

a very difficult business environment, Cooper received no definitive proposals to acquire the Company as a whole or in parts

On May 22, 2002, Cooper completed its reorganization plan and changed its place of incorporation from Ohio to Bermuda. The reorganization was effected through the merger of Cooper Mergerco, Inc., an Ohio corporation, into Cooper. Cooper was the surviving company in the merger and became an indirect, wholly-owned subsidiary of Cooper Industries, Ltd. ("Cooper Bermuda"). All outstanding shares of Cooper common stock were automatically converted to Cooper Bermuda Class A common shares. Cooper Bermuda and its subsidiaries continue to conduct the business previously conducted by Cooper and its subsidiaries. The reorganization will be accounted for as a reorganization of entities under common control and accordingly, does not result in changes in the historical consolidated carrying amounts of assets, liabilities and shareholders' equity.

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

NOTE 21: CONSOLIDATING FINANCIAL INFORMATION

As a result of the May 22, 2002 reorganization, Cooper Bermuda fully and unconditionally guaranteed the registered debt securities of Cooper, its wholly owned indirect subsidiary. The following condensed consolidating financial statements present separate financial information for Cooper and its other subsidiaries. Investments in subsidiaries are presented using the equity method of accounting.

Consolidating Income Statements Year Ended December 31, 2001
(in millions)

	Cooper	Other Subsidiaries	Consoli. Adjust
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Revenues	\$ 308.0	\$3,920.4	\$ (1)
Cost of sales	188.4	2,774.4	(1)
Selling and administrative expenses	84.2	645.5	
Goodwill amortization	1.3	59.4	
Nonrecurring charges	53.7	20.4	
Interest expense, net	63.2	21.5	
Equity in earnings of subsidiaries, net of tax	333.1	-	(33)
Intercompany income (expense)	(123.2)	123.2	
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Income from continuing operations before income taxes	127.1	522.4	(33)
Income tax expense (benefit)	(134.2)	189.3	
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Income from continuing operations	261.3	333.1	(33)
Charge related to discontinued operations, net of income taxes	30.0	-	
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Net income	\$ 231.3	\$ 333.1	\$ (33)
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