businesses acquired prior to 2001

In 2000, Cooper completed two large acquisitions and three small product-line acquisitions in its Electrical Products segment and one small acquisition in its Tools & Hardware segment for an aggregate cost of $578 4 million, subject to adjustment as provided in the acquisition agreements A total of $378 2 million in goodwill was recorded, including an additional $23 2 million in 2001, with respect to the acquisitions In March 2000, Cooper acquired Eagle Electric for a total cost of $124 6 million Eagle Electric manufactures and sells electrical wiring devices 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.

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

NOTE 5: INVENTORIES

	December 31, 2001	December 31, 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
	751 2	789.7
Excess of current standard costs over LIFO costs	(80 3)	(82 8)
Net inventories	$ 670 9	$ 706 9

48