

EATON CORP  
Form 425  
May 22, 2012

©  
2012 Eaton Corporation. All rights reserved  
Cooper Industries Acquisition  
Employee Communication  
May 21, 2012  
Filed  
by  
Eaton  
Corporation  
pursuant  
to  
Rule  
425

under  
the  
Securities  
Act  
of  
1933  
and  
deemed  
filed  
pursuant  
to  
Rule  
14a-12  
under  
the  
Securities  
Exchange  
Act  
of  
1934  
Subject  
Company:  
Cooper  
Industries  
plc;  
Eaton  
Corporation  
Filer s  
SEC  
File  
No.:  
1-1396  
Date:  
May  
22,  
2012

Good morning / afternoon. I m pleased to give you an update on the exciting news announced Monday by Sandy Cutler. Let start out with a quick summary of what was actually announced.

2

3

©

2012 Eaton Corporation. All rights reserved

What did Eaton just announce?

An agreement to acquire Cooper Industries, creating a combined enterprise that would have had \$21.5 billion sales in 2011

Will become part of Eaton's electrical business

The new company will be formed via a legal process similar to a merger and will be incorporated in Ireland

Executives and functions will remain based in their

present locations

Plan to deliver \$535 million in annual synergies

Eaton announced it has reached agreement to acquire Cooper Industries. This is the largest acquisition in our history. Together with Cooper, we would have had combined 2011 sales of an estimated \$21.5 billion.

After the acquisition is completed, Cooper will become part of Eaton's electrical business, led by Tom Gross.

The acquisition will be accomplished via a form of Irish legal process, similar to a merger. Cooper is currently an Irish incorporated company and, as a result of the legal processes in Ireland and the U.S., Cooper and Eaton will be combined in a company incorporated in Ireland.

Preliminary

plans,

still

subject

to

government

approval,

are

for

the

company

to

be

known

as

Eaton

Global

Corporation

plc.

Our

company

will

continue

to

trade

on

the

New

York

Stock

Exchange

as

ETN.

The change of our place of incorporation to Ireland will have virtually no impact on our employees. Executives and corporate functions will remain based in their present locations.

Putting the two companies together will result in over \$500 million in annual synergies.

4

5

©

2012 Eaton Corporation. All rights reserved

Benefits of Acquiring Cooper Industries

Broader electrical solutions for our customers  
and channel partners

Moving Eaton upstream into utility distribution, grid  
automation and smart grid and downstream into  
lighting, lighting controls and wiring devices

Wider base for our service business

Complementary geographic strengths

Creates an enterprise increasingly well positioned for growth through addressing global power management needs



Beyond just making Eaton quite a bit larger, there are a lot of strategic benefits and opportunities. These stem from the fact that our Electrical Sector and Cooper have very complementary products. Together they create a broader electrical solution for our customers.

If  
you  
think  
about  
electricity  
as  
a  
long  
chain  
of  
equipment  
from  
the  
power  
plant  
to  
the  
light  
bulb,  
you  
can  
think  
of  
Eaton's  
current  
electrical business as playing in the middle.  
Cooper  
stretches  
that  
position  
in  
both  
directions.  
First,  
it  
moves  
us  
upstream  
because  
Cooper  
is  
a  
leading  
supplier  
to  
Electrical

Utilities.  
Second,  
it  
stretches  
us  
downstream  
because  
Cooper  
is  
also  
a  
leader  
in  
lighting,  
lighting  
controls,  
and  
the  
final  
products  
you  
plug into  
generally known as wiring devices.

Having a bigger solution means having a bigger opportunity to provide services, and one of the benefits we anticipate is increased our service business considerably.

And finally, we have very complementary geographic strengths. This will allow us to leverage ourselves in key markets outside USA.

So  
a  
good  
way  
to  
think  
about  
the  
benefits  
is  
that  
it  
accelerates  
the  
strategy  
we've  
had  
in  
place  
for  
quite  
a  
while

we  
are  
creating  
an  
enterprise  
that  
is  
very  
well  
positioned  
for  
growth  
through  
addressing  
global  
power  
management  
needs.  
6

7

©

2012 Eaton Corporation. All rights reserved

Cooper business mix

Geographic Mix

End Market Mix

Source: Company filings, company reports

Industrial

35%

Commercial

26%

Utility

27%

Residential

7%

Other  
5%  
US  
60%  
Int 1 Dev  
19%  
Emerging  
21%

Like Eaton, Cooper Industries has been in the process of diversifying their end-market and geographic mix. From an end market perspective, a larger percentage of their business is sold to electric utilities. This was attractive to us. Like us, they also have a successful position in industrial and commercial markets, although they achieve that position with different products. That was also attractive to us. They have a somewhat higher concentration of their total business in the U.S. than Eaton does. Having said that, they have focused heavily on globalizing their business over the past several years and have been able to achieve a total of 40% of their revenues to customers outside the U.S.

8

9

Cooper has a wide range of complementary electrical businesses

Power Systems

Crouse-Hinds

\$1.0 billion sales

Global leader in electrical solutions for harsh and hazardous environments

Safety

\$600 million sales

Leading European provider of emergency lighting and

video security  
Electrical Products (\$2.5 B sales)  
Lighting

\$1.1 billion sales

Strong LED platform driving  
growth  
Bussmann

\$650 million sales

Global leader in circuit  
protection  
B-Line Support structures

\$400 million sales

Global provider of structural  
systems and wire management  
solutions  
Wiring devices

\$350 million sales

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

\$1.3 billion sales

Market leader in  
distribution grid  
protection



Cooper Industries has a terrific set of complementary products with very strong brands. They report their business by the two segments shown

at the top of this slide.

Each is sizable as you can see.

Within these two segments are seven strong businesses and many strong brands:

- 
- 
- 
- 
- 
- 
- 

Again, seven strong businesses with very strong positions and brands.

10

Cooper Power Systems is a market leader in grid protection and has \$1.3 billion in sales. This business sells extensively to the electric utilities segment

One of their most famous brands is Crouse

Hinds.

It is a \$1 billion manufacturer of enclosures and solutions for

hazardous

environments. Their customer base is big industry like Oil and Mining

Safety, primarily a European business with \$600 million in sales, is a leading provider of emergency systems such as lighting a video.

Lighting is a very powerful and broad business with \$1.1 billion in sales. This business manufactures light fixtures for Industrial, Commercial,

and

Residential applications.

Recently

they

have

introduced

a

broad

line

of

energy-efficient

LED

fixtures

very

promising for the future.

Bussman is another one of their strong brands. Bussman is a \$650 million manufacturer of fuses and other devices that protect equipment and people.

B-Line is an interesting business that manufactures structures that manage wiring and cable. Doing this well is a big deal, particularly in industrial settings and in applications with a lot of wires such as data centers.

And finally, wiring devices. I m sure you recognize these two pictures.

11

©

2012 Eaton Corporation. All rights reserved

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 Industries  
2012  
\$5.4 B  
28 other Electrical acquisitions since 1990

Acquisitions have played a large role in building our electrical business. Cooper will certainly be the biggest, but we have made other large ones as shown on this chart. Large and small together, we have made 34 acquisitions since 1990 and Cooper

Industries

will

be

our

35

th

.

As you can see from the middle of the chart, Cooper adds extensive capability to Eaton's power distribution portfolio. And in addition, it adds a new capability in lighting and safety.

12

13

©

2012 Eaton Corporation. All rights reserved

What happens next?

The deal is not yet complete and must go through approvals before being consummated. Expect closing in late Q3 or in Q4.

An integration team consisting of members from both companies will be formed and start its joint work at closing.

In  
the  
interim,  
everything

is  
business  
as  
usual.

Eaton  
employees  
should  
not  
contact  
Cooper  
employees,  
channels or customers.

Any media calls should be addressed to Don McGrath and  
investor calls should be addressed to Don Bullock.

As  
I  
said  
in  
the  
beginning,  
the  
announcement  
of  
the  
agreement  
to  
acquire  
Cooper  
Industries  
is  
very  
big  
and  
exciting  
news.  
There  
are  
a number of very important steps and some important things to remember.  
First,  
the  
deal  
is  
not  
complete  
and  
we  
must  
to  
through  
various  
approvals  
before  
it  
is.  
So  
keep  
in  
mind  
that  
we  
have  
not  
acquired



them until it is complete.

An  
integration  
team  
will  
be  
formed  
when  
the  
deal  
is  
completed,  
made  
up  
of  
members  
from  
both  
companies.

This  
is  
true  
for  
all  
Eaton  
acquisitions.

In  
the  
interim,  
everything  
is  
business  
as  
usual.

We  
are  
being  
asked  
to  
not  
speculate  
too  
much  
about  
what  
synergies  
will  
exist.

Let s  
give our integration team some time to do their work. Again, everything is business as usual until then.

Above all, we should not make contact of any type with Cooper employees, or any of their customers or channel partners.

In  
the  
event  
of  
a  
media  
call  
being  
made  
to  
any  
of  
us  
personally,  
or  
to  
our  
facility,  
we  
should  
have  
all  
those  
calls  
addressed  
to  
Don  
McGrath at World Headquarters.  
Thanks for your time.  
14

**No Offer or Solicitation**

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an 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, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus 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 will be filed that will include the Joint Proxy Statement of Eaton Corporation ( Eaton ) and Cooper Industries plc ( Cooper ) that also constitutes a Prospectus of Eaton Global Corporation <sup>Pl</sup>Expected name, or a variant thereof. ( Eaton Global Plc ). Eaton and Cooper plan to mail to their respective shareholders (and to Cooper Equity Award Holders for information only) the Joint Proxy Statement/Prospectus (including the Scheme) in connection with the transactions. **Investors and shareholders are urged to read the Joint Proxy Statement/Prospectus (including the Scheme) and other relevant documents filed or to be filed with the SEC carefully when they become available because they will contain important information about Eaton, Cooper, Eaton Global Plc, the transactions and related matters.** Investors and security holders will be able to obtain free copies of the Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed with the SEC by Eaton Global Plc, Eaton and Cooper through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders will be able to obtain free copies of the Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by Eaton and Eaton Global Plc with the SEC by contacting Don Bullock from Eaton by calling (216) 523-5127, and will be able to obtain free copies of the Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by Cooper by contacting Cooper Investor Relations at c/o Cooper US, Inc., P.O. Box 4466, Houston, Texas 77210 or by calling (713) 209-8400.

\* Expected name or a variant thereof.

**Participants in the Solicitation**

Cooper, Eaton and Eaton Global Plc and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the respective shareholders of Cooper and Eaton in respect of the transactions contemplated by the Joint Proxy Statement/Prospectus. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective shareholders of Cooper and Eaton in connection with the proposed transactions, including a description of their director or indirect interests, by security holdings or otherwise, will be set forth in the Joint Proxy Statement/Prospectus when it is 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 filed with the SEC. Information regarding Eaton's directors and executive officers is contained in Eaton's Annual Report on Form 10-K for the year ended December 31, 2011 and its Proxy Statement on Schedule 14A, dated March 16, 2012, which are filed with the SEC.

**Forward-Looking Statements**

This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 concerning Eaton, Eaton Global Plc, the acquisition and other transactions contemplated by the Transaction Agreement, our acquisition financing, our long-term credit rating and our revenues and operating earnings. These statements or disclosures may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to Eaton or Eaton Global Plc, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally 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. Factors that could cause 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 not realize estimated cost savings and synergies; our ability to refinance the bridge loan on favorable terms and maintain our current long-term credit rating; unanticipated changes in the markets for our business segments; unanticipated downturns in business relationships with customers or their purchases from Eaton; 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 claims, charges, litigation or dispute resolutions; new laws and governmental regulations. The foregoing list of factors is not exhaustive. You should carefully 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 assume any obligation to 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 to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for Eaton.

**Statement Required By The Takeover Rules**

The directors of Eaton Corporation accept responsibility for the information contained in this communication. To the best knowledge and belief of the directors of Eaton Corporation (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.