

compared with \$130.7 million for the same period last year

Net income for the 2002 third quarter was \$63.2 million, or \$0.68 per diluted share, compared with \$74.3 million, or \$0.78 per diluted share, for the 2001 third quarter. We have not amortized goodwill during 2002 in accordance with FASB Statement No. 142, which we adopted effective January 1, 2002. If goodwill had not been amortized in the 2001 third quarter, net income for that period would have been \$0.91 per diluted share. Our effective tax rate for the 2002 third quarter was 24%, which reflected our reorganization as a Bermuda company on May 22, 2002 and resulted in a benefit of approximately \$0.07 per share for the third quarter.

Free cash flow for the 2002 third quarter was \$104 million, bringing our year-to-date free cash flow to \$269 million, compared to \$189 million for the same period last year. Our debt-to-total capitalization ratio net of cash on September 30, 2002, was 37.3%, down from 37.9% at the end of the 2002 second quarter and 40.9% at the 2001 third quarter end. During the 2002 third quarter, we repurchased 1.2 million shares of our common stock in the open market at an average price of \$30.15 per share. We plan to continue this program to repurchase shares over the balance of the year.

In our Electrical Products segment, revenues for the 2002 third quarter were \$844.6 million, compared with \$874.5 million for the same period last year, a decline of 3.4%. Segment revenues continued to be pressured by weak demand from industrial customers and a declining commercial construction market, which negatively impacted our hazardous-duty, lighting and support systems businesses. In addition, continuing uncertainty in the utility markets weakened revenues from our power systems products. However, the segment did benefit from modest recovery in certain markets. Improved demand within fuse markets, particularly electronics, resulted in increased sales of circuit protection products, and revenues in our wiring device business grew from greater participation in "big box" retail channels. In addition, our European lighting and security businesses achieved revenue growth across all product lines as a result of positive market share shift. Segment operating earnings were \$104.8 million for the 2002 third quarter, compared with \$122.3 million for the same period last year, and operating margins decreased from 14% to 12.4% on a comparative basis, reflecting lower production volumes, market pricing pressures and the impact of our ongoing strategic business investments.

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In our Tools & Hardware segment, revenues for the 2002 third quarter were \$154.7 million, compared with \$177.3 million for the 2001 third quarter. Revenues were affected by lower shipments of assembly equipment to automotive markets and continued overall weak demand for industrial-grade hand and power tools throughout the world. Segment operating earnings were \$7.4 million for the 2002 third quarter, compared with \$16.1 million for the same period last year. Operating margins were 4.8% for the 2002 third quarter, compared to 9.1% for the 2001 third quarter, primarily due to plant inefficiencies resulting from lower volumes and planned inventory reductions. Net segment inventory balances have been reduced by \$47 million, or approximately 28%, since the beginning of 2002.

We are continuing to conservatively manage our businesses to reduce debt, further lower our cost base and maximize free cash flow. As part of our effort to streamline our production activities, we plan to take a pre-tax charge of approximately \$30 million during the 2002 fourth quarter related to the anticipated closing of ten plants.

USE OF PROCEEDS

We estimate that the net proceeds from this offering, after deducting the applicable underwriting