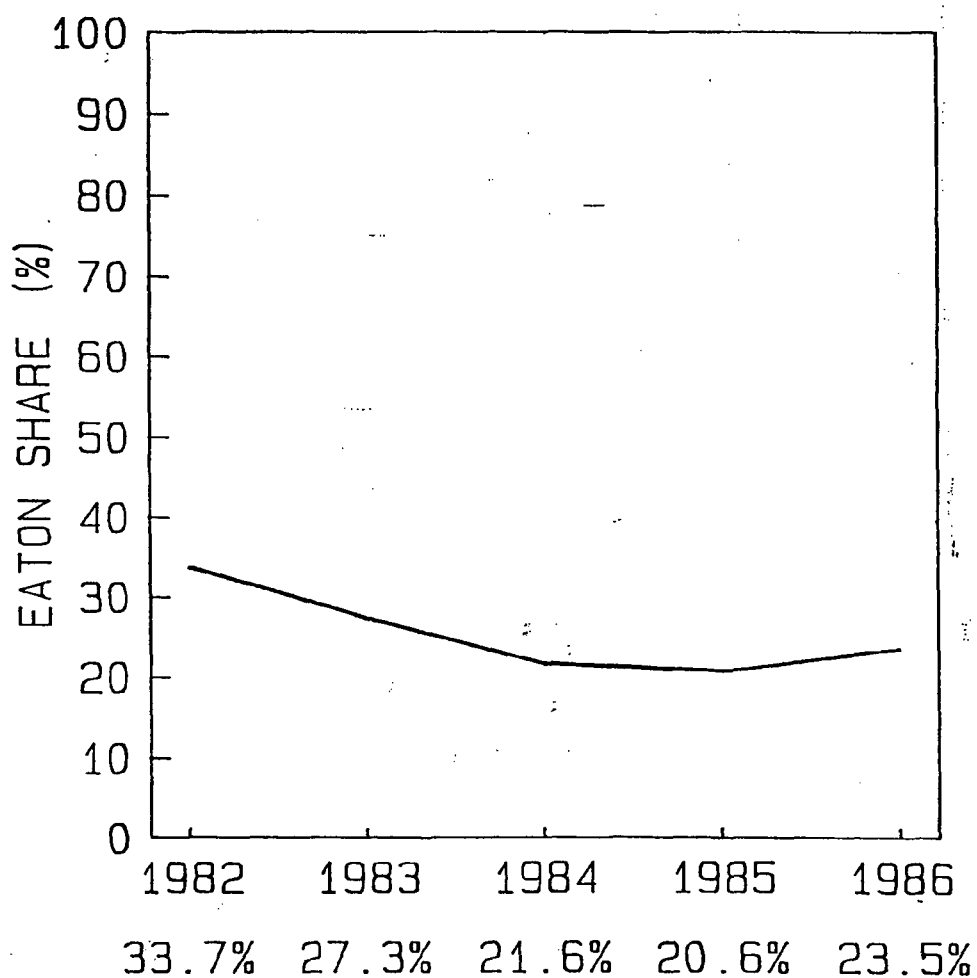
In re: All Asbestos Litigation Filed by Simmons Cooper, Circuit Court, Third Judicial District, Madison Cty., IL; 11/17/05.

- AXLE & BRAKE DIVISION -

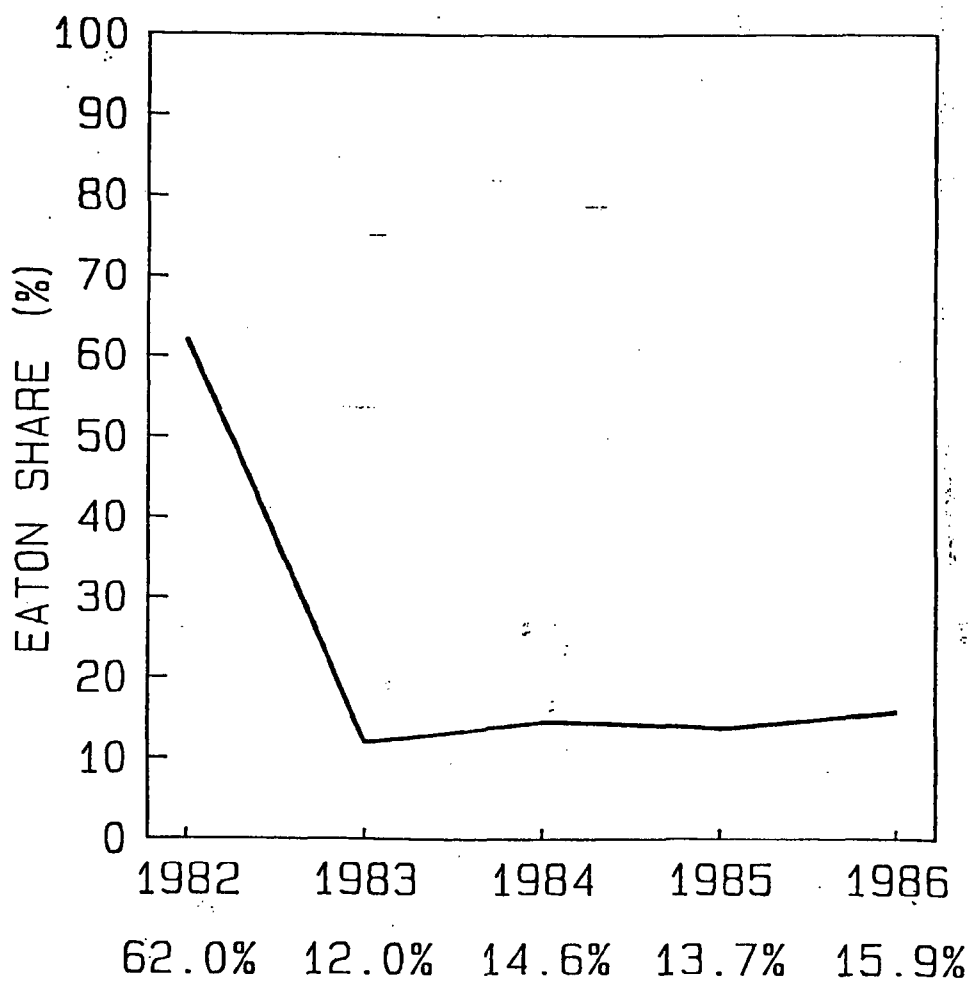
EAB 066871

In re: All Asbestos Litigation Filed by Simmons Cooper, Circuit Court, Third Judicial District, Madison Cty., IL; 11/17/05.

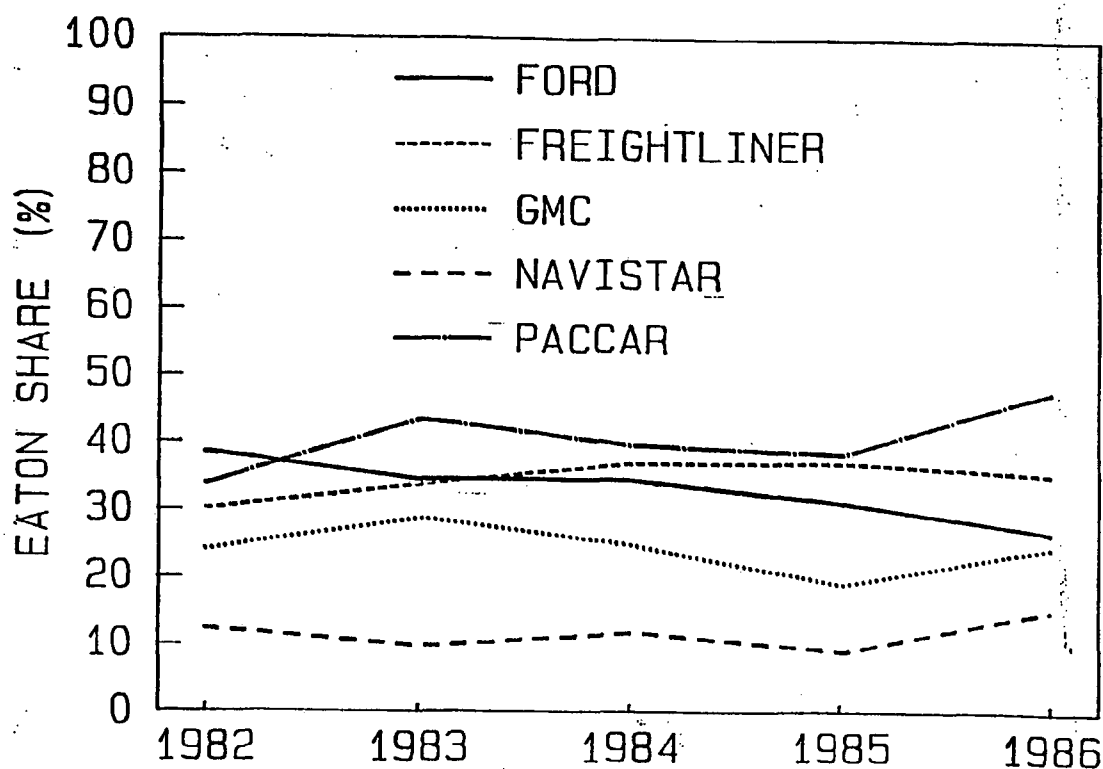
VOLVO WHITE DRIVE AXLES



VOLVO WHITE DRIVE BRAKES

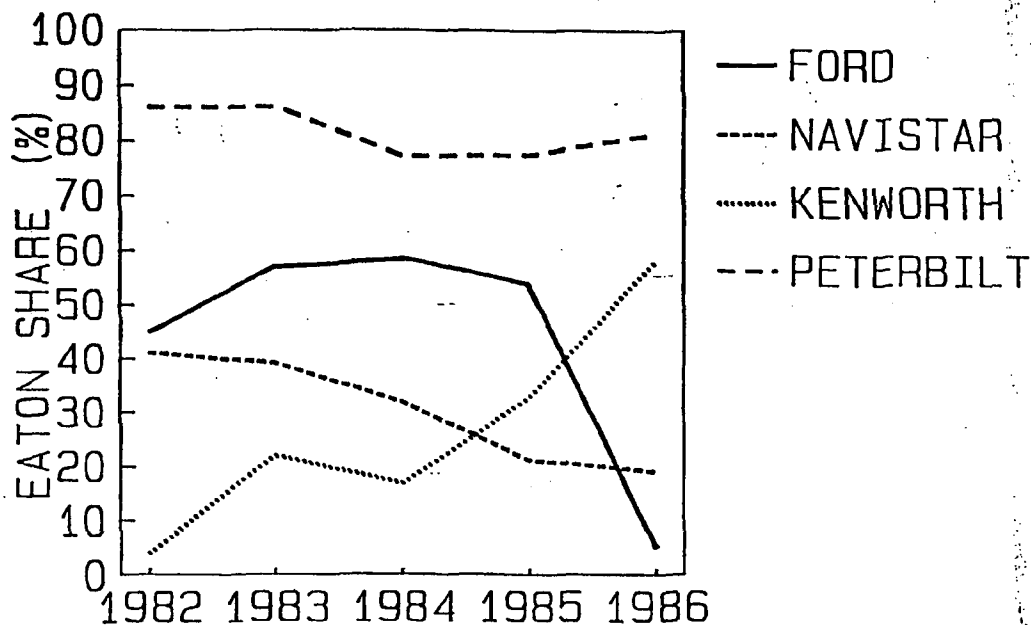


DRIVE AXLES HEAVY DUTY



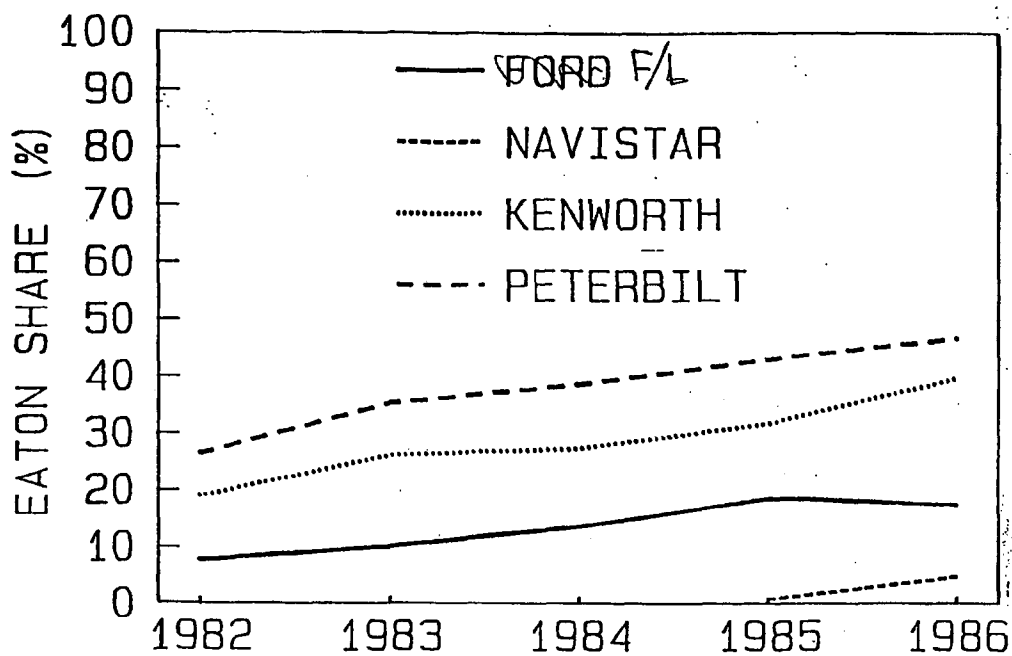
	1982	1983	1984	1985	1986
FORD	38.5%	34.4%	34.4%	31.0%	26.5%
FREIGHTLINER	30.1%	33.8%	37.0%	37.0%	35.1%
GMC	24.1%	28.8%	24.8%	18.9%	24.5%
NAVISTAR	12.3%	9.7%	11.8%	9.0%	15.2%
PACCAR	33.8%	43.4%	39.6%	38.2%	47.6%
VOLVO WHITE	33.7%	27.3%	21.6%	20.6%	23.5%
OTHER	3.8%	3.2%	5.3%	5.0%	3.7%
TOTAL	21.1%	24.0%	23.3%	21.0%	24.1%

DRIVE AXLE BRAKES



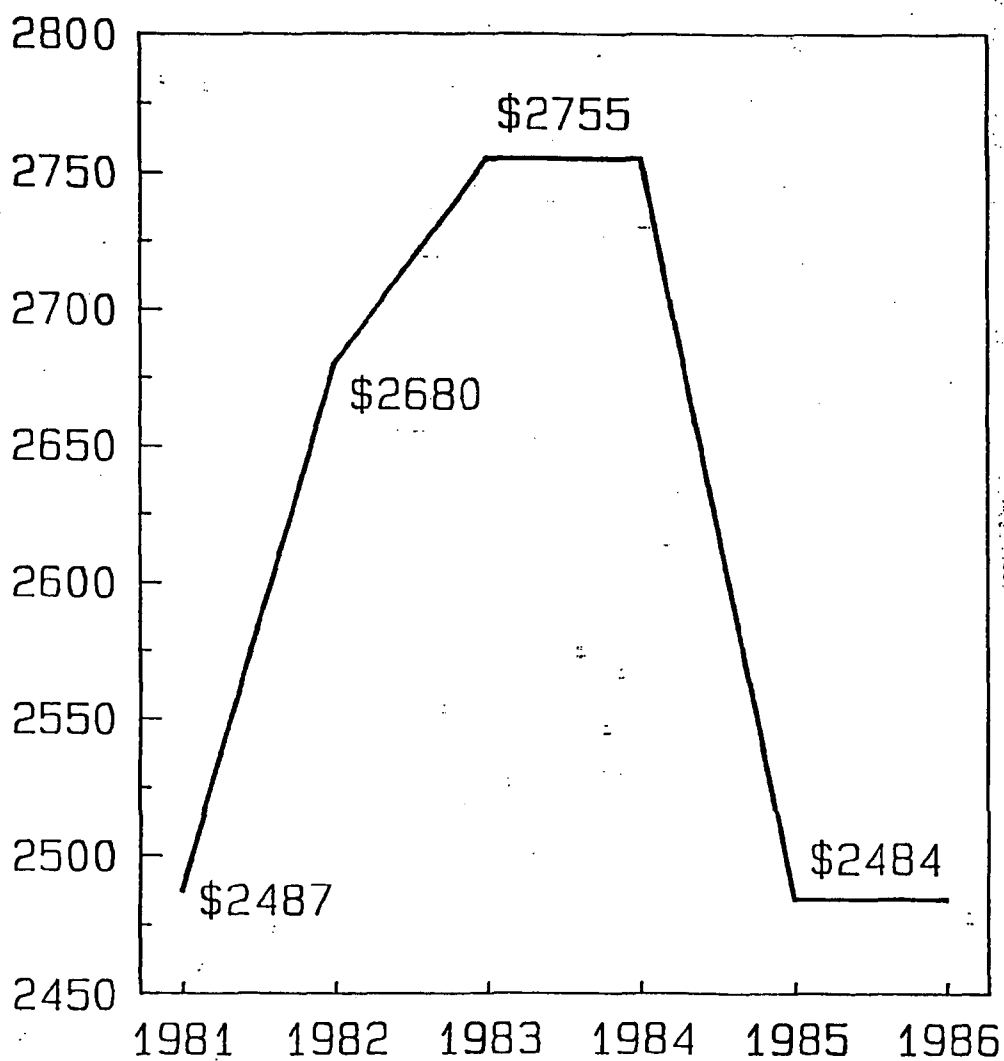
	1982	1983	1984	1985	1986
FORD	45.0%	57.0%	58.5%	53.6%	5.2%
NAVISTAR	41.0%	39.0%	31.7%	21.0%	18.8%
KENWORTH	4.0%	22.0%	16.8%	32.5%	58.0%
PETE	86.0%	86.0%	77.0%	77.4%	81.3%
VOLVO WHITE	62.0%	12.0%	14.6%	13.7%	15.9%
OTHER	28.0%	28.7%	25.0%	27.8%	18.2%
TOTAL	34.0%	35.0%	30.3%	28.3%	23.6%

STEER AXLES

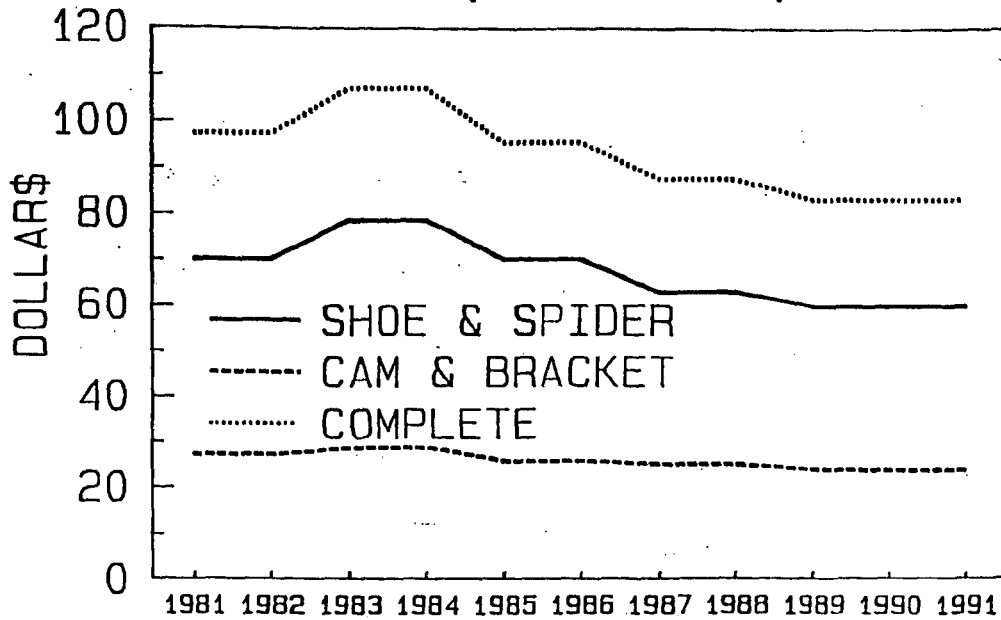


	1982	1983	1984	1985	1986
FREIGHTLINER	7.7%	10.2%	13.8%	18.7%	17.3%
NAVISTAR			0.0%	0.8%	4.8%
KENWORTH	18.9%	26.1%	27.4%	31.8%	39.6%
PETERBILT	26.4%	35.2%	38.6%	43.1%	46.7%
VOLVO WHITE				0.0%	0.8%
OTHER	0.0%	0.0%	0.5%	0.5%	0.5%
TOTAL	4.2%	7.3%	7.9%	8.8%	11.1%

VOLVO WHITE PRICE HISTORY DS/RS 381



VOLVO WHITE PRICING EB165 (16.5 x 7)



	SHOE & SPIDER	CAM & BRACKET	COMPLETE
1981	\$70.04	\$27.23	\$97.27
1982	\$70.04	\$27.23	\$97.27
1983	\$78.45	\$28.59	\$107.04
1984	\$78.45	\$28.59	\$107.04
1985	\$69.82	\$25.45	\$95.27
1986	\$69.82	\$25.45	\$95.27
1987	\$62.59	\$24.68	\$87.27
1988	\$62.59	\$24.68	\$87.27
1989	\$59.46	\$23.45	\$82.91
1990	\$59.46	\$23.45	\$82.91
1991	\$59.46	\$23.45	\$82.91

- TRUCK COMPONENTS MARKETING -

EAB 066879

DATA BOOK REQUIREMENTS

- ALL EATON PRODUCTS STANDARD
- ALL COMPETITIVE PRODUCTS AVAILABLE AT NO CHARGE TO STANDARD
- A SUBSTANTIAL CREDIT APPLIED TO AN "ALL EATON" DRIVE TRAIN
- MAKE THE EATON DRIVE TRAIN "EASIER TO GET"

ADDITIONAL WAYS TO MAKE EATON DRIVE TRAIN PRODUCTS
"EASY TO GET" AT VOLVO WHITE:

- DATA BOOK PREFERENCE TO EATON ON AVAILABILITY (DELIVERY)
- LIMIT COMPETITIVE OFFERINGS TO ONE COMPETITOR PER PRODUCT LINE
- FLOOR PLAN ON "ALL EATON" DRIVE TRAINS ONLY
- COMPETITORS LIMITED TO SQ (SPECIAL QUOTE) OR UNPUBLISHED DATA BOOK
- FAVORABLE WARRANTY ON "ALL EATON" DRIVE TRAIN EQUIPPED VEHICLES VERSUS COMPETITOR'S
- ADVISE EATON OF COMPETITIVE ORDER AND ALLOW US TO TRY TO TURN AROUND AS A VOLVO WHITE/EATON SALES TEAM
- ANY OTHER TECHNIQUES VOLVO WHITE FEELS WOULD MAKE EATON EASIER TO GET

NATIONAL ACCOUNTS

- DATA BOOK IS NON-ISSUE
- EATON/VOLVO WHITE PURSUE PROMOTION OF
"ALL EATON" DRIVE TRAIN JOINTLY

In re: All Asbestos Litigation Filed by Simmons Cooper, Circuit Court, Third Judicial District, Madison Cty., IL; 11/17/05.

- EATON CORPORATION PROPOSAL -

EAB 066883

In re: All Asbestos Litigation Filed by Simmons Cooper, Circuit Court, Third Judicial District, Madison Cty., IL; 11/17/05.

DRAFT B

EATON
CORPORATE
PROPOSAL
TO
VOLVO WHITE

MARCH 23, 1987

EAB 066884

DRAFT

VOLVO WHITE PROPOSAL

EATON proposes that the following general terms and conditions be used by VOLVO WHITE in the procurement of heavy truck components from EATON in North America.

1. Term of the Agreement would be five (5) years commencing _____. Beginning at the end of the third year, the Agreement would be renewable at the end of each year in two year increments. This would give both VOLVO WHITE and EATON a moving window to understand and adequately plan for the production and procurement of heavy truck components.
2. The current pricing structure for heavy transmissions and heavy drive axles would be continued throughout this Agreement as a base price within North America. Service parts pricing for these products would also remain at current pricing and discount structures. Product changes of a technical or specification nature could result in justified base price changes.
3. VOLVO WHITE would accept the EATON Brake Proposal as submitted separately on March 18, 1987. Terms and conditions, such as data book position, productivity and service parts pricing for brakes would be as indicated in the proposal.
4. VOLVO WHITE would give preferential consideration to an EATON steer axle proposal at the end of VOLVO current commitments. Upon acceptance, the steer axle program would be included within the terms of this EATON corporate proposal.
5. Price increases for heavy transmissions and heavy drive axles in North America would be negotiated on an annual basis against an agreed upon index. Such negotiations would determine the amount of economic inflation incurred against each product. EATON will agree to offset one-half of such economic inflation

-2-

as continuing EATON productivity. The price increase (if any), as derived from this formula, would be an adjustment to the base prices for heavy transmissions and heavy drive axles. Pricing adjustments for brakes (and steer axles when included) would be as stated in the referenced proposals.

6. EATON will offer a rebate incentive plan to VOLVO WHITE as a percentage of the total base price volume of EATON furnished heavy duty transmissions and heavy duty drive axles, excluding service parts. The incentive rebate percentage will be based upon VOLVO WHITE usage of EATON heavy transmissions and heavy drive axles as a percentage share of VOLVO WHITE heavy truck production.* (Potential usage of transmission and drive axles accrue a maximum of 100 share points each for a maximum total of 200 points.) The following rebate incentive percentage would be paid by EATON with the attainment of the indicated share point levels for VOLVO WHITE total production.

TOTAL AXLE AND TRANSMISSION			REBATE INCENTIVE PERCENTAGE
SHARE POINTS			APPLIED TO HEAVY AXLES
Under 120	100	- 0	8.7%
120-125	100-125	- 7.4	9.7%
125-130	125-150	- 14.8	10.7%
130-135	150 +	- 22.3	11.8%
135-140			12.8%
140-150			13.3%
150-160			14.4%

*Trucks utilizing automatic transmissions will be deducted from the total until Eaton offers for production an automatic-type transmission.

-3-

VOLVO WHITE would be responsible for accumulating VOLVO WHITE truck production numbers and reporting share points in an agreed format on a monthly basis. This rebate incentive plan would replace the current share incentive agreement now being used with heavy EATON transmissions.

7. The rebate would be paid to VOLVO WHITE through purchase discounts on North American heavy drive axle prices as per Schedule A. Pricing for heavy transmissions, brakes, and service parts would remain at base and/or proposal levels.

The appropriate discount level (share target) for heavy drive axles from Schedule A would be mutually determined by VOLVO WHITE and EATON based upon the share points deemed attainable during the period. On a semi-annual basis, the discount (share target) level would be adjusted based upon past experience and new share expectations. In the event that EATON actual share level exceeds the "share target" level during any quarter, EATON would remit a payment to VOLVO WHITE to cover any unpaid differential between the total rebate incentive and the value of the heavy drive axle purchase discounts.

8. EATON will offer an additional early-on rebate to provide funds to support VOLVO WHITE activities in changeover and promotion of EATON products for share gains. The additional rebate would be calculated upon invoice volume of EATON furnished heavy transmissions and axles. The additional rebate would be 2% and 1% for program years one and two, respectively, and would be paid quarterly.
9. VOLVO WHITE will establish standard position for all EATON products in their Data Book, and will use its best efforts to increase penetration of Eaton products among Volvo White customers.

-4-

10. Warranties for all products are to be those currently in effect with VOLVO WHITE. EATON would increase warranties, if required, to match total truck warranties offered by VOLVO WHITE, both on a special program and a permanent change basis. EATON would also make 500,000 mile parts and labor warranties available to VOLVO WHITE to be used selectively at major fleet accounts.
11. EATON will represent to VOLVO WHITE that the distribution of EATON manufactured parts for heavy transmissions and heavy axles will continue through the current OEM aftermarket distribution system during the life of this Agreement.
12. EATON would also propose the formation of a joint manufacturing team to investigate various methods of manufacturing cost reduction through a closer coordination of our manufacturing facilities and the analysis of products such as dressing of axles or manufacturing by EATON of certain chassis subsystems or components with delivery to VOLVO WHITE assembly plants on a "just in time" basis.

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VOLVO WHITE PROPOSAL - SCHEDULE A

AXLE MODEL	CURRENT (BASE) PRICE	POINTS: DISCOUNT:	UP TO 120	120	125	130	135	140	150
			8.7%	9.7%	10.7%	11.8%	12.8%	13.3%	14.4%
2310SS	\$1,403.00		\$1,280.95	\$1,266.91	\$1,252.88	\$1,237.45	\$1,223.42	\$1,216.40	\$1,200.97
23121	\$1,518.01		\$1,385.94	\$1,370.76	\$1,355.58	\$1,338.88	\$1,323.70	\$1,316.11	\$1,299.42
DS341	\$2,700.00		\$2,465.10	\$2,438.10	\$2,411.10	\$2,381.40	\$2,354.40	\$2,340.90	\$2,311.20
DS402	\$2,484.00		\$2,267.89	\$2,243.05	\$2,218.21	\$2,198.89	\$2,166.05	\$2,166.05	\$2,126.30
DS402P	\$2,600.00		\$2,373.80	\$2,347.80	\$2,321.80	\$2,293.20	\$2,267.20	\$2,254.20	\$2,225.60
DS461P	\$2,875.45		\$3,538.29	\$3,499.53	\$3,460.78	\$3,418.15	\$3,379.39	\$3,360.02	\$3,317.39
DT461P	\$5,507.83		\$5,028.65	\$4,973.57	\$4,918.49	\$4,857.91	\$4,802.83	\$4,775.29	\$4,714.70

EAB 066889

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APPROXIMATE
POTENTIAL SAVINGS

B

NATSF 140,000 UNITS

VOLVO/WHITE SHARE 9.0%

SHARE:

SAVINGS:

20% AXLE
90% TRANSMISSION

DISCOUNT 0
REBATE (2%) \$ 605,820

35% AXLE
90% TRANSMISSION

DISCOUNT \$1,126,590
REBATE (2%) 704,119

55% AXLE
95% TRANSMISSION

DISCOUNT \$2,590,374
REBATE (2%) 849,303

70% AXLE
100% TRANSMISSION

DISCOUNT \$3,422,666
REBATE (1%) 482,066

APPROXIMATE
POTENTIAL SAVINGS

NATSF 140,000

VOLVO/WHITE/GMC SHARE 15.0%

SHARE:

20% AXLE
90% TRANSMISSION

DISCOUNT 0
REBATE (2%) \$1,032,649

35% AXLE
90% TRANSMISSION

DISCOUNT \$1,920,325
REBATE (2%) 1,200,203

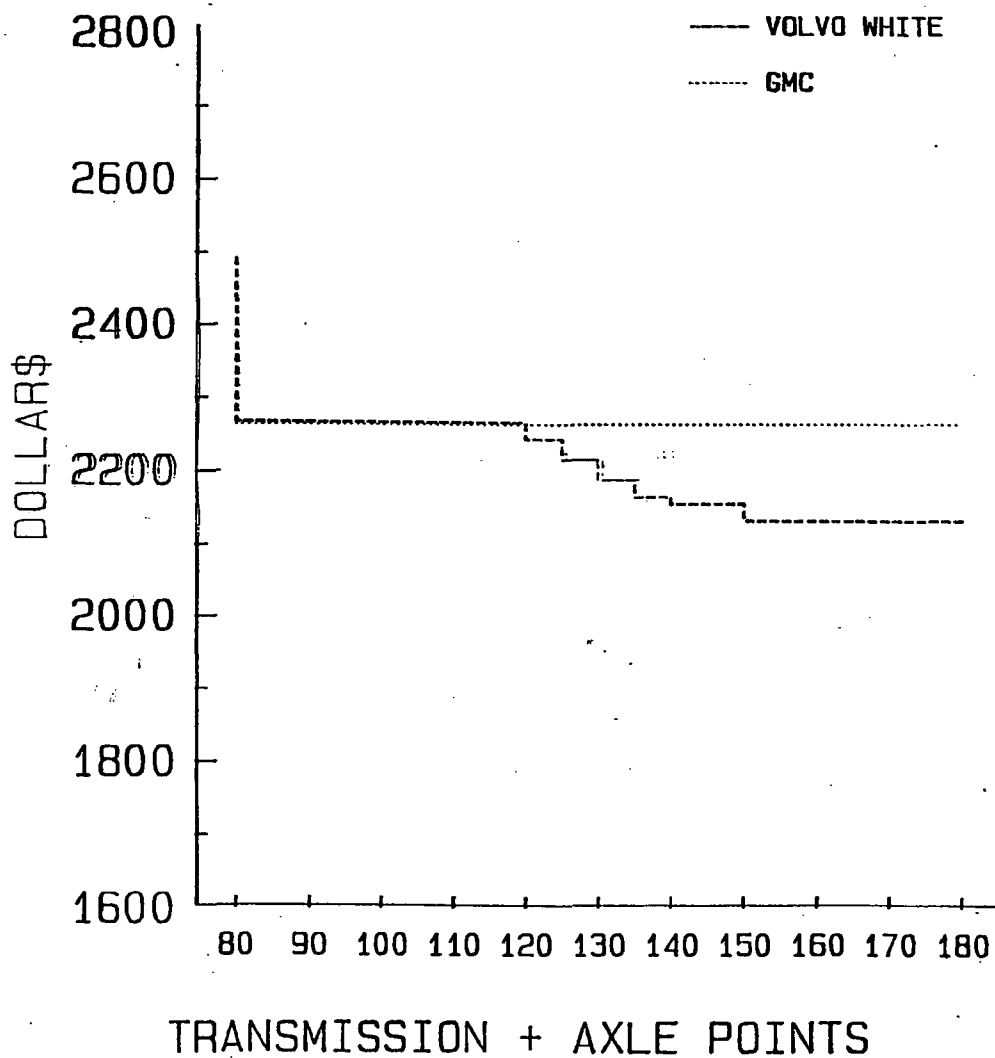
55% AXLE
95% TRANSMISSION

DISCOUNT \$4,415,410
REBATE (2%) 1,447,675

70% AXLE
100% TRANSMISSION

DISCOUNT \$5,834,089
REBATE (1%) 821,703

DS402 PRICE vs POINTS



DS402 PRICE vs POINTS

