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COOPER INDUSTRIES, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2004	2003	2002
		(in millions)	
Cash flows from operating activities			
Net income	$ 339 8	$ 148 3	$ 213 7
Plus charge related to discontinued operations	—	126 0	—
Income from continuing operations	339 8	274 3	213 7
Adjustments to reconcile to net cash provided by operating activities			
Depreciation and amortization	117 6	121 4	121 7
Deferred income taxes	27 7	99 3	3 7
Restructuring payments	(4 3)	(17 8)	(22 9)
Changes in assets and liabilities (1)			
Receivables	(56 7)	(3 2)	81 8
Inventories	47 6	45 9	89 4
Accounts payable and accrued liabilities	17 8	(22 4)	(76 2)
Other assets and liabilities, net	(15 9)	(52 2)	68 6
Net cash provided by operating activities	473 6	445 3	479 8
Cash flows from investing activities			
Capital expenditures	(102 8)	(79 9)	(73 8)
Cash paid for acquired businesses	(48 6)	—	(1 1)
Proceeds from sales of property, plant and equipment and other	11 8	18 1	22 0
Net cash used in investing activities	(139 6)	(61 8)	(52 9)
Cash flows from financing activities			
Proceeds from issuances of debt	94 3	4 3	608 3
Repayments of debt	(4 7)	(174 4)	(513 5)
Debt issuance costs	—	—	(6 5)
Dividends	(131 0)	(129 7)	(129 7)
Acquisition of treasury shares	—	—	(37 9)
Subsidiary purchase of parent shares	(202 9)	(5 5)	(56 4)
Activity under employee stock plans and other	78 4	63 2	3 2
Net cash used in financing activities	(165 9)	(242 1)	(132 5)
Effect of exchange rate changes on cash and cash equivalents	21 0	20 3	(3 9)
Increase in cash and cash equivalents	189 1	161 7	290 5
Cash and cash equivalents, beginning of year	463 7	302 0	11 5
Cash and cash equivalents, end of year	$ 652 8	$ 463 7	$ 302 0

(1) Net of the effects of acquisitions and translation

The Notes to Consolidated Financial Statements are an integral part of these statements