

COOPER INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Pension Benefits			Other Postretirement Benefits		
	2001	2000	1999	2001	2000	1999
	(in millions)					
Components of net periodic benefit cost						
Service cost	\$ 16.2	\$ 14.9	\$ 15.4	\$ 0.2	\$ 0.1	\$ 0.2
Interest cost	42.5	41.0	38.1	8.2	8.8	10.4
Expected return on plan assets	(49.7)	(52.1)	(50.7)	-	-	-
Amortization of unrecognized transition (asset) obligation	0.2	0.2	(1.5)	-	-	-
Amortization of prior service cost	0.3	-	0.1	(1.2)	(1.4)	(1.5)
Recognized actuarial (gain) loss	2.1	(2.0)	(0.8)	(8.5)	(9.3)	(7.5)
Settlement/curtailment	-	(3.6)	0.1	-	-	-
Net periodic benefit cost	<u>\$ 11.6</u>	<u>\$ (1.6)</u>	<u>\$ 0.7</u>	<u>\$ (1.3)</u>	<u>\$ (1.8)</u>	<u>\$ 1.6</u>

Net periodic pension benefit costs includes a \$3.6 million settlement gain in 2000 primarily resulting from the 1999 voluntary severance program (Note 2)

	Pension Benefits		Other Postretirement Benefits	
	2001	2000	2001	2000
Weighted average assumptions as of December 31				
Discount rate	6.00% - 7.25%	6.00% - 7.75%	7.25%	7.75%
Expected return on plan assets	7.00% - 8.50%	7.00% - 8.50%	-	-
Rate of compensation increase	3.00% - 4.50%	3.00% - 4.50%	-	-

For other postretirement benefit measurement purposes, a 10.0% annual increase in the per capita cost of covered health care benefits was assumed for 2002. The rate was assumed to decrease gradually to 5.3% for 2007 and remain at that level thereafter. A one-percentage-point change in the assumed health care cost trend rates would have the following effects:

	1-Percentage-Point Increase	1-Percentage-Point Decrease
	(in millions)	
Effect on total of service and interest cost components	\$ 0.5	\$ (0.5)
Effect on the postretirement benefit obligation	\$ 8.6	\$ (7.8)

During 2001, 2000 and 1999, expense with respect to domestic and foreign defined contribution plans (primarily related to various groups of hourly employees) totaled \$16.4 million, \$17.6 million and \$17.5 million, respectively.

NOTE 14: COOPER SAVINGS AND EMPLOYEE STOCK OWNERSHIP PLANS

All full-time domestic employees, except for certain bargaining unit employees, are eligible to participate in the Cooper Retirement Savings and Stock Ownership Plan ("CO-SAV"). Under the terms of the Plan, employee savings deferrals are partially matched with contributions by Cooper of Common stock consisting of either an allocation of shares in Cooper's Employee Stock Ownership Plan ("ESOP") or treasury shares issued to the ESOP.