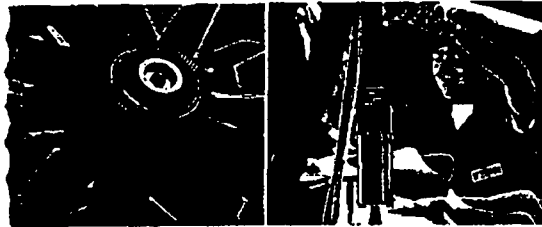


*Eaton makes both fans and viscous fan drives at its plant in Markdorf, Germany, for customers in 20 countries in Europe, South America and Southeast Asia.*



*Renate Dimmel is involved in final assembly of viscous fans and fan shrouds at Eaton's plant in Markdorf, Germany, where employees communicate in 10 languages.*

#### **WORLDWIDE OPPORTUNITIES**

Eaton has 63 manufacturing plants outside the United States, including 26 in Europe and 21 in Latin America. Within the next few years, the number of facilities is expected to grow steadily as Eaton moves into developing markets, where global market leadership makes Eaton the partner of choice.

In 1994, a task force identified 10 countries with exceptional growth prospects as prime markets for Eaton products. Most are in the Far East and Latin America. In many of these developing markets, automakers and appliance manufacturers are vying to be the supplier of choice. As a component supplier to most of the world's passenger car and truck manufacturers and to every major U.S. and European appliance maker, Eaton is well-positioned to participate as growth opportunities develop.

Cutler-Hammer is growing its electrical equipment business globally through wholly-owned subsidiaries in Canada, the United Kingdom, Venezuela, Mexico, Costa Rica, Brazil and Australia, and through export sales. Cutler-Hammer's broad product lines, including molded-case circuit breakers and vacuum breakers, meet all international electrical

standards. These products, along with photoelectric and proximity sensors, Freedom Series motor starters and contactors, and PanelMate video control panels, provide a substantial platform from which to grow the business internationally. (Cutler-Hammer is discussed more fully under "Growth through Acquisitions," on pages 16 through 19.)

#### **Groundwork For Growth**

In China, Eaton has had a licensing agreement for its 9-speed Roadranger transmissions since 1986. In 1993, Eaton formed Jining Eaton Hydraulics Company, a joint venture in China manufacturing hydraulic components, such as hydrostatic steering units and orbit motors. Eaton's chairman and other senior officers visited China last fall to lay the groundwork for other business ventures.

Perhaps the most successful of Eaton's international joint ventures is Sumitomo Eaton Nova (SEN), which manufactures ion implanters in Japan for worldwide markets. Eaton and SEN engineers work closely on the development of new products. The most recent result of



*The team responsible for setting up the first assembly line for S-Series transmissions at St. Nazaire, France, includes, from left, Jean-Charles Gaudin, Luc Morin, Laurent Ceschard, Jean-François*