

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 30, 2001

EATON CORPORATION

-----  
(Exact name of registrant as specified in its charter)

Ohio	1-1396	34-0196300
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

Eaton Center Cleveland, Ohio	44114
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(Address of principal executive offices)	(Zip Code)

(216) 523-5000

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Registrant's telephone number,  
including area code

Item 5. Other Events

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On March 30, 2001, Eaton Corporation completed the sale of its Vehicle Switch/ Electronics Division (VS/ED). The following Business Segment Information has been restated to display VS/ED as a divested operation to provide comparative financial information for Eaton Corporation's ongoing Business Segments. The following provides Business Segment Information for the quarter, year to date and full year for the periods 1996 – 2000 and for the quarter ended March 31, 2001.

## Eaton Corporation

### Business Segment Information

*Three-months  
ended  
Mar 31, 2001*

(Millions)

(unaudited)

#### Net sales

Automotive	\$ 385
Fluid Power	673
Industrial & Commercial Controls	559
Truck	<u>281</u>
<b>Total ongoing operations</b>	<b>1,898</b>
Divested operations	<u>85</u>
<b>Total net sales</b>	<b><u>\$ 1,983</u></b>

#### Operating profit

Automotive	\$ 54
Fluid Power	62
Industrial & Commercial Controls	50
Truck	<u>(38)</u>
<b>Total ongoing operations</b>	<b>128</b>

Divested operations	7
Amortization of goodwill & other intangible assets	(24)
Interest expense - net	(42)
Gain on sales of businesses	38
Corporate & other - net	<u>(3)</u>
<b>Income before income taxes</b>	<b>104</b>
Income taxes	<u>54</u>
<b>Net income</b>	<b><u>\$ 50</u></b>

# Eaton Corporation

## Business Segment Information

	Three months ended 2000				Year to Date 2000			
	Mar 31	June 30	Sept 30	Dec 31	March 31	June 30	Sept 30	Dec 31
(Millions)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Net sales of continuing operations</b>								
Automotive	\$ 407	\$ 396	\$ 346	\$ 353	\$ 407	\$ 803	\$ 1,149	\$ 1,502
Fluid Power	665	681	630	631	665	1,346	1,976	2,607
Industrial & Commercial Controls	579	604	622	616	579	1,183	1,805	2,421
Truck	443	405	335	273	443	848	1,183	1,456
<b>Total ongoing operations</b>	<b>2,094</b>	<b>2,086</b>	<b>1,933</b>	<b>1,873</b>	<b>2,094</b>	<b>4,180</b>	<b>6,113</b>	<b>7,986</b>
Divested operations	90	83	75	75	90	173	248	323
<b>Total net sales</b>	<b>\$ 2,184</b>	<b>\$ 2,169</b>	<b>\$ 2,008</b>	<b>\$ 1,948</b>	<b>\$ 2,184</b>	<b>\$ 4,353</b>	<b>\$ 6,361</b>	<b>\$ 8,309</b>
<b>Operating profit of continuing operations</b>								
Automotive	\$ 67	\$ 63	\$ 38	\$ 46	\$ 67	\$ 130	\$ 168	\$ 214
Fluid Power	67	69	44	55	67	136	180	235
Industrial & Commercial Controls	49	65	73	64	49	114	187	251
Truck	60	52	7	(12)	60	112	119	107
<b>Total ongoing operations</b>	<b>243</b>	<b>249</b>	<b>162</b>	<b>153</b>	<b>243</b>	<b>492</b>	<b>654</b>	<b>807</b>
Divested operations	6	2	2	(2)	6	8	10	8
Amortization of goodwill & other intangible assets	(23)	(25)	(23)	(24)	(23)	(48)	(71)	(95)
Interest expense - net	(44)	(45)	(42)	(46)	(44)	(89)	(131)	(177)
Gain on sales of businesses								
Corporate & other - net	(6)	5	6	4	(6)	(1)	5	9
<b>Income from continuing operations before income taxes</b>	<b>176</b>	<b>186</b>	<b>105</b>	<b>85</b>	<b>176</b>	<b>362</b>	<b>467</b>	<b>552</b>
Income taxes of continuing operations	63	63	36	27	63	126	162	189
<b>Income from continuing operations</b>	<b>113</b>	<b>123</b>	<b>69</b>	<b>58</b>	<b>113</b>	<b>236</b>	<b>305</b>	<b>363</b>
Income from discontinued operations	18	22	24	26	18	40	64	90
<b>Net income</b>	<b>\$ 131</b>	<b>\$ 145</b>	<b>\$ 93</b>	<b>\$ 84</b>	<b>\$ 131</b>	<b>\$ 276</b>	<b>\$ 369</b>	<b>\$ 453</b>

Results of the discontinued semiconductor equipment operations are as follows:

Net sales	\$ 141	\$ 166	\$ 183	\$ 189	\$ 141	\$ 307	\$ 490	\$ 679
Operating profit	27	33	42	45	27	60	102	147
Other income (expense) - net	(2)	(1)	(7)	(5)	(2)	(3)	(10)	(15)
Income before income taxes	25	32	35	40	25	57	92	132
Income taxes	7	10	11	14	7	17	28	42
Income from discontinued operations	<b>\$ 18</b>	<b>\$ 22</b>	<b>\$ 24</b>	<b>\$ 26</b>	<b>\$ 18</b>	<b>\$ 40</b>	<b>\$ 64</b>	<b>\$ 90</b>

Eaton Corporation

Business Segment Information

	Three months ended				Year to Date			
	1999				1999			
	Mar 31	June 30	Sept 30	Dec 31	March 31	June 30	Sept 30	Dec 31
(Millions)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Net sales of continuing operations</b>								
Automotive	\$ 383	\$ 384	\$ 359	\$ 369	\$ 383	\$ 767	\$ 1,126	\$ 1,495
Fluid Power	159	661	614	602	159	820	1,434	2,036
Industrial & Commercial Controls	512	578	587	597	512	1,090	1,677	2,274
Truck	382	407	414	427	382	789	1,203	1,630
<b>Total ongoing operations</b>	<b>1,436</b>	<b>2,030</b>	<b>1,974</b>	<b>1,995</b>	<b>1,436</b>	<b>3,466</b>	<b>5,440</b>	<b>7,435</b>
Divested operations	168	172	144	86	168	340	484	570
<b>Total net sales</b>	<b>\$ 1,604</b>	<b>\$ 2,202</b>	<b>\$ 2,118</b>	<b>\$ 2,081</b>	<b>\$ 1,604</b>	<b>\$ 3,806</b>	<b>\$ 5,924</b>	<b>\$ 8,005</b>
<b>Operating profit of continuing operations</b>								
Automotive	\$ 58	\$ 58	\$ 45	\$ 50	\$ 58	\$ 116	\$ 161	\$ 211
Fluid Power	22	60	43	52	22	82	125	177
Industrial & Commercial Controls	27	49	54	51	27	76	130	181
Truck	60	61	67	47	60	121	188	235
<b>Total ongoing operations</b>	<b>167</b>	<b>228</b>	<b>209</b>	<b>200</b>	<b>167</b>	<b>395</b>	<b>604</b>	<b>804</b>
Divested operations	18	23	13	12	18	41	54	66
Amortization of goodwill & other intangible assets	(13)	(25)	(24)	(24)	(13)	(38)	(62)	(86)
Interest expense - net	(21)	(44)	(46)	(41)	(21)	(65)	(111)	(152)
Gain on sales of businesses			133	207		0	133	340
Corporate & other - net	(13)	(5)	(11)		(13)	(18)	(29)	(29)
<b>Income from continuing operations before income taxes</b>	<b>138</b>	<b>177</b>	<b>274</b>	<b>354</b>	<b>138</b>	<b>315</b>	<b>589</b>	<b>943</b>
Income taxes of continuing operations	43	59	99	139	43	102	201	340
<b>Income from continuing operations</b>	<b>95</b>	<b>118</b>	<b>175</b>	<b>215</b>	<b>95</b>	<b>213</b>	<b>388</b>	<b>603</b>
Income from discontinued operations	(11)	7	9	9	(11)	(4)	5	14
<b>Net income</b>	<b>\$ 84</b>	<b>\$ 125</b>	<b>\$ 184</b>	<b>\$ 224</b>	<b>\$ 84</b>	<b>\$ 209</b>	<b>\$ 393</b>	<b>\$ 617</b>

Results of the discontinued semiconductor equipment operations are as follows:

Net sales	\$ 57	\$ 98	\$ 109	\$ 133	\$ 57	\$ 155	\$ 264	\$ 397
Operating profit	(12)	10	16	17	(12)	(2)	14	31
Other income (expense) - net	(3)	(1)	(4)	(3)	(3)	(4)	(8)	(11)
Income before income taxes	(15)	9	12	14	(15)	(6)	6	20
Income taxes	(4)	2	3	5	(4)	(2)	1	6
Income from discontinued operations	<u>\$ (11)</u>	<u>\$ 7</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ (11)</u>	<u>\$ (4)</u>	<u>\$ 5</u>	<u>\$ 14</u>

Eaton Corporation

Business Segment Information

	Three months ended 1998				Year to Date 1998			
	Mar 31	June 30	Sept 30	Dec 31	March 31	June 30	Sept 30	Dec 31
(Millions)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Net sales of continuing operations</b>								
Automotive	\$ 352	\$ 355	\$ 333	\$ 364	\$ 352	\$ 707	\$ 1,040	\$ 1,404
Fluid Power	178	180	168	155	178	358	526	681
Industrial & Commercial Controls	509	553	559	524	509	1,062	1,621	2,145
Truck	374	378	368	358	374	752	1,120	1,478
<b>Total ongoing operations</b>	<b>1,413</b>	<b>1,466</b>	<b>1,428</b>	<b>1,401</b>	<b>1,413</b>	<b>2,879</b>	<b>4,307</b>	<b>5,708</b>
Divested operations	195	153	143	159	195	348	491	650
<b>Total net sales</b>	<b>\$ 1,608</b>	<b>\$ 1,619</b>	<b>\$ 1,571</b>	<b>\$ 1,560</b>	<b>\$ 1,608</b>	<b>\$ 3,227</b>	<b>\$ 4,798</b>	<b>\$ 6,358</b>
<b>Operating profit of continuing operations</b>								
Automotive	\$ 44	\$ 51	\$ 41	\$ 50	\$ 44	\$ 95	\$ 136	\$ 186
Fluid Power	34	35	26	22	34	69	95	117
Industrial & Commercial Controls	22	46	44	28	22	68	112	140
Truck	52	61	50	38	52	113	163	201
<b>Total ongoing operations</b>	<b>152</b>	<b>193</b>	<b>161</b>	<b>138</b>	<b>152</b>	<b>345</b>	<b>506</b>	<b>644</b>
Divested operations	23	17	7	11	23	40	47	58
Amortization of goodwill & other intangible assets	(15)	(11)	(13)	(16)	(15)	(26)	(39)	(55)
Interest expense - net	(21)	(23)	(23)	(21)	(21)	(44)	(67)	(88)
Gain on sales of businesses	43	0	0	0	43	43	43	43
Corporate & other - net	(11)	(5)	21	9	(11)	(16)	5	14
<b>Income from continuing operations before income taxes</b>	<b>171</b>	<b>171</b>	<b>153</b>	<b>121</b>	<b>171</b>	<b>342</b>	<b>495</b>	<b>616</b>
Income taxes of continuing operations	56	51	50	29	56	107	157	186
<b>Income from continuing operations</b>	<b>115</b>	<b>120</b>	<b>103</b>	<b>92</b>	<b>115</b>	<b>235</b>	<b>338</b>	<b>430</b>
Income from discontinued operations	(10)	(6)	(45)	(20)	(10)	(16)	(61)	(81)
<b>Net income</b>	<b>\$ 105</b>	<b>\$ 114</b>	<b>\$ 58</b>	<b>\$ 72</b>	<b>\$ 105</b>	<b>\$ 219</b>	<b>\$ 277</b>	<b>\$ 349</b>

Results of the discontinued semiconductor equipment operations are as follows:

Net sales	\$ 79	\$ 93	\$ 49	\$ 46	\$ 79	\$ 172	\$ 221	\$ 267
Operating profit	(14)	(8)	(72)	(29)	(14)	(22)	(94)	(123)
Other income (expense) - net	(2)	(2)	(2)	(2)	(2)	(4)	(6)	(8)
Income before income taxes	(16)	(10)	(74)	(31)	(16)	(26)	(100)	(131)
Income taxes	(6)	(4)	(29)	(11)	(6)	(10)	(39)	(50)
Income from discontinued operations	<u>\$ (10)</u>	<u>\$ (6)</u>	<u>\$ (45)</u>	<u>\$ (20)</u>	<u>\$ (10)</u>	<u>\$ (16)</u>	<u>\$ (61)</u>	<u>\$ (81)</u>

Eaton Corporation

Business Segment Information

	Three months ended				Year to Date			
	1997				1997			
	Mar 31	June 30	Sept 30	Dec 31	March 31	June 30	Sept 30	Dec 31
(Millions)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Net sales of continuing operations</b>								
Automotive	\$ 315	\$ 330	\$ 303	\$ 317	\$ 315	\$ 645	\$ 948	\$ 1,265
Fluid Power	160	170	163	164	160	330	493	657
Industrial & Commercial Controls	496	527	546	522	496	1,023	1,569	2,091
Truck	255	275	303	344	255	530	833	1,177
<b>Total ongoing operations</b>	<b>1,226</b>	<b>1,302</b>	<b>1,315</b>	<b>1,347</b>	<b>1,226</b>	<b>2,528</b>	<b>3,843</b>	<b>5,190</b>
Divested operations	485	500	485	444	485	985	1,470	1,914
<b>Total net sales</b>	<b>\$ 1,711</b>	<b>\$ 1,802</b>	<b>\$ 1,800</b>	<b>\$ 1,791</b>	<b>\$ 1,711</b>	<b>\$ 3,513</b>	<b>\$ 5,313</b>	<b>\$ 7,104</b>
<b>Operating profit of continuing operations</b>								
Automotive	\$ 47	\$ 51	\$ 35	\$ 39	\$ 47	\$ 98	\$ 133	\$ 172
Fluid Power	30	34	31	28	30	64	95	123
Industrial & Commercial Controls	38	48	56	40	38	86	142	182
Truck	26	32	37	54	26	58	95	149
<b>Total ongoing operations</b>	<b>141</b>	<b>165</b>	<b>159</b>	<b>161</b>	<b>141</b>	<b>306</b>	<b>465</b>	<b>626</b>
Divested operations	40	49	44	34	40	89	133	167
Amortization of goodwill & other intangible assets	(9)	(10)	(12)	(15)	(9)	(19)	(31)	(46)
Interest expense - net	(19)	(18)	(21)	(22)	(19)	(37)	(58)	(80)
Gain on sales of businesses	0	0	0	91	0	0	0	91
Corporate & other - net	(7)	(8)	(2)	(11)	(7)	(15)	(17)	(28)
<b>Income from continuing operations before income taxes</b>	<b>146</b>	<b>178</b>	<b>168</b>	<b>238</b>	<b>146</b>	<b>324</b>	<b>492</b>	<b>730</b>
Income taxes of continuing operations	44	56	41	63	44	100	141	204
<b>Income from continuing operations before extraordinary item</b>	<b>102</b>	<b>122</b>	<b>127</b>	<b>175</b>	<b>102</b>	<b>224</b>	<b>351</b>	<b>526</b>
Extraordinary item	0	0	0	(54)	0	0	0	(54)
<b>Income from continuing operations</b>	<b>102</b>	<b>122</b>	<b>127</b>	<b>121</b>	<b>102</b>	<b>224</b>	<b>351</b>	<b>472</b>
Income from discontinued operations	(1)	4	(73)	8	(1)	3	(70)	(62)
<b>Net income</b>	<b>\$ 101</b>	<b>\$ 126</b>	<b>\$ 54</b>	<b>\$ 129</b>	<b>\$ 101</b>	<b>\$ 227</b>	<b>\$ 281</b>	<b>\$ 410</b>

Results of the discontinued semiconductor equipment operations are as follows:

Net sales	\$ 78	\$ 107	\$ 131	\$ 143	\$ 78	\$ 185	\$ 316	\$ 459
Operating profit	0	3	16	10	0	3	19	29
Other income (expense) - net	(1)	1	(89)	(2)	(1)	0	(89)	(91)
Income before income taxes	(1)	4	(73)	8	(1)	3	(70)	(62)
Income taxes	0	0	0	0	0	0	0	0
Income from discontinued operations	<u>\$ (1)</u>	<u>\$ 4</u>	<u>\$ (73)</u>	<u>\$ 8</u>	<u>\$ (1)</u>	<u>\$ 3</u>	<u>\$ (70)</u>	<u>\$ (62)</u>

Eaton Corporation

Business Segment Information

	Three months ended 1996				Year to Date 1996			
	Mar 31	June 30	Sept 30	Dec 31	March 31	June 30	Sept 30	Dec 31
(Millions)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Net sales of continuing operations</b>								
Automotive	\$ 307	\$ 323	\$ 294	\$ 292	\$ 307	\$ 630	\$ 924	\$ 1,216
Fluid Power	156	151	139	141	156	307	446	587
Industrial & Commercial Controls	470	483	508	495	470	953	1,461	1,956
Truck	225	236	233	222	225	461	694	916
<b>Total ongoing operations</b>	<b>1,158</b>	<b>1,193</b>	<b>1,174</b>	<b>1,150</b>	<b>1,158</b>	<b>2,351</b>	<b>3,525</b>	<b>4,675</b>
Divested operations	448	467	451	474	448	915	1,366	1,840
<b>Total net sales</b>	<b>\$ 1,606</b>	<b>\$ 1,660</b>	<b>\$ 1,625</b>	<b>\$ 1,624</b>	<b>\$ 1,606</b>	<b>\$ 3,266</b>	<b>\$ 4,891</b>	<b>\$ 6,515</b>
<b>Operating profit of continuing operations</b>								
Automotive	\$ 41	\$ 50	\$ 36	\$ 25	\$ 41	\$ 91	\$ 127	\$ 152
Fluid Power	30	26	24	29	30	56	80	109
Industrial & Commercial Controls	34	37	42	36	34	71	113	149
Truck	29	23	10	(5)	29	52	62	57
<b>Total ongoing operations</b>	<b>134</b>	<b>136</b>	<b>112</b>	<b>85</b>	<b>134</b>	<b>270</b>	<b>382</b>	<b>467</b>
Divested operations	16	20	25	31	16	36	61	92
Amortization of goodwill & other intangible assets	(8)	(6)	(13)	(11)	(8)	(14)	(27)	(38)
Interest expense - net	(19)	(21)	(20)	(19)	(19)	(40)	(60)	(79)
Gain on sales of businesses								
Corporate & other - net	(8)	(5)	4	(5)	(8)	(13)	(9)	(14)
<b>Income from continuing operations before income taxes</b>	<b>115</b>	<b>124</b>	<b>108</b>	<b>81</b>	<b>115</b>	<b>239</b>	<b>347</b>	<b>428</b>
Income taxes of continuing operations	39	40	29	15	39	79	108	123
<b>Income from continuing operations</b>	<b>76</b>	<b>84</b>	<b>79</b>	<b>66</b>	<b>76</b>	<b>160</b>	<b>239</b>	<b>305</b>
Income from discontinued operations	19	19	6	0	19	38	44	44
<b>Net income</b>	<b>\$ 95</b>	<b>\$ 103</b>	<b>\$ 85</b>	<b>\$ 66</b>	<b>\$ 95</b>	<b>\$ 198</b>	<b>\$ 283</b>	<b>\$ 349</b>

Results of the discontinued semiconductor equipment operations are as follows:

Net sales	\$ 130	\$ 122	\$ 94	\$ 100	\$ 130	\$ 252	\$ 346	\$ 446
Operating profit	26	25	8	1	26	51	59	60
Other income (expense) - net	0	0	(1)	(1)	0	0	(1)	(2)
Income before income taxes	26	25	7	0	26	51	58	58
Income taxes	7	6	1	0	7	13	14	14
<b>Income from discontinued operations</b>	<b>\$ 19</b>	<b>\$ 19</b>	<b>\$ 6</b>	<b>\$ 0</b>	<b>\$ 19</b>	<b>\$ 38</b>	<b>\$ 44</b>	<b>\$ 44</b>