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

In connection with acquisitions, Cooper records, to the extent appropriate, accruals for the costs of closing duplicate facilities, severing redundant personnel and integrating the acquired business into existing Cooper operations The following table summarizes the accrual balances and activity during each of the last three years

	2004	2003	2002
		(in millions)	
Balance, beginning of year	$ 18 1	$ 29 1	$ 39 3
Spending	(7 1)	(11 0)	(7 2)
Reversal of excess accruals	—	—	(2 4)
Translation	—	—	(0 6)
Balance, end of year	$ 11 0	$ 18 1	$ 29 1

At December 31, 2004 and 2003, respectively, $11 0 million and $17 7 million of the balance is related to facilities shutdown and realignment costs resulting from the acquisition of Eagle Electric in 2000

During the three years ended December 31, 2004, the annual spending was primarily related to downsizing and consolidating facilities Reversal of excess accruals represents the excess of facilities shut-down and realignment accruals over the ultimate amount expended on certain completed activities The excess facilities shut-down and realignment accrual of $2 4 million and related deferred tax asset balance was reversed in 2002 with a corresponding reduction in goodwill

Involuntary termination benefits of $1 2 million, $7 9 million and $4 2 million were paid as 68, 624 and 296 hourly positions were eliminated during 2004, 2003 and 2002, respectively A total of 344 additional hourly positions are expected to be eliminated as a result of planned facilities shut-downs The remaining terminations and facility shut-down activities are expected to be substantially completed in early 2006

NOTE 8: DEBT AND LEASE COMMITMENTS

	December 31, 2004	December 31, 2003
	(in millions)	
6 47% - 6 91% second series medium-term notes, due through 2010	$ 242 3	$ 242 3
6 38% third series medium-term notes, due through 2008	100 0	100 0
5 25% senior unsecured notes, due July 2007	300 2	305 2
5 50% senior unsecured notes, due November 2009	275 0	275 0
6 25% Euro bonds maturing in October 2005	409 1	374 6
4 45%* Pound Sterling notes payable maturing at various dates through 2005	26 9	30 4
Other	10 5	9 6
Total long-term debt	1,364 0	1,337 1
Current maturities	(665 4)	(0 4)
Long-term portion	$ 698 6	$1,336 7

* The weighted average interest rate on the Pound Sterling notes was 3 64% at December 31, 2003

Cooper has a U S committed credit facility of $500 million, which matures in November 2009 At December 31, 2004, all of Cooper's $500 million U S committed credit facility was available At December