

EATON CORP  
Form 425  
September 19, 2012

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2012 Citi Global Industrials Conference  
Alexander M. Cutler  
Chairman and Chief Executive Officer

September 19, 2012

Filed

by

Eaton

Corporation

pursuant

to

Rule

425

under

the

Securities

Act

of

1933

and

deemed

filed

pursuant

to

Rule

14a-6

under

the

Securities

Exchange

Act

of

1934

Subject

Company:

Cooper

Industries

plc;

Eaton

Corporation

Filer s

SEC

File

No.:

1-1396

Date:

September

19,

2012

2  
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SOLICITATION

This  
communication  
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intended  
to  
and  
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invitation  
to  
purchase  
or

subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition or otherwise  
issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made exc  
meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

IMPORTANT  
ADDITIONAL  
INFORMATION  
WILL  
BE  
FILED  
WITH  
THE  
SEC

A registration statement on Form S-4 has been filed with the SEC, which includes the Joint Proxy Statement of Eaton Corporat  
Industries  
plc  
( Cooper )  
that  
also  
constitutes

a  
Prospectus  
of  
Eaton  
Corporation  
plc  
(1)

.  
The  
registration  
statement  
was  
declared  
effective  
on  
September  
7,  
2012.

Eaton  
and  
Cooper  
are commencing sending to  
their  
respective  
shareholders  
(and  
to  
Cooper  
equity  
award  
holders  
for  
information  
only)

the  
definitive  
Joint Proxy

Statement/Prospectus (including the Scheme) in connection with the transaction. **Investors and shareholders are urged to read the**  
Statement/Prospectus (including the Scheme) and other relevant documents filed or to be filed with the SEC carefully because  
contain

important  
information  
about  
Eaton,  
Cooper,  
Eaton  
Corporation  
plc,  
the  
transaction

and  
related  
matters.

Investors  
and  
security  
holders

may

obtain free copies of the definitive Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed with the

Eaton

and

Cooper

through

the

website

maintained

by

the

SEC

at

[www.sec.gov](http://www.sec.gov).

In

addition,

investors

and

shareholders

may

obtain

free

copies

of

the

definitive

Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by Eaton and Eaton Corporation plc with

Investor Relations at Eaton Corporation, 1111 Superior Avenue, Cleveland, OH 44114 or by calling (888) 328-6647, and may

Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by Cooper by contacting Cooper Investor

P.O. Box 4446, Houston, Texas 77210 or by calling (713) 209-8400.

#### PARTICIPANTS

IN

THE

#### SOLICITATION

Cooper, Eaton and Eaton Corporation plc and their respective directors and executive officers may be deemed to be participants

from the respective shareholders of Cooper and Eaton in respect of the transaction contemplated by the Joint Proxy Statement/

regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective shareho

connection

with

the

proposed

transaction,

including

a  
description  
of  
their  
direct  
or  
indirect  
interests,  
by  
security  
holdings  
or  
otherwise,  
is  
set  
forth  
in  
the  
definitive

Joint Proxy Statement/Prospectus filed with the SEC. Information  
regarding Cooper's directors and executive officers is contained in Cooper's Annual Report on  
Form 10-K for the year ended December 31, 2011 and its Proxy Statement on Schedule 14A, dated March 13, 2012, which are  
regarding Eaton's directors and executive officers is contained in Eaton's Annual Report on Form 10-K for the year ended De  
its

Proxy  
Statement  
on  
Schedule  
14A,  
dated  
March  
16,  
2012,  
which  
are  
filed  
with  
the  
SEC.

STATEMENT  
REQUIRED  
BY  
THE  
IRISH  
TAKEOVER  
RULES

The  
directors  
of  
Eaton

accept  
responsibility  
for  
the  
information  
contained  
in  
this  
communication.

To  
the  
best  
of  
the  
knowledge  
and  
belief  
of  
the directors of Eaton

(who have taken all reasonable care to ensure such is the case),  
the information contained in this communication is in accordance with the facts and does not  
omit anything likely to affect the import of such information.

Persons interested in 1% or more of any relevant securities in Eaton or Cooper may from the date of this communication have  
8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2007 (as amended).

(1)  
Currently  
named  
Eaton  
Corporation  
Limited  
but  
expected  
to  
be  
re-registered  
as  
Eaton  
Corporation  
plc  
prior  
to  
the  
consummation  
of  
the  
transaction.



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Forward Looking Statements

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, regarding Eaton, Eaton Global plc, the acquisition and other transactions contemplated by the Transaction Agreement, our acquisition financing, our credit rating and our revenues and operating earnings. These statements or disclosures may discuss goals, intentions and expectations.

trends, plans, events, results of operations or financial condition, or state other information relating to Eaton or Eaton Global p  
beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking  
will

be  
accompanied  
by  
words  
such  
as

anticipate,  
believe,  
plan,  
could,  
estimate,  
expect,  
forecast,  
guidance,  
intend,  
may,  
possible,  
potential,  
predict,  
project

or other similar words, phrases or expressions. These forward-looking statements are subject to various risks and  
uncertainties, many of which are outside of our control. Therefore, you should not place undue reliance on such statements. Fa

actual  
results  
to  
differ  
materially  
from  
those  
in  
the  
forward-looking  
statements  
include  
adverse  
regulatory  
decisions;  
failure  
to  
satisfy  
other  
closing

conditions with respect to the Acquisition; the risks that the new businesses will not be integrated successfully or that we will r  
cost savings and synergies; our ability to refinance the bridge loan on favorable terms and maintain our current long-term credi  
changes in the markets for our business segments; unanticipated downturns in business relationships with customers or their pu  
competitive  
pressures

on  
our  
sales  
and  
pricing;  
increases  
in  
the  
cost  
of  
material,  
energy  
and  
other  
production  
costs,  
or  
unexpected  
costs  
that  
cannot

be recouped in product pricing; the introduction of competing technologies; unexpected technical or marketing difficulties; unexpected charges, litigation or dispute resolutions; new laws and governmental regulations. The foregoing list of factors is not exhaustive. We do not consider the foregoing factors and the other risks and uncertainties that affect our business described in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed from time to time with the SEC. We do not update these forward-looking statements.

No statement in this presentation is intended to constitute a profit forecast for any period, nor should any statements be interpreted as earnings

or  
earnings  
per  
share  
will  
necessarily  
be  
greater  
or  
lesser  
than  
those  
for  
the  
relevant  
preceding  
financial  
periods  
for  
Eaton.

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Eaton Corporation

A Premier Diversified Power

Management Company

A balanced power management company

Eaton's acquisition of Cooper Industries

2012 outlook

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Eaton provides energy efficient solutions using  
electrical, mechanical, and fluid technologies  
Cities &  
Buildings

Transportation

Industrial &

Machinery

Information

Technology

Energy &

Utilities

Infrastructure

Our products & services deliver reliability, efficiency, and safety for:

helping to bridge the gap between rapidly rising demand for energy  
and naturally constrained sources of supply with sustainable solutions

6

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Hydraulics

Electrical

Aerospace

Truck



Automotive

International Developed

U.S.

International Emerging

Today we have a global footprint across the five  
business segments

2011 Sales by Region

2011 Sales by Business

7

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and our businesses are balanced across the  
economic cycle

\$2.2B in Revenues

Electrical Service, Defense,

Filtration, Aerospace Aftermarket

\$3.6B in Revenues

Commercial Aerospace,

Nonresidential Construction,

Large Data Centers

\$4.7B in Revenues

Hydraulics, Industrial Controls,

Medium Duty Truck,

Mid-sized Data Centers

\$5.5B in Revenues

Residential Electric,

Single Phase Power Quality,

Heavy Duty Truck, Automotive

2011 Global Sales by Cycle

34%

29%

23%

14%

0%

20%

40%

60%

80%

100%

2011

8

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EBS embodies the values and processes that bind  
the company and have enabled our success

Growth

Robust strategic planning  
process for growth and  
profitability

Outgrowing end markets  
through innovation

Identifying higher growth markets

Established acquisition strategy  
and processes

Profitability

Operational excellence

Global scale

Efficient functional support

Capital Efficiency

Effective working capital  
management

Capital expenditures  
targeted to support  
growth

Foundation

Doing business right

Employee development

Customer focus

Supplier partnerships  
A powerful combination of proven  
foundation elements, tools, and processes,  
EBS is at the heart of our strategy for being  
a premier diversified industrial

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Executing our strategy has resulted in an  
upward shift in profitability

Innovative new products

Margin accretive acquisitions

Leveraging the Eaton Business System

Targeted restructuring

Profitability Drivers

11.9%

12.7%

14.2%

14.5%-15%

0%

5%

10%

15%

20%

25%

2002

-2008

Average

2010

2011

2012E

+ 260 to 310 bps

10  
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Cumulative Shareholder Returns  
50  
100  
150



200  
250  
300  
350  
400  
450  
500  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011

Aug-  
12

Eaton

S&P 500

PDI Group

2000

Aug 2012

CAGR\*

Return

Index

11.8%

2.5%

6.6%

Note

DI Group represents an equal weighted index of ABB, DHR, DOV, EMR, GE, HON, IR, ITW, MMM, PH, SI, SPW, TXT, U

\*CAGR = Calculated using the End Point Methodology

Source Data: Capital IQ

Our shareholder returns have far outpaced  
the broader market

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Powerful megatrends will help drive our markets  
to grow at a multiple of global GDP

Electrical  
Hydraulics

Aerospace  
Truck  
Automotive

23

By the numbers:

Percentage decrease in electricity demand possible through the application of energy efficient equipment and demand management services

100

Percentage increase in agricultural output by 2050 necessary in developing countries to feed the global population

30

Percentage decrease in fuel consumption of next generation single-aisle aircraft planned by 2020

20

90

Source: United Nations, IATA, NHTSA, Eaton analysis

Percentage decrease in fuel consumption by model year 2018 resulting from the first ever U.S. emissions standards for heavy-duty trucks

Percentage increase in proposed Corporate Average Fuel Economy (CAFE) standards by 2025 for passenger cars

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A Premier Diversified Power

Management Company

A balanced power management company

Eaton's acquisition of Cooper Industries

2012 outlook

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Acquisitions have played a large role in growing  
our electrical business

Electrical Group

Acquisitions

Year  
Acq d  
Sales  
Market Participation  
Regional Strength  
Power Control  
& Distribution  
Power  
Quality  
Lighting &  
Safety  
Americas  
EMEA  
Asia-  
Pacific  
Cutler Hammer  
1978  
\$0.6B  
Westinghouse DCBU  
1994  
\$1.0 B  
Delta Electrical  
2003  
\$0.3 B  
Powerware  
2004  
\$0.8 B  
MGE Small Systems  
2007  
\$0.2 B  
Moeller  
2008  
\$1.5 B  
Phoenixtec  
2008  
\$0.5 B  
Cooper  
2012  
\$5.4 B  
28  
other  
Electrical  
acquisitions  
since  
1990

14

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Transaction overview for Eaton's acquisition of  
Cooper Industries  
Combined  
company



Premier power management company with 2011 sales of \$21.5B

Under the leadership of Eaton management

Named Eaton Corporation Plc and will continue to trade on NYSE as ETN

Incorporated in Ireland

Consideration

Cooper shareholders will receive \$39.15 in cash and 0.77479 ETN Plc shares, reflecting a 29% equity premium to the closing price on May 18

Eaton shareholders will receive 1 ETN Plc share

Financing

Fully committed bridge financing in place

Financial

benefits

\$375M operating synergies, with >80% realized by year 3, and \$160M

global

cash

management

and

resultant

tax

benefits

in

the

mature

year

(1)

Significantly accretive to Eaton's earnings

Timing

Expect closing 2

nd

half of 2012

Conditional on customary regulatory and shareholder approvals

(1)

The financial benefits statements have been reported on in accordance with the Irish Takeover Code. Please see the offer announcement dated May 21, 2012 for further details.

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Cooper has a wide range of complementary electrical businesses

Cooper Power Systems

\$1.3 B sales

Market leader in  
distribution grid  
protection

Crouse-Hinds

\$1.0 B sales

Global leader in electrical  
solutions for harsh and  
hazardous environments

Safety

\$600 M sales

Leading European  
provider of emergency  
lighting and video  
security  
Electrical Products (\$2.5 B sales)

Lighting

\$1.1 B sales

Strong LED platform  
driving growth

Bussmann:

\$650 M sales

Global leader in  
circuit protection

B-Line Support structures

\$400 M sales

Global provider of  
structural systems and  
wire management solutions

Wiring devices

\$350 M sales

Electrical devices for

commercial and residential power distribution  
Energy and Safety Solutions (\$2.9 B sales)

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16  
Adding Cooper expands Eaton's market  
participation  
Moving Upstream  
Utility power

distribution network  
Historic Eaton Core  
Facilities  
Power Distribution  
Moving Downstream  
Load management  
& lighting control

16

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17

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Broad portfolio of complementary products

Market segment expansion:

Upstream into power solutions encompassing primary and secondary distribution, grid automation, and smart grid

Downstream into lighting, lighting controls, and wiring devices

Expands our solutions with all channels

Well positioned to address long-term global requirements

Aging grid

Increased spending on energy & infrastructure

Protecting people, equipment and data

The strategic rationale for this acquisition is compelling -

I



18

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Aligns with our customer segment focus in oil & gas, mining,  
energy efficiency and alternative energy

Adds breadth to our global geographic exposure

Attractive business in EMEA

Strong oil & gas industry positioning globally

Complementary component and utility business in APAC

Offers improved cash management flexibility for the corporation

The strategic rationale for this acquisition is compelling -

II

19  
Our integrated operating company capabilities  
(EBS)  
will  
drive  
significant  
synergies

(1)	
(\$M)	
2013	
2014	
2015	
2016	
Pre-tax operating synergies	
Sales synergies	
10	
35	
70	
115	
Cost-out synergies	
65	
140	
240	
260	
Total operating synergies	
75	
175	
310	
375	
Global cash management and resultant tax benefits	
160	
160	
160	
160	
Acquisition integration costs, pre-tax	
90	
75	
35	
-	

\$260M in cost out synergies with over 90% complete by 2015

\$200M in acquisition integration charges with ~80% incurred through 2014

Integration plans

Synergies

(1)

The financial benefits statements have been reported on in accordance with the Irish Takeover Code. Please see the offer announcement dated May 21, 2012 for further details.

20  
©  
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The  
acquisition  
is  
accretive

to  
earnings

(1)

(\$)

2013

2014

2015

2016

Operating EPS Accretion

(1)

(0.10)

0.35

0.45

0.55

Cash Operating EPS Accretion

(1,2)

0.40

0.65

0.75

0.85

Accretion

(1)

EPS accretion numbers do not represent a profit forecast as defined in the Irish Takeover Code

(2)

Cash Operating EPS excludes incremental amortization of intangibles arising from purchase accounting

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Eaton's acquisition of Cooper Industries

2012 outlook



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We project growth of 3% -

4% in our markets in 2012

2012E

Total

2012E

U.S.

Non

U.S.

Electrical Americas Index

8

9

5

Electrical ROW Index

(3)

n/a

(3)

Hydraulics Index

3

8

(1)

Aerospace Index

4

1

8

Truck Index

2

11

(4)

Automotive Index

3

10

1

Eaton Consolidated Index

3.5%

8%

(1)%

23

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leading to another year of record margins

2011

2012E

2015 Target

Electrical Americas

14.6%

16.5%

17%

Electrical ROW

9.4%

9.0%

14%

Hydraulics

15.6%

16.0%

17%

Aerospace

14.8%

15.0%

17%

Truck

18.4%

19.0%

20%

Automotive

12.0%

12.0%

13%

Eaton Consolidated

14.2%

14.5% -

15.0%

16% -

17%

24

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2012 Guidance

January

Guidance

February

Guidance

April

Guidance

July

Guidance

Market Growth of 3.5%

\$800M

\$800M

\$800M

\$560M

Market Outgrowth of 40%

\$320M

\$320M

\$320M

\$225M

Net Acquisition Revenue

\$90M

\$315M

\$365M

\$365M

Sales Decrease from FOREX

\$(550)M

\$(550)M

\$(300)M

\$(500)M

Incremental Margin

28%

28%

28%

29%

Tax Rate

17% -

19%

17% -

19%

16% -

18%

14% -

16%

Operating EPS

\$4.15 -

\$4.55

\$4.20 -

\$4.60

\$4.30 -

\$4.70

\$4.20 -

\$4.50

Fully Diluted EPS

\$4.10 -

\$4.50

\$4.13 -

\$4.53

\$4.23 -

\$4.63

\$4.09 -

\$4.39

Operating Cash Flow

\$1.7B to \$1.8B

\$1.7B to \$1.8B

\$1.7B to \$1.8B

\$1.7B to \$1.8B

Free Cash Flow

\$1.1B to \$1.2B

\$1.1B to \$1.2B

\$1.1B to \$1.2B

\$1.1B to \$1.2B

The operating EPS and Fully Diluted EPS guidance provided in July constitute a profit forecast for the purposes of the Irish Takeover Code and reports on those forecasts as required by the Irish Takeover Code will be mailed to Cooper shareholders with the joint proxy statement / prospectus.

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Our acquisition of Cooper Industries

remains on track

Proxy filed with SEC and mailing underway



U.S. HSR approval in early July and Canadian  
Competition Bureau approval received in  
September

Revolving finance facilities upsized to \$2B, and  
\$600 million of term debt issued



Eaton Corporation  
Reconciliation of Non-GAAP Financial Information  
2Q  
2012  
All numbers \$M except per share numbers  
Reconciliation of net income to operating earnings  
2003

2004

2005

2006

2007

2008

2009

2010

2011

1Q 2012

2Q 2012

Low

High

Net income from continuing operations

356

\$

626

\$

783

\$

897

\$

959

\$

1,055

\$

383

\$

929

\$

1,350

\$

311

\$

382

\$

Net income from discontinued operations

30

22

22

53

35

3

-

-

-

-

-

Net Income

386

648

805

950

994

1,058

383

929

1,350

311

382

Acquisition integration charges (after-tax)

24

27

24

27

42

51

54

27

10

2

10

Operating earnings

410

\$

675

\$

829

\$

977  
\$  
1,036  
\$  
1,109  
\$  
437  
\$  
956  
\$  
1,360  
\$  
313  
\$  
392  
\$  
Net income per share - diluted  
1.28  
\$  
2.07  
\$  
2.62  
\$  
3.11  
\$  
3.31  
\$  
3.26  
\$  
1.14  
\$  
2.73  
\$  
3.93  
\$  
0.91  
\$  
1.12  
\$  
4.09  
\$  
4.39  
\$  
Per share impact of unusual items (after tax)  
0.08  
  
0.08  
  
0.07

0.09

0.14

0.16

0.16

0.08

0.03

0.01

0.03

0.11

0.11

Operating earnings per common share

1.36

\$

2.15

\$

2.69

\$

3.20

\$

3.45

\$

3.42

\$

1.30

\$

2.81

\$

3.96

\$

0.92

\$

1.15

\$

4.20

\$

4.50

\$

Reconciliation of segment operating profit to segment operating profit excluding restructuring charges

2003

2004

2005  
2006  
2007  
2008  
2009  
2010  
2011  
1Q 2012  
2Q 2012  
Segment operating profit  
763  
\$  
1,123  
\$  
1,374  
\$  
1,468  
\$  
1,668  
\$  
1,805  
\$  
950  
\$  
1,700  
\$  
2,260  
\$  
544  
\$  
592  
\$  
Acquisition integration charges (pre-tax)  
36  
  
41  
  
36  
  
40  
  
64  
  
76  
  
80  
  
40  
  
14



3

8

Segment operating profit excluding restructuring

799

\$

1,164

\$

1,410

\$

1,508

\$

1,732

\$

1,881

\$

1,030

\$

1,740

\$

2,274

\$

547

\$

600

\$

Reconciliation of segment operating margin to segment operating margin excluding restructuring charges

Segment operating margin

9.8%

11.8%

12.7%

12.0%

12.8%

11.7%

8.0%

12.4%

14.1%

13.7%

14.6%

Acquisition integration charges

0.4%

0.4%

0.3%

0.3%

0.5%

0.5%

0.7%

0.3%

0.1%

0.1%

0.1%

Segment operating margin excluding restructuring

10.2%

12.2%

13.0%

12.3%

13.3%

12.2%

8.7%

12.7%

14.2%

13.8%

14.7%

Reconciliation of net income margin to after tax operating margin

Net income margin

5.0%

6.8%

7.4%

7.8%

7.6%

6.9%

3.2%

6.8%

8.4%

7.9%

9.4%

Acquisition integration charges

0.3%

0.3%

0.2%

0.2%

0.3%

0.3%

0.5%

0.2%

0.1%

0.1%

0.2%

After tax operating margin

5.3%

7.1%

7.6%

8.0%

7.9%

7.2%

3.7%

7.0%

8.5%

8.0%

9.6%

2012 Guidance

Reconciliation of net income to EBIT and EBITDA

2003  
2004  
2005  
2006  
2007  
2008

2009  
2010  
2011  
1Q 2012  
2Q 2012  
Net income from continuing operations  
356  
\$  
626  
\$  
783  
\$  
897  
\$  
959  
\$  
1,055  
\$  
383  
\$  
929  
\$  
1,350  
\$  
311  
\$  
382  
\$  
Net income from discontinued operations  
30  
  
22  
  
22  
  
53  
  
35  
  
3  
  
-  
  
-  
  
-  
  
-  
  
-

Net income

386

648

805

950

994

1,058

383

929

1,350

311

382

Income tax

122

133

191

77

97

73

(82)

99

201

57

37

Net interest expense

87

78

90

104

146

157

150

136

118

28

30

Other expense (income)

(5)

28

(27)

(72)

(43)

(30)

(9)

(1)

(38)

3

8

EBIT (including acquisition integration)

590

\$

887

\$

1,059

\$

1,059

\$

1,194

\$

1,258

\$

442

\$

1,163

\$

1,631

\$  
399  
\$  
457  
\$  
Depreciation & amortization  
394

400

409

434

439

571

573

551

556

140

138

EBITDA (including acquisition integration)

984

\$

1,287

\$

1,468

\$

1,493

\$

1,633

\$

1,829

\$

1,015

\$

1,714

\$

2,187

\$

539

\$

595



\$	
Reconciliation of EBIT and EBITDA to EBIT excluding restructuring and EBITDA excluding restructuring	
2003	
2004	
2005	
2006	
2007	
2008	
2009	
2010	
2011	
1Q 2012	
2Q 2012	
EBIT (including acquisition integration)	
590	
\$	
887	
\$	
1,059	
\$	
1,059	
\$	
1,194	
\$	
1,258	
\$	
442	
\$	
1,163	
\$	
1,631	
\$	
399	
\$	
457	
\$	
Acquisition integration charges (pre-tax)	
37	
41	
36	
40	
64	
77	
82	

40

14

3

8

EBIT (excluding restructuring)

627

\$

928

\$

1,095

\$

1,099

\$

1,258

\$

1,335

\$

524

\$

1,203

\$

1,645

\$

402

\$

465

\$

EBITDA (including acquisition integration)

984

\$

1,287

\$

1,468

\$

1,493

\$

1,633

\$

1,829

\$

1,015

\$

1,714

\$

2,187

\$  
539  
\$  
595  
\$  
Acquisition integration charges (pre-tax)  
37  
  
41  
  
36  
  
40  
  
64  
  
77  
  
82  
  
40  
  
14  
  
3  
  
8  
  
EBITDA (excluding restructuring)  
1,021  
\$  
1,328  
\$  
1,504  
\$  
1,533  
\$  
1,697  
\$  
1,906  
\$  
1,097  
\$  
1,754  
\$  
2,201  
\$  
542  
\$  
603

\$

Reconciliation of operating cash flow to free cash flow

2003

2004

2005

2006

2007

2008

2009

2010

2011

1Q 2012

2Q 2012

Operating cash flow

874

\$

838

\$

1,135

\$

1,431

\$

1,158

\$

1,441

\$

1,408

\$

1,282

\$

1,248

\$

(98)

\$

469

\$

1,700

\$

1,800

\$

Capital expenditures

273

330

363

360

354

448

195

394

568

105

126

600

600

Free cash flow

601

\$

508

\$

772

\$

1,071

\$

804

\$

993

\$

1,213

\$

888

\$

680

\$

(203)

\$

343

\$

1,100

\$

1,200

\$

2012 Guidance

Reconciliation of Eaton Electrical Americas operating profit to operating profit excluding restructuring

2006

2007

2008

2009

2010

2011

1Q 2012

2Q 2012

Electrical operating profit (including restructuring)

448

\$

534

\$

630

\$

518

\$

529

\$

605

\$

162

\$

190

\$

Acquisition integration charges (pre-tax)

2

-

4

4

2

8

1

2

Electrical operating profit (excluding restructuring)

450

\$

534

\$

634

\$

522

\$

531

\$

613

\$

163

\$  
192  
\$  
Reconciliation of Eaton Electrical Rest of World operating profit to operating profit excluding restructuring  
2006  
2007  
2008  
2009  
2010  
2011  
1Q 2012  
2Q 2012  
Electrical operating profit (including restructuring)  
26  
\$  
45  
\$  
233  
\$  
107  
\$  
264  
\$  
278  
\$  
53  
\$  
52  
\$  
Acquisition integration charges (pre-tax)  
5  
  
12  
  
43  
  
60  
  
33  
  
2  
  
1  
  
3  
  
Electrical operating profit (excluding restructuring)  
31  
\$  
57



\$  
276  
\$  
167  
\$  
297  
\$  
280  
\$  
54  
\$  
55  
\$  
Reconciliation of Eaton Hydraulics operating profit to operating profit excluding restructuring  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
1Q 2012  
2Q 2012  
Hydraulic operating profit (including restructuring)  
153  
\$  
221  
\$  
265  
\$  
285  
\$  
51  
\$  
279  
\$  
438  
\$  
109  
\$  
123  
\$  
Acquisition integration charges (pre-tax)  
6  
  
11  
  
12  
  
6

3

1

4

1

3

Hydraulic operating profit (excluding restructuring)

159

\$

232

\$

277

\$

291

\$

54

\$

280

\$

442

\$

110

\$

126

\$

Reconciliation of Eaton Aerospace operating profit to operating profit excluding restructuring

2005

2006

2007

2008

2009

2010

2011

1Q 2012

2Q 2012

Aerospace operating profit (including restructuring)

157

\$

182

\$

233

\$

283

\$

245

\$  
220  
\$  
244  
\$  
60  
\$  
59  
\$  
Acquisition integration charges (pre-tax)

1

12

39

20

12

4

-

-

-

Aerospace operating profit (excluding restructuring)

158

\$

194

\$

272

\$

303

\$

257

\$

224

\$

244

\$

60

\$

59

\$

Reconciliation of Eaton Truck operating profit to operating profit excluding restructuring

2005

2006

2007

2008

2009

2010

2011

1Q 2012

2Q 2012

Truck operating profit (including restructuring)

453

\$

448

\$

357

\$

315

\$

39

\$

245

\$

486

\$

116

\$

120

\$

Acquisition integration charges (pre-tax)

4

5

-

-

-

-

-

Truck operating profit (excluding restructuring)

457

\$

453

\$

357

\$

315

\$

39

\$

245

\$

486

\$

116

\$

120

\$

Reconciliation of Eaton Automotive operating profit to operating profit excluding restructuring

2005

2006

2007

2008

2009

2010

2011

1Q 2012

2Q 2012

Automotive operating profit (including restructuring)

236

\$

143

\$

234

\$

59

\$

(10)

\$

163

\$

209

\$

44

\$

48

\$

Acquisition integration charges (pre-tax)

4

5

1

3

1

-

-

-

-

Automotive operating profit (excluding restructuring)

240

\$

148

\$

235

\$

62

\$

(9)

\$

163

\$

209

\$

44

\$

48

\$

Methodology for calculations used in the presentations

Return on equity = trailing 4 quarters net income / average trailing 5 quarters shareholder's equity

Return on invested capital = (EBIT - taxes) / average (total debt + equity)

Return on sales = net income / sales

Total return = stock price appreciation + dividend yield

Net debt to total capital = (total debt - cash & equivalents) / (total debt - cash & equivalents + equity)

Cash flow coverage ratio = (pre-tax income + depreciation + amortization + interest expense) / interest expense

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Segment net working capital (including acquisitions) = accounts receivable + inventory - accounts payable. All amounts averaged

DSO = average of quarterly DSO; quarterly DSO = quarter end accounts receivable / quarter sales \* 90 days

DOH = average of quarterly DOH; quarterly DOH = quarter end inventory / quarter COGS \* 90 days

DPO = average of quarterly DPO; quarterly DPO = quarter end accounts payable / quarter COGS \* 90days

Cash conversion cycle = DSO + DOH - DPO

Free cash flow = cash flow from operations - capital expenditures