| | 2001 | 200( |
|---|---|---|
| | | (in mill |
| Cash flows from operating activities | | |
| Net income | $231 3 | $357 |
| Plus charge related to discontinued operations | 30 0 | |
| Income from continuing operations | 261 3 | 357. |
| Adjustments to reconcile to net cash provided by operating activities | | |
| Depreciation and amortization | 186 4 | 174 |
| Deferred income taxes | (35 1) | 98 |
| Changes in assets and liabilities (1) | | |
| Receivables | 43 1 | (8 |
| Inventories | 17 3 | (51 |
| Accounts payable and accrued liabilities | (31 5) | 5 |
| Accrued income taxes | - | (52. |
| Other assets and liabilities, net | (19 1) | (22 |
| Net cash provided by operating activities | 422.4 | 502 |
| Cash flows from investing activities | | |
| Cash received from (paid for) acquired businesses | 9 8 | (580 |
| Capital expenditures | (115 1) | (174 |
| Proceeds from disposition of businesses | - | |
| Proceeds from sales of property, plant and equipment | 6 7 | 16 |
| Net cash used in investing activities | (98 6) | (738. |
| Cash flows from financing activities | | |
| Proceeds from issuances of debt | 136 9 | 878 |
| Repayments of debt | (343 2) | (474. |
| Dividends | (131 3) | (130. |
| Acquisition of treasury shares | (42.0) | (39 |
| Activity under employee stock plans and other | 41.0 | 1 |
| Net cash provided by (used in) financing activities | (338.6) | 235 |
| Effect of exchange rate changes on cash and cash equivalents | (0.1) | 0. |
| Increase (decrease) in cash and cash equivalents | (14.9) | (0. |
| Cash and cash equivalents, beginning of year | 26 4 | 26 |
| Cash and cash equivalents, end of year | $ 11 5 | $ 26 |

(1) Net of the effects of acquisitions and translation

The Notes to Consolidated Financial Statements are an integral part of these statements See Note 17 for supplemental cash flow information



# COOPER INDUSTRIES, INC.
# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

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