including machinery and equipment modernization and enhancement, tooling and computer hardware and software projects, 19% for new product development, 12% for capacity expansion, 4% related to environmental matters, and 4% for other items

Interest Rate and Foreign Currency Risk

Changes in interest rates and foreign currency exchange rates affect Cooper's earnings and cash flows As a result of having sales, purchases and certain intercompany transactions denominated in currencies other than the functional currencies used by Cooper's businesses, Cooper is exposed to the effect of foreign exchange rate changes on its cash flows and earnings Cooper enters into foreign currency forward exchange contracts to hedge significant foreign currency denominated transactions for periods consistent with the terms of the underlying transactions Contracts generally have maturities that do not exceed one year

The table below provides information about Cooper's financial instruments at December 31, 2001 that are sensitive to changes in interest rates The table presents principal cash flows by expected maturity dates and weighted average interest rates for debt obligations

	2002	2003	2004	2005	2006	Thereafter	Total
			(in millions, where applicable)				
Long-term debt							
Fixed rate	$ 60 9	$ 153 6	$ 0 4	$ 501 2	$ 11 4	$ 107 9	$ 835 4
Average interest rate	6 4%	6 4%	6 5%	6 4%	6 4%	6 4%	6 4%
Variable rate	$ -	$ -	$ 280 0	$ 24 7	$ 6 5	$ 21 3	$ 332 5
Average interest rate	2 6%	2 6%	2 6%	2 6%	2 3%	2 3%	2 6%

The table below provides information about Cooper's foreign currency forward exchange contracts in excess of $5 million at December 31, 2001 The contracts mature during 2002 All amounts are presented in U S dollar equivalents. The table presents the notional amounts and the weighted average contractual exchange rates These notional amounts are used to calculate the contractual payments exchanged under the contracts

	2002
	(in millions, where applicable)
U S Dollar Functional Currency	
Buy Euros / Sell U S Dollars	
Notional amount	$ 7 4
Average contract rate	0 8992

The table below provides information about Cooper's financial instruments at December 31, 2000 that are sensitive to changes in interest rates The table presents principal cash flows by expected maturity dates and weighted average interest rates for debt obligations

	2001	2002	2003	2004	2005	Thereafter	Total
			(in millions, where applicable)				
Long-term debt							
Fixed rate	$ 50 6	$ 61 5	$ 153 8	$ 0 5	$ 510 5	$ 119 5	$ 896 4
Average interest rate	6 3%	6 3%	6 4%	6 5%	6 4%	6 5%	6 3%
Variable rate	$ 0 5	$ 0 5	$ 0 5	$ 400 5	$ 25 7	$ 27 8	$ 455 5
Average interest rate	6 7%	6 7%	6 7%	6 7%	5 7%	5 7%	6 7%