UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 6, 2005

THE COOPER COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-8597	94-2657368
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6140 Stoneridge Mall Road, Suite 590, Pleasanton, California 94588
(Address of principal executive offices)

(925) 460-3600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.01. Completion of Acquisition or Disposition of Assets.

This amendment is being filed to amend and supplement the Current Report on Form 8-K filed on January 7, 2005, to include the financial statements of Ocular Sciences, Inc., the acquired business, and the pro forma financial information required pursuant to Article 11 of Regulation S-X.

ITEM 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Exhibit No.	Description
99.2	Audited consolidated balance sheets of Ocular Sciences, Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2003.
99.3	Unaudited condensed consolidated balance sheet of Ocular Sciences, Inc. and subsidiaries as of September 30, 2004 and related condensed consolidated statements of income and cash flows for the nine month periods ended September 30, 2004 and 2003.

(b) Pro forma financial information.

Exhibit No.	Description
99.4	Unaudited pro forma consolidated condensed financial statements of The Cooper Companies, Inc. and Ocular Sciences, Inc. as of and for the fiscal year ended October 31, 2004.

(c) Exhibits.

Exhibit No.	Description
23	Independent Auditors' Consent

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE COOPER COMPANIES, INC.

By /s/ Carol R. Kaufman

Carol R. Kaufman
Senior Vice President of Legal Affairs,
Secretary and Chief Administrative Officer

Dated: February 14, 2005

EXHIBIT INDEX

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Independent Auditors' Consent

The Board of Directors
Ocular Sciences, Inc.:

We consent to incorporation by reference in Registration Statement Nos. 33-50016, 33-11298, 333-22417, 333-25051, 333-27639, 333-40431, 333-80795, 333-48152, 333-34206 and 333-108066 on Forms S-3, Registration Statement No. 333-118422 on Form S-4 and Registration Statement Nos. 333-10997, 33-27938, 33-36325, 33-36326, 333-58839, 333-67954, 333-101366 33-104346 and 333-115520 on Forms S-8 of The Cooper Companies, Inc. of our report dated February 11, 2004, relating to the consolidated balance sheets of Ocular Sciences, Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2003, which report appears in the Form 8-K/A of The Cooper Companies dated February 14, 2005.

Our report dated February 11, 2004 contains an explanatory paragraph that refers to the Company's change in its method of accounting for goodwill and other intangibles assets in 2002.

/s/ KPMG LLP

San Francisco, California
February 11, 2005

Exhibit 99.2

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Ocular Sciences, Inc.:

We have audited the accompanying consolidated balance sheets of Ocular Sciences, Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ocular Sciences, Inc. and subsidiaries as of December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4 to the consolidated financial statements, in 2002 the Company changed its method of accounting for goodwill and other intangible assets.

KPMG LLP

San Francisco, California
February 11, 2004

Exhibit 99.2

OCULAR SCIENCES, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	December 31, 2003	December 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	$ 34,187	$ 11,414
Accounts receivable, less allowance for sales returns and doubtful accounts of $3,596 and $3,818 for 2003 and 2002, respectively	57,906	56,416
Inventories	70,646	74,515
Prepaid expenses and other current assets	36,804	28,572
Total Current Assets	199,543	170,917
Property and equipment, net	134,903	119,941
Intangible assets, net	60,330	55,815
Loans to officers and employees	437	956
Other assets	4,095	4,460
Total assets	$ 399,308	$ 352,089
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 9,076	$ 10,009
Accrued liabilities	69,044	55,838
Current portion of long-term debt	411	420
Total current liabilities	78,531	66,267
Deferred income taxes	988	4,200
Other liabilities	1,067	942
Long-term debt, less current portion	16,877	30,730
Total liabilities	97,463	102,139
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, $0.001 par value; 4,000,000 shares authorized; none issued	—	—
Common stock, $0.001 par value; 80,000,000 shares authorized; 24,373,871 and 23,811,638 shares issued and outstanding for 2003 and 2002, respectively	24	24
Additional paid-in capital	101,093	91,632
Retained earnings	182,391	155,837
Accumulated other comprehensive income	18,337	2,457
Total stockholders' equity	301,845	249,950
Total liabilities and stockholders' equity	$ 399,308	$ 352,089

See accompanying notes to consolidated financial statements

OCULAR SCIENCES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2003	2002	2001
Net sales	$ 310,563	$ 267,121	$ 224,974
Cost of sales	143,391	120,337	97,812
Gross profit	167,172	146,784	127,162
Selling and marketing expenses	86,030	72,937	53,769
General and administrative expenses	29,618	24,708	24,913
Research and development expenses	6,133	4,910	7,055
Write-off of impaired manufacturing equipment	—	—	25,597
Restructuring and related expenses	10,858	34,484	—
Acquired in-process research and development expenses	—	—	4,150
Income from operations	34,533	9,745	11,678
Interest expense	(634)	(775)	(443)
Interest income	594	422	859
Other income (expense), net	1,881	3,511	(331)
Income before taxes	36,374	12,903	11,763
Income taxes	(9,820)	(5,690)	(5,240)
Net income	$ 26,554	$ 7,213	$ 6,523
Net income per share data:			
Net income per share (basic)	$ 1.11	$ 0.31	$ 0.28
Net income per share (diluted)	$ 1.09	$ 0.30	$ 0.27
Weighted average common shares outstanding	23,935,066	23,645,922	23,386,179
Weighted average dilutive potential common shares under the treasury stock method	404,987	771,929	672,065
Total weighted average common and dilutive potential common shares outstanding	24,340,053	24,417,851	24,058,244

See accompanying notes to consolidated financial statements

OCULAR SCIENCES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balances as of December 31, 2000	23,308,035	$ 23	$ 82,379	$142,101	$ (2,058)	(62,500)	$ (731)	$ 221,714
Exercise of employee stock options	211,650	1	2,903	—	—	—	—	2,904
Income tax benefits from stock options exercised	—	—	474	—	—	—	—	474
Comprehensive Income:								
Net income	—	—	—	6,523	—	—	—	6,523
Other comprehensive loss	—	—	—	—	(1,724)	—	—	(1,724)
Comprehensive income	—	—	—	—	—	—	—	4,799
Retirement of Treasury Stock	(62,500)	—	(731)	—	—	62,500	731	—
Balances as of December 31, 2001	23,457,185	24	85,025	148,624	(3,782)	—	—	229,891
Exercise of employee stock options	354,453	—	5,159	—	—	—	—	5,159
Income tax benefits from stock options exercised	—	—	1,448	—	—	—	—	1,448
Comprehensive Income:								
Net income	—	—	—	7,213	—	—	—	7,213
Other comprehensive income	—	—	—	—	6,239	—	—	6,239
Comprehensive income	—	—	—	—	—	—	—	13,452
Balances as of December 31, 2002	23,811,638	24	91,632	155,837	2,457	—	—	249,950
Exercise of employee stock options	562,233	—	9,082	—	—	—	—	9,082
Income tax benefits from stock options exercised	—	—	379	—	—	—	—	379
Comprehensive Income:								
Net income	—	—	—	26,554	—	—	—	26,554
Other comprehensive income	—	—	—	—	15,880	—	—	15,880
Comprehensive income	—	—	—	—	—	—	—	42,434
Balances as of December 31, 2003	24,373,871	$ 24	$101,093	$182,391	$ 18,337	—	$ —	$ 301,845

See accompanying notes to consolidated financial statements

OCULAR SCIENCES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Year Ended December 31,		
	2003	2002	2001
Cash flows from operating activities			
Net income	$ 26,554	$ 7,213	$ 6,523
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	25,293	21,327	19,539
Amortization of loans to officers	358	382	120
Income tax benefits from stock options exercised	379	1,448	474
Provision for sales returns and doubtful accounts	(221)	1,557	335
In-process research and development	—	—	4,150
Write-off of impaired manufacturing equipment	—	24,701	25,597
Exchange gain	(1,378)	(2,295)	(153)
Deferred income taxes	(5,361)	5,396	(934)
Changes in operating assets and liabilities:			
Accounts receivable	(1,267)	(18,581)	(13,502)
Inventories	3,869	(19,063)	(12,492)
Prepaid expenses, other current and non-current assets	(5,968)	(10,830)	(10,175)
Accounts payable	(933)	(4,465)	5,559
Accrued and other liabilities	13,330	18,620	(582)
Net cash provided by operating activities	54,655	25,410	24,459
Cash flows from investing activities:			
Purchases of property and equipment	(31,786)	(34,514)	(44,296)
Loans to officers and employees	—	—	(1,625)
Sales and maturities of short-term and long-term investments	—	—	11,618
Payment for acquisitions, net of cash acquired	—	(10,294)	(48,562)
Other	—	25	(5)
Net cash used in investing activities	(31,786)	(44,783)	(82,870)
Cash flows from financing activities			
Proceeds from issuance of debt	97,500	70,000	28,000
Repayment of short-term and long-term debt	(111,362)	(55,194)	(18,255)
Proceeds from issuance of common stock	9,082	5,159	2,904
Net cash (used in) provided by financing activities	(4,780)	19,965	12,649
Effect of exchange rate changes on cash and cash equivalents	4,684	3,033	(1,558)
Net increase (decrease) in cash and cash equivalents	22,773	3,625	(47,320)
Cash and cash equivalents at the beginning of year	11,414	7,789	55,109
Cash and cash equivalents at the end of year	$ 34,187	$ 11,414	$ 7,789
Supplemental cash flow disclosures:			
Cash paid during the period for:			
Interest	$ 648	$ 782	$ 431
Taxes	$ 10,376	$ 8,718	$ 14,796
Non-cash investing and financing activities:			
Retirement of treasury stock	$ —	$ —	$ 731
Accounts receivable exchanged in the acquisition of Seiko	$ —	$ 11,215	$ —

See accompanying notes to consolidated financial statements

Note 1. Nature of Business

O.S.I. Corporation ("the Company") was incorporated in California in 1985. On July 31, 1997, the Company effected a reincorporation into the state of Delaware and changed its name to Ocular Sciences, Inc. The Company is engaged in the design, manufacture and distribution of contact lenses.

Note 2. Significant Accounting Policies

Critical Accounting Policies

The Company's critical accounting policies are as follows:

- revenue recognition;
- estimating valuation allowances;
- accounting for income taxes;
- valuation of long-lived and intangible assets and goodwill; and
- estimates inherent in purchase accounting;

Revenue Recognition

Revenue is recognized based on the terms of sale with the customer, generally upon product shipment. The Company has established programs that, under specified conditions, enable its customers to return product. The Company establishes reserves for estimated returns and allowances at the time revenues are recognized. In addition, accruals for customer discounts and rebates are recorded when revenues are recognized. Amounts billed to customers in sale transactions related to shipping and handling are classified as revenue. The process of establishing reserves requires significant management judgment. In the event that actual results differ from these estimates or the Company adjusts these estimates in future periods, the Company's financial position and results of operations could be materially impacted.

Estimating Valuation Allowances

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Company specifically analyzes the aging of accounts receivable and historical bad debts, customer concentrations, customer credit-worthiness, current economic trends, changes in customer payment terms and sales returns when evaluating the adequacy of the allowance for doubtful accounts and sales returns in any accounting period. The Company sells its products to a diverse group of optometrists, optical retailers, optical product distributors and ophthalmologists, and therefore the concentration of credit risk with respect to accounts receivable is limited due to the large number and diversity of customers across broad geographic areas. Accounts receivable from customers are uncollateralized. To reduce credit risk, the Company performs ongoing credit evaluations of significant customers' respective financial conditions. It establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

The Company assesses the need for reserves on inventory generally based on monthly forward projections of sales of products that are updated periodically. Inventories are recorded at the lower of cost (first-in, first-out method) or market. Cost includes material, labor and applicable factory overhead. The reported value of our inventory includes saleable products, promotional products, raw materials and componentry that will be sold or used in future periods. Provision for potentially obsolete or slow moving inventory is made based upon our analysis of inventory levels and forecasted sales. Once inventory is reserved, the reserve can only be relieved by the subsequent sale or disposal of the inventory.

Material differences may result in the amount and timing of revenue and/or expenses for any period if different judgments had been made or different estimates utilized.

Accounting for Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax effects attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

In preparing its consolidated financial statements, the Company is required to estimate our income taxes in each of the jurisdictions in which it operates. This is a complex process due to the multiple tax jurisdictions within which the Company operates and the overall complexity of the Company's corporate structure. This process involves estimating actual current tax liability together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within the consolidated balance sheet. Significant management judgment is required in determining the provision for income taxes and deferred tax assets and liabilities. The Company is presently under routine examination by local tax authorities in several of the tax jurisdictions, including the United States, that the Company operates in. As a result of these examinations, or in the event that actual results differ from these estimates or it adjusts these estimates in future periods, the Company's financial position and results of operations could be materially impacted.

Valuation of Long-Lived and Intangible Assets and Goodwill

The Company periodically reviews long-lived assets and certain identifiable intangible assets for impairment in accordance with Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets." Goodwill and certain intangible assets, which are not subject to amortization, are periodically reviewed for impairment in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets."

For assets to be held and used, including acquired intangibles, the Company initiates its review whenever events or changes in circumstances indicate that the carrying amount of intangible assets may not be recoverable. Recoverability of an asset is measured by comparison of its carrying amount to the expected future undiscounted cash flows (without interest charges) that the asset is expected to generate. Any impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair market value. Significant management judgment is required in this process.

In January 2002, SFAS No. 142 became effective and as a result, the Company ceased to amortize goodwill and assembled workforce beginning January 1, 2002. As of December 31, 2003, unamortized goodwill and assembled workforce was approximately $47 million. In lieu of amortization, the Company is required to perform an annual impairment review. During the fourth quarter of 2003, it performed its annual impairment test and concluded that there is no impairment of its goodwill. In the future, the Company will perform the annual impairment test required by SFAS No. 142 in the fourth quarter of each year. The Company cannot assure you that a material impairment charge will not be recorded in the future.

Estimates Inherent in Purchase Accounting

Purchase accounting requires extensive use of accounting estimates and judgments to allocate the purchase price to the fair value of the assets purchased and liabilities assumed. In our recording of the acquisitions of the assets of Essilor and Seiko Contactlens, values were assigned to identifiable intangible assets based on management's forecasts and projections that include assumptions related to future revenues and cash flows generated from the acquired assets.

Other Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 2003 presentation.

Cash and Cash Equivalents

Cash equivalents consist money market instruments and government or government agency securities and other debt securities issued by financial institutions and other issuers with strong credit ratings.

Fair Value of Financial Instruments

The carrying amounts reported in the balance sheets for receivables, related party loans, accounts payable, accrued liabilities and short-term debt approximates fair values due to their short-term maturities. Long-term debt is carried at cost, which approximates fair value as the interest rate on the debt is referenced to market rates.

Shipping and Handling Costs

The Company classifies shipping charges received from customers as revenue. The Company classifies inbound shipping costs as cost of sales and outbound shipping costs as operating expense. The Company generally does not impose separate handling charges on customer orders and classifies costs attributable to receiving, inspecting and warehousing inventories and picking, packaging and preparing customers' orders for shipment as operating expenses.

Advertising Costs

Advertising and promotion costs are expensed as they occur. The Company's advertising and promotion costs were approximately $2,554,000, $2,172,000, and $2,194,000 for 2003, 2002, and 2001, respectively.

Foreign Currencies

The functional currencies of the Company's subsidiaries are their respective local currencies. Accordingly, the subsidiaries translate all asset and liability accounts at current exchange rates in effect at the balance sheet date and statement of income accounts at average exchange rates during the period. Translation adjustments arising from differences in exchange rates from period to period are included in the consolidated financial statements as a component of other comprehensive income (loss) in stockholders' equity. Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency and are included in other income (expense), net. The Company enters into foreign exchange forward contracts intended to reduce the short-term impact of foreign currency fluctuations on products sold internationally in currencies other than the purchasing entity's functional currency. Additionally, the Company enters into foreign exchange forward contracts on certain intercompany equipment sale and leaseback transactions. The gains and losses on the foreign exchange forwards are intended to partially offset the transaction gains and losses recognized in earnings. The Company does not enter into foreign exchange forward contracts for speculative purposes. The Company's foreign exchange forward contracts are generally six months or less in original maturity. Foreign currency transaction gains were $1.4 million, $2.3 million and $0.2 million for 2003, 2002 and 2001, respectively.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line or units-of-production method over the respective estimated useful lives of the assets as follows: equipment and machinery, 3 to 7 years; furniture and fixtures, 3 to 7 years; vehicles, 4 to 7 years; buildings, 10 to 14 years; and leasehold improvements, over the shorter of the respective lease terms or the respective estimated useful lives of the leasehold improvements. Normal repairs and maintenance are expensed as incurred. Expenditures, which materially increase values, change capacities or extend useful lives are capitalized.

Earnings Per Share

In accordance with SFAS No. 128, "Earnings Per Share," basic earnings per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated using the weighted average number of common shares and dilutive potential common shares outstanding during the period. Dilutive potential common shares represent shares issuable upon the exercise of outstanding options and are calculated using the treasury stock method.

Options to purchase 1,911,905, 942,820 and 1,167,660 shares of the Company's common stock were not included in the computation of diluted earnings per share because their exercise prices were greater than the average market price of the Company's common stock of $19.73, $24.53 and $20.35 per share for 2003, 2002 and 2001 respectively.

Stock-Based Compensation

The Company accounts for stock-based compensation using methods prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. The Company has adopted the disclosure-only provisions of SFAS No. 123 "Accounting for Stock-Based Compensation".

In accordance with SFAS No. 123, as amended by SFAS No. 148, "Accounting for Stock-Based Compensation—Transition and Disclosure," the Company has provided, below, the pro forma disclosures of the effect on net income and earnings per share as if SFAS No. 123 had been applied in measuring compensation expense for all periods presented.

The following table illustrates, pursuant to SFAS No. 123, as amended by SFAS No. 148, the effect on net income and related net income per share, had compensation cost for stock-based compensation plans been determined based upon the fair value method prescribed under SFAS No. 123:

	December 31,		
	2003	2002	2001
Net income:			
As reported	$26,554	$ 7,213	$ 6,523
Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	2,566	3,843	3,366
Pro forma	$23,988	$ 3,370	$ 3,157
Net income per common share (basic):			
As reported	$ 1.11	$ 0.31	$ 0.28
Pro forma	1.00	0.14	0.14
Net income per common share (diluted):			
As reported	$ 1.09	$ 0.30	$ 0.27
Pro forma	0.99	0.14	0.13

In 2003, 2002 and 2001, the Company calculated the fair value of options using the Black-Scholes option-pricing model. The assumptions used were as follows:

	2003	2002	2001
Weighted-average risk free interest rate	1.21%	3.36%	4.19%
Expected life (years)	4	4	4
Volatility	36.0%	46.5%	45.0%
Dividend yield	—	—	—

Segment Information

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" establishes requirements for reporting information about operating segments and disclosures relating to products and services, geographic areas and major customers. Operating segments are components of an enterprise about which separate financial information is available and which is used regularly by its chief decision maker in allocation of resources. The Company operates in a single operating segment.

New Accounting Standards

The Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" in June 2002. SFAS No. 146 addresses accounting and reporting for costs associated with exit and disposal activities and supercedes EITF No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, as defined by the Statement. Under EITF 94-3, an exit cost was recognized at the date an entity committed to an exit plan. Additionally, SFAS No. 146 provides that exit and disposal costs should be measured at fair value and that the associated liability be adjusted for changes in estimated cash flows. The Company adopted SFAS No. 146 effective January 1, 2003 on a prospective basis.

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others," an interpretation of FASB Statements No. 5, 57 and 107 and a rescission of FASB Interpretation No. 34. This interpretation elaborates on the disclosures to be made by guarantor in its interim and annual financial statements about its obligations under guarantees issued. The interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the interpretation are applicable to guarantees issued or modified after December 31, 2002 and have not had a material effect on our financial statements.

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock-Based Compensation—Transition and Disclosure," which amends SFAS No. 123, "Accounting for Stock-Based Compensation."SFAS 148 provides alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosure in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has adopted SFAS No. 148 effective January 1, 2003.

In January 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities," which requires variable interest entities, previously referred to as special-purpose entities or off-balance sheet structures, to be consolidated by a company if that company is subject to a majority of the risk of loss from the entity's activities or is entitled to receive a majority of the entity's returns or both. The consolidation provisions of FIN No. 46 apply immediately to variable interest entities created after January 31, 2003 and to existing entities in the first fiscal year or interim period beginning after December 15, 2003 and have not had a material impact on the Company's consolidated financial statements.

In April 2003, the FASB issued SFAS No. 149, "Amendments of Statement 133 on Derivative Instruments and Hedging Activities," which amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133. This statement is effective for contracts entered into or modified after September 30, 2003, with certain exceptions, and for hedging relationships designated after September 30, 2003. The Company adopted SFAS 149 effective October 1, 2003. Adoption of SFAS No. 149 did not have a material impact on the Company's consolidated financial statements.

In May 2003, the FASB issued SFAS No. 150, “Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity,” which establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. Financial instruments that are within the scope of the statement, which previously were often classified as equity, must now be classified as liabilities. This statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise shall be effective at the beginning of the first interim period beginning after June 15, 2003. The Company adopted SFAS No. 150 effective July 1, 2003. The statement has not had a material impact on the Company's consolidated financial statements.

Note 3. Acquisitions

Acquisition of the Contact Lens Business from Essilor International S.A.

On February 12, 2001, the Company acquired the contact lens business of Essilor International (Compagnie Generale d'Optique) S. A. ("Essilor"). The Company acquired Essilor's sales and distribution assets of the contact lens business in Europe and the United States and manufacturing facilities in France, the United Kingdom and the United States. The primary reasons for this acquisition were to expand the Company's presence in Europe and to increase the Company's product offerings.

The Company has accounted for the acquisition using the purchase method. Accordingly, the operating results of Essilor are included in its operating results from February 1, 2001.

The $48,590,000 purchase price for the assets acquired and liabilities assumed was comprised of $44,476,000 in cash and $4,114,000 in acquisition costs. There were no contingent payments, pre-acquisition contingencies or other commitments specified in the acquisition agreement.

The purchase price has been allocated as follows (in thousands):

Goodwill	$ 27,630
Inventory	6,532
Accounts receivable	6,127
Property and equipment	5,627
In-process research and development	4,150
Assembled workforce	3,630
Core technology	3,490
Customer list	2,700
Trade names	1,650
Other assets	2,666
Liabilities assumed	(15,612)
	$ 48,590

Included in the liabilities assumed are accruals for costs associated with exiting certain activities and facilities of the acquired Essilor operations that were considered duplicative. This includes accruals for severance costs related to workforce reductions across all functions and exit costs associated with exiting certain facilities, dismantling equipment and other miscellaneous exit costs. Details of the exit costs and severance costs paid and charged against the accrual are presented in the following table (in thousands):

	Accrual as of December 31, 2001	Payments	Translation Adjustments	Accrual as of December 31, 2002	Payments	Adjustment to Goodwill	Translation Adjustments	Accrual as of December 31, 2003
Severance costs	$ 6,703	$ (3,015)	$ 867	$ 4,555	$ (1,131)	$ (254)	$ 639	$ 3,809
Facility costs	811	(177)	149	783	(238)	—	110	655
Equipment and dismantling costs	250	(27)	55	278	—	—	56	334
Miscellaneous costs	107	(23)	18	102	(88)	—	3	17
Total	$ 7,871	$ (3,242)	$ 1,089	$ 5,718	$ (1,457)	$ (254)	$ 808	$ 4,815

Management began formulating the plans to exit certain activities and facilities of the acquired Essilor operations at the time of the acquisition and expect to complete the activities in 2005. Management had initially contemplated completing the Plan by mid-2003. Due to circumstances not existing at the time the Plan was formulated, management will not be able to complete the Plan until 2005. However, the actions contemplated under the terms of the original Plan remain the same actions that will be completed in 2004 and 2005.

The purchase price was more than the fair value of the net assets acquired (approximately $21 million) resulting in goodwill of approximately $27.6 million. Subsequent to December 31, 2001, goodwill and assembled workforce have not been subject to amortization due to their infinite lives.

Customer lists, existing technology and trade names are included as components of intangible assets and are being amortized on a straight-line basis over their useful lives as listed in the table below:

Intangible Assets	Useful Life
Core technology	10 years
Trade names	12 years
Customer lists	15 years

The total weighted average amortization period of intangible assets subject to amortization is approximately 12 years.

As a result of the acquisition, the Company recorded acquired in-process research and development totaling $4.2 million. This charge relates to Essilor's Fully Molded Toric Lenses and Photochromic Lenses, all of which were under development on the date of the acquisition. These projects under development were valued on the premise of fair market value in continued use employing a version of the income approach referred to as the discounted cash flow approach. This methodology is based on discounting to present value, at an appropriate risk-adjusted discount rate, both the expenditures to be made to complete the development efforts and the operating cash flows which the applications are projected to generate, less a return on the assets necessary to generate the operating cash flows.

From these projected revenues, the Company deducted costs of sales, operating costs, royalties and taxes to determine net cash flows. The Company estimated the percentage of completion of the development efforts for each product by comparing the estimated costs incurred and portions of the development accomplished prior to the acquisition date, to the total estimated costs and total development efforts required to fully develop these products. This percentage was calculated for each product and was then applied to the net cash flows that each product was projected to generate. These net cash flows were then discounted to present values using appropriate risk-adjusted discount rates in order to arrive at discounted fair values for each product.

The following table reflects unaudited pro forma combined results of operations of the Company and Essilor on the basis that the acquisition had taken place on January 1, 2001 (in thousands, except per share data):

	2001
Net sales	$229,173
Net income	$ 10,244
Net income per share:	
Basic	$ 0.44
Diluted	$ 0.43

Acquisition of Assets of Seiko Contactlens, Inc.

On March 11, 2002, the Company entered into an agreement to acquire certain assets of Seiko Contactlens, Inc. ("Seiko"). The purchase was completed on April 1, 2002. The primary reasons for this acquisition were to strengthen the Company's presence and competitive positioning in Japan. As part of the acquisition, the Company hired 74 Seiko sales and administrative personnel. Seiko had been the Company's distributor in Japan.

The Company has accounted for the acquisition using the purchase method. Accordingly, the operating results of Seiko have been included in its operating results from April 1, 2002.

The purchase price consisted of (in thousands):

Exchange of accounts receivable	$11,215
Cash	8,823
Acquisition costs	1,580
	$21,618

The accounts receivable represents amounts owed to the Company from Seiko and exchanged as part of the acquisition.

The Company has evaluated the assets and liabilities acquired and has allocated the $21.6 million purchase price based on this evaluation, which is subject to change. The purchase price allocation consisted of (in thousands):

Goodwill	$ 6,452
Customer lists	3,540
Favorable contracts	330
Inventory	9,489
Accounts receivable	3,909
Liabilities assumed	(2,102)
	$21,618

Goodwill has not been subject to amortization due to its indefinite life. Customer lists and favorable contracts are included as components of intangible assets and are being amortized on a straight-line basis over their useful lives as listed in the table below:

Intangible Assets	Useful Life
Customer lists	10 years
Favorable contracts	3 years

The total weighted average amortization period of intangible assets subject to amortization is approximately 8 years.

Included in the liabilities assumed are accruals for costs associated with exiting certain activities and facilities of the acquired Seiko operations that were considered duplicative. This includes accruals for severance costs related to workforce reductions across all functions and exit costs associated with exiting certain activities and facilities. Details of the severance and exit costs paid and charged against the accrual are presented in the following table (in thousands):

	Accrual as of April 1, 2002	Payments	Translation Adjustments	Accrual as of December 31, 2002	Payments	Translation Adjustments	Accrual Adjustment	Accrual as of December 31, 2003
Severance costs	$ 277	$ (236)	$ 5	$ 46	$ (101)	$ —	$ 55	$ —
Facility and other exit costs	1,710	—	196	1,906	(238)	171	19	1,858
Total	$ 1,987	$ (236)	$ 201	$ 1,952	$ (339)	$ 171	$ 74	$ 1,858

Management began formulating the plans to exit certain activities and facilities of the acquired Seiko operations at the time of the acquisition and expects to complete all actions under such plans by 2004.

The following table reflects unaudited pro forma combined results of operations of the Company and Seiko on the basis that the acquisition had taken place on January 1, 2001 (in thousands, except per share data):

	December 31, 2002	December 31, 2001
Net sales	$ 268,120	$ 250,071
Net income	$ 7,257	$ 458
Net income per share:		
Basic	$ 0.31	$ 0.02
Diluted	$ 0.30	$ 0.02

Note 4. Goodwill and Other Intangible Assets

Goodwill and other intangible assets (gross) consisted of the following (in thousands):

	December 31, 2003	December 31, 2002
Goodwill	$ 45,537	$ 39,814
Intangible assets subject to amortization	23,858	22,150
Intangible assets not subject to amortization	3,630	3,630
	$ 73,025	$ 65,594

Accumulated amortization consisted of the following (in thousands):

	December 31, 2003	December 31, 2002
Goodwill	$ 2,132	$ 2,067
Intangible assets subject to amortization	10,088	7,237
Intangible assets not subject to amortization	475	475
	$ 12,695	$ 9,779

Goodwill and other intangible assets, net of accumulated depreciation, consisted of the following (in thousands):

	December 31, 2003	December 31, 2002
Goodwill	$ 43,405	$ 37,747
Intangible assets subject to amortization	13,770	14,913
Intangible assets not subject to amortization	3,155	3,155
	$ 60,330	$ 55,815

The total weighted average amortization period of intangible assets subject to amortization is approximately 10 years.

The change in Goodwill and intangible assets not subject to amortization is due primarily due to fluctuation in foreign exchange rate during the current year.

Intangible assets subject to amortization consist primarily of marketing rights, patents, customer lists, core technology and trade names. Amortization expense for intangible assets subject to amortization amounted to approximately $2,160,000, $1,930,000 and $1,550,000 for 2003, 2002 and 2001, respectively.

Amortization expense for each of the five succeeding years will amount to approximately (in thousands):

Year ending December 31,	Amortization expense
2004	$ 2,300
2005	2,200
2006	2,200
2007	1,400
2008	1,200
Total	$ 9,300

As required under SFAS No. 142, the Company has ceased to amortize goodwill and assembled workforce beginning January 1, 2002. As of December 31, 2003, unamortized goodwill and assembled workforce was approximately $47 million. This reduction in amortization effective January 1, 2002 may affect the comparability of current period results of operations with prior periods. The following table discloses what reported net income, including income tax effects, and basic and diluted net income per share would have been in all periods presented exclusive of amortization expense (in thousands, except for per share amounts):

	December 31,	
	2002	2001
Net income:		
Reported net income:	$7,213	$6,523
Add back: Goodwill amortization	—	1,910
Add back: Assembled workforce amortization	—	372
Adjusted net income:	$7,213	$8,805

	December 31,	
	2002	2001
Basic net income per share:		
Reported net income:	$0.31	$0.28
Goodwill amortization	—	.08
Assembled workforce amortization	—	.02
Adjusted net income:	$0.31	$0.38

	December 31,	
	2002	2001
Diluted net income per share:		
Reported net income:	$0.30	$0.27
Goodwill amortization	—	.08

Assembled workforce amortization	—	.02

Adjusted net income:	**$0.30**	**$0.37**

Note 5. Balance Sheet Items

Inventories consisted of the following (in thousands):

	December 31, 2003	December 31, 2002
Raw materials	$ 7,232	$ 6,339
Work in process	2,607	2,376
Finished goods	60,807	65,800
	$ 70,646	$ 74,515

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31, 2003	December 31, 2002
Refundable income taxes	$ 11,690	$ 16,131
Value added taxes receivable	15,023	3,079
Other prepaid expenses and current assets	10,091	9,362
	$ 36,804	$ 28,572

Property and equipment, net consisted of the following (in thousands):

	December 31,	
	2003	2002
Equipment and machinery	$ 167,741	$ 137,627
Furniture and fixtures	6,161	6,019
Vehicles	257	223
Building and leasehold improvements	53,196	49,395
Construction in progress	28,762	24,109
	256,117	217,373
Less: accumulated depreciation and amortization	(121,214)	(97,432)
	$ 134,903	$ 119,941

In 2001, the Company implemented a second generation daily disposable manufacturing process in the United Kingdom. With the implementation of the first production line utilizing the second generation manufacturing process, it was concluded that certain existing manufacturing equipment had become impaired. As a result, the Company recorded a charge of $25.6 million in the fourth quarter of 2001.

During the fourth quarter of 2002, the Company accelerated the implementation of its second-generation manufacturing process throughout its high volume product lines. Given the lower labor and space requirements of this manufacturing process, the Company can consolidate its manufacturing operations into a smaller total plant structure. The initiative will allow the Company to meet volume production goals in substantially less space with lower manufacturing overhead. As a result of this initiative, the Company recorded a restructuring charge of approximately $34.5 million in 2002. Of the $34.5 million, approximately $24.7 million related to impairment of property and equipment.

Accrued liabilities consisted of the following (in thousands):

	December 31, 2003	December 31, 2002
Accrued expenses and interest	$ 31,943	$ 19,419
Restructuring and acquisition accruals	19,292	17,287
Accrued cooperative merchandising allowances	7,070	9,896
Income taxes payable	10,739	9,236
	$ 69,044	$ 55,838

Long-term debt consisted of the following (in thousands):

	December 31,	
	2003	2002
Revolving loan from bank, due April 16, 2005, bearing interest at the bank’s Eurodollar rate plus 1.00%	$10,000	$26,000
Revolving loan from bank, due April 16, 2005, bearing interest at the bank’s prime rate less 0.50%	4,500	2,000
Financing obligation due to PRIDCO with monthly payment of $41,886 beginning in March 1, 2003 through February 1, 2010 bearing an effective interest of 6.93% and 4.11% for 2003 and 2002, respectively	2,643	2,918
Other	145	232
Total long-term debt	17,288	31,150

Less current portion of long-term debt	(411)	(420)
	$16,877	$30,730

On April 16, 2002, the Company completed a $50 million credit facility with two banks. Revolving loans under this facility mature on April 16, 2005, and bear interest at 0.50% below one of the bank's prime rate or 1.00% to 1.50% above the euro-dollar rate depending on its ratio of total funded debt to earnings before interest and taxes plus non-cash charges. The facility provides an option to convert any outstanding revolving loans not to exceed $40 million at the maturity date to a four-year term loan. The term loan, once repaid, may not be reborrowed. This credit agreement contains covenants, which, among other things, require the Company to maintain certain financial ratios. As of December 31, 2003, there were $14.5 million of revolving loans outstanding under this credit agreement and the interest rate was 2.17% and 3.0% on loan balances of $10 million and $4.5 million, respectively. This revolving loan is included in long-term liabilities in the accompanying balance sheet as of December 31, 2003 based on our ability and intent to defer payment beyond December 31, 2004. Borrowings under this agreement are secured by a pledge of 100% of the outstanding common stock of Ocular Sciences Puerto Rico and Sunsoft, Inc. and 65% of the outstanding common stock of its Barbados and Canadian subsidiaries. As of December 31, 2003, the Company was in compliance with its covenants.

On December 29, 2003, the Company's subsidiary, Ocular Sciences K.K. (Japan) completed a new unsecured 1.5 billion Yen credit facility with one bank, guaranteed by Ocular Sciences, Inc. Revolving loans under this facility mature on December 26, 2004, and bear interest on the outstanding principal amount thereof at a rate per annum equal to the applicable adjusted Euroyen Rate for the Interest Period plus 0.95%. This credit agreement contains covenants, which, among other things, require us to maintain certain financial ratios that are substantially the same as those in the Company's $50 million revolving credit facility. As of December 31, 2003, the Company was in compliance with these covenants. As of December 31, 2003, there was no balance outstanding under this credit agreement.

Annual maturities of long-term debt are as follows (in thousands): 2004—$411; 2005—$14,850; 2006—$349; 2007—$378; 2008—$411; thereafter—$889.

Note 6. Operating Leases

The future minimum annual operating lease payments under non-cancelable lease obligations with an initial term in excess of one year, as of December 31, 2003, are as follows (in thousands):

	Operating Leases
Year Ending December 31,	
2004	7,230
2005	6,491
2006	3,947
2007	3,508
2008	2,406
Thereafter	6,786
	$30,368*

* Includes approximately $4 million of obligation accrued in conjunction with the Company's restructuring activities.

Rent expense on operating leases for the Company's offices, warehouse facilities and certain equipment was approximately $7.8 million, $7.0 million, and $4.3 million for the years ended December 31, 2003, 2002, and 2001, respectively.

Note 7. Common Stock

Certain Anti-Takeover Provisions

The Company's Board of Directors has the authority to issue up to 4,000,000 shares of preferred stock and to determine the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the stockholders.

Share Repurchase Plan and Treasury Stock

On July 27, 2000, the Company announced the approval by the Board of Directors of a two million share repurchase program. Under the repurchase plan, shares may be repurchased, subject to market and business conditions, at management's discretion on the open market. During 2000, the Company reacquired 62,500 shares of common stock, were reflected as treasury stock. During 2001, the Company retired those 62,500 shares.

Stock-based Compensation Plans

The Company has the following stock-based compensation plans:

(i) *1989 Stock Option Plan*

The 1989 Stock Option Plan provided for the grant to employees, directors and consultants of incentive stock options, exercisable at a price not less than the fair market value of the shares on the grant date, or for non-qualified options, exercisable at a price not less than 85% of the fair market value of the shares on the date of grant. The options generally were granted for a six year-term and vested over a five year period. This plan was terminated upon the effective date of the Company's initial public offering on August 4, 1997. Any authorized shares not issued or subject to outstanding grants under this plan on August 4, 1997 and any shares that are issuable upon exercise of options granted pursuant to this plan that expire or become unexercisable for any reason without having been exercised in full will be available for future grant and issuance under the 1997 Equity Incentive Plan. As of December 31, 2003, options to purchase a total of 23,040 shares are outstanding under this plan and there are no shares reserved for issuance.

(ii) *1997 Equity Incentive Plan*

The 1997 Equity Incentive Plan provides for grants of incentive stock options to employees (including officers and employee directors) and nonqualified stock options to employees, officers, directors, consultants, independent contractors and advisors of the Company. The exercise price of all incentive stock options must be no less than the fair market value of the Company's Common Stock on the date of grant and the exercise price of all nonqualified stock options must be at a price not less than 85% of such fair market value. The options generally are granted for a ten-year term and vest over either a four or five-year period. Any authorized shares not issued or subject to outstanding grants under the 1989 Plan on August 4, 1997 and any shares that are issuable upon exercise of options granted pursuant to the 1989 Plan that expire or become unexercisable for any reason without having been exercised in full are available for future grant and issuance under the 1997 Equity Incentive Plan. As of December 31, 2003, options to purchase a total of 3,174,206 shares are outstanding under this plan and 547,520 shares are reserved for issuance.

In March 2001, the Board of Directors approved an amendment to the 1997 Equity Incentive Plan to increase the number of shares of common stock authorized and reserved for issuance under the plan by 1,400,000 and the Company's stockholders approved the amendment in May 2001.

(iii) *1997 Directors Stock Option Plan*

The 1997 Directors Stock Option Plan provides for grants of nonqualified stock options to certain non-employee directors of the Company. The exercise price per share of all options granted under the plan must be equal to the fair market value of the Company's common stock on the date of grant. The options generally are granted for a ten-year term and vest over a three-year period. As of December 31, 2003, options to purchase a total of 527,500 shares are outstanding under this plan and there are 172,500 shares reserved for issuance.

In April 2002, the Company's stockholders approved an amendment to increase the number of shares of common stock authorized and reserved for issuance under the 1997 Directors Stock Option Plan by 300,000 (from 400,000 to 700,000).

A summary of stock option transactions under the plans indicated at (i), (ii) and (iii) follows:

	Range of Exercise Prices	Number of Options	Weighted Average Exercise Price
Outstanding as of December 31, 2000	$ 3.04 to $34.69	3,563,330	$ 18.05
Exercised	3.04 to 26.38	(211,650)	13.49
Granted	12.06 to 23.61	932,200	19.67
Canceled	3.04 to 34.69	(287,771)	18.88
Outstanding as of December 31, 2001	$ 3.04 to $31.75	3,996,109	$ 18.61
Exercised	5.03 to 26.38	(354,453)	14.71
Granted	19.40 to 29.74	363,900	24.49
Canceled	8.09 to 31.75	(136,300)	18.21
Outstanding as of December 31, 2002	$ 3.04 to $31.75	3,869,256	$ 19.47
Exercised	5.03 to 26.38	(562,233)	15.84
Granted	12.92 to 27.92	748,550	15.53
Canceled	3.04 to 31.44	(330,827)	17.10
Outstanding as of December 31, 2003	$ 3.04 to $31.75	3,724,746	$ 19.32
Total number of shares exercisable at December 31, 2003	$ 3.04 to $31.75	1,975,499	$ 21.02

The weighted average grant date fair value of the options granted in 2003, 2002 and 2001 and 2000 was $5.37, $9.73 and $7.92 respectively. At December 31, 2003, 720,020 options were available for grant under all plans.

The following table summarizes information about stock options outstanding as of December 31, 2003:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
$3.04-6.94	5,840	1.9	$ 4.35	5,840	$ 4.35
$6.94-10.41	16,900	3.0	7.70	16,900	7.70
$10.41-13.88	905,661	7.9	12.37	188,318	11.72
$13.88-17.34	271,516	5.2	15.91	149,856	16.35
$17.34-20.81	1,195,879	6.6	19.22	711,786	19.09
$20.81-24.28	455,040	7.6	22.13	188,844	21.86
$24.28-27.75	747,310	4.9	26.20	637,185	26.31
$27.75-31.75	126,600	6.2	28.87	76,770	29.01
$3.04-31.75	3,724,746	6.6	$ 19.32	1,975,499	$ 21.02

The weighted average exercise price of those shares exercisable at December 31, 2002 and 2001 were $20.19 and $19.93, respectively.

Note 8. Retirement Savings Plan

In October 1998, the Company established a defined-contribution savings plan under Section 401K of the Internal Revenue Code. This savings plan allows eligible U.S. employees to contribute up to 15% of their compensation on a pre-tax basis. The Company matches 50% of the first six percent of the employees' contribution. Such matching Company contributions are vested incrementally over five years. All of the Company's subsidiaries have similar retirement savings plans in the respective countries. The charge to operating income for the Company's matching contribution was approximately $3.2 million, $2.9 million, and $1.9 million in 2003, 2002, and 2001, respectively.

Note 9. Income Taxes

Income before income tax expense includes the following components (in thousands):

	2003	2002	2001
United States	$ 9,529	$ 7,833	$ 6,189
Foreign	26,845	5,070	5,574
Total	$36,374	$12,903	$11,763

Income tax expense (benefit) for the Years Ended December 31, 2003, 2002 and 2001, consisted of (in thousands):

	2003			2002			2001		
	Current	Deferred	Total	Current	Deferred	Total	Current	Deferred	Total
Federal	$ 4,148	$(1,213)	$2,935	$(1,346)	$ 3,644	$2,298	$2,129	$ 336	$2,465
State	1,443	32	1,475	(346)	766	420	(277)	907	630
Foreign	9,591	(4,181)	5,410	1,986	986	2,972	2,454	(309)	2,145
	$15,182	$(5,362)	$9,820	$ 294	$ 5,396	$5,690	$4,306	$ 934	$5,240

The total income tax expense differed from the amount computed by applying the federal statutory income tax rate to income before taxes as a result of the following (in thousands):

	Year Ended December 31,		
	2003	2002	2001
Computed tax expense at federal statutory rate	$12,731	$4,516	$ 4,117
Foreign tax rate differential	(3,405)	1,110	1,665
Puerto Rico possessions tax credit	(580)	(285)	(1,077)
State taxes	959	420	630
Other	115	(71)	(95)
	$ 9,820	$5,690	$ 5,240

Deferred tax assets and deferred tax liabilities are as follows (in thousands):

	December 31,		
	2003	2002	2001
Deferred tax assets:			
Accounts receivable, principally due to allowance for doubtful accounts	$ 693	$ 524	$ 96
Inventories, principally due to reserves and additional costs capitalized for tax purposes	1,800	931	5,253
State taxes	363	—	154
Other accrued liabilities	1,856	1,224	2,766
Net operating losses	115	—	—
Total gross deferred tax assets	4,828	2,679	8,269
Deferred tax liabilities:			
Puerto Rico tollgate tax	—	—	(1,171)
Puerto Rico profit allocation and basis difference	—	—	(267)
Other basis differences	—	—	(383)
Depreciation of property and equipment	(988)	(4,200)	(2,573)
Total gross deferred tax liability	(988)	(4,200)	(4,394)
Total net deferred tax asset (liability)	$3,840	$(1,521)	$ 3,875

The income tax benefits related to the exercise of stock options reduces taxes currently payable and is credited to additional paid-in capital. Such amounts approximated $0.4 million, $1.4 million and $0.5 million for 2003, 2002, and 2001, respectively.

As of December 31, 2003, deferred taxes were not provided on approximately $53.9 of cumulative foreign unremitted earnings, which are expected to remain invested indefinitely. Applicable foreign income taxes have been provided for. Although it is not practical to estimate the amount of additional tax, which might be, payable on the foreign unremitted earnings, credits for foreign income taxes paid will be available at tax rates substantially equal to any U.S. tax liability.

Note 10. Restructuring

During the fourth quarter of 2002, the Company accelerated the implementation of our second-generation manufacturing process throughout our high volume product lines. Given the lower labor and space requirements of these processes, the Company will consolidate its manufacturing operations into a smaller total plant structure. The initiative will allow the Company to meet volume production goals in substantially less space with lower manufacturing overhead. The Company believes that this initiative will result in an annual cost savings of $40 million beginning in 2005. The Company expects the initiative to be completed by 2004. The Company expects to incur total restructuring and related expenses of $50-$55 million in connection with this initiative. Approximately $25 million of these expenses are expected to be non-cash.

As a result of this initiative, the Company recorded a restructuring charge of approximately $34.5 million in the fourth quarter of 2002. This restructuring was recorded in accordance with the terms of EITF 94-3, “Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including certain costs incurred in restructuring).” Of the $34.5 million, approximately $24.7 million related to impairment of property and equipment, $4.7 million related to employee severance and benefit costs, $4.4 million related to leased facilities that will be abandoned within one year and the remaining $0.7

million relates to costs, such as professional fees related to the initiative. The Company recorded additional restructuring charges of approximately $10.9 million during 2003. Of the $10.9 million, approximately $7.1 million related to severance and other salary related and benefit costs, and $3.8 million related to other costs. The Company expects to incur $8-$10 million in restructuring expense in 2004.

Of the $45.3 million of restructuring charges incurred since the inception of the restructuring initiative, $9.2 million of cash has been spent. The Company anticipates spending an additional $15-$20 million in cash related to the restructuring initiative in 2004. Approximately $10 million of this cash to be spent on restructuring in 2004 has already been accrued as of December 31, 2003.

For leased facilities that will be abandoned and subleased, the lease costs represent future lease payments subsequent to abandonment less estimated sublease income. For owned property and equipment, the impairment loss recognized was based on the estimated fair value of the equipment.

The following table summarizes the restructuring and related expenses accrual activity from the initiation of the Company's activities (in thousands):

	Severance/salary related and Benefits costs	Lease Payment of Facilities	Other	Total
Balance of accrual at December 31, 2002	$ 4,720	$ 4,397	$ 500	$ 9,617
Additions	7,056	—	3,802	10,858
Payments	(4,852)	(364)	(3,821)	(9,037)
Translation Adjustment	727	415	39	1,181
Balance of accrual at December 31, 2003	$ 7,651	$ 4,448	$ 520	$ 2,619

Note 11. Foreign Currency Forward Contracts

The Company operates multiple foreign subsidiaries that manufacture and/or sell its products worldwide. As a result, the Company's earnings, cash flows and financial position are exposed to foreign currency risk from foreign-currency-denominated receivables and payables, forecasted sales transactions, and net investment in certain foreign operations. To address increasing international growth and related currency risks, the Company implemented a foreign currency exposure management policy in October of 2003. The Company's policy is to enter into foreign exchange forward contracts to mitigate the impact of currency fluctuations on both existing foreign currency asset and liability balances as well as to reduce the risk to earnings and cash flows associated with anticipated foreign currency transactions, including certain intercompany equipment sale and leaseback transactions. The gains and losses on the foreign exchange forwards are intended to partially offset the transaction gains and losses recognized in earnings. The Company does not enter into foreign exchange forward contracts for speculative purposes. Under Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133) all derivatives are to be recorded on the balance sheet at fair value. Changes in the fair value of derivatives that do not qualify, or are not effective as hedges must be recognized currently in earnings.

Cash Flow Hedging: In fiscal year 2003, the Company began designating and documenting foreign exchange forward contracts related to forecasted transactions as cash flow hedges. The Company calculates hedge effectiveness, excluding time value, at least quarterly. The change in the fair value of the derivative on a spot to spot basis is compared to the spot to spot change in the anticipated transaction, with the effective portion recorded in Other Comprehensive Income (OCI) until the anticipated transaction is recognized in income. The Company records any ineffectiveness, including the excluded time value of the hedge in other income/ (expense) on its consolidated statement of operations, which was immaterial in 2003. In the event it becomes probable that a hedged anticipated transaction will not occur the gains or losses on the related cash flow hedges will immediately be reclassified from OCI to other income and expense. At December 31, 2003, the outstanding cash flow hedging derivative had a maturity of less than 12 months.

The following table summarizes impact of cash flow hedges on OCI in 2003 (in thousands).

At December 31, 2002	$ —
Net change on cash flow hedges	(505)
Reclassification to other income (expense)	57
At December 31, 2003	$(448)

The entire value in OCI at 2003 was associated with losses on anticipated interest income on a long term Euro asset. The Company anticipates reclassifying $64K of the loss to earnings within 12 months.

Balance Sheet Hedging: The Company manages the foreign currency risk associated with foreign currency denominated assets and liabilities using foreign exchange forward contracts with maturities of less than 12 months. Changes in fair value of these derivatives are recognized currently in other income and expense and substantially offset the remeasurement gains and losses associated with the foreign currency denominated assets and liabilities.

The Company's outstanding net foreign exchange forward contracts as of December 31, 2003 are presented (in thousands) in the table below. Weighted average forward rates are quoted using market conventions.

	Net Notional Amount	Weighted Average Rate
Cash Flow Hedges:		
Euro Sold	6,928	1.1746
Balance Sheet Hedges		
Euro Sold	39,364	1.1747
British Pound Sold	9,648	1.7002
Japanese Yen Sold	13,934	107.65

Note 12. Enterprise Wide Disclosures

The Company, which operates in a single operating segment, designs, manufactures and distributes contact lenses. Sales to one major customer amounted to approximately 4.5%, 4.5% and 6.5% of total net sales for the years ended December 31, 2003, 2002, and 2001 respectively. United States export sales approximated 4.3%, 7.4%, and 16.9% of net sales for the years ended December 31, 2003, 2002, and 2001, respectively. The geographic presentation of net sales is based on the origin of the sale. The "Europe" category consists of geographic presentations of France, Netherlands, Germany, Switzerland, Denmark, Hungary, Italy and Ireland. The "Other" category consists of geographic presentations of

Canada, Australia, Cayman Islands and Barbados. The geographic distributions of the Company's net sales, income from operations, and identifiable net assets are as follows (in thousands):

	UNITED STATES	UNITED KINGDOM	EUROPE	JAPAN	OTH	ELIM	CONSOL
December 31, 2003:							
Sales to unaffiliated customers	$146,658	$ 35,541	$ 52,895	$61,546	$ 13,923	$ —	$310,563
Intercompany sales	$ 34,070	$ 107,736	$ 96,293	$ —	$ 76,709	$(314,808)	$ —
Total net sales	$180,728	$ 143,277	$149,188	$61,546	$ 90,632	$(314,808)	$310,563
Income from operations	$ 26,345	$ 640	$ 12,833	$ 1,312	$ 1,284	$ (7,881)	$ 34,533
Long-lived assets	$337,914	$ 43,140	$108,074	$13,545	$156,843	$(459,753)	$199,763
December 31, 2002:							
Sales to unaffiliated customers	$150,386	$ 31,024	$ 36,199	$38,520	$ 10,992	$ —	$267,121
Intercompany sales	$ 40,866	$ 84,254	$ 3,598	$ —	$147,301	$(276,019)	$ —
Total net sales	$191,252	$ 115,278	$ 39,797	$38,520	$158,293	$(276,019)	$267,121
Income from operations	$ 28,907	$ (745)	$ 6,437	$ 1,250	$ (84)	$ (26,020)	$ 9,745
Long-lived assets	$354,133	$ 109,195	$ 38,995	$12,001	$295,853	$(629,006)	$181,171
December 31, 2001:							
Sales to unaffiliated customers	$160,406	$ 27,819	$ 26,952	$ —	$ 9,797	$ —	$224,974
Intercompany sales	$ 58,287	$ 58,303	$ 35	$ —	$137,505	$(254,130)	$ (0)
Total net sales	$218,693	$ 86,122	$ 26,987	$ —	$147,302	$(254,130)	$224,974
Income from operations	$ (3,750)	$ (6,123)	$ 2,892	$ —	$ 53,591	$ (34,932)	$ 11,678
Long-lived assets	$254,304	$ 76,608	$ 2,720	$ —	$173,245	$(328,520)	$178,357

Note 13. Litigation

On November 6, 2002, CIBA Vision Corporation and its subsidiary, Wesley Jessen Corporation ("Wesley Jessen") filed a lawsuit against us in the U.S. District Court for the Northern District of California alleging that the Company's color contact lenses infringe patents owned by Wesley Jessen. The complaint seeks an award of damages, including unspecified punitive damages, attorney's fees and costs and an injunction preventing the alleged infringement. The Company has filed an answer to the complaint and is in the discovery phase. The Company believes the lawsuit is without merit and we intend to defend this action vigorously.

Note 14. Unaudited Quarterly Financial Information

TWO YEAR QUARTERLY FINANCIAL DATA

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share data)			
Fiscal 2003				
Net sales	$70,691	$76,117	$82,587	$ 81,168
Gross profit	37,477	39,839	44,762	45,094
Income from operations	7,326	5,998	11,831	9,378
Net income	5,918	4,205	9,260	7,171
Net income per share (basic)	$ 0.25	$ 0.18	$ 0.39	$ 0.30
Net income per share (diluted)	$ 0.25	$ 0.17	$ 0.38	$ 0.29
Fiscal 2002				
Net sales	$60,811	$65,677	$72,221	$ 68,412
Gross profit	33,481	36,540	40,563	36,200
Income (loss) from operations	12,294	10,319	13,309	(26,177)
Net income (loss)	10,093	9,076	11,763	(23,719)
Net income (loss) per share (basic)	$ 0.43	$ 0.38	$ 0.50	$ (1.00)
Net income (loss) per share (diluted)	$ 0.41	$ 0.37	$ 0.48	$ (1.00)

Exhibit 99.3

OCULAR SCIENCES, INC.
Condensed Consolidated Balance Sheet
(In thousands, except share and per share data)

	September 30, 2004
	(unaudited)
ASSETS	
Current assets:	
Cash and cash equivalents	$ 60,509
Accounts receivable, less allowance for sales returns and doubtful accounts of $4,470 and $3,596 for 2004 and 2003, respectively	61,392
Inventories	66,978
Prepaid expenses and other current assets	24,069
Total current assets	212,948
Property and equipment, net	155,704
Intangible assets, net	57,500
Loans to officers and employees	200
Other assets	4,207
Total assets	$ 430,559
LIABILITIES AND STOCKHOLDERS’ EQUITY	
Current liabilities:	
Accounts payable	$ 10,898
Accrued liabilities	50,000
Current portion of long-term debt	342
Total current liabilities	61,240
Deferred income taxes	185
Other liabilities	685
Long-term debt, less current portion	2,147
Total liabilities	64,257
Commitments and contingencies	
Stockholders’ equity:	
Preferred stock, $0.001 par value; 4,000,000 shares authorized; none issued	—
Common stock, $0.001 par value; 80,000,000 shares authorized; 25,913,005 and 24,373,871 shares issued and outstanding for 2004 and 2003, respectively	26
Additional paid-in capital	140,823
Retained earnings	207,570
Accumulated other comprehensive income	17,883
Total stockholders’ equity	366,302
Total liabilities and stockholders’ equity	$ 430,559

Note: The condensed consolidated balance sheet at December 31, 2003 has been derived from the Company’s audited consolidated financial statements at that date, but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See accompanying notes to consolidated financial statements

OCULAR SCIENCES, INC.
Condensed Consolidated Statements of Income — (unaudited)
(In thousands, except share and per share data)

	Nine months ended September 30, 2004	Nine months ended September 30, 2003
Net sales	$ 251,622	$ 229,395
Cost of sales	104,757	107,317
Gross profit	146,865	122,078
Selling and marketing expenses	72,316	62,864
General and administrative expenses	23,087	21,636
Research and development expenses	6,633	4,990
Restructuring and related expenses	6,864	7,433
Merger and related expenses	3,777	—
Income from operations	34,188	25,155
Interest expense	(355)	(557)
Interest income	392	362
Other income/(expense), net	(652)	1,591
Income before taxes	33,573	26,551
Provision for income taxes	8,394	7,168
Net income	$ 25,179	$ 19,383
Net income per share data:		
Net income per share (basic)	$ 1.01	$ 0.81
Net income per share (diluted)	$ 0.96	$ 0.80
Weighted average common shares outstanding	24,929,860	23,841,682
Weighted average dilutive potential common shares under the treasury stock method	1,389,074	301,108
Total weighted average common and dilutive potential common shares outstanding	26,318,934	24,142,790

See accompanying notes to consolidated financial statements

OCULAR SCIENCES, INC.
Condensed Consolidated Statements of Cash Flows — (unaudited)
(In thousands)

	Nine months ended September 30, 2004	2003
Cash flows from operating activities:		
Net income	$ 25,179	$ 19,383
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	20,869	18,816
Amortization of loans to officers	237	276
Income tax benefits from stock options exercised	8,770	112
Provision for sales returns and doubtful accounts, net	874	452
Loss (gain) resulting from the impact of changing foreign exchange rates on certain intercompany loan balances	645	(1,223)
Loss on disposal of property and equipment	1,300	—
Deferred income taxes	(803)	142
Changes in operating assets and liabilities:		
Accounts receivable	(4,360)	1,845
Inventories	3,668	1,495
Value added tax receivable	12,668	715
Prepaid expenses, other current and non-current assets	1,356	575
Accounts payable	1,822	(1,213)
Restructuring and acquisition accruals	(8,196)	(1,638)
Accrued and other liabilities	(734)	6,680
Income taxes payable	(10,496)	2,134
Net cash provided by operating activities	52,799	48,551
Cash flows from investing activities:		
Purchases of property and equipment	(43,271)	(18,987)
Net cash used in investing activities	(43,271)	(18,987)
Cash flows from financing activities:		
Proceeds from issuance of debt	25,115	57,000
Repayment of debt	(39,134)	(67,776)
Proceeds from issuance of common stock	30,908	2,667
Net cash provided by (used in) financing activities	16,889	(8,109)
Effect of exchange rate changes on cash and cash equivalents	(95)	4,152
Net increase in cash and cash equivalents	26,322	25,607
Cash and cash equivalents at the beginning of year	34,187	11,414
Cash and cash equivalents at the end of the period	$ 60,509	$ 37,021
Supplemental cash flow disclosures:		
Cash paid during the period for:		
Interest	$ 412	$ 625
Taxes	$ 10,524	$ 5,173

See accompanying notes to consolidated financial statements

Note 1 — Basis of Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not contain all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements as of and for the year ended December 31, 2003 and, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the Company's financial condition as of September 30, 2004 and the results of the Company's operations for the three and nine month periods ended September 30, 2004 and 2003, and cash flows for the nine month period ended September 30, 2004 and 2003. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements as of December 31, 2003 and 2002 and for each of the three years ended December 31, 2003, including notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003. Operating results for the nine months ended September 30, 2004 are not necessarily indicative of the results that may be expected for the year ending December 31, 2004.

Certain prior year amounts have been reclassified to conform to current year presentation.

All amounts, unless otherwise indicated, are in U.S. dollars.

Note 2 — Merger

On July 28, 2004, the Company entered into a definitive agreement to be acquired by The Cooper Companies, Inc. ("Cooper") in a stock and cash transaction. Cooper manufactures and markets specialty healthcare products through its CooperVision and CooperSurgical units. Pursuant to the definitive agreement and subject to the terms and conditions set forth therein, the Company will be merged with and into a direct wholly owned subsidiary of Cooper. Under the definitive agreement, upon completion of the proposed merger, Cooper has agreed to issue to Company stockholders 0.3879 shares of its common stock and pay $22.00 in cash, without interest, for each share of our common stock then held. Shares of Cooper common stock will be issued with associated preferred stock purchase rights. After careful consideration, the Company's board of directors has unanimously determined that adoption of the definitive agreement is advisable and that the proposed merger is fair and in the best interests of Company stockholders, and recommended that Company stockholders approve and adopt the definitive agreement and approve the proposed merger. After careful consideration, the Cooper board of directors has unanimously determined that the issuance of Cooper common stock in the proposed merger is advisable and in the best interests of Cooper stockholders, and recommended that Cooper stockholders vote in favor of issuing Cooper common stock in connection with the proposed merger. The close of business on October 4, 2004 was set as the record date for the determination of stockholders entitled to vote on the matters presented at the respective special meetings of stockholders of the Company and Cooper, which are both scheduled to be held on November 16, 2004. On October 13, 2004, the Securities and Exchange Commission declared effective Cooper's registration statement on Form S-4 containing the joint proxy statement/prospectus that was mailed to Company and Cooper stockholders on or about October 15, 2004.

The Company expects this transaction will close around the end of 2004. However, the Company cannot predict the exact timing of completion of the proposed merger because it is subject to regulatory approvals and other conditions. There may be a substantial period of time between the approval of the respective merger proposals to be voted on by Company and Cooper stockholders at their respective special meetings and the effectiveness of the proposed merger. In particular, the U.S. Federal Trade Commission has requested additional information and documents related to the merger from the Company and Cooper, and the proposed merger continues to remain subject to the review of the U.S. Federal Trade Commission and several state attorneys general who have access to the merger documents, which review may not be completed by the end of 2004. The Company is subject to a number of risks while the proposed merger is pending, including risks of disruption of the ongoing business operations of the Company, the potential loss of key employees and of employee productivity, potential disruption of customer relationships and potential revenue declines as a result of uncertainty on the part of customers and potential customers. If the proposed merger is significantly delayed, or is not completed,
because one of the conditions is not satisfied or otherwise, the likelihood and effect of these risks could be significantly increased, and could have a material adverse effect on the Company's business.

Pursuant to the terms of the definitive agreement related to the proposed merger with Cooper, the Company is obligated to pay a termination fee and reimburse certain of Cooper's expenses if the definitive agreement is terminated because of certain types of events, such as failure by the Company's board of directors to support the proposed merger in certain ways or failure by our stockholders to approve the proposed merger following our involvement in an alternate acquisition under certain circumstances. Cooper is under a similar obligation to the Company. On October 18, 2004, the parties to the definitive agreement amended the definitive agreement to reduce the termination fee from $35.0 million to $30.8 million in order to facilitate the potential settlement of the Bamboo Partners litigation described under Note 12.

In connection with the proposed merger with Cooper, the Company has incurred legal, accounting and other professional fees and employee retention bonus expenses for the three-month period ended September 30, 2004 totaling S3.8 million. The Company expects to incur additional costs in the fourth quarter related to the proposed transaction; however, the exact amount of such costs cannot be reasonably estimated.

Note 3 — New Accounting Standards

In December 2003, the Financial Accounting Standards Board (FASB) issued Financial Interpretation No. (FIN) 46R, a revision to FIN 46, “Consolidation of Variable Interest Entities,” which addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity, FIN 46R clarifies some of the provisions of FIN 46 and exempts certain entities from its requirements. FIN 46R is effective at the end of the first interim period ending after March 15, 2004. The statement has not had a material impact on our consolidated financial statements.

Note 4 — Balance Sheet Items

Inventories consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
Raw materials	$ 7,625	$ 7,232
Work in process	3,035	2,607
Finished goods	56,318	60,807
	$ 66,978	$ 70,646

Prepaid expenses and other current assets consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
Refundable income taxes	$ 10,556	$ 11,690
Deferred income taxes	4,828	4,828
Value added taxes receivable	2,355	15,023
Other prepaid expenses and current assets	6,330	5,263
	$ 24,069	$ 36,804

Accrued liabilities consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
Accrued salaries and benefits	$ 13,908	$ 13,431
Forward hedge contract liability	1,235	3,887
Accrued facility expense	1,521	1,314
Accrued expenses	14,093	13,311
Restructuring and acquisition accruals	11,096	19,292
Accrued cooperative merchandising allowances	7,904	7,070
Income taxes payable	243	10,739
	$ 50,000	$ 69,044

Note 5 — Comprehensive Income

Comprehensive income consisted of the following (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2004	2003	2004	2003
Net income	$ 9,566	$ 9,260	$25,179	$19,383
Foreign currency:				
Translation adjustment, net of taxes	1,043	3,097	(689)	8,518
Unrealized gain (loss) on cash flow hedge, net of taxes	(34)	—	235	—
Comprehensive income	$10,575	$12,357	$24,725	$27,901

Note 6 — Goodwill and Other Intangible Assets

Goodwill and other intangible assets (gross) consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
Goodwill	$ 44,128	$ 45,537
Intangible assets subject to amortization	24,335	23,858
Intangible assets not subject to amortization	3,630	3,630
	$ 72,093	$ 73,025

The change in goodwill and intangible assets (gross) during the first nine months of 2004 was due solely to changes in foreign currency exchange rates.

Accumulated amortization consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
Goodwill	$ 2,122	$ 2,132
Intangible assets subject to amortization	11,996	10,088
Intangible assets not subject to amortization	475	475
	$ 14,593	$ 12,695

Goodwill and other intangible assets, net of accumulated amortization, consisted of the following (in thousands):

	September 30, 2004	December 31, 2003
Goodwill	$ 42,006	$ 43,405
Intangible assets subject to amortization	12,339	13,770
Intangible assets not subject to amortization	3,155	3,155
	$ 57,500	$ 60,330

Intangible assets subject to amortization consist primarily of marketing rights, patents, customer lists, core technology and trade names. Amortization expense for intangible assets subject to amortization amounted to approximately $0.7 million and $0.5 million for the three months ended September 30, 2004 and 2003, respectively, and approximately $2.0 million and $1.6 million for the nine months ended September 30, 2004 and 2003, respectively.

Amortization expense for each of the live succeeding fiscal years will amount to approximately (in thousands):

Year ending December 31 ,	Amortization expense
2004	$2,300
2005	2,200
2006	2,200
2007	1,400
2008	1,200
Total	$9,300

Note 7 — Net Income Per Share

In accordance with SFAS No. 128, "Earnings Per Share," basic earnings per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated using the weighted average number of common shares and dilutive potential common shares outstanding during the period. Dilutive potential common shares represent shares issuable upon the exercise of outstanding options and are calculated using the treasury stock method.

Options to purchase 45,652 and 1,294,755 shares of the Company's common stock were not included in the computation of diluted earnings per share because their exercise prices were greater than the average market price of the Company's common stock of $42.86 and $21.38 per share for the three months ended September 30, 2004 and 2003, respectively. Options to purchase 21,606 and 2,304,680 shares of the Company's common stock were not included in the computation of diluted earnings per share because their exercise prices were greater than the average market price of the Company's common stock of $34.81 and $17.48 per share for the nine months ended September 30, 2004 and 2003, respectively.

Note 8 — Acquisitions

Acquisition of the Contact Lens Business of Essilor

On February 12, 2001, the Company acquired the contact lens business of Essilor International (Compagnie Generale d'Optique) S. A. ("Essilor"). The Company acquired Essilor's sales and distribution assets of the contact lens business in Europe and the United States and manufacturing facilities in France, the United Kingdom, and the United States. The primary reasons for this acquisition were to expand the Company's presence in Europe and to increase its breadth of product offerings.

Included in the liabilities assumed are accruals for costs associated with exiting certain activities and facilities of the acquired Essilor operations that were considered duplicative. This includes accruals for severance costs related to workforce reductions across all functions and exit costs associated with exiting certain facilities, dismantling equipment and other miscellaneous exit costs. Details of the exit costs and severance costs paid and charged against the accrual are presented in the following table (in thousands):

	Accrual as of December 31, 2003	Payments	Accrual Adjustment	Translation Adjustments	Accrual as of September 30, 2004
Severance costs	$ 3,809	$ (977)	$ 183	$ (43)	$ 2,972
Facility costs	655	(152)	—	(7)	496
Equipment and dismantling costs	334	(31)	—	(4)	299
Miscellaneous costs	17	(17)	—	—	—
Total	$ 4,815	$ (1,177)	$ 183	$ (54)	$ 3,767

At the time of the acquisition, plans were developed to exit certain activities and facilities of the acquired Essilor operations that were considered duplicative. These plans included severance costs related to workforce reductions across all functions and exit costs associated with exiting certain facilities, dismantling equipment and other exit-related costs. Included in these plans were activities to: (1) reduce excess manufacturing headcount at the Ligny facility to levels we deemed more appropriate to support expected demand in the European market; and (2) replace the distribution facilities at the Ligny facility, along with the Company's other distribution centers throughout continental Europe, with a new consolidated distribution center in continental Europe. The Company anticipated at the time of the acquisition that the activities contemplated by these plans would be completed within approximately two years.

During 2001 and 2002, initial workforce reductions were made under these plans. However, in the fourth quarter of 2002, further headcount reductions at the Ligny facility were delayed because resources that had been focused on these reductions were shifted to the implementation of the initiative described in Note 9, as this initiative had significant strategic implications to the Company. This initiative began in the fourth quarter of 2002 and is expected to be completed by the end of 2004, thereby delaying the completion of the Ligny facility workforce reductions. In December 2003, management approached the French work council with the Company's final manufacturing staff reduction plan, as required under French employment law. This plan was accepted in March 2004 and final manufacturing staff reductions were subsequently completed.

With respect to the Ligny distribution center, as noted above, the acquisition exit plan was to close this center and utilize a central continental European warehouse which would service both acquired Essilor and Company products. However, during the execution of this exit plan, it was determined that the European information systems purchased from Essilor were inadequate to reliably support the high number of individual stock keeping units (sku's) of the combined entity. As a result, in late 2002 the Company commenced a process of selecting a capable software system and began implementing the new system in late 2003. We cannot close the distribution facilities at the Ligny facility, or relocate their activities, until the new system is fully functional. We expect this will occur in mid-2005.

Acquisition of Assets of Seiko Contactlens, Inc.

On March 11, 2002, the Company entered into an agreement to acquire certain assets of Seiko Contactlens, Inc. ("Seiko"). The purchase was completed on April 1, 2002.

Included in the liabilities assumed are accruals for costs associated with exiting certain activities and facilities of the acquired Seiko operations that were considered duplicative. This includes accruals for severance costs related to workforce reductions across all functions and exit costs associated with exiting certain activities and facilities. Details of the severance and exit costs paid and charged against the accrual are presented in the following table (in thousands):

	Accrual as of December 31, 2003	Payments	Translation Adjustments	Goodwill Adjustments	Accrual as of September 30, 2004
Facility and other exit costs	$ 1,858	$ (556)	$ (6)	$ (1,053)	$ 243
Total	$ 1,858	$ (556)	$ (6)	$ (1,053)	$ 243

Management began formulating the plans to exit certain activities and facilities of the acquired Seiko operations at the time of the acquisition and expects to complete all actions under such plans by December 31, 2004. In March 2004, the Company completed the transition of certain functions and, accordingly, reduced the accrual for the difference between the estimated cost originally accrued and the actual cost to be paid. The Company recorded the difference of $1.1 million as a reduction in the accrual and a reduction in the associated goodwill resulting from the acquisition.

Note 9 — Restructuring and Related Expenses

During the fourth quarter of 2002, we accelerated the implementation of our second-generation manufacturing process throughout our high-volume product lines. Given the lower labor and space requirements of these processes, we are consolidating our manufacturing operations into a smaller total plant structure. The initiative will allow us to meet volume production goals in substantially less space with lower manufacturing overhead. We believe that this initiative will result in an annual cost savings of $40 million beginning in 2005. We expect the initiative to be completed in 2004. The Company expects to incur total restructuring and related expenses of approximately $56 million in connection with this initiative, of which approximately $52.2 million has been incurred through September 30, 2004. Thus, the Company expects to incur an additional $4 million of restructuring and related expenses during the remainder of 2004. Approximately $26 million of the total expenses are expected to be non-cash.

As a result of this initiative, we recorded a restructuring charge of approximately $34.5 million in the fourth quarter of 2002. These charges were recorded in accordance with the terms of SFAS 121, "Accounting for the Impairment of Long-Live Assets and for Long-Lived Assets to be Disposed Of" and EITF 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including certain costs incurred in a restructuring).” Of the $34.5 million, approximately $24.7 million related to impairment of property and equipment, $4.7 million related to employee severance and benefit costs, $4.4 million related to leased facilities that will be abandoned within one year and the remaining $0.7 million relates to costs, such as professional fees related to the initiative. We recorded additional restructuring and related charges of approximately $10.9 million during 2003, consisting of $7.1 million related to severance and other salary related and benefit costs, and $3.8 million related to other costs.

During the three months ended September 30, 2004, we recorded restructuring and related expenses of $1.7 million, consisting of $0.6 million related to severance and other salary related and benefit costs and $1.1 million related to other costs. For the nine months ended September 30, 2004, total restructuring and related expenses were $6.9 million, consisting of $4.1 million related to severance and other salary related and benefit costs, $0.8 million related to impairment of property and equipment and $2.0 million related to other costs.

Of the $52.2 million of restructuring and related charges incurred since the inception of the restructuring initiative, $21.1 million of cash has been spent. We anticipate spending an additional $7 million in cash related to the restructuring initiative during the remainder of 2004 and in subsequent years.

For leased facilities that will be abandoned and subleased, the lease costs represent future lease payments subsequent to abandonment less estimated sublease income. For owned property and equipment, the impairment loss recognized was based on the estimated fair value of the equipment.

The following table summarizes the restructuring and related expense accrual activity during the nine month period ended September 30, 2004 (in thousands):

	Severance/salary related and Benefits costs	Lease Payment of Facilities	Other	Total
Balance of accrual at December 31, 2003	$ 7,651	$ 4,448	$ 520	$ 12,619
Additions	4,138	—	1,969	6,107
Payments	(8,558)	(952)	(2,321)	(11,831)
Translation adjustment	127	60	4	191
Balance of accrual at September 30, 2004	$ 3,358	$ 3,556	$ 172	$ 7,086

Note 10 — Credit Facility

On April 16, 2002, we completed a $50 million credit facility with two banks. Revolving loans under this facility mature on April 16, 2005, and bear interest at 0.50% below one of the bank’s prime rate or 1.00% to 1.50% above the euro-dollar rate depending on the Company’s ratio of total funded debt to earnings before interest and taxes plus non-cash charges. The facility provides an option to convert any outstanding revolving loans (not to exceed $40 million) at the maturity date to a four-year term loan. The term loan, once repaid, may not be reborrowed. This credit agreement contains covenants, which, among other things, requires us to maintain certain financial ratios. Borrowings under this agreement are secured by a pledge of 100% of the outstanding common stock of Ocular Sciences Puerto Rico and SunSoft, Inc. and 65% of the outstanding common stock of its Barbados and Canadian subsidiaries. As of September 30, 2004, we were in compliance with our covenants and there was no outstanding balance under this credit facility.

On December 29, 2003, our subsidiary, Ocular Sciences K.K. (Japan) completed a new unsecured 1.5 billion Yen credit facility with one bank, guaranteed by Ocular Sciences, Inc. Revolving loans under this facility mature on December 26, 2004, and bear interest on the outstanding principal amount thereof at a rate per annum equal to the applicable adjusted Euroyen Rate for the Interest Period plus 0.95%. This credit agreement contains covenants, which, among other things, require us to maintain certain financial ratios that are substantially the same as those in our $50 million revolving credit facility. As of September 30, 2004, we were in compliance with these covenants and there was no outstanding balance under this credit agreement.

Note 11 — Foreign Currency Forward Contracts

We operate multiple foreign subsidiaries that manufacture and/or sell our products worldwide. As a result, our earnings, cash flows and financial position are exposed to foreign currency risk from foreign currency denominated receivables and payables, sales transactions, and net investment in certain foreign operations. To address increasing international growth and related currency risks, we implemented a foreign currency exposure management policy in October 2003. Our policy is to enter into foreign exchange forward contracts to mitigate the impact of currency fluctuations on both existing foreign currency asset and liability balances as well as to reduce the risk to earnings and cash flows associated with anticipated foreign currency transactions, including certain intercompany equipment sale and leaseback transactions. The gains and losses on the foreign exchange forward contracts are intended to partially offset the transaction gains and losses recognized in earnings. We do not enter into foreign exchange forward contracts for speculative purposes. Under Statement of Financial Accounting Standard No. 133, “Accounting for Derivative Instruments and Hedging Activities” (SFAS 133) all derivatives are recorded on the balance sheet at fair value. Changes in the fair value of derivatives that do not qualify, or are not effective as hedges, must be recognized currently in earnings.

Cash Flow Hedging

In fiscal year 2003, we began designating and documenting foreign exchange forward contracts related to forecasted transactions as cash flow hedges. We calculate hedge effectiveness, excluding time value, at least quarterly. The change in the fair value of the derivative on a spot to spot basis is compared to the spot to spot change in the anticipated transaction, with the effective portion recorded in Other Comprehensive Income (OCI) until the anticipated transaction is recognized in income. We record any ineffectiveness, including the excluded time value of the hedge in Other Income and Expense in our Consolidated Statement of Income. In the event it becomes probable that a hedged anticipated transaction will not occur the gains or losses on the related cash flow hedges will immediately be reclassified from OCI to Other Income and Expense. At September 30, 2004, all outstanding cash flow hedging derivatives had a maturity of less than 12 months.

The following table summarizes the impact of cash flow hedges on OCI in the first nine months of 2004 (in thousands):

December 31 ,2003	$(448)
Net change on cash flow hedges	221
Reclassification of loss to interest	36
Reclassification of gain to Cost of Sales	(22)
September 30, 2004	$(213)

We anticipate declassifying $5,000 of the loss to the Statement of Income within 12 months.

Balance Sheet Hedging

We manage the foreign currency risk associated with foreign currency denominated assets and liabilities using foreign exchange forward contracts with maturities of less than 12 months. Changes in fair value of these derivatives are recognized in Other Income and Expense and substantially offset the remeasurement gains and losses associated with the foreign currency denominated assets and liabilities.

Our outstanding net foreign exchange forward contracts as of September 30, 2004 are presented (in thousands) in the table below. Weighted average forward rates are quoted using market conventions.

	Net Notional Amount	Weighted Average Rate
Cash flow Hedges:		
Euro Sold	4,515	1.2049
GBP Purchases (JPY functional)	1,471	194.8426
Balance Sheet Hedges:		
Euro Sold	29,290	1.2049

Note 12 — Subsequent Events

Bamboo Partners LLC v. Fruth et al.

On or about September 27,2004, a putative class action lawsuit was filed in the Superior Court in the State of California in the County of Contra Costa against the Company, its directors and Cooper. The case is captioned Bamboo Partners LLC v. Fruth et al., Civil Action No. C 04-0749. The complaint alleges that, among other things, the Company’s directors breached their fiduciary duties of loyalty and due care by deciding to sell the Company to Cooper without undertaking sufficient effort to obtain the best offer possible for stockholders, by including provisions in the definitive agreement which the plaintiff alleges effectively prevent a superior bid from succeeding, and by including provisions, such as the acceleration of stock options and indemnification of directors, which benefit the directors. The complaint further alleges that the consideration to be paid in the proposed merger is unfair and inadequate, and that the Company’s directors breached their duty of full and fair disclosure to the Company’s public stockholders in connection with the proposed merger. The complaint also alleges that Cooper aided and abetted the alleged breaches of fiduciary duty of the Company’s directors. The complaint seeks, among other things, an injunction against the transaction, a rescission of the transaction if it is consummated and unspecified damages, as well as fees and costs. The plaintiffs also filed an application for expedited discovery.

On October 12, 2004, the parties agreed to a potential settlement of the case. In connection with the potential settlement, Cooper and the Company provided additional disclosures in their joint proxy statement/prospectus, dated October 12, 2004, and on October 18, 2004, the parties to the definitive agreement amended the definitive agreement to decrease the termination fee payable under certain circumstances from $35.0 million to $30.8 million.

The potential settlement contemplated by the parties would also provide for the payment by the Company of the fees and costs of the plaintiffs' counsel, up to a negotiated limit, subject to the court's approval. The settlement would not involve any admissions of breaches of fiduciary duty or other wrongdoing by the Company, any of its officers or directors, or Cooper. The settlement and payment of the plaintiffs' counsel's fees would be conditioned upon, among other things, consummation of the proposed merger. Any final settlement agreement signed by the parties must be approved by the Superior Court in the County of Contra Costa, California. While the Company expects to diligently negotiate the terms of a final settlement agreement, there can be no assurance that a settlement agreement will be signed or consummated. However, Ocular does not believe that this lawsuit will have a material effect on the Company in such event.

Bausch & Lomb Incorporated Litigation

On October 5, 2004, Bausch & Lomb Incorporated ("Bausch & Lomb") filed a lawsuit against us in the U.S. District Court for the Western District of New York alleging that our Biomedics® toric soft contact lens and its private label equivalents infringe Bausch & Lomb's U.S. Patent No. 6,113,236 relating to toric contact lenses having optimized thickness profiles. The complaint seeks an award of damages, including multiple damages, attorneys' fees and costs and an injunction preventing the alleged infringement. Discovery has not yet commenced as of the date of this report, but based on an initial review of the complaint and the patent, as well as other relevant information, we believe this lawsuit is without merit and plan to conduct a vigorous defense. However, the defense of intellectual property suits and related administrative proceedings is both costly and time-consuming. The outcomes of intellectual property lawsuits are subject to inherent uncertainties. Accordingly, we cannot assure you that our defense of this lawsuit will be successful. An adverse outcome in this litigation could subject us to significant liabilities, require us to license disputed rights from Bausch & Lomb, require us to redesign products or cease using such technology. Any of these consequences could have a material adverse effect on us.

Internal Revenue Service Audit

The Internal Revenue Service has been auditing Ocular's income tax returns for the years 1999, 2000 and 2001, and on October 1, 2004 Ocular received a notice from the IRS claiming approximately $44.8 million of additional taxes for these years, plus unspecified interest, and approximately $12.7 million in related penalties. The notice was sent the day before the statute of limitations for 1999, which had previously been extended for one year, would have otherwise expired and Ocular believes that the IRS may not have fully reviewed the facts before making its assessment of additional taxes for these years. The notice relates primarily to transfer pricing and related issues and states that if all or part of the proposed adjustments are not sustained, the IRS would claim, in lieu of such adjustments, approximately $11.0 million of additional taxes for 1999 through 2001 based on certain anti-deferral rules under Subpart F of the Internal Revenue Code.

Ocular believes that the IRS's position misapplies the law and is incorrect. The amount of taxes paid for these years was supported by pricing studies prepared by a multinational tax advisor, and Ocular believes that its intercompany transactions, and resulting tax payments, reflected pricing terms that were and are consistent with industry practice for transactions with third parties. Ocular intends to vigorously contest the IRS's claims, and Ocular believes that the ultimate outcome of this matter will not have a material adverse effect on the Company. Accordingly, the Company does not believe that an adverse outcome of this contingency is either probable or estimable and has not recorded any amounts at September 30, 2004.

The Company continues to be subject to the examination of its income tax returns by the Internal Revenue Service and other tax authorities, and we cannot assure that the outcomes from these examinations will not have a material adverse effect on the Company's operating results and financial condition. Moreover, the Company's future effective tax rates could be adversely affected by earnings being higher than anticipated in countries where the Company has higher statutory rates or lower than anticipated in countries where it has lower statutory rates, by changes in valuation of its deferred tax assets and liabilities, or by changes in tax laws or interpretations thereof.

Exhibit 99.4

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma consolidated condensed financial statements are based upon the historical consolidated condensed financial statements and notes thereto (as applicable) of The Cooper Companies, Inc. (Cooper) and Ocular Sciences, Inc. (Ocular). The unaudited pro forma consolidated condensed balance sheet gives pro forma effect to the merger as if the merger had been completed on October 31, 2004 and combines Cooper's October 31, 2004 audited consolidated condensed balance sheet with Ocular's September 30, 2004 unaudited consolidated condensed balance sheet. The unaudited pro forma consolidated condensed statements of income give pro forma effect to the merger as if it had been completed on November 1, 2003 and combines Cooper's audited consolidated condensed statements of income for the fiscal year ended October 31, 2004 with Ocular's unaudited consolidated condensed statements of income for the twelve-month period ended September 30, 2004. The Ocular unaudited consolidated condensed statements of income for the twelve-month period ended September 30, 2004 were derived by adding the nine-month period ended September 30, 2004 to the fiscal year ended December 31, 2003 then subtracting the nine-month period ended September 30, 2003. Net income is adjusted by $2,095,000 of interest expense, net of tax, related to Cooper's convertible debentures to compute historical diluted earnings per share and pro forma diluted earnings per share. The pro forma adjustments are subject to change pending a final analysis of fair values of the assets acquired, liabilities assumed and equity instruments issued. The effect of these changes could be material.

The unaudited pro forma consolidated condensed financial statements are based upon the estimates and assumptions set forth below. The pro forma adjustments (including estimates and assumptions) made in connection with the preparation of the pro forma information are preliminary and have been made solely for purposes of preparing the pro forma information for illustrative purposes necessary to comply with the disclosure requirements of the SEC. The unaudited pro forma consolidated condensed financial statements do not purport to be indicative of the results of operations of the combined company for future periods or the consolidated financial position or results that actually would have been realized for the periods presented had Cooper and Ocular been a single entity during these periods. The unaudited pro forma consolidated condensed financial statements do not give effect to any synergies or cost savings that may result from the integration of Cooper's and Ocular's businesses. Acquisition costs are estimated at $50 million. These costs are only preliminary estimates, as the actual costs will depend on future decisions. Depending on the timing and nature of these decisions, the actual costs of redundancies and integration will either be recorded as part of the purchase price or charged to expense in the combined company's statement of operations in the period in which they are incurred.

These unaudited pro forma consolidated condensed financial statements should be read in conjunction with the historical consolidated condensed financial statements and related notes contained in the annual, quarterly and other reports filed by Cooper and Ocular with the SEC and with the financial statements of Ocular filed with this Form 8-K.

The acquisition is accounted for as a purchase under accounting principles generally accepted in the United States of America (GAAP). These unaudited pro forma consolidated condensed financial statements reflect a preliminary allocation of the purchase price. The preliminary allocations are subject to change based on finalization of the fair values of the tangible and intangible assets acquired and liabilities assumed. The excess of the purchase price over the fair value of net assets acquired has been classified as goodwill. The purchase price, in thousands, is computed as follows:

Cash	$ 605,209
Fair value of shares issued	605,208
Less Ocular cash acquired	(60,509)
Total purchase price	$1,149,908

The pro forma fair value of the Cooper common stock issued was based on the terms of the acquisition where each share of Ocular common stock is converted into the right to receive 0.3879 of a share of Cooper common stock and $22.00 in cash without interest, plus cash for fractional shares. Outstanding Ocular in-the-money stock options are considered redeemed in exchange for a combination of cash and Cooper stock for the spread between their exercise prices and the value of the merger consideration immediately prior to closing.

The preliminary allocation of the purchase price to the fair value of assets acquired and liabilities assumed, net of deferred taxes, was estimated as follows, in thousands, for the purpose of preparing the pro forma financial statements as if the merger had been completed on October 31, 2004:

Tangible assets at fair value	$ 315,796
Identifiable intangible assets	30,000
Goodwill	913,839
Other assets	12,930
Liabilities assumed	(122,657)
Total purchase price	$1,149,908

The following is a summary of the pro forma adjustments reflected in the unaudited pro forma consolidated condensed balance sheet:

A. Adjustment to record the elimination of Ocular's equity.

B. Adjustment to record the purchase of Ocular including $574 million in additional long-term debt, $574 million in Cooper common shares, $50 million in accrued acquisition costs and $30 million in purchased identifiable intangible assets with related deferred tax liability of $2.7 million, and goodwill of $804 million representing the excess of purchase price over net assets acquired, subject to allocation. The fair value of in-process research and development, if any, will be expensed during the first half of fiscal 2005 when determinable.

C. Adjustment to record the exchange of Ocular in-the-money options for cash of $31 million and Cooper common stock with a fair value of $31 million using a formula which compensates holders of such stock options in the same cash and stock ratio as the merger consideration received by Ocular stockholders.

D. Adjustment to record debt acquisition costs.

E. Adjustment to eliminate Ocular's identifiable intangible assets.

F. Adjustment to record purchased property, plant and equipment at fair value, and related deferred tax asset.

G. Adjustment to record purchased inventory at fair value.

The following is a summary of adjustments reflected in the unaudited pro forma consolidated condensed statements of income:

H. Adjustment to record the reduction of royalty payments on specific patents under the terms of an existing royalty agreement, due to the acquisition of Ocular.

I. Adjustment to record the sell through of purchased inventory recorded at fair value.

J. Adjustment to eliminate Ocular's amortization of intangible assets acquired.

K. Adjustment to record the amortization expense related to the amortizable intangible assets acquired, over useful lives of 15 years.

L. Adjustment to record the increase in interest expense at the LIBOR rate plus 150 to 175 basis points, with $238 million fixed at LIBOR plus 375 basis points at the beginning of the term. Total acquisition related debt of $661 million consists of $605 million for the purchase price, approximately $48 million for acquisition costs in the periods presented, and $8 million for debt acquisition costs. A change of 1/8 percent in the interest rate would result in a change in interest expense and net income of $866,393 and $738,166, before and after tax, respectively, on an annual basis.

Interest expense is calculated on the pro forma outstanding variable and fixed rate debt, using historical rates over the period, including amortization of debt acquisition costs and unused credit facility fees. Actual interest rates will differ, the effect of which could be material.

M. Adjustment to record an income tax benefit from the individual pro forma adjustments based on the tax effects of statutory rates relative to the jurisdictions in which the income and deductions would be realized.

N. Adjustment to the number of shares used to compute earnings per share for the issuance of 10.7 million shares to purchase Ocular, based on the terms of the acquisition.

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
Unaudited Pro Forma Consolidated Condensed Balance Sheets
(In thousands)

October 31, 2004

	Historical		Pro Forma Adjustments							Pro Forma Combined
	October 31, 2004 Cooper	Sept. 30, 2004 Ocular	A	B	C	D	E	F	G	
ASSETS										
Current assets:										
Cash and cash equivalents	$ 39,368	$ 60,509								$ 99,877
Trade receivable, net	99,269	61,392								160,661
Marketable securities	1,829	—								1,829
Inventories	107,607	66,978							$ 15,653	190,238
Deferred tax assets	20,296	—								20,296
Other current assets	36,129	24,069							—	60,198
Total current assets	304,498	212,948							15,653	533,099
Property, plant and equipment, net	151,065	155,704						$(8,000)		298,769
Goodwill, net	310,600	45,161		$ 804,071	$62,721		$ 12,339	5,200	(15,653)	1,224,439
Other intangible assets, net	31,768	12,339		30,000			(12,339)			61,768
Deferred tax asset	10,315	—		(2,677)				2,800		10,438
Other assets	3,315	4,407	$(366,302)	366,302	—	$8,400	—	—	—	16,122
	$ 811,561	$ 430,559	$(366,302)	$1,197,696	$62,721	$8,400	$ —	$ —	$ —	$2,144,635
LIABILITIES AND STOCKHOLDERS' EQUITY										
Current liabilities:										
Short-term debt	$ 20,871	$ 342								$ 21,213
Accounts payable	21,684	10,898								32,582
Accrued acquisition costs	11,843	—		$ 50,000						61,843
Accrued income taxes	15,171	243								15,414
Other current liabilities	46,940	49,757		—						96,697
Total current liabilities	116,509	61,240		50,000						227,749
Long-term debt and other noncurrent liabilities	150,891	3,017		573,848	$31,360	$8,400				767,516
Total liabilities	267,400	64,257		623,848	31,360	8,400				995,265
Stockholders' equity:										
Common stock, $.10 par value	3,334	26	$ (26)	1,067	55					4,456
Additional paid-in capital	327,811	140,823	(140,823)	572,781	31,305					931,897
Accumulated other comprehensive income and other	26,971	17,883	(17,883)							26,971
Retained earnings	195,021	207,570	(207,570)							195,021
Treasury stock at cost	(8,976)	—	—	—	—					(8,976)
Total stockholders' equity	544,161	366,302	(366,302)	573,848	31,360	—				1,149,369
	$ 811,561	$ 430,559	$(366,302)	$1,197,696	$62,721	$8,400				$2,144,635

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
Unaudited Pro Forma Consolidated Condensed Statements of Income
(In thousands, except per share amounts)

Twelve Months Ended October 31, 2004

	Historical		Pro Forma Adjustments							
	12 Months Ended October 31, 2004 Cooper	12 Months Ended Sept. 30, 2004 Ocular	H	I	J	K	L	M	N	Pro Forma Combined
Net sales	$ 490,176	$ 332,790								$822,966
Cost of sales	174,346	139,443	$(1,142)	$ 15,653						328,300
Gross profit	315,830	193,347	1,142	(15,653)						494,666
Selling, general and administrative expense	190,534	124,606								315,140
Research and development expense	6,493	7,776								14,269
Amortization of intangibles	2,052	3,333			$(3,333)	$ 2,000				4,052
Restructuring and related expense	—	14,066	—		—	—				14,066
Operating income	116,751	43,566	1,142	(15,653)	3,333	(2,000)				147,139
Interest expense	6,004	432					$ 26,201			32,637
Other income, net	1,742	262	—	—	—	—	—			2,004
Income before income taxes	112,489	43,396	1,142	(15,653)	3,333	(2,000)	(26,201)			116,506
Provision for income taxes	19,664	11,046	—	—	—	—	—	$(9,692)		21,018
Net income	$ 92,825	$ 32,350	$ 1,142	$(15,653)	$ 3,333	$(2,000)	$(26,201)	$ 9,692		$ 95,488
Earnings per share:										
Basic	$ 2.85									$ 2.21
Diluted	$ 2.59									$ 2.06
Number of shares used to compute earnings per share:										
Basic	32,534								10,671	43,205
Diluted	36,613								10,671	47,284