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COOPER INDUSTRIES, LTD.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Capital In Excess of Par Value	Retained Earnings	Treasury Stock	Accumulated Nonowner Changes in Equity	Total
	(in millions)					
Balance December 31, 2001	\$ 615 0	\$ 646 0	\$2,325 0	\$(1,435 0)	\$ (127 8)	\$2,023 2
Net income			213 7			213 7
Minimum pension liability adjustment					(33 4)	(33 4)
Translation adjustment					(4 4)	(4 4)
Change in fair value of derivatives					0 2	0 2
Net income and other nonowner changes in equity						176 1
Common stock dividends			(129 7)			(129 7)
Purchase of treasury shares				(37 9)		(37 9)
Subsidiary purchase of parent shares		(56 4)				(56 4)
Share conversion	(614 1)	(171 0)	(664 8)	1,449 9		—
Stock issued under employee stock plans		4 0		21 6		25 6
Other activity		0 1		1 4		1 5
Balance December 31, 2002	0 9	422 7	1,744 2	—	(165 4)	2,002 4
Net income			148 3			148 3
Minimum pension liability adjustment					(22 9)	(22 9)
Translation adjustment					26 2	26 2
Change in fair value of derivatives					(1 4)	(1 4)
Net income and other nonowner changes in equity						150 2
Common stock dividends			(129 7)			(129 7)
Stock-based compensation		7 1				7 1
Subsidiary purchase of parent shares		(5 5)				(5 5)
Stock issued under employee stock plans		92 0				92 0
Other activity		1 7				1 7
Balance December 31, 2003	0 9	518 0	1,762 8	—	(163 5)	2,118 2
Net income			339 8			339 8
Minimum pension liability adjustment					(8 0)	(8 0)
Translation adjustment					36 3	36 3
Change in fair value of derivatives					3 0	3 0
Net income and other nonowner changes in equity						371 1
Common stock dividends			(131 0)			(131 0)
Stock-based compensation		21 5				21 5
Subsidiary purchase of parent shares		(202 9)				(202 9)
Stock issued under employee stock plans		107 5				107 5
Other activity		2 1				2 1
Balance December 31, 2004	<u>\$ 0 9</u>	<u>\$ 446 2</u>	<u>\$1,971 6</u>	<u>\$ —</u>	<u>\$ (132 2)</u>	<u>\$2,286 5</u>

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