BIHARY KRISTEN M
Form 5
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 5

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

o Check box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

o Form 3 Holdings Reported

o Form 4 Transactions Reported

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1. Name and Address of Reporting Person*

Bihary, Kristen M.

(Last) (First) (Middle)

Eaton Corporation
Eaton Center 1111 Superior Avenue

(Street)

Cleveland, OH 44114

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Eaton Corporation (ETN)

3. I.R.S. Identification Number of Reporting Person, if an entity *(Voluntary)*

4. Statement for Month/Year

12/2002

5. If Amendment, Date of Original *(Month/Year)*

6. Relationship of Reporting Person(s) to Issuer *(Check All Applicable)*

o Director o 10% Owner

x Officer *(give title below)*

7. Individual or Joint/Group Reporting *(Check Applicable Line)*

x Form filed by One Reporting Person

o

o Other *(specify below)*

Vice President - Communications

Form filed by More than One Reporting Person

* If the form is filed by more than one reporting person, see instruction 4(b)(v).

Table I Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security *(Instr. 3)*	2. Transaction Date *(Month/Day/Year)*	2A. Deemed Execution Date, if any *(Month/Day/Year)*	3. Transaction Code *(Instr. 8)*	4. Securities Acquired (A) or Disposed of (D) *(Instr. 3, 4 and 5)*			5. Amount of Securities Beneficially Owned at the End of Issuer's Fiscal Year *(Instr. 3 and 4)*	6. Ownership Form: Direct (D) or Indirect (I) *(Instr. 4)*	7. Nature of Indirect Beneficial Ownership *(Instr. 4)*
				Amount	(A) or (D)	Price			

Table II Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security *(Instr. 3)*	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date *(Month/Day/Year)*	3A. Deemed Execution Date, if any *(Month/Day/Year)*	4. Transaction Code *(Instr. 8)*	5. Number of Derivative Securities Acquired (A) or Disposed of (D) *(Instr. 3, 4 and 5)*	
					(A)	(D)
Stock Options	$81.21	2/26/2002		A	5,000.00	
Phantom Share Units	N/A	3/15/2002		A	625.73	

Table II Derivative Securities Acquired, Disposed of, or Beneficially Owned Continued
(*e.g.*, puts, calls, warrants, options, convertible securities)

6. Date Exercisable and Expiration Date *(Month/Day/Year)*		7. Title and Amount of Underlying Securities *(Instr. 3 and 4)*		8. Price of Derivative Security *(Instr. 5)*	9. Number of Derivative Securities Beneficially Owned at End of Year *(Instr. 4)*	10. Ownership of Derivative Security: Direct (D) or Indirect (I) *(Instr. 4)*	11. Nature of Indirect Beneficial Ownership *(Instr. 4)*
Date Exercisable	**Expiration Date**	**Title**	**Amount or Number of Shares**				
(1)	2/26/2012	Common Shares	5,000.00		5,000.00	D (2)	
	NA	Common Shares	625.73		1,834.24	D (3)	

Explanation of Responses:

1. These options are exercisable as to one-third of the shares granted on each of the first, second and third anniversaries of the date of grant.

2. Granted under an employee stock option plan pursuant to Rule 16b-3.

3. Phantom Share Units acquired during 2002 pursuant to the Eaton Corporation Deferred Incentive Compensation Plan in transactions exempt under Rule 16b-3.

*/s/ Kristen M. Bihary	2/13/2003
**Signature of Reporting Person *By /s/ Claudia J. Taller as Attorney-in-Fact	Date

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.