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

NOTE 20: CONSOLIDATING FINANCIAL INFORMATION

Cooper fully and unconditionally guarantees the registered debt securities of Cooper Ohio, a wholly owned indirect subsidiary. The following condensed consolidating financial information is included so that separate financial statements of Cooper Ohio are not required to be filed with the Securities and Exchange Commission. The consolidating financial statements present investments in subsidiaries using the equity method of accounting. Intercompany investments in the Class A and Class B common shares are accounted for using the cost method.

Consolidating Income Statements
Year Ended December 31, 2004
(in millions)

	Cooper	Cooper Ohio	Other Subsidiaries	Consolidating Adjustments	Total
Revenues	\$ —	\$ 185.5	\$ 4,290.8	\$ (13.4)	\$4,462.9
Cost of sales	0.7	124.1	3,008.3	(13.4)	3,119.7
Selling and administrative expenses	9.5	90.5	746.6	—	846.6
Interest expense, net	(1.0)	47.8	21.3	—	68.1
Equity in earnings of subsidiaries, net of tax	353.4	377.5	162.0	(892.9)	—
Intercompany income (expense)	(4.4)	(256.9)	261.3	—	—
Income before income taxes	339.8	43.7	937.9	(892.9)	428.5
Income tax expense (benefit)	—	(118.3)	207.0	—	88.7
Net income	<u>\$339.8</u>	<u>\$ 162.0</u>	<u>\$ 730.9</u>	<u>\$ (892.9)</u>	<u>\$ 339.8</u>

Consolidating Income Statements
Year Ended December 31, 2003
(in millions)

	Cooper	Cooper Ohio	Other Subsidiaries	Consolidating Adjustments	Total
Revenues	\$ —	\$ 281.8	\$ 3,804.3	\$ (24.7)	\$4,061.4
Cost of sales	—	183.9	2,712.7	(24.7)	2,871.9
Selling and administrative expenses	7.2	115.1	672.6	—	794.9
Restructuring	—	(13.1)	15.7	—	2.6
Interest expense, net	(0.3)	53.3	21.1	—	74.1
Interest income on tax refund	—	(28.6)	—	—	(28.6)
Equity in earnings of subsidiaries, net of tax	165.8	342.1	(17.0)	(490.9)	—
Intercompany income (expense)	(0.2)	(338.3)	348.9	(10.4)	—
Income from continuing operations before income taxes	158.7	(25.0)	714.1	(501.3)	346.5
Income tax expense (benefit)	—	(134.0)	206.2	—	72.2
Income from continuing operations	158.7	109.0	507.9	(501.3)	274.3
Charge related to discontinued operations, net of taxes	—	126.0	—	—	126.0
Net income (loss)	<u>\$158.7</u>	<u>\$ (17.0)</u>	<u>\$ 507.9</u>	<u>\$ (501.3)</u>	<u>\$ 148.3</u>