

determined to be a potentially responsible party. Third party sites frequently involve multiple potentially responsible parties and Cooper's potential liability is determined based on estimates of Cooper's proportionate responsibility for the total cleanup. The amounts accrued for such sites are based on these estimates as well as an assessment of the financial capacity of the other potentially responsible parties. Environmental liability estimates may be affected by changing determinations of what constitutes an environmental liability or an acceptable level of cleanup. To the extent that remediation procedures change or the financial condition of other potentially responsible parties are adversely affected, Cooper's estimate of its environmental liabilities may change.

As discussed in Note 3 of the Notes to Consolidated Financial Statements, Cooper has accrued its best estimate of its potential liabilities in the event Federal-Mogul rejects the 1998 Purchase and Sale Agreement for the sale of the Automotive Products business, which includes certain indemnification obligations to Cooper. The analysis of Cooper's contingent liability exposure for asbestos-related claims involving Abex products was conducted with assistance from independent advisors and assumes future resolution of the Abex-related asbestos claims within the Federal-Mogul bankruptcy proceeding. Factors used in determining the liability include Abex claims history and existing insurance coverage. To the extent additional information arises or strategies change, it is possible that Cooper's estimate of its contingent liability may change.

Results of Operations

Revenues

	Year Ended December 31,		
	2001	2000	1999
		(in millions)	
Electrical Products	\$ 3,485.5	\$ 3,659.2	\$ 3,060.9
Tools & Hardware	724.0	800.7	808.0
Total Revenues	<u>\$ 4,209.5</u>	<u>\$ 4,459.9</u>	<u>\$ 3,868.9</u>

2001 vs 2000 Revenues Revenues decreased 6% in 2001 compared to 2000. Excluding the effects of recent acquisitions and a 1% reduction in revenues due to foreign currency translation, revenues were down 8% from 2000. Weakening global economies affected demand in virtually all of Cooper's businesses.

Electrical Products segment revenues, which represent 83% of 2001 total revenues, were 5% below 2000. Excluding recent acquisitions and a 1% decline related to a stronger U.S. dollar, segment revenues were down 8% from 2000. Revenues in the hazardous-duty electrical products business improved modestly, reflecting increased capital spending in the energy and petrochemical sectors. Sales of electrical and electronic circuit protection and telecommunications systems equipment were impacted by the significant slowing in the telecommunications and electronics markets. Weak industrial markets, coupled with inventory reduction programs in both distribution and retail market channels, and a slowdown in construction activity impacted all of the businesses. In addition, utility spending remained cautious in light of the overall economic uncertainty.

The Tools & Hardware segment contributed 17% of total revenues in 2001. Revenues were 10% below the prior year as the slowdown in industrial, electronic and automotive markets reduced demand for the segment's products. The impact of translation reduced revenues for 2001 by approximately 2%.