changes in equity .	$(11 3)	$ 4 0	$(7.3)	$(78 7)	$27 6
	======	=====	=====	======	=====

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

NOTE 12: INCOME TAXES

	Year Ended De	
	2001	200(
	(in millions, excep	
Components of income from continuing operations before income taxes		
U S operations	$211 9	$43
Foreign operations	104 5	11
Income from continuing operations before income taxes	$316 4	$54
Components of income tax expense		
Current		
U S Federal	$ 60 8	$ 6
U S state and local	6.2	
Foreign	23 2	2
	90 2	9
Deferred		
U S Federal	(43.9)	7
U S state and local	2 5	1
Foreign	6 3	
	(35 1)	9
Income tax expense	$ 55.1	$19
Total income taxes paid	$100.8	$1
Effective tax rate reconciliation:		
U S. Federal statutory rate	35 0%	
State and local income taxes	1 4	
Foreign statutory rate differential	(3 5)	(
Nondeductible goodwill	4 3	
Foreign Sales Corporation	(1 4)	(
Tax credits	(0 2)	(
Reduction in tax reserves	(15 8)	
Other	(2.4)	(
Effective tax rate attributable to continuing operations	17 4%	

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