

Table of Contents

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

Concentrations of Credit Risk

Concentrations of credit risk with respect to trade receivables are limited due to the wide variety of customers as well as their dispersion across many different geographic areas with no one customer receivable exceeding 5% of accounts receivable

Fair Value of Financial Instruments Other than Derivatives

Cooper's financial instruments other than derivative instruments, consist primarily of cash and cash equivalents, trade receivables, trade payables and debt instruments. The book values of cash and cash equivalents, trade receivables and trade payables are considered to be representative of their respective fair values. Cooper had approximately \$1.5 billion and \$1.3 billion of debt instruments at December 31, 2004 and 2003, respectively. The book value of these instruments was approximately equal to fair value (as represented primarily by quoted market prices) at December 31, 2004 and 2003.

NOTE 18: NET INCOME PER COMMON SHARE

	Basic			Diluted		
	Year Ended December 31,			Year Ended December 31,		
	2004	2003	2002	2004	2003	2002
	(\$ in millions, shares in thousands)					
Income from continuing operations	\$ 339.8	\$ 274.3	\$ 213.7	\$ 339.8	\$ 274.3	\$ 213.7
Charge from discontinued operations	—	126.0	—	—	126.0	—
Net income applicable to Common stock	<u>\$ 339.8</u>	<u>\$ 148.3</u>	<u>\$ 213.7</u>	<u>\$ 339.8</u>	<u>\$ 148.3</u>	<u>\$ 213.7</u>
Weighted average Common shares outstanding	<u>9,248,000</u>	<u>9,268,300</u>	<u>9,315,200</u>	9,248,000	9,268,300	9,315,200
Incremental shares from assumed conversions						
Options, performance-based stock awards and other employee awards				<u>2,283</u>	<u>1,088</u>	<u>517</u>
Weighted average Common shares and Common share equivalents				<u>9,476,300</u>	<u>9,377,100</u>	<u>9,369,000</u>

Options and employee awards are not considered in the calculations if the effect would be antidilutive.