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

31, 2003, all of Cooper's \$450 million U S committed credit facility was available. The agreement for the credit facility requires that Cooper maintain certain financial ratios, including a prescribed limit on debt as a percentage of total capitalization and a minimum earnings before interest, income taxes, depreciation and amortization to interest ratio. Retained earnings are unrestricted as to the payment of dividends, except to the extent that payment would cause a violation of the prescribed limit on the debt-to-total capitalization ratio.

During June 2002, Cooper Ohio issued \$300 million senior unsecured notes due July 1, 2007 with a 5.25% interest rate. Proceeds from the notes were used to repay commercial paper obligations. During September 2002, Cooper Ohio filed a Form S-4 Registration Statement to exchange the original notes for notes with substantially identical terms, except that the exchange notes are registered under the Securities Act of 1933, as amended, and the transfer restrictions and registration rights applicable to the original notes do not apply to the exchange notes. The original and exchange notes are fully and unconditionally guaranteed by Cooper. The exchange offer was completed on November 4, 2002 with all holders exchanging their notes. Cooper Ohio did not receive any proceeds from the exchange offer. During August 2003, Cooper entered into interest-rate swaps to effectively convert this fixed-rate debt to variable-rate debt (see Note 17). The fair value of the interest rate swaps are included in noncurrent assets and long-term debt on the consolidated balance sheets.

During 1999, Cooper Ohio completed a shelf registration statement to issue up to \$500 million of debt securities. On October 28, 2002, Cooper Ohio issued \$275 million senior unsecured notes due November 1, 2009, with a 5.5% interest rate. Proceeds from the notes were used to repay short-term debt and other maturing indebtedness in 2002 and current maturities of long-term debt in 2003. The notes are fully and unconditionally guaranteed by Cooper. Cooper terminated the shelf registration effective August 6, 2004.

Maturities of long-term debt for the five years subsequent to December 31, 2004 are \$665.4 million, \$12.2 million, \$300.8 million, \$100.4 million and \$275.0 million, respectively. The future net minimum lease payments under capital leases are not significant.

Short-term debt of \$97.6 million at December 31, 2004 primarily consists of \$92.2 million borrowed in December 2004 and maturing in February 2005.

Total interest paid during 2004, 2003 and 2002 was \$82 million, \$83 million and \$65 million, respectively.

Cooper has entered into various operating lease agreements, primarily for manufacturing, warehouse and sales office facilities and equipment. Generally, the leases include renewal provisions and rental payments may be adjusted for increases in taxes, insurance and maintenance related to the property. Rent expense for all operating leases was \$35.0 million, \$39.4 million and \$44.0 million during 2004, 2003 and 2002, respectively.

At December 31, 2004, minimum annual rental commitments under noncancellable operating leases that have an initial or remaining lease term in excess of one year were \$21.0 million in 2005, \$19.7 million in 2006, \$16.1 million in 2007, \$12.2 million in 2008, \$6.6 million in 2009 and \$13.9 million thereafter.

NOTE 9: COMMON AND PREFERRED STOCK

Cooper's authorized share capital is U S \$4,100,000 consisting of 250,000,000 Class A common shares, par value of \$0.01 per share, 150,000,000 Class B common shares, par value \$0.01 per share and 10,000,000 preferred shares, par value \$0.01 per share, which preferred shares may be designated and created as shares of any other classes or series of shares with the respective rights and restrictions determined by action of the Board of Directors. No preferred shares were outstanding at December 31, 2004, 2003 or 2002.

At December 31, 2004, 92,543,660 Class A common shares, \$0.01 par value were issued and outstanding (excluding the 3,700,200 Class A common shares held by wholly-owned subsidiaries as discussed below) compared to 93,797,765 Class A common shares, \$0.01 par value (excluding the 1,130 Class A common shares