

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

including switches, receptacles, plugs and connectors, cords and other electrical accessories to the residential and commercial markets. In May 2000, Cooper acquired B-Line Systems for a total cost of \$430.6 million. B-Line Systems manufactures and markets support systems and enclosures for electrical, mechanical and telecommunications/data applications.

In 1999, Cooper completed eight acquisitions in its Electrical Products segment and two small acquisitions in its Tools & Hardware segment for an aggregate cost of \$443.8 million. The acquisitions include two businesses in the United Kingdom and a business in France that expanded the product offerings of the Cooper European based division, three domestic lighting businesses and four other small product-line acquisitions. A total of \$354.4 million in goodwill was recorded, including an additional \$16.2 million in 2000, with respect to the acquisitions.

The acquisitions have been accounted for as purchases and the results of the acquisitions are included in Cooper's consolidated income statements since the respective acquisition dates. The pro forma net income and earnings per share for 2000 and 1999, assuming the acquisitions had been made at the beginning of each year, would not be materially different from reported net income and earnings per share.

On October 9, 1998, Cooper completed the sale of its Automotive Products segment for cash proceeds of \$1.9 billion. During 1999, Cooper received an additional \$149.1 million representing reimbursement of Cooper's pre-closing cash funding of international operations and the additional cash invested in the Automotive Products segment between March 31, 1998 and October 9, 1998.

NOTE 5: INVENTORIES

	December 31,	
	2001	2000
	(in millions)	
Raw materials	\$ 223.6	\$ 230.1
Work-in-process	132.2	134.6
Finished goods	374.0	404.5
Perishable tooling and supplies	21.4	20.5
	<u>751.2</u>	<u>789.7</u>
Excess of current standard costs over LIFO costs	(80.3)	(82.8)
Net inventories	<u>\$ 670.9</u>	<u>\$ 706.9</u>