In October 2000, Cooper issued Euro 300 million five-year bonds The bonds bear interest at 6 25% and mature in October 2005 The proceeds from the borrowing were primarily used to repay outstanding commercial paper debt During 1999, Cooper completed a shelf registration statement to issue up to $500 million of debt securities At December 31, 2001, all $500 million of the shelf registration was available to be issued

The following table summarizes Cooper's contractual obligations at December 31, 2001 and the effect such obligations are expected to have on its liquidity and cash flows in future periods

	Payments Due				
Contractual Obligations	Total	Less than One Year	One to Three Years	Four to Five Years	After Five Years
			(in millions)		
Long-Term Debt	$ 1,167 9	$ 60 9	$ 434 0	$ 543 8	$ 129 2
Short-Term Debt	132 9	132 9	-	-	-
Noncancellable Operating Leases	111 8	31 1	39 8	22 6	18 3
	$ 1,412 6	$ 224 9	$ 473 8	$ 566 4	$ 147 5

Other Commitments

Cooper executes letters of credit, performance bonds and other guarantees in the normal course of business that ensure Cooper's performance or payments to third parties The aggregate notional value of these instruments was $112 0 million at December 31, 2001 Seventy-nine percent of these instruments have an expiration date within one year In the past, no significant claims have been made against these financial instruments Management believes the likelihood of demand for payment under these instruments is minimal and expects no material cash outlays to occur in connection with these instruments

Capitalization

During the first quarter of 2000, Cooper's Board of Directors authorized the repurchase of up to five million shares of common stock As of December 31, 2001, there were 4 2 million shares available for repurchase under this authorization Cooper has resumed its share repurchase program during 2002

Cooper has targeted a 35% to 45% debt-to-total capitalization ratio and intends to utilize cash flows to maintain a debt-to-capitalization ratio within this range. Excess cash flows are utilized to purchase shares of Cooper's Common stock or fund acquisitions At December 31, 2001, 2000 and 1999, Cooper's debt-to-total capitalization ratio was 39 1%, 44 4% and 38 4%, respectively

Capital Expenditures and Commitments

Capital expenditures on projects to reduce product costs, improve product quality, increase manufacturing efficiency and operating flexibility, or expand product capacity were $115 million in 2001, $175 million in 2000 and $166 million in 1999 Capital expenditures declined in 2001 as Cooper entered the completion phase of several significant projects and focused on maximizing cash generation from its operations Accordingly, Cooper's businesses concentrated on completing open projects and investing only in operationally necessary new projects Capital expenditures for 2000 included expenditures for a large manufacturing facility in Mexico Capital expenditures for 1999 included significant expenditures for new system implementations Capital expenditures for 2002 are projected to be approximately 10% less than the 2001 level Projected expenditures for 2002 will focus on development of new products and the continued construction of additional manufacturing facilities in low cost locations The 2002 anticipated capital spending represents approxmiately 61% for various cost-reduction and capacity-maintenance projects,