Historically, Kirsch was part of the Tools & Hardware segment Effective with the decision to divest this operation, its results were segregated from the continuing Tools & Hardware segment for internal management reporting

2001 Segment Operating Earnings Excluding Nonrecurring Charges vs 2000 Segment operating earnings decreased 26% to $505 6 million from $682 7 million in 2000 Excluding the impact of recent acquisitions, segment earnings decreased 27% from the prior year

Electrical Products segment operating earnings declined 25% to $437 0 million from $585 0 million in 2000 Excluding the incremental effect of acquisitions, segment operating earnings were down 27% compared to the prior year The reduction in operating earnings reflects lower sales volume, competitive market conditions and manufacturing inefficiencies resulting from adjusting production levels to match demand As a result, return on revenues was 12 5% in 2001 compared with 16 0% in 2000 Excluding recent acquisitions, the return on revenues was 12 9% in 2001 compared with 16 0% in 2000

The Tools & Hardware segment operating earnings were $68 6 million compared to $97 7 million in 2000 Segment earnings for 2001 were impacted by lower revenues and related manufacturing inefficiencies Return on revenues was 9 5% in 2001 compared to 12 2% in 2000

2000 vs 1999 Segment Operating Earnings Excluding Nonrecurring Charges Segment operating earnings grew 11% to $682 7 million in 2000 compared to $614 6 million in 1999 Excluding the impact of acquisitions, segment earnings in 2000 were up 1% over 1999

The Electrical Products segment operating earnings rose 13% to $585 0 million from $516 7 million for 1999 Excluding acquisitions, segment earnings were up 1% compared to 1999 The earnings increase was driven mainly by strong demand for circuit protection products from telecommunications and electronic markets and productivity improvements across most business units This increase was partially offset by the slower demand for hazardous duty construction materials Excluding acquisitions, return on revenues for the Electrical Products segment was 17 0% in 2000 compared with 16 9% in 1999, reflecting Cooper's continued focus on cost reduction and efficiency improvements

The Tools & Hardware segment operating earnings were $97 7 million compared to $97 9 million in 1999 Acquisitions contributed 2% to operating earnings in 2000 compared to 1999 Earnings for 2000 were impacted by slightly lower revenues and expenses related to plant consolidations and other rationalization activities Excluding acquisitions, return on revenues was 12 1% in 2000 as Cooper continued to rationalize its Tools & Hardware operations

Nonrecurring Charges

During the fourth quarter of 2001, Cooper committed to the consolidation or closure of certain Electrical Products segment facilities and recorded a provision for severance and other related costs of these announced actions of $7 1 million In addition, the Company concluded during 2001 that various Electrical Products segment assets comprising $8 5 million of net book value provided no future benefit to Cooper and were therefore fully impaired Also during the 2001 fourth quarter, Cooper recorded a charge of $8 4 million to provide for the costs of assimilation of certain separate product lines rendered partially duplicative as a result of previous Electrical Products segment business acquisition activities The 2001 fourth quarter nonrecurring charge for the Electrical Products segment totals $24 0 million

During the fourth quarter of 2001, Cooper recorded a General Corporate nonrecurring charge of $50 1 million Cooper concluded that the net book values of certain software, hardware and other technology investments were impaired, in consideration of ongoing refinement and development of Company information and technology systems capabilities Also during the 2001 fourth quarter, Cooper provided for the costs associated with performing the Company's review of strategic alternatives