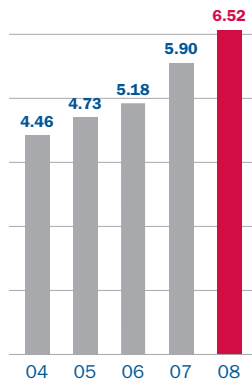




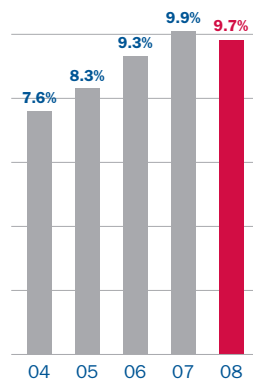
REVENUES

(\$ in billions)



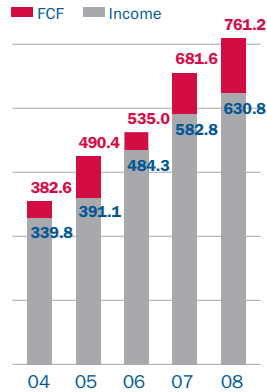
RETURN ON SALES⁽¹⁾

(% of revenue)



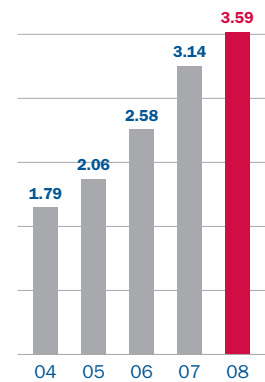
FREE CASH FLOW AND CONTINUING INCOME⁽¹⁾

(\$ in millions)



DILUTED EARNINGS PER SHARE⁽¹⁾

(\$)



(1) From continuing operations before restructuring and unusual items.

GLOBAL

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DEAR FELLOW SHAREHOLDERS,

2008 turned out to be a very interesting year to celebrate our 175-year anniversary. We began the year under somewhat normal economic conditions, but became consumed late in the year with the unraveling of the global financial markets. Economies around the world rapidly deteriorated with the dramatic slowing of consumer spending and industrial production, unprecedented appreciation in U.S. dollar exchange rates and extraordinary volatility in commodity prices and world equity markets.

In the face of all these global economic challenges, excluding unusual items, we still delivered:

- Record revenue of \$6.5 billion, up 10%
- Increased revenues outside the U.S. by 17% to \$2.4 billion, or 37% of total revenue
- Increased income from continuing operations by 8% to a record \$630.8 million

MARKETS

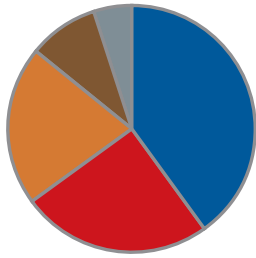
- Delivered record earnings per share of \$3.59, up 14%
- Returned \$687 million in cash to shareholders through stock repurchases and dividends
- Generated record cash flow from continuing operations of over \$750 million, our eighth consecutive year in which free cash flow has exceeded recurring income
- Return on invested capital reached 14.7% versus 14.3% in the prior year

Despite this record performance, our total stock return (including dividends) to shareholders for 2008 was a negative 43% and our market valuation is at levels not seen since 2001 (when we had revenues of only \$4 billion and EPS, EBITDA and cash flow were less than one-half of our 2008 levels). Although the stock market does not always operate efficiently and I can make a compelling argument about why our Company's attractive portfolio, solid capital structure and long-term growth potential are not being reflected properly in our stock price, the world outlook clearly has changed significantly in the past several months.

The severe tightening in the credit markets has led to a dramatic fall in global demand across virtually all sectors. As we enter a period of economic contraction, the challenges for Cooper Industries are clear. I can assure you, however, the strategy and initiatives we have executed over the past several years have positioned us extremely well not only to weather the storm, but to exit this downturn a stronger company with bright prospects for the future.

SALES BY END MARKET

(% of revenue)



40% Industrial
25% Commercial
21% Utility
9% Residential
5% Other

PORTFOLIO STRENGTH We continue to benefit from having a broad, diverse, global end-market exposure with very favorable long-term trends:

→ Industrial:	40% of Sales / 47% International
→ Commercial:	25% of Sales / 37% International
→ Utility:	21% of Sales / 27% International
→ Residential:	9% of Sales / 19% International
→ Electronics/Other:	5% of Sales / 40% International
→ Total Sales Outside the U.S.:	37% vs. 30% Just Five Years Ago

Key long-term trends will include:

- Energy Demand/Smart Grid
- Energy Efficiency/Environmental Protection and Sustainability Initiatives
- Safety and Protection
- Global Infrastructure: Oil/Gas/Construction/Utility
- Growth in International Markets

Since 2004, we made 25 acquisitions having \$675 million of revenue in new emerging technologies and overseas expansion, providing access to \$50 billion in new markets.

During the past five years, the portfolio has generated an average core growth rate of over 6% (growth excluding effects of currency exchange rates and acquisitions), demonstrating the vitality and overall long-term health of our end markets.

FINANCIAL FLEXIBILITY Our balance sheet is in outstanding shape and provides us broad strategic flexibility. On December 31, 2008, we had net debt of \$952 million and no outstanding commercial or overnight paper. This is after returning to our shareholders \$170 million in dividends, \$517 million in share repurchases and completing \$297 million in acquisitions. In 2008, our free cash flow was \$761 million and marked our eighth consecutive year of free cash flow in excess of recurring income.

We have \$275 million of debt maturing in November 2009, which we can easily retire with existing cash. Our remaining fixed debt matures over the next three to eight years and is at fixed rates below 6%.

Our capital allocation model in 2009 will be to fund internal growth (new products, global expansion and technology), continue to fund a competitive dividend and remain positioned to execute strategic acquisitions and return excess cash by continuing to repurchase Cooper shares. As we enter a slower growth period, we will aggressively manage down inventory and receivables to maintain strong cash flow.

COOPER INITIATIVES At Cooper Industries, we have been driving five clear, focused and measurable business initiatives since 2002. We believe aligning our approximately 31,000 employees to execute these initiatives in an ethical and uncompromising manner will deliver superior, long-term shareholder value in *both* good and challenging times.

OPERATIONAL EXCELLENCE Since 2002, we have radically changed our manufacturing approach and physical footprint at Cooper Industries. We began by establishing a global, strategic sourcing initiative, followed by the launch of our internal productivity program based on the best practices of Six Sigma and Lean. In addition, we reinforced our safety and environmental programs around the world.

Since then, we have:

- Improved the safety performance of our plants by more than 70%
- Improved sales per employee and sales per square foot by over 40%
- Sourced more than 30% of materials from emerging regions
- Improved our workforce balance globally
- Enhanced our focus on safety, quality, delivery, cost and inventory by rolling out the Lean Enterprise System in 2008
- Installed a single enterprise business system throughout all of Cooper Industries to improve the quality and speed of critical information in all functions of the Company

For 2009, exceptional service and quality for our customers continues to be our primary focus, while fully leveraging our ability to generate cash and total cost productivity for the Company.

GROWTH Over the past five years, we have improved our core growth rate to the top quartile of our peer group. **Customer loyalty, innovation and globalization** have been at the center of this accelerated core growth. We have seen the benefit of these programs and will continue to invest in these initiatives. We believe we can gain share by continuing to enhance and improve our execution, and we also believe organic growth offers exceptional return to our customers and shareholders.

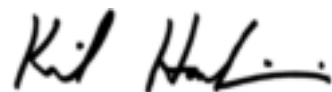
Since 2004, we have completed 25 acquisitions to complement our accelerated core growth. These acquisitions have enhanced existing platforms within our portfolio and deepened our penetration into new markets and technologies. These new businesses are more technical, faster growing, more global and less cyclical. LEDs, lighting controls, specialty connectors, intrinsically safe instrumentation, demand management and heavy-equipment power controls are some of the fields into which we have expanded.

Over the past five years, we have evaluated over 1,000 companies for potential acquisition, accumulated a vast network of contacts and refined our processes for selection and integration. As 2009 tightens down for highly leveraged and small companies, Cooper will be well positioned to continue to execute this disciplined acquisition model.

TALENT We have turbo-charged the talent management agenda across the Company. An integrated talent blueprint is marked by acquisition, development, deployment and retention strategies and processes. The results of this focused corporate initiative include a significantly enhanced leadership pipeline, enhanced diversity representation, a learning culture with structured development opportunities and a pay-for-performance architecture that drives business results by differentiating the best and brightest talent. Our leadership team is strong and growing ever more effective in order to be able to successfully navigate through an exceptionally challenging 2009 and beyond.

LOOKING AHEAD The combination of our broad, diversified portfolio that sells to critical end markets with fundamental long-term growth trends, the strength of our balance sheet and strong cash flow capability and our high-quality employees focused and dedicated on delivering Cooper's five business initiatives gives us confidence that we can emerge from the current economic cycle stronger and better positioned to continue to perform as a premier global, industrial company.

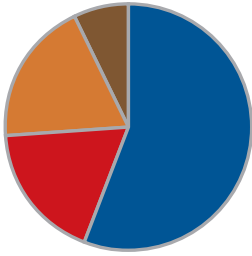
I would like to thank our customers, suppliers, employees (past and present), Board of Directors and owners for all their loyalty and support during 2008 and over the past 175 years. We had many opportunities to celebrate our great history and accomplishments this year. Thank you all for making Cooper's 175th anniversary so special!



Kirk S. Hachigian
Chairman, President & CEO

SALES BY CHANNEL

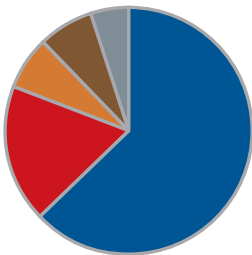
(% of revenue)



56% Distribution
18% OEM/Direct
19% Utility
7% Retail

SALES BY REGION

(% of revenue)

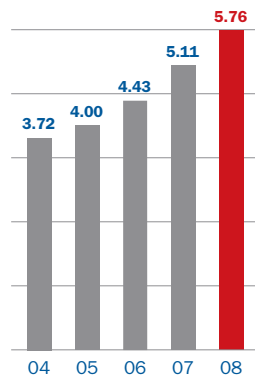


63% U.S.
17% Europe, Middle East and Africa
7% Latin America
7% Asia Pacific
6% Canada

Cooper's results are driven by its world-class portfolio of businesses, which is organized into two segments: Electrical Products and Tools. Within these two segments are industry-leading businesses that maintain an intense focus on innovation, leading business practices and the customer across a diverse set of end markets. Cooper has unparalleled product breadth and well-established brands, many of which are sold together through a common sales and marketing model - Cooper Connection. The strength of the portfolio, which enables strong market share in attractive global markets, provides a firm foundation to build upon for future success.

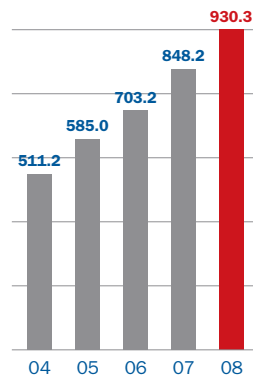
ELECTRICAL SEGMENT REVENUES

(\$ in billions)



ELECTRICAL SEGMENT OPERATING EARNINGS⁽¹⁾

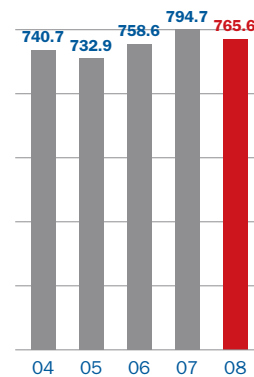
(\$ in millions)



(1) Excludes restructuring and unusual items

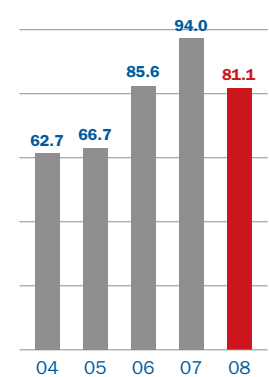
TOOLS SEGMENT REVENUES

(\$ in millions)



TOOLS SEGMENT OPERATING EARNINGS⁽¹⁾

(\$ in millions)



(1) Excludes restructuring and unusual items

ELECTRICAL PRODUCTS

Cooper's Electrical Products segment manufactures a full suite of electrical and circuit protection products, including lighting fixtures, harsh and hazardous-duty electrical and instrumentation products, fuses, emergency lighting, fire detection systems, specialty connectors, mass notification systems, fittings, support systems, enclosures, wiring devices and other products for use in industrial, commercial and residential applications around the world. The segment also provides distribution switchgear and transformers, energy automation solutions and other related power system components for use by utilities and in industrial and commercial applications.

TOOLS

Cooper's Tools segment manufactures a collection of world-class hand tools and soldering products for industrial, construction and consumer markets. In addition, this segment manufactures a complete range of industrial power tools and accessories for general industry, aerospace and automotive manufacturers.

COOPER B-Line



Global provider of innovative, labor-saving support systems (e.g., bolted framing, cable tray, spring steel fastener, pipe hanger and safety grating) and enclosure solutions for engineered facility subsystem applications.

COOPER Safety



Specializing in products designed to save lives and protect property in commercial and industrial facilities. State-of-the-art fire detection and mass notification combine with market-leading emergency lighting to provide comprehensive safety solutions.

COOPER Bussmann



Global leader in innovative circuit protection products and services, on-vehicle power distribution, conversion and control systems, magnetic components, and wireless control and monitoring systems for the electrical, electronics and transportation industries.

COOPER Power Systems



Provider of quality solutions for medium- and high-voltage electrical equipment, components and systems that deliver reliable electric power worldwide. CPS is also a leader in utility automation, providing solutions that enable customers to increase productivity, improve system reliability and reduce costs.

COOPER Crouse-Hinds



Diversified manufacturer of electrical and instrumentation products that enhance safety and productivity in demanding industrial, military and commercial environments worldwide. Product solutions include lighting, connectivity and harsh and hazardous environment instrumentation devices.

COOPER Tools



Offers a complete range of industrial power tools and accessories for aerospace, automotive and general industrial manufacturing, in addition to manufacturing a world-class collection of hand tools and soldering products for professionals and consumers.

COOPER Lighting



Innovative, high-quality lighting solutions and energy efficient lighting technologies for commercial, industrial, institutional, residential and retail customers worldwide.

COOPER Wiring Devices

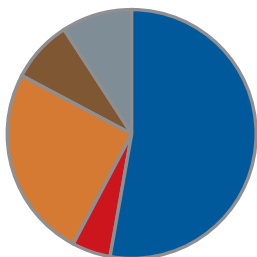


Leading manufacturer of electrical connection and control products for residential, commercial and industrial construction and renovation, including switches, receptacles, GFCIs, wall plates, plugs, sensors and structured wiring systems.

End Markets

INDUSTRIAL

Cooper's largest and most global end-market presence, representing approximately 40% of total 2008 annual revenues, of which 47% were sold into markets outside the U.S. Industrial markets for Cooper include energy, military/aerospace, general industrial and automotive.



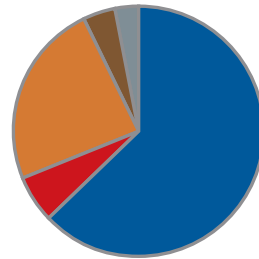
INDUSTRIAL SALES BY REGION

(% of revenues)

- 53% U.S.
- 5% Canada
- 25% Europe, Middle East and Africa
- 8% Latin America
- 9% Asia Pacific

40%

OF TOTAL 2008 REVENUES



COMMERCIAL SALES BY REGION

(% of revenues)

- 63% U.S.
- 6% Canada
- 24% Europe, Middle East and Africa
- 4% Latin America
- 3% Asia Pacific



COMMERCIAL

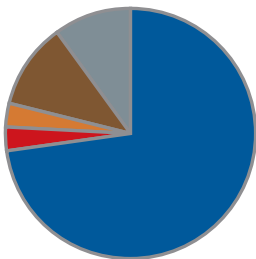
With approximately 25% of 2008 revenues, this market represents a quarter of Cooper's annual sales and includes products for construction/renovation/energy efficiency, notification, U.S. public and international emergency lighting markets.

25%

OF TOTAL 2008 REVENUES

UTILITY

This end market represents approximately 21% of Cooper's 2008 annual revenues. Cooper Power System's broad suite of power reliability and productivity products are well positioned to participate in the utilities upgrade of the aging electrical grid to become smarter and more efficient.



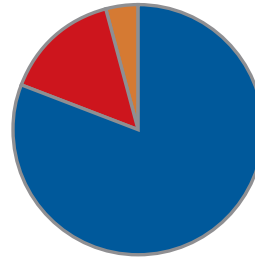
UTILITY SALES BY REGION

(% of revenues)

- 73% U.S.
- 3% Canada
- 3% Europe, Middle East and Africa
- 11% Latin America
- 10% Asia Pacific

21%

OF TOTAL 2008 REVENUES



RESIDENTIAL SALES BY REGION

(% of revenues)

- 81% U.S.
- 15% Canada
- 4% Europe, Middle East and Africa



RESIDENTIAL/OTHER

Cooper's smallest end-market exposure, Residential, represented approximately 9% of 2008 annual revenues. This end market is becoming a smaller piece of overall Cooper revenues (was 18% in 2003) as the shift toward industrial and utility markets continued in 2008. Cooper's other markets represented 5% of 2008 revenue and include platforms sold into military, defense and electronics markets.

9% / 5%

OF TOTAL 2008 REVENUES

Global Trends

Cooper's quality portfolio of businesses are uniquely positioned to several key long-term trends: the need for utilities to provide better reliability and productivity through energy demand management, the increasing need for electrical products to become more energy efficient, the global infrastructure build-out and the need to ensure the safety of people at work and in their daily lives.

1| GLOBAL INFRASTRUCTURE

Cooper products such as lighting fixtures, explosion-proof electrical products, and power transmission and distribution products play an instrumental role in supporting the ongoing global infrastructure build-out around the world, particularly in developing markets where the Company's growth in 2008 exceeded 20%.

2| ENERGY DEMANDS

With the broadest suite of power reliability and productivity products in North America, Cooper is uniquely positioned to help utilities solve their critical issues of meeting increasing demands for power in a reliable and cost-effective manner, while also managing the aging electric grid infrastructure.

3| ENERGY EFFICIENCY

Cooper has steadily expanded its portfolio of electrical products focused on delivering more energy efficiency – from products that enable utilities to better manage the demands on the utility grid to lighting fixtures leveraging LED technology that offers almost 75% increased efficiency versus incandescent light sources.

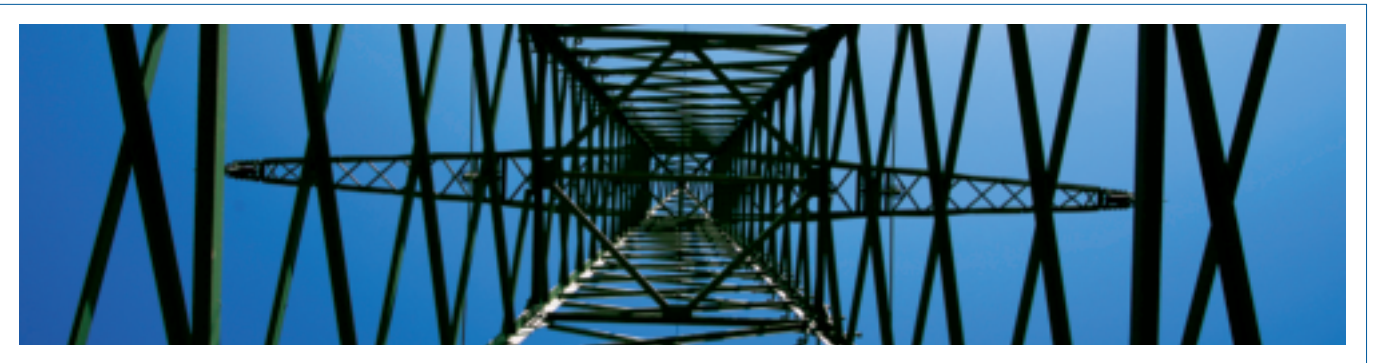
4| SAFETY AND PROTECTION

Cooper has a full suite of products that ensure the safety of people at work and in their daily lives, ranging from market-leading Cooper Bussmann fuses and Cooper Crouse-Hinds explosion-proof electrical products to a comprehensive indoor and outdoor mass notification solution that protects, alerts and informs people in virtually any environment globally.

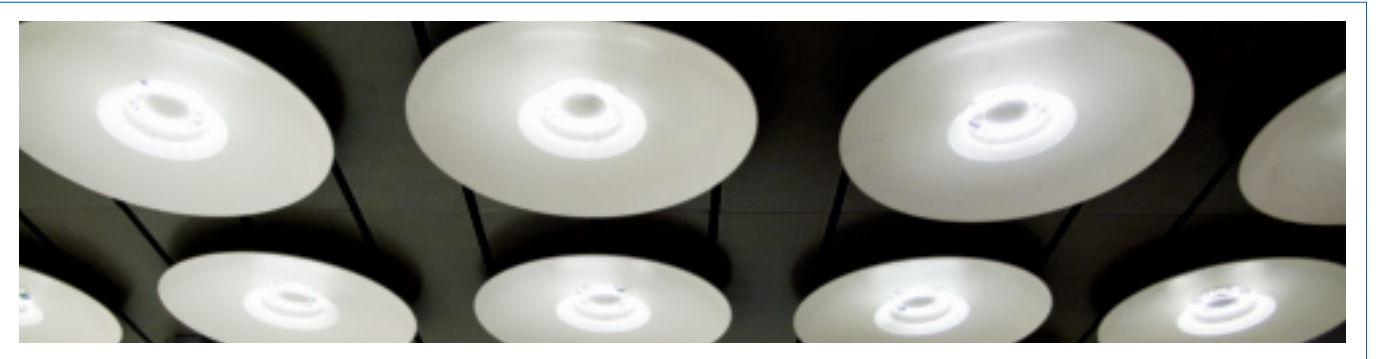
1



2



3



4



Financial Review

COOPER STOCK PERFORMANCE

The following graph compares the total shareholder return on Cooper's Class A common shares for the five-year period December 31, 2003 through December 31, 2008 to the total returns for the same period of the Standard & Poor's 500 Stock Index and a Cooper Peer Group Index. The cumulative total return is based upon an initial investment of \$100 on December 31, 2003 with dividends reinvested.

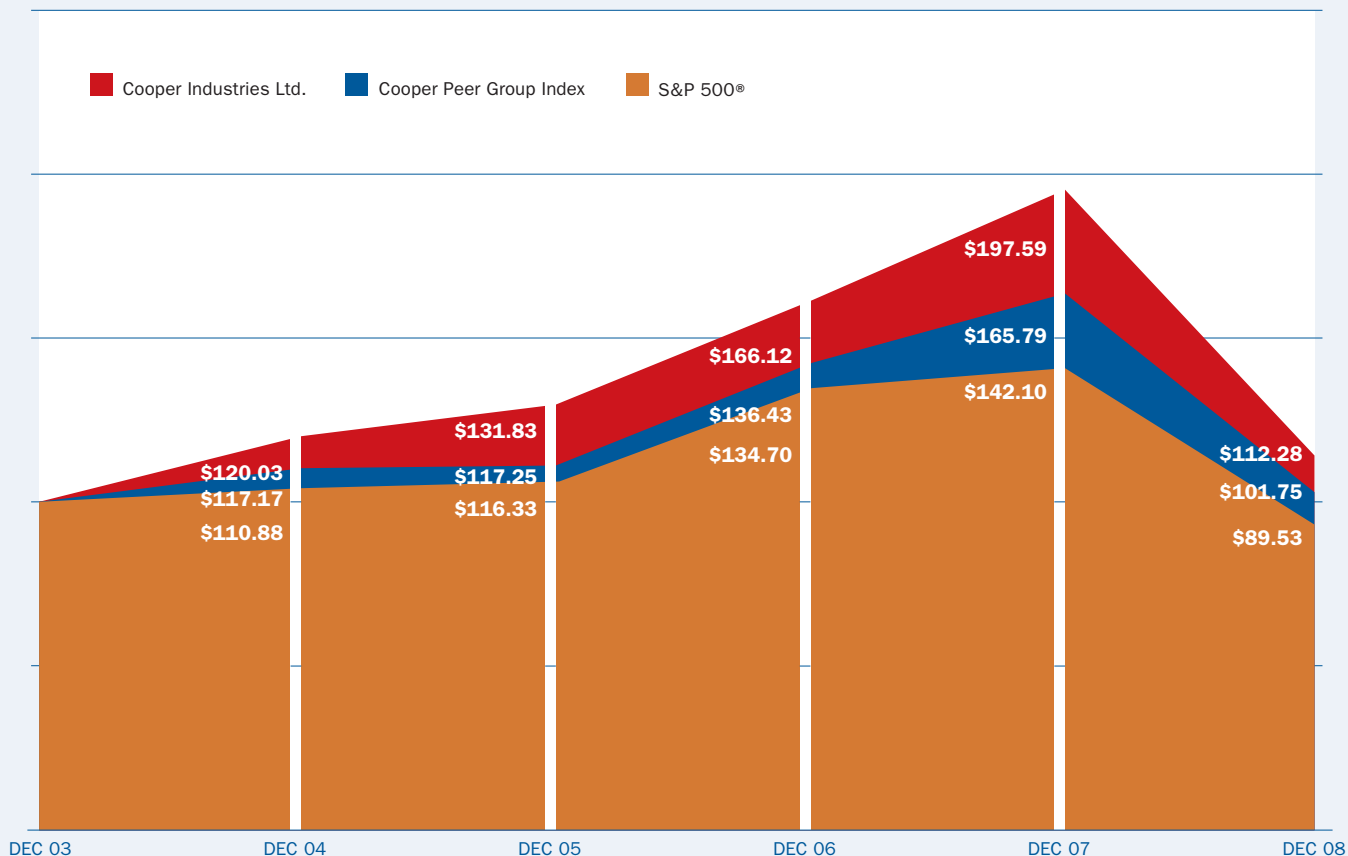
We currently operate in two primary business areas: Electrical Products and Tools. The 15 companies in the Cooper Peer Group Index were selected based on their presence in similar markets affected by similar economic and market trends to Cooper, their recognition by the investment community as Cooper peers and the comparability of their market capitalization to Cooper's market capitalization. The members of the Cooper Peer Group Index are: Acuity Brands, Inc.; Danaher Corporation; Dover Corp.; Eaton Corp.; Emerson Electric Co.; Hubbell Incorporated (Class B); Illinois Tool Works; Ingersoll-Rand Co. Ltd.; Newell Rubbermaid Inc.; Parker-Hannifin Corp.; Pentair Inc.; Snap-On Inc.; SPX Corp.; The Stanley Works; and Thomas & Betts Corporation.

The Cooper Peer Group Index has been weighted in accordance with each corporation's market capitalization (closing stock price multiplied by the number of shares outstanding) as of the beginning of each of the five years covered by the performance graph. The weighted return for each year is the sum of the products obtained by multiplying (a) the percentage that each corporation's market capitalization represents of the total market capitalization for all corporations in the Index for such year by (b) the total shareholder return for that corporation for such year.

	DEC 03	DEC 04	DEC 05	DEC 06	DEC 07	DEC 08
Cooper Industries, Ltd.	\$ 100.00	\$ 120.03	\$ 131.83	\$ 166.12	\$ 197.59	\$ 112.28
Cooper Peer Group Index	\$ 100.00	\$ 117.17	\$ 117.25	\$ 136.43	\$ 165.79	\$ 101.75
S&P 500®	\$ 100.00	\$ 110.88	\$ 116.33	\$ 134.70	\$ 142.10	\$ 89.53

CUMULATIVE TOTAL RETURN

Based upon an initial investment of \$100 on December 31, 2003 with dividends reinvested.



Financial Highlights

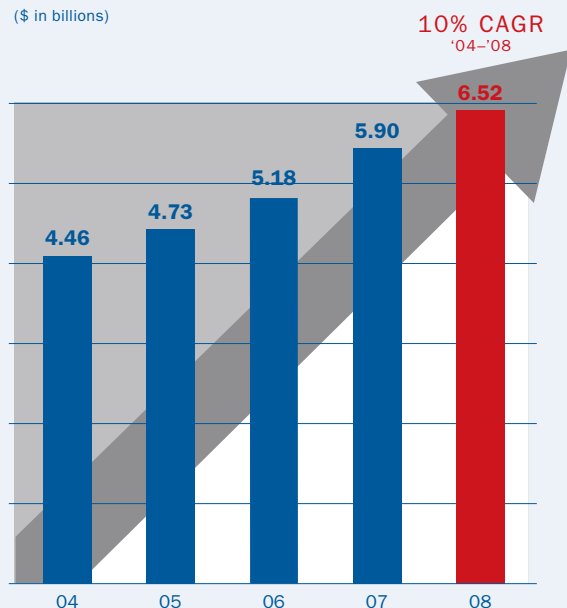
(\$ in millions, except per-share data)

	2008	2007	2006	2005	2004
REVENUES					
Operating earnings before restructuring and unusual items	\$ 6,521.3	\$ 5,903.1	\$ 5,184.6	\$ 4,730.4	\$ 4,462.0
Continuing income before restructuring and unusual items	930.3	852.9	699.2	559.8	496.6
Net income	632.2	692.3	464.0	163.9	339.8
DILUTED INCOME PER COMMON SHARE					
Continuing income before restructuring and unusual items	\$ 3.59	\$ 3.14	\$ 2.58	\$ 2.06	\$ 1.79
Net income	3.60	3.73	2.47	0.87	1.79
Shares used in computation of earnings per share (in millions)	175.6	185.5	187.6	190.0	189.6
Cash dividends declared per common share	\$ 1.00	\$ 0.84	\$ 0.74	\$ 0.74	\$ 0.70
Number of employees	31,200	31,500	31,000	29,000	26,900
Number of record shareholders	20,300	20,800	22,900	23,100	24,500
OPERATING REVENUES BY BUSINESS SEGMENT					
Electrical Products	\$ 5,755.7	\$ 5,108.4	\$ 4,426.0	\$ 3,997.5	\$ 3,722.2
Tools	765.6	794.7	758.6	732.9	740.7
OPERATING EARNINGS BY BUSINESS SEGMENT EXCLUDING RESTRUCTURING AND UNUSUAL ITEMS					
Electrical Products	\$ 930.3	\$ 848.2	\$ 703.2	\$ 585.0	\$ 511.2
Tools	81.1	94.0	85.6	66.7	62.7
Total assets	\$ 6,164.9	\$ 6,133.5	\$ 5,374.8	\$ 5,215.1	\$ 5,407.8
Total indebtedness	1,233.1	1,266.1	1,008.5	1,021.9	1,461.6
Shareholders' equity	2,607.4	2,841.9	2,475.3	2,205.2	2,286.5
Return on revenues before restructuring and unusual items	9.7%	9.9%	9.3%	8.3%	7.6%
Return on average shareholders' equity	23.2%	26.0%	19.8%	7.3%	15.4%
Return on invested capital before restructuring and unusual items	14.7%	14.3%	13.5%	10.8%	9.7%
Total debt-to-capitalization ratio	32.1%	30.8%	28.9%	31.7%	39.0%

These Financial Highlights contain non-GAAP financial measures. See the reconciliation of these measures to the most directly comparable GAAP measures on page 13 of this report.

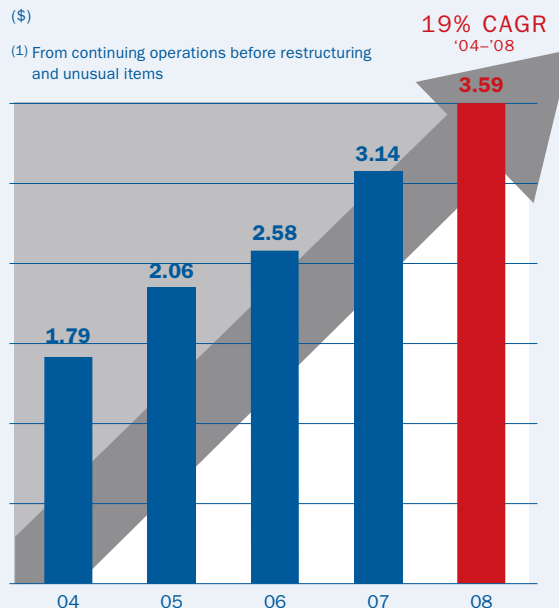
REVENUES

(\$ in billions)



DILUTED EARNINGS PER SHARE⁽¹⁾

(\$)

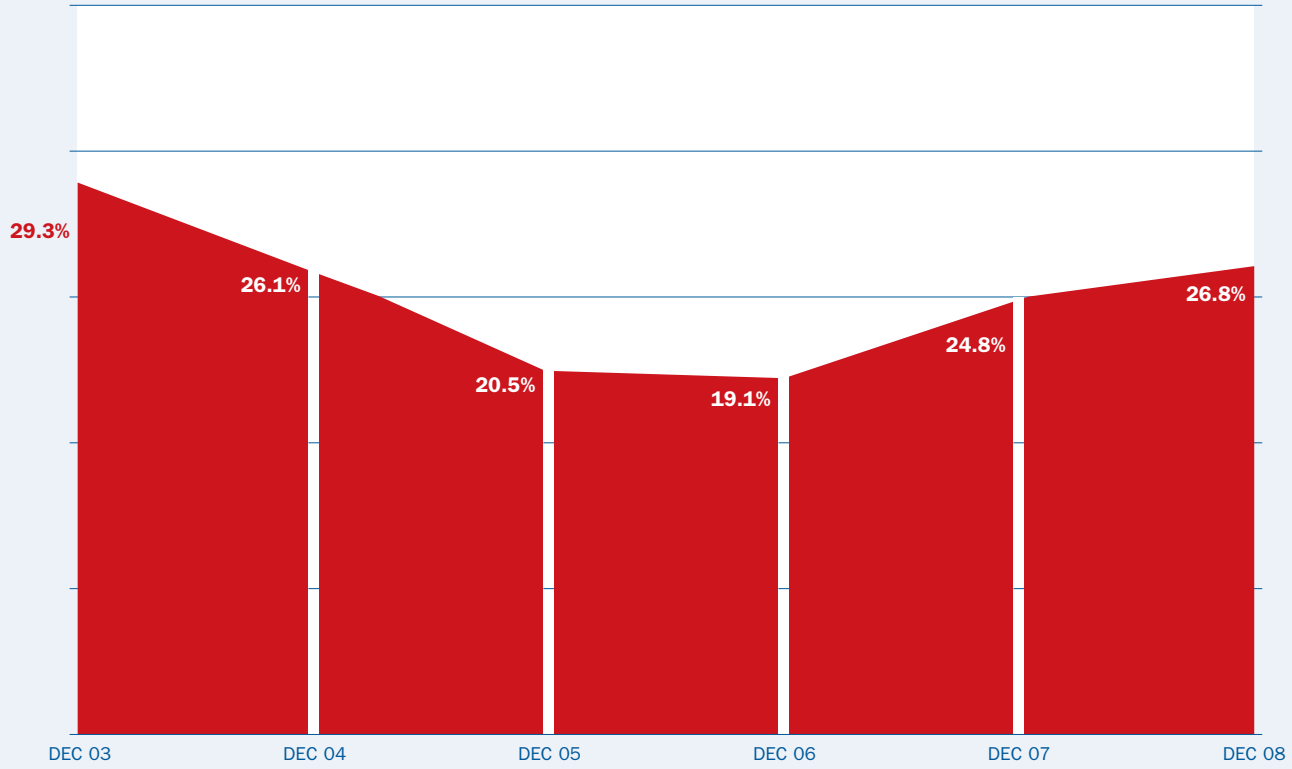


(1) From continuing operations before restructuring and unusual items

Performance Highlights

NET DEBT-TO-TOTAL-CAPITALIZATION⁽¹⁾

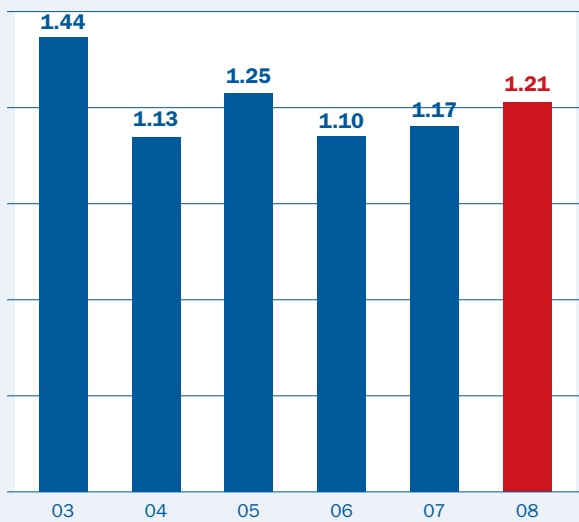
(1) Net debt = total debt less cash, cash equivalents and investments



Balance sheet becomes strategic asset.

FREE CASH FLOW CONVERSION⁽¹⁾

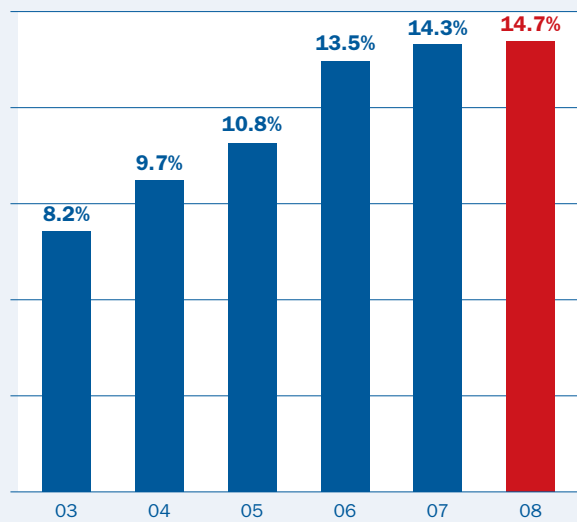
(1) From continuing operations before restructuring and unusual items



Eighth consecutive year Free Cash Flow greater than Continuing Income.

RETURN ON INVESTED CAPITAL

(in percent)



Disciplined capital investment has increased returns.

These Performance Highlights contain non-GAAP financial measures. See the reconciliation of these measures to the most directly comparable GAAP measures on page 13 of this report.

Reconciliation of Non-GAAP Financial Measures

(\$ in millions, except per-share data)

	2008	2007	2006	2005	2004
OPERATING EARNINGS					
Operating earnings	\$ 877.6	\$ 877.2	\$ 699.2	\$ 559.8	\$ 496.6
Restructuring and unusual items	52.7	(24.3)	–	–	–
Operating earnings before restructuring and unusual items	\$ 930.3	\$ 852.9	\$ 699.2	\$ 559.8	\$ 496.6
CONTINUING INCOME					
Income from continuing operations	\$ 615.6	\$ 692.3	\$ 484.3	\$ 391.1	\$ 339.8
Restructuring and unusual items	38.4	(25.7)	–	–	–
Tax benefits – statute expirations, settlements and other discrete tax items	(23.2)	(83.8)	–	–	–
Continuing income before restructuring and unusual items	\$ 630.8	\$ 582.8	\$ 484.3	\$ 391.1	\$ 339.8
DILUTED INCOME PER COMMON SHARE					
Net income	\$ 3.60	\$ 3.73	\$ 2.47	\$ 0.87	\$ 1.79
Discontinued operations	(0.09)	–	0.11	1.19	–
Restructuring and unusual items	0.08	(0.59)	–	–	–
Continuing income before restructuring and unusual items	\$ 3.59	\$ 3.14	\$ 2.58	\$ 2.06	\$ 1.79
OPERATING EARNINGS BY BUSINESS SEGMENT					
ELECTRICAL PRODUCTS:					
Operating earnings	\$ 895.7	\$ 848.2	\$ 703.2	\$ 585.0	\$ 511.2
Restructuring and unusual items	34.6	–	–	–	–
Operating earnings before restructuring and unusual items	\$ 930.3	\$ 848.2	\$ 703.2	\$ 585.0	\$ 511.2
TOOLS:					
Operating earnings	\$ 63.3	\$ 94.0	\$ 85.6	\$ 66.7	\$ 62.7
Restructuring	17.8	–	–	–	–
Operating earnings before restructuring	\$ 81.1	\$ 94.0	\$ 85.6	\$ 66.7	\$ 62.7
DEBT-TO-TOTAL-CAPITALIZATION RATIO					
Short-term debt	\$ 25.6	\$ 256.1	\$ 5.0	\$ 7.6	\$ 97.6
Current maturities of long-term debt	275.0	100.1	300.7	11.4	665.4
Long-term debt	932.5	909.9	702.8	1,002.9	698.6
Total debt	\$ 1,233.1	\$ 1,266.1	\$ 1,008.5	\$ 1,021.9	\$ 1,461.6
Total shareholders' equity	2,607.4	2,841.9	2,475.3	2,205.2	2,286.5
Total capitalization	\$ 3,840.5	\$ 4,108.0	\$ 3,483.8	\$ 3,227.1	\$ 3,748.1
Total debt-to-total-capitalization ratio	32.1%	30.8%	28.9%	31.7%	39.0%
Total debt	\$ 1,233.1	\$ 1,266.1	\$ 1,008.5	\$ 1,021.9	\$ 1,461.6
Cash, cash equivalents and investments	(280.7)	(326.5)	(423.5)	(452.8)	(652.8)
Net debt	\$ 952.4	\$ 939.6	\$ 585.0	\$ 569.1	\$ 808.8
Total capitalization	\$ 3,840.5	\$ 4,108.0	\$ 3,483.8	\$ 3,227.1	\$ 3,748.1
Cash, cash equivalents and investments	(280.7)	(326.5)	(423.5)	(452.8)	(652.8)
Total capitalization, net of cash, cash equivalents and investments	\$ 3,559.8	\$ 3,781.5	\$ 3,060.3	\$ 2,774.3	\$ 3,095.3
Net debt-to-total-capitalization ratio	26.8%	24.8%	19.1%	20.5%	26.1%
FREE CASH FLOW					
Net cash provided by operating activities	\$ 896.4	\$ 795.3	\$ 601.4	\$ 573.5	\$ 473.6
Capital expenditures	(137.0)	(115.5)	(85.3)	(96.7)	(102.8)
Proceeds from sales of property, plant, equipment and other	1.8	1.8	18.9	13.6	11.8
Free cash flow	\$ 761.2	\$ 681.6	\$ 535.0	\$ 490.4	\$ 382.6
RETURN ON INVESTED CAPITAL					
Operating earnings	\$ 877.6	\$ 877.2	\$ 699.2	\$ 559.8	\$ 496.6
Restructuring and unusual items	52.7	(24.3)	–	–	–
Operating earnings before restructuring and unusual items	\$ 930.3	\$ 852.9	\$ 699.2	\$ 559.8	\$ 496.6
Income tax expenses	247.5	233.0	176.2	117.5	102.8
Operating earnings before restructuring and unusual items, after tax	\$ 682.8	\$ 619.9	\$ 523.0	\$ 442.3	\$ 393.8
Average total capital before accumulated goodwill amortization	\$ 4,635.6	\$ 4,331.0	\$ 3,872.5	\$ 4,109.4	\$ 4,047.0
Return on invested capital	14.7%	14.3%	13.5%	10.8%	9.7%

Electrical Highlights

(\$ in millions)

	2008	2007	2006	2005	2004
FINANCIAL STATISTICS					
Revenues	\$ 5,755.7	\$ 5,108.4	\$ 4,426.0	\$ 3,997.5	\$ 3,722.2
Operating earnings	\$ 895.7	\$ 848.2	\$ 703.2	\$ 585.0	\$ 511.2
+ Depreciation and amortization	121.0	97.4	90.4	88.7	93.9
= EBITDA	\$ 1,016.7	\$ 945.6	\$ 793.6	\$ 673.7	\$ 605.1
Operating earnings before restructuring and unusual items	\$ 930.3	\$ 848.2	\$ 703.2	\$ 585.0	\$ 511.2
+ Depreciation and amortization	121.0	97.4	90.4	88.7	93.9
= EBITDA before restructuring and unusual items	\$ 1,051.3	\$ 945.6	\$ 793.6	\$ 673.7	\$ 605.1
Capital expenditures	\$ 108.0	\$ 78.1	\$ 60.8	\$ 69.9	\$ 73.0
Total assets	\$ 4,626.8	\$ 4,492.6	\$ 3,960.8	\$ 3,600.9	\$ 3,591.8
Return on revenues	15.6%	16.6%	15.9%	14.6%	13.7%
Return on revenues before restructuring and unusual items	16.2%	16.6%	15.9%	14.6%	13.7%
Return on average assets	19.6%	20.1%	18.6%	16.3%	14.6%
Return on average assets before restructuring and unusual items	20.4%	20.1%	18.6%	16.3%	14.6%
EBITDA					
Return on revenues	17.7%	18.5%	17.9%	16.9%	16.3%
Return on average assets	22.3%	22.4%	21.0%	18.7%	17.2%
EBITDA before restructuring charges					
Return on revenues	18.3%	18.5%	17.9%	16.9%	16.3%
Return on average assets	23.1%	22.4%	21.0%	18.7%	17.2%
GEOGRAPHIC STATISTICS					
Revenue by destination					
Domestic	\$ 3,716.2	\$ 3,462.3	\$ 3,113.5	\$ 2,884.9	\$ 2,669.7
International	2,039.5	1,646.1	1,312.5	1,152.6	1,052.5

These Electrical Highlights contain non-GAAP financial measures. See the reconciliation of these measures to the most directly comparable GAAP measures on page 13 of this report.

Tools Highlights

(\$ in millions)

	2008	2007	2006	2005	2004
FINANCIAL STATISTICS					
Revenues	\$ 765.6	\$ 794.7	\$ 758.6	\$ 732.9	\$ 740.7
Operating earnings	\$ 63.3	\$ 94.0	\$ 85.6	\$ 66.7	\$ 62.7
+ Depreciation and amortization	20.0	20.2	20.0	20.1	21.7
= EBITDA	\$ 83.3	\$ 114.2	\$ 105.6	\$ 86.8	\$ 84.4
Operating earnings before restructuring and unusual items	\$ 81.1	\$ 94.0	\$ 85.6	\$ 66.7	\$ 62.7
+ Depreciation and amortization	20.0	20.2	20.0	20.1	21.7
= EBITDA before restructuring and unusual items	\$ 101.1	\$ 114.2	\$ 105.6	\$ 86.8	\$ 84.4
Capital expenditures	\$ 10.6	\$ 10.0	\$ 9.1	\$ 12.4	\$ 10.2
Total assets	\$ 619.0	\$ 689.5	\$ 686.6	\$ 700.5	\$ 737.0
Return on revenues	8.3%	11.8%	11.3%	9.1%	8.5%
Return on revenues before restructuring charges	10.6%	11.8%	11.3%	9.1%	8.5%
Return on average assets	9.7%	13.7%	12.3%	9.3%	8.5%
Return on average assets before restructuring charges	12.4%	13.7%	12.3%	9.3%	8.5%
EBITDA					
Return on revenues	10.9%	14.4%	13.9%	11.8%	11.4%
Return on average assets	12.7%	16.6%	15.2%	12.1%	11.5%
EBITDA before restructuring charges					
Return on revenues	13.2%	14.4%	13.9%	11.8%	11.4%
Return on average assets	15.5%	16.6%	15.2%	12.1%	11.5%
GEOGRAPHIC STATISTICS					
Revenue by destination					
Domestic	\$ 363.7	\$ 417.3	\$ 415.6	\$ 420.0	\$ 411.7
International	401.9	377.4	343.0	312.9	329.0

These Tools Highlights contain non-GAAP financial measures. See the reconciliation of these measures to the most directly comparable GAAP measures on page 13 of this report.



Management Team

SENIOR MANAGEMENT

Kirk S. Hachigian
Chairman, President and
Chief Executive Officer

Terry A. Klebe
Senior Vice President and
Chief Financial Officer

C. Thomas O'Grady
Senior Vice President
Business Development

Bruce M. Taten
Senior Vice President,
General Counsel and
Chief Compliance Officer

James P. Williams
Senior Vice President
Human Resources

DIVISION PRESIDENTS

Curt J. Andersson
President
Cooper Crouse-Hinds
Syracuse, New York

Kris Beyen
President
Cooper Safety
Royal Leamington Spa
Warwickshire, England

Ivo Jurek
President
Cooper Bussmann
Ellisville, Missouri

Kevin C. Kissling
President
Cooper B-Line
Highland, Illinois

Gary A. Masse
Group President
Cooper Tools
Apex, North Carolina

David L. Pawl
President
Cooper Wiring Devices
Peachtree City, Georgia

Neil Schrimsher
President
Cooper Lighting
Peachtree City, Georgia

Michael A. Stoessl
Group President
Cooper Power Systems
Waukesha, Wisconsin

CORPORATE OFFICERS

Grant L. Gawronski
Vice President
International Operations

David T. Gunther
Vice President
Internal Audit

Terrance V. Helz
Associate General Counsel
and Secretary

Rick L. Johnson
Vice President, Controller
and Chief Accounting Officer

Tyler W. Johnson
Vice President
and Treasurer

John B. Reed
Vice President
Taxes

Melissa Scheppele
Vice President
Business Systems

Robert L. Taylor
Chief Marketing Officer

Laura K. Ulz
Vice President
Operations

Board of Directors

Stephen G. Butler¹
Retired Chairman
and Chief Executive
KPMG, LLP

Robert M. Devlin^{2, 3}
Chairman
Curragh Capital Partners
Principal Owner and Director
Forethought Financial Group

Ivor J. Evans^{3, 4}
Partner
Thayer Hidden Creek
Retired Vice Chairman
Union Pacific Corporation

Kirk S. Hachigian²
Chairman, President and
Chief Executive Officer
Cooper Industries, Ltd.

Linda A. Hill³
Professor
Harvard Business School

Lawrence D. Kingsley³
Chairman, President and
Chief Executive Officer
IDEX Corporation

James J. Postl^{1, 4}
Retired President and
Chief Executive Officer
Pennzoil Quaker State
Company

Dan F. Smith^{2, 3}
Former Chairman, President
and Chief Executive Officer
Lyondell Chemical Company

Gerald B. Smith^{1, 2, 4}
Deputy Chairman
and Presiding
Non-Management Director
Cooper Industries, Ltd.
Chairman and
Chief Executive Officer
Smith Graham & Company

Mark S. Thompson⁴
Chairman, President and
Chief Executive Officer
Fairchild Semiconductor
International, Inc.

James R. Wilson¹
Retired Chairman, President
and Chief Executive Officer
Cordant Technologies Inc.

¹ Member of the Audit Committee

² Member of the Executive Committee

³ Member of the Management Development and Compensation Committee

⁴ Member of the Committee on Nominations and Corporate Governance

TRANSFER AGENT, REGISTRAR AND DIVIDEND DISBURSING AGENT

Computershare Trust Company, N. A.

General correspondence about your shares should be addressed to:
Computershare Trust Company, N. A.
250 Royall Street
Canton, MA 02021

Correspondence related to the Dividend Reinvestment Plan,
including optional cash payment inquiries, should be addressed to:
Computershare Trust Company, N. A.
P.O. Box 43081
Providence, RI 02940-3081

Requests to transfer Cooper shares should be addressed to:
Computershare Trust Company, N. A.
P.O. Box 43070
Providence, RI 02940-3070

Telephone inquiries can be made to the Telephone Response Center
at (781) 575-2725, Monday–Friday, 9:00 a.m. to 5:00 p.m., Eastern
time. An automated inquiry service is available seven days a week,
24 hours per day. For hearing-impaired service call (800) 952-9245
within the U.S. and (781) 575-4592 outside the U.S.

Cooper's transfer agent also may be contacted on the Internet at
www.computershare.com.

ADDITIONAL SHAREHOLDER ASSISTANCE

For additional assistance regarding your shareholdings, contact:
Corporate Governance Department
Cooper Industries, Ltd.
P.O. Box 4446
Houston, Texas 77210-4446
Telephone (713) 209-8673

INVESTOR RELATIONS CONTACT

Mark Doheny
Director, Investor Relations
Cooper Industries, Ltd.
P.O. Box 4446
Houston, Texas 77210-4446
Telephone (713) 209-8484
E-mail address: mark.doheny@cooperindustries.com

ANNUAL MEETING

The Annual Meeting of Shareholders will be held at 11:30 a.m.,
Central time on April 27, 2009, Chase Tower, 54th Floor,
600 Travis, Houston, Texas. A meeting notice and proxy
materials are being mailed to all shareholders of record
as of February 27, 2009.

CORPORATE HEADQUARTERS

Cooper Industries, Ltd.
600 Travis Street, Suite 5600
Houston, Texas 77002-1001
Telephone (713) 209-8400

Internet address: www.cooperindustries.com
E-mail address: info@cooperindustries.com

DISCLOSURE AND COMPLIANCE 2008

The Sarbanes-Oxley Act of 2002 (SOX), combined with the regulations of the Securities and Exchange Commission (SEC) and related SEC-approved corporate governance listing requirements of the New York Stock Exchange (NYSE), continue to have a significant impact on the corporate governance, record keeping and public disclosure obligations of Cooper and other publicly traded companies. Cooper complies with all sections of SOX, the related SEC rules and NYSE requirements, including certification by the Chief Executive Officer and Chief Financial Officer of the integrity and accuracy of Cooper's financial statements, and certification by the Chief Executive Officer of compliance with the NYSE corporate governance standards.

FORWARD-LOOKING STATEMENTS

Certain statements in this annual report are forward-looking under the Private Securities Litigation Reform Act of 1995. The forward-looking statements reflect Cooper's expectations, objectives and goals with respect to future events and financial performance, and are based on assumptions and estimates that Cooper believes are reasonable. Forward-looking statements include, but are not limited to, any statements regarding future revenues, earnings, margins, cost and expenses, cash flows, dividends and capital expenditures. Cooper wishes to caution readers not to put undue reliance on these statements and that actual results could differ materially from anticipated results. These statements are subject to various risks and uncertainties, many of which are outside the control of Cooper, including, without limitation, market and economic conditions; changes in raw material, transportation and energy costs; industry competition; the ability to execute and realize the expected benefits from strategic initiatives, including revenue growth plans and cost-control and productivity improvement programs; changes in mix of products sold; the magnitude of any disruptions from manufacturing rationalizations and the implementation of the Enterprise Business System; mergers and acquisitions and their integration; changes in financial markets including currency exchange rate fluctuations; political developments; changing legislation and regulations including changes in tax laws, tax treaties or tax regulations; the resolution of potential liabilities and insurance recoveries resulting from ongoing Pneu-mo-Abex related asbestos claims; the timing and amount of share repurchases by Cooper; and other risk factors as discussed from time to time in Cooper's Securities and Exchange Commission filings.

COOPER B-LINE – Access Cabinets, B-Line, Cent-R-Rail, Circle AW, Dura-Blok, Dura-Clean, Dura-Copper, Dura-Green, E2 & Design, EC Cabinets, Edison Series, FAST System, Flextray, Envirosield, Grate-Lock, Grip Strut, KwikWire, Perf-O Grip, RCM+, Redi-Rail, Ruff-In, Traction Tread, V-Line, Willsher & Quick – COOPER BUSSMANN – Buss, Bussmann, Coiltronics, Cubefuse, Edison, Fusetron, InVision, Low-Peak, Magnum, Omnex Trusted Wireless, PolySurg, PowerStor, Productivity Through Protection, Quik-Spec, Safety Basics, Sure Power, Xi’an – COOPER CROUSE-HINDS – Arktite, Cam-Lok, CEAG, Champ, Chico, Chico Speed Seal, Commercial Products, Condulet, Cooper Interconnect, Crouse-Hinds, eXLink, Ex-cell, FlexStation, Hazard-Gard, Liquidator, MTL Instruments, Myers, NextT, Nortem, Pre-Formance, PowerPlus, Posi-Lok, Smart-Guard, Space-Saver, Spectrum, Terminator, Vaporgard – COOPER LIGHTING – Ametrix, AtLite, Corelite, Edison, Emerald, Fail-Safe, Halo, Invue, io, Iris, Lumark, Lumiere, McGraw-Edison, Metalux, MWS, Neo-Ray, PDS, Portfolio, Regent, RSA, Shaper, Streetworks, Sure-Lites – COOPER SAFETY – Axent, Blessing, Capri, CEAG, Crompton, CSA, Fulleon, JSB, LEDStorm, Luminox, Madahcom, MEDC, Menvier, Nugelec, Pretronica, Roam Secure, Scantronic, Univel, Waves and Wheelock – COOPER POWER SYSTEMS – Cannon Technologies, Cybectec, Cyme, Cooper Power Systems, Edison, ELF, EnviroTran, EnviroVR, FR3, Kearney, Kyle, NOVA, MagneX, McGraw-Edison, NX, NXC, Storm Trapper, UltraSIL, VariStar, VariGap, X Limiter, Yukon – COOPER TOOLS – Airetool, Apex, Atila, Automated Systems, Belzer, Buckeye, Campbell, Caulk Master, Cleco, Collins, Crescent, DGD, Diamond, Disston, Doler, Dotco, Erem, Filtronic, Geta, K&F, Kahnetics, Lufkin, Master Power, MetroMex, Mayle, Nicholson, OnixPlata, Plumb, H.K. Porter, Quackenbush, Recoules, Rotor, Utica, Weller, Wire Wrap, Wiss, Xcelite – COOPER WIRING DEVICES – Aspire, Aspire RF, Cooper Wiring Devices, Hart-Lock, Media Sync, Power-Lock, Royer, Shock Sentry, Siena, SurgBloc, AutoGrip, Safety Grip, Antares, Cooper Sedna, Eagle, Arrow-Hart, WeatherBox, Quickeze, Super Plug – COOPER B-LINE – Access Cabinets, B-Line, Cent-R-Rail, Circle AW, Dura-Blok, Dura-Clean, Dura-Copper, Dura-Green, E2 & Design, EC Cabinets, Edison Series, FAST System, Flextray, Envirosield, Grate-Lock, Grip Strut, KwikWire, Perf-O Grip, RCM+, Redi-Rail, Ruff-In, Traction Tread, V-Line, Willsher & Quick – COOPER BUSSMANN – Buss, Bussmann, Coiltronics, Cubefuse, Edison, Fusetron, InVision, Low-Peak, Magnum, Omnex Trusted Wireless, PolySurg, PowerStor, Productivity Through Protection, Quik-Spec, Safety Basics, Sure Power, Xi’an – COOPER CROUSE-HINDS – Arktite, Cam-Lok, CEAG, Champ, Chico, Chico Speed Seal, Commercial Products, Condulet, Cooper Interconnect, Crouse-Hinds, eXLink, Ex-cell, FlexStation, Hazard-Gard, Liquidator, MTL Instruments, Myers, NextT, Nortem, Pre-Formance, PowerPlus, Posi-Lok, Smart-Guard, Space-Saver, Spectrum, Terminator, Vaporgard – COOPER LIGHTING – Ametrix, AtLite, Corelite, Edison, Emerald, Fail-Safe, Halo, Invue, io, Iris, Lumark, Lumiere, McGraw-Edison, Metalux, MWS, Neo-Ray, PDS, Portfolio, Regent, RSA, Shaper, Streetworks, Sure-Lites – COOPER SAFETY – Axent, Blessing, Capri, CEAG, Crompton, CSA, Fulleon, JSB, LEDStorm, Luminox, Madahcom, MEDC, Menvier, Nugelec, Pretronica, Roam Secure, Scantronic, Univel, Waves and Wheelock – COOPER POWER SYSTEMS – Cannon Technologies, Cybectec, Cyme, Cooper Power Systems, Edison, ELF, EnviroTran, EnviroVR, FR3, Kearney, Kyle, NOVA, MagneX, McGraw-Edison, NX, NXC, Storm Trapper, UltraSIL, VariStar, VariGap, X Limiter, Yukon – COOPER TOOLS – Airetool, Apex, Atila, Automated Systems, Belzer, Buckeye, Campbell, Caulk Master, Cleco, Collins, Crescent, DGD, Diamond, Disston, Doler, Dotco, Erem, Filtronic, Geta, K&F, Kahnetics, Lufkin, Master Power, MetroMex, Mayle, Nicholson, OnixPlata, Plumb, H.K. Porter, Quackenbush, Recoules, Rotor, Utica, Weller, Wire Wrap, Wiss, Xcelite – COOPER WIRING DEVICES – Aspire, Aspire RF, Cooper Wiring Devices, Hart-Lock, Media Sync, Power-Lock, Royer, Shock Sentry, Siena, SurgBloc, AutoGrip, Safety Grip, Antares, Cooper Sedna, Eagle, Arrow-Hart, WeatherBox, Quickeze, Super Plug – COOPER B-LINE – Access Cabinets, B-Line, Cent-R-Rail, Circle AW, Dura-Blok, Dura-Clean, Dura-Copper, Dura-Green, E2 & Design, EC Cabinets, Edison Series, FAST System, Flextray, Envirosield, Grate-Lock, Grip Strut, KwikWire, Perf-O Grip, RCM+, Redi-Rail, Ruff-In, Traction Tread, V-Line, Willsher & Quick – COOPER BUSSMANN – Buss, Bussmann, Coiltronics, Cubefuse, Edison, Fusetron, InVision, Low-Peak, Magnum, Omnex Trusted Wireless, PolySurg, PowerStor, Productivity Through



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