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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED OCTOBER 31, 2000 COMMISSION FILE NO. 1-8597

THE COOPER COMPANIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	94-2657368
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)
6140 STONERIDGE MALL ROAD, SUITE 590 PLEASANTON, CALIFORNIA (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	94588 (ZIP CODE)

925-460-3600
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $.10 Par Value, and associated Rights	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Aggregate market value of the voting stock held by non-affiliates of the registrant as of December 31, 2000: Common Stock, $.10 Par Value - $567,548,890.

Number of shares outstanding of the registrant's common stock, as of December 31, 2000: 14,472,890.

DOCUMENTS INCORPORATED BY REFERENCE:

DOCUMENT	PART OF FORM 10-K
Portions of the Annual Report to Stockholders for the fiscal year ended October 31, 2000	Parts I and II
Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held March 28, 2001	Part III

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PART I

ITEM 1. BUSINESS.

INTRODUCTION

The Cooper Companies, Inc. (the "Company," "Cooper" or "we" and similar pronouns), through its principal subsidiaries, develops, manufactures and markets healthcare products. CooperVision ("CVI") markets a range of contact lenses to correct visual defects, specializing in toric lenses that correct astigmatism. Its leading products are disposable-planned replacement toric and spherical lenses. CVI also markets conventional toric and spherical lenses and lenses for patients with more complex vision disorders. CooperSurgical ("CSI") markets diagnostic products, surgical instruments and accessories to the women's healthcare market.

FORWARD-LOOKING STATEMENTS

Some of the information included in this report contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements regarding anticipated growth in our revenue, anticipated market conditions and results of operations. To identify forward-looking statements, look for words like "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates" or "anticipates" and similar words or phrases. Discussions of strategy, plans or intentions often contain forward-looking statements. These, and all forward-looking statements, necessarily depend on assumptions, data or methods that may be incorrect or imprecise.

Events, among others, that could cause actual results and future actions to differ materially from those described by or contemplated in the forward-looking statements include major changes in business conditions, a major disruption in the operations of our manufacturing facilities, new competitors or technologies, the impact of an undetected virus on our computer systems, acquisition integration delays or costs, foreign currency exchange exposure, investments in research and development and other start-up projects, dilution to earnings per share from acquisitions or issuing stock, regulatory issues, significant environmental cleanup costs above those already accrued, litigation costs, costs of business divestitures, the requirement to provide for a significant liability or to write off significant assets, changes in accounting principles or estimates, and other factors described in our Securities and Exchange Commission filings, including the "Business" section in this Form 10-K for the year ended October 31, 2000 and the related portions of the Company's 2000 Annual Report to Stockholders ("2000 Annual Report") incorporated here by reference. The 2000 Annual Report is included as Exhibit 13 to this Form 10-K. We caution investors not to rely on forward-looking statements. They reflect our analysis only on their stated dates or the date of this report. We disclaim any intent or obligation to update these forward-looking statements.

GENERAL DESCRIPTION AND DEVELOPMENT OF BUSINESSES

The information required by this item is incorporated by reference to the caption "To Our Shareholders" and the additional "CooperSurgical: Consolidating Women's Healthcare for Profitable Growth" section in the 2000 Annual Report.

RESEARCH AND DEVELOPMENT

Company-sponsored research and development expenditures during the fiscal years ended October 31, 2000, 1999 and 1998 were $2.7 million, $2 million and $1.9 million, respectively. During fiscal 2000, CooperVision spent about 60% and CooperSurgical spent about 40% of the total. Cooper did not conduct any customer-sponsored research and development programs.

Cooper employs 26 people in its research and development and manufacturing engineering departments. Outside specialists in lens design, formulation science, polymer chemistry, microbiology and biochemistry support product development and clinical research for CVI products. CSI conducts research and development in-house and also employs outside surgical specialists, including members of its surgical advisory board.

GOVERNMENT REGULATION

The U.S. Food and Drug Administration ("FDA"), other federal agencies and foreign ministries of health regulate the development, testing, production and marketing of the Company's products. The Federal Food, Drug and Cosmetic Act and other statutes and regulations govern the testing, manufacturing, labeling, storage, advertising and promotion of these products. If applicable regulations are not followed, companies may be subject to fines, product recall or seizure, suspension of production and criminal prosecution.

Cooper develops and markets medical devices under different levels of FDA regulation depending upon the classification of the device. Class III devices, such as flexible and extended wear contact lenses, require extensive premarket testing and approval, while Class I and II devices require substantially lower levels of regulation.

Before a new contact lens can be sold commercially, CVI must complete these steps: (1) compile data on its chemistry and toxicology, (2) determine its microbiological profile and (3) define the proposed manufacturing process. This data must be submitted to the FDA to support an application for an Investigational Device Exemption. Once this is granted, clinical trials can begin. These are subject to review and approval by an Institutional Review Board and, where a lens is determined to have a significant risk, the FDA. After the clinical trials are completed, a Premarket Approval Application must be submitted and approved by the FDA.

In connection with some of Cooper's new products, we can submit an expedited procedure known as a 510(k) application for premarket notification to the FDA. Any product that can demonstrate that it is substantially equivalent to another device marketed before May 28, 1976 can use this procedure. If the new product is not substantially equivalent to a preexisting device or if the FDA rejects a claim of substantial equivalence, FDA approval to market would require extensive preclinical and clinical testing. This would increase the cost and would delay product marketing substantially.

FDA and state regulations also require the Company to adhere to applicable "good manufacturing practices" ("GMP"). They require detailed quality assurance and record keeping and periodic unscheduled regulatory inspections. The Company believes it is in compliance with GMP regulations.

Health authorities in foreign countries regulate Cooper's clinical trials and medical device sales. The regulations vary widely from country to country. Even if the FDA has approved a product, the regulatory agencies in each country must approve new products before they are marketed.

These regulatory procedures require considerable resources and usually result in a substantial time lag between new product development and marketing. Cooper cannot assure that all necessary approvals will be obtained, or obtained in a timely manner. If the Company does not maintain compliance with regulatory standards or if problems occur after marketing, product approval may be withdrawn.

ISO 9000 CERTIFICATION AND CE MARK APPROVAL

In addition to FDA regulatory requirements, the Company also maintains ISO 9000 certification and CE Mark approvals for all lens products. These quality programs and approvals are required by the European Medical Device Directive and must be maintained for all products intended to be sold in the European market. In order to maintain these prestigious quality benchmarks, the Company is subjected to rigorous biannual reassessment audits of their quality systems and procedures.

RAW MATERIALS

In general, CVI's raw materials consist of various polymers and packaging materials. There are alternative supply sources of all of these materials. Raw materials used by CSI or its suppliers are generally available from more than one source. However, because some products require specialized manufacturing procedures, CSI could experience inventory shortages if it were required to use an alternative manufacturer on short notice.

MARKETING AND DISTRIBUTION

In the United States, Canada and some European countries, CVI markets its products through its field sales representatives, who call on ophthalmologists, optometrists, opticians and optical chains. In the United States, field sales representatives also call on distributors. In Japan and certain European countries, CVI uses distributors and has given them the exclusive right to market our products.

CSI's products are marketed worldwide by a network of field sales representatives and distributors. In the United States, Cooper augments its sales and marketing activities by employing e-commerce, telemarketing, direct mail, advertising in professional journals, and the use of a direct mail catalog.

PATENTS, TRADEMARKS AND LICENSING AGREEMENTS

Cooper owns or licenses a variety of domestic and foreign patents which, in total, are material to its businesses. The names of certain of Cooper's products are protected by trademark registrations in the United States Patent and Trademark Office and, in some cases, also in foreign trademark offices. Applications are pending for additional trademark registrations. Cooper aggressively enforces and defends its patents and other proprietary technology.

DEPENDENCE ON CUSTOMERS

Neither of Cooper's business segments depends on any one customer or any one affiliated group of customers.

GOVERNMENT CONTRACTS

Cooper's business is not materially subject to profit renegotiation or termination of contracts or subcontracts at the election of the United States government.

COMPETITION

Each of Cooper's businesses operates in a highly competitive environment. Competition in the healthcare industry revolves around the search for technological and therapeutic innovations in the prevention, diagnosis and treatment of illness or disease. Cooper competes primarily on the basis of product quality and differentiation, technological benefit, service and reliability.

Many companies develop and manufacture contact lenses. CVI competes primarily on its product quality, service and reputation among medical professionals. It sponsors clinical studies to generate medical information to improve its lenses. Major competitors have greater financial resources and larger research and development and sales forces than CVI. Many of these competitors offer a greater range of contact lenses and a variety of other eyecare products, including lens care products and ophthalmic pharmaceuticals, which may give them a competitive advantage in marketing their lenses to high volume contract accounts.

In the surgical segment where Cooper concentrates on Women's healthcare, competitive factors include technological and scientific advances, product quality, price and effective communication of product information to physicians and hospitals. CSI believes that it benefits from the technological advantages of certain of its products and from developing new medical procedures that can create new markets for equipment and instruments. CSI competes by focusing on distinct niche markets and by supplying these with high quality equipment, instruments and disposable products. For certain procedures, medical practitioners can obtain all of the equipment, instruments and disposable products from CSI. As CSI develops products for new medical procedures, it offers to train medical professionals to perform them. CSI competes with a number of manufacturers in each of its niche markets, including larger manufacturers with greater financial and personnel resources who sell a substantially larger number of product lines.

BACKLOG

Backlog is not a material factor in Cooper's businesses.

SEASONALITY

CVI's contact lens sales in the first fiscal quarter are typically lower than subsequent quarters, as fewer patients visit practitioners during the holiday season.

COMPLIANCE WITH ENVIRONMENTAL LAWS

Federal, state and local provisions that regulate the discharge of materials into the environment, or relate to the protection of the environment, do not currently materially affect Cooper's capital expenditures, earnings or competitive position. Refer to "Environmental" in Note 11 of Notes to Consolidated Financial Statements of the Company included in the 2000 Annual Report, regarding certain anticipated remediation costs is incorporated here by reference.

WORKING CAPITAL

Cooper's businesses have not required any material working capital arrangements in the past five years.

FINANCIAL INFORMATION ABOUT BUSINESS SEGMENTS, GEOGRAPHIC AREAS, FOREIGN OPERATIONS AND EXPORT SALES

The information required by this item is incorporated here by reference to Note 12 "Business Segment Information" of Notes to Consolidated Financial Statements of the Company included in the 2000 Annual Report.

EMPLOYEES

On October 31, 2000, Cooper had approximately 2,100 employees. The Company believes that its relations with its employees are good.

ITEM 2. PROPERTIES.

The following are Cooper's principal facilities as of October 31, 2000:

LOCATION	OPERATIONS	APPROXIMATE FLOOR AREA (SQ. FT.)	OWNED OR LEASED	LEASE EXPIRATION
United States				
Pleasanton, CA	Executive Offices	13,700	Leased	Sept. 2005
Lake Forest, CA	Executive Offices and CVI Offices	8,100	Leased	Jan. 2005
Huntington Beach, CA	CVI Manufacturing & Technical Offices	20,600	Leased	March 2002
Fairport, NY	CVI Administrative Offices & Marketing	23,500	Leased	April 2003
Scottsville, NY	CVI Manufacturing and Research	49,500	Owned	N/A
Henrietta, NY	CVI Distribution and Warehouse Facility	56,000	Leased	Feb. 2003
Shelton, CT	CSI Manufacturing, Research and Development, Marketing, Distribution and Warehouse Facilities	35,000	Leased	April 2002
Canada				
Markham, Ont.	CVI Offices, Manufacturing Distribution and Warehouse Facilities	23,000	Leased	Feb. 2005
United Kingdom				
Hamble, Hampshire, England	Aspect Manufacturing, Research and Development, Marketing and Admin. Offices	93,800	Owned	N/A
Fareham, Hampshire, England	Distribution and Customer Service	30,800	Leased	Jan. 2018
Fareham, Hampshire, England	Manufacturing and Warehouse	27,100	Leased	June 2018

The Company believes its properties are suitable and adequate for its businesses.

ITEM 3. LEGAL PROCEEDINGS.

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

During the fourth quarter of fiscal 2000, the Company did not submit any matters to a vote of the Company's security holders.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The information required by this item is incorporated here by reference to "Quarterly Common Stock Price Range" and "Corporate Information" in the 2000 Annual Report.

ITEM 6. SELECTED FINANCIAL DATA.

The information required by this item is incorporated here by reference to "Five Year Financial Highlights" in the 2000 Annual Report.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information required by this item is incorporated here by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2000 Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company is primarily exposed to market risks that relate principally to changes in interest rates and foreign currency fluctuations. The Company's policy is to minimize, to the extent reasonable and practical, its exposure to the impact of changing interest rates and foreign currency fluctuations by entering into interest rate swaps and foreign currency forward exchange contracts, respectively. The Company does not enter into derivative financial instrument transactions for speculative purposes. Additional information for this item is incorporated here by reference to "Derivatives" in Note 1 "Summary of Significant Accounting Policies" and in Note 7 "Financial Instruments" in the 2000 Annual Report.

LONG-TERM DEBT

Proceeds from the sale of Hospital Group of America ("HGA"), our former psychiatric services business, were used to pay down debt carrying an average interest rate of approximately 7%. Total debt was reduced to $48.4 million at October 31, 2000 from $62 million at October 31, 1999:

	October 31, 2000	October 31, 1999
	(In millions)	
Short term	$ 8.1	$ 4.9
Long term	40.3	57.1
Total	$48.4	$62.0

On an annualized basis the debt reduction would result in a decrease in interest expense of approximately $1 million, assuming we do not raise debt for other purposes.

As of October 31, 2000, the scheduled maturities of each of the Company's fixed and variable rate long-term debt obligations (excluding capitalized leases), their weighted average interest rates and their estimated fair values were as follows:

	Expected Maturity Date - Fiscal Year							
	2001	2002	2003	2004	2005	There-after	Total	Fair Value
($ in Millions)								
Long-term debt:								
Fixed interest rate	$ -	$ -	$20.7	$ -	$ -	$ -	$20.7	$20.7
Average interest rate	8.0%	8.0%	8.0%					
Variable interest rate	$0.5	$0.6	$ 4.3	$0.6	$0.6	$8.2	$14.8	$14.8
Average interest rate	6.6%	6.7%	6.6%	6.7%	6.7%	6.8%		

INTEREST RATE EXPOSURES

The Company enters into interest rate swap agreements to minimize the impact of changes in interest rates on its variable rate long-term debt obligations. The Company currently has two interest rate swap agreements on a total of $6.7 million of its outstanding variable rate debt obligations. These instruments have the effect of converting variable rate instruments to fixed rate instruments. The swaps fix the interest rate at 4.9% on $2.5 million variable-rate debt due January 2012 and at 7.1% on $4.2 million variable-rate due April 2003. The table below shows the notional amount and weighted average interest rates of each of the Company's interest rate swaps by maturity. The receive rate is based on October 31, 2000 rates, and projected based on the consumer price index. Notional amounts are used to calculate the contractual payments to be made under the contracts.

	Notional Amounts Maturing in Fiscal Year							
	2001	2002	2003	2004	2005	There-after	Total	Fair Value
($ in Millions)								
Interest rate swaps:								
Variable to fixed	$0.2	$0.3	$0.3	$0.3	$0.3	$1.1	$2.5	$2.5
Average pay rate	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	
Average receive rate	5.1%	5.2%	5.4%	5.6%	5.8%	6.6%	6.1%	
Variable to fixed	$ -	$ -	$4.2	$ -	$ -	$ -	$4.2	$4.1
Average pay rate	7.1%	7.1%	7.1%				7.1%	
Average receive rate	6.6%	6.8%	7.1%				6.2%	

FOREIGN CURRENCY EXPOSURES

The Company uses forward exchange contracts to minimize the effect of foreign currency fluctuations on its intercompany receivables denominated in Canadian dollars and its long-term debt obligations denominated in Great Britain Pounds ("GBP"), incurred to fund a portion of the Company's acquisition of Aspect Vision Care Ltd. (see caption "Aspect Acquisition" in Note 2 "Acquisitions" in the 2000 Annual Report, which is incorporated here by reference). The following table provides information on the Company's foreign currency forward exchange contracts. The information is provided in U.S. Dollar equivalent amounts, which is the way it is presented in the Company's financial statements. The table shows the notional amounts at the contract exchange rates and the weighted average contractual foreign currency exchange rates by expected maturity dates.

	Notional Amounts Maturing in Fiscal Year							
	2001	2002	2003	2004	2005	There-after	Total	Fair Value
Foreign contracts to buy GBP:								
Notional amount (in millions)	$ 5.3	$ 5.6	$23.4	$13.6	$ -	$ -	$48.0	$44.3
Average contractual exchange rate	$1.57	$1.62	$1.62	$1.53	$ -	$ -	$1.58	
Foreign contracts to sell Canadian $:								
Notional amount (in millions)	$ 2.9	$ -	$ -	$ -	$ -	$ -	$ 2.9	$ 2.9
Average contractual exchange rate:	$ .67	$ -	$ -	$ -	$ -	$ -	$ .67	

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The information required by this item is incorporated here by reference to "Consolidated Balance Sheets," "Consolidated Statements of Income," "Consolidated Statements of Cash Flows," "Consolidated Statements of Comprehensive Income," "Notes to Consolidated Financial Statements," "Independent Auditors' Report" and "Two Year Quarterly Financial Data" in the 2000 Annual Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information included under the heading "Election of Directors" and "Executive Officers of the Company" in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on March 28, 2001 (the "2001 Proxy Statement") is incorporated by reference for each of the Company's directors and the executive officers who are not also directors of the Company.

ITEM 11. EXECUTIVE COMPENSATION.

The information included under the subheadings "Executive Compensation" and "Compensation of Directors" of the "Election of Directors" section of the 2001 Proxy Statement is incorporated by reference for the Company's chief executive officer, the four other most highly compensated executive officers of the Company and the Company's directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information included under the subheadings "Securities Held by Management" and "Principal Security Holders" of the "Election of Directors" section of the 2001 Proxy Statement is incorporated by reference with respect to certain beneficial owners, the directors and management.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information required by this item is incorporated here by reference to the heading "Aspect Acquisition" in Note 2 "Acquisitions" in the 2000 Annual Report.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) Documents filed as part of this report:

1. Accountants' Consent and Report on Schedule.

2. Financial Statement Schedule of the Company.

SCHEDULE NUMBER	DESCRIPTION
Schedule II	Valuation and Qualifying Accounts

3. Exhibits

The exhibits listed on the accompanying Exhibit Index are filed as part of this report.

All other schedules which are included in the applicable accounting regulations of the Securities and Exchange Commission are not required here because they are not applicable.

(b) Reports filed on form 8-K:

Cooper filed the following reports on Form 8-K during the period August 1, 2000 through October 31, 2000.

August 24, 2000 -- Item 5. Other Events.
October 18, 2000 -- Item 5. Other Events.

ACCOUNTANTS' CONSENT AND REPORT ON SCHEDULE

The Board of Directors THE COOPER COMPANIES, INC.

Under date December 8, 2000, we reported on the consolidated balance sheets of The Cooper Companies, Inc. and subsidiaries (the "Company") as of October 31, 2000 and 1999, and the related consolidated statements of income, comprehensive income and cash flows for each of the years in the three-year period ended October 31, 2000, which are incorporated herein by reference. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule as listed in Item 14 of the Annual Report on Form 10-K. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We consent to incorporation by reference in Registration Statement Nos. 33-50016, 33-11298, 333-22417, 333-25051, 333-27639, 333-80795, 333-48152 and 333-34206 on Forms S-3 and Registration Statement Nos. 333-10997, 33-27938, 33-36325, 33-36326 and 333-58839 on Forms S-8 of The Cooper Companies, Inc. of our reports dated December 8, 2000, relating to the consolidated balance sheets of The Cooper Companies, Inc. and subsidiaries as of October 31, 2000 and 1999 and the related consolidated statements of income, comprehensive income and cash flows for each of the years in the three-year period ended October 31, 2000, and related schedule, which reports appear in or are incorporated by reference to the October 31, 2000 Annual Report on Form 10-K of The Cooper Companies, Inc.

KPMG LLP

San Francisco, California
January 25, 2001

SCHEDULE II

THE COOPER COMPANIES, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
THREE YEARS ENDED OCTOBER 31, 2000

	BALANCE AT BEGINNING OF YEAR	ADDITIONS CHARGED TO COSTS AND EXPENSES	(DEDUCTIONS)/ RECOVERIES/ OTHER (1)	BALANCE AT END OF YEAR
		(IN THOUSANDS)		
Allowance for doubtful accounts:				
Year ended October 31, 2000	$ 1,136	$ 426	$ 878	$ 2,440
Year ended October 31, 1999	$ 1,087	$ 321	$ (272)	$ 1,136
Year ended October 31, 1998	$ 721	$ 283	$ 83	$ 1,087

(1) Consists of additions representing acquired allowances and recoveries, less deductions representing receivables written off as uncollectible.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on January 26, 2001.

THE COOPER COMPANIES, INC.

By: /s/ A. THOMAS BENDER
A. THOMAS BENDER
PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the dates set forth opposite their respective names.

SIGNATURE	CAPACITY	DATE
/s/ ALLAN E. RUBENSTEIN, M.D. (ALLAN E. RUBENSTEIN)	Chairman of the Board of Directors	January 26, 2001
/s/ A. THOMAS BENDER (A. THOMAS BENDER)	President, Chief Executive Officer and Director	January 26, 2001
/s/ ROBERT S. WEISS (ROBERT S. WEISS)	Executive Vice President, Treasurer, Chief Financial Officer and Director	January 26, 2001
/s/ STEPHEN C. WHITEFORD (STEPHEN C. WHITEFORD)	Vice President and Corporate Controller	January 26, 2001
/s/ MICHAEL H. KALKSTEIN (MICHAEL H. KALKSTEIN)	Director	January 26, 2001
/s/ MOSES MARX (MOSES MARX)	Director	January 26, 2001
/s/ DONALD PRESS (DONALD PRESS)	Director	January 26, 2001
/s/ STEVEN ROSENBERG (STEVEN ROSENBERG)	Director	January 26, 2001
/s/ STANLEY ZINBERG, M.D. (STANLEY ZINBERG)	Director	January 26, 2001

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT	LOCATION OF EXHIBIT IN SEQUENTIAL NUMBER SYSTEM
3.1	Restated Certificate of Incorporation, as partially amended, incorporated by reference to Exhibit 4(a) to the Company's Registration Statement on Form S-3 (No. 33-17330) and Exhibits 19(a) and 19(c) to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 1988.....	
3.2	Certificate of Amendment of Restated Certificate of Incorporation dated September 21, 1995 incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1995	
3.3	Amended and Restated By-Laws dated December 16, 1999, incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1999.....	
3.4	Certificate of Amendment of Certificate of Incorporation dated May 24, 2000	
4.1	Certificate of Elimination of Series A Junior Participating Preferred Stock of The Cooper Companies, Inc. filed with the Delaware Secretary of State on October 30, 1997, incorporated by reference to Exhibit 4.1 on Form 10-K for fiscal year ended October 31, 1997.....	
4.2	Rights Agreement, dated as of October 29, 1997, between the Company and American Stock Transfer & Trust Company, incorporated by reference to Exhibit 4.0 to the Company's Current Report on Form 8-K dated October 29, 1997	
4.3	Amendment No. 1 to Rights Agreement dated September 26, 1998, incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K dated September 25, 1998.....	
4.4	Certificate of Designations of Series A Junior Participating Preferred Stock of The Cooper Companies, Inc., incorporated by reference to Exhibit 4.0 of the Company's Current Report on Form 8-K dated October 29, 1997..	
10.1	1998 Long-term Incentive Plan, incorporated by reference to Exhibit A of the Company's Proxy Statement for its 1998 Annual Meeting of Shareholders held on April 2, 1998.....	
10.2	Amendment No. 1 to 1998 Long-term Incentive Plan of The Cooper Companies, Inc. dated April 2, 1998, incorporated by reference to Exhibit 4.7 to the Company's post-effective Amendment No. 1 to Form S-8 Registration Statement filed on January 20, 1999.....	
10.3	Severance Agreement entered into as of June 10, 1991, by and between CooperVision, Inc. and A. Thomas Bender, incorporated by reference to Exhibit 10.26 to Amendment No. 1 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1992.....	
10.4	Letter dated March 25, 1994, to A. Thomas Bender from the Chairman of the Compensation Committee of the Company's Board of Directors, incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1994.....	
10.5	Severance Agreement entered into as of April 26, 1990, by and between Nicholas J. Pichotta and the Company incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for fiscal year ended October 31, 1995.....	
10.6	Letter Agreement dated November 1, 1992, by and between Nicholas J. Pichotta and the Company incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1995	
10.7	Severance Agreement entered into as of August 21, 1989, by and between Robert S. Weiss and the Company, incorporated by reference to Exhibit 10.28 to Amendment No. 1 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1992.....	

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT	LOCATION OF EXHIBIT IN SEQUENTIAL NUMBER SYSTEM
10.8	2001 Long-term Incentive Plan.....	
10.9	Agreement dated as of September 28, 1993, among Medical Engineering Corporation, Bristol-Myers Squibb Company and the Company, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 1, 1993.....	
10.10	Change in Control Agreement dated as of October 14, 1999, between The Cooper Companies, Inc. and Carol R. Kaufman, incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1999.....	
11*	Calculation of Earnings per share.....	
13	2000 Annual Report to Stockholders. The following portions of such report are incorporated by reference in this document and are deemed "filed." Letter to Shareholders, the additional "CooperSurgical: Consolidating Women's Healthcare for Profitable Growth" section and Financial Section which includes: Five Year Financial Highlights, Two Year Quarterly Information, Quarterly Common Stock Price Range, Management's Discussion and Analysis of Financial Condition and Results of Operations, the Consolidated Financial Statements and the Notes thereto, Corporate Information and the Independent Auditors' Report.....	
21	Subsidiaries.....	
27	Financial Data Schedule.....	

* The information required in this exhibit is incorporated here by reference to Note 4, "Earnings Per Share," in the 2000 Annual Report.

STATEMENT OF DIFFERENCES

The trademark symbol shall be expressed as.....	'TM'
The registered trademark symbol shall be expressed as.....	'r'
The British pound sterling sign shall be expressed as.....	'L'
The dagger symbol shall be expressed as.....	'D'

EXHIBIT 3.4

CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
THE COOPER COMPANIES, INC.

The Cooper Companies, Inc. (the "Corporation") a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. That at a meeting of the Board of Directors of The Cooper Companies, Inc. resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said Corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this Corporation be amended by changing the Article thereof numbered "Article IV (a)" so that, as amended, said Article shall be and read as follows:

ARTICLE IV (a)

The total number of shares of all classes of stock which the corporation shall have authority to issue is 41,000,000 consisting of (i) 40,000,000 shares of Common Stock, each share having a par value of $.100000, and (ii) 1,000,000 shares Preferred Stock each share having a par value of $.100000.

2. That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

3. That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State if Delaware.

4. That the capital of said corporation shall not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment of the Certificate of Incorporation on this 24th day of May, 2000.

The Cooper Companies, Inc.

/s/ Carol R. Kaufman

Carol R. Kaufman, Vice President

Exhibit 10.8

THE COOPER COMPANIES, INC.

2001 LONG TERM INCENTIVE PLAN

THE COOPER COMPANIES, INC.
2001 LONG TERM INCENTIVE PLAN

TABLE OF CONTENTS

SECTION 1.	Purpose; Definitions	1
SECTION 2.	Administration	2
SECTION 3.	Stock Subject to Plan	3
SECTION 4.	Eligibility	4
SECTION 5.	Stock Options	4
SECTION 6.	Stock Appreciation Rights	6
SECTION 7.	Restricted Stock	7
SECTION 8.	Deferred Stock	8
SECTION 9.	Stock Purchase Rights	8
SECTION 10.	Long Term Performance Awards	9
SECTION 11.	Phantom Stock Units	10
SECTION 12.	Amendments And Termination	10
SECTION 13.	Unfunded Status of Plan	11
SECTION 14.	General Provisions	11
SECTION 15.	Effective Date of Plan	12
SECTION 16.	Term of Plan	12
SECTION 17.	Certain Stock Options for United Kingdom Employees	12
Schedule A		

THE COOPER COMPANIES, INC.
2001 LONG TERM INCENTIVE PLAN

SECTION 1. PURPOSE; DEFINITIONS.

The purpose of The Cooper Companies, Inc. 2001 Long Term Incentive Plan (the 'Plan') is to enable the Company to attract, retain and reward key employees and consultants to the Company and its Subsidiaries and Affiliates, and strengthen the mutuality of interests between such key employees, consultants and the Company's stockholders, by offering such key employees and consultants performance-based incentive equity interests in the Company.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) 'Affiliate' means any entity other than the Company and its Subsidiaries that is designated by the Board as a participating employer under the Plan, provided that the Company directly or indirectly owns at least 20% of the combined voting power of all classes of stock of such entity or at least 20% of the ownership interests in such entity.

(b) 'Board' means the Board of Directors of the Company.

(c) 'Book Value' means, as of any given date, on a per share basis (i) the Stockholders' Equity in the Company as of the end of the immediately preceding fiscal year as reflected in the Company's consolidated balance sheet, subject to such adjustments as the Committee shall specify at or after grant, divided by (ii) the number of then outstanding shares of Stock as of such year-end date (as adjusted by the Committee for subsequent events).

(d) 'Code' means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

(e) 'Committee' shall mean the Board or, if the Board delegates its power and authority to administer this Plan to a committee of the Board described in this Section 2 of the Plan, such committee.

(f) 'Company' means The Cooper Companies, Inc., a corporation organized under the laws of the State of Delaware, or any successor corporation.

(g) 'Deferred Stock' or 'Deferred Stock Award' means an award made pursuant to Section 8 below of the right to receive Stock at the end of a specified deferral period.

(h) 'Disability' means disability as determined under procedures established by the Committee for purposes of this Plan.

(i) 'Early Retirement' means retirement with the express consent for purposes of this Plan of the Company at or before the time of such retirement, from consulting or active employment with the Company and any Subsidiary or Affiliate pursuant to the early retirement provisions of the applicable pension plan of such entity.

(j) 'Fair Market Value' means, as of any given date, unless otherwise determined by the Committee in good faith, the closing price of the Stock on the New York Stock Exchange as reported in the Wall Street Journal or, if no such sale of Stock occurs on the New York Stock Exchange on such date, the fair market value of the Stock as determined by the Committee in good faith.

(k) 'Grant' means an instrument or agreement evidencing an option, SAR, etc granted hereunder, which may, but need not be, acknowledged by the recipient thereof.

(l) 'Incentive Stock Option' or `ISO' means any Stock Option intended to be and designated as an 'Incentive Stock Option' within the meaning of Section 422 of the Code.

(m) 'Long Term Performance Award' means an award under Section 10 below that is valued in whole or in part based on the achievement of Company, Subsidiary, Affiliate, or individual performance factors or criteria as the Committee may deem appropriate.

(n) 'Non-Employee Director' shall have the meaning set forth in Rule 16b-3 as promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, or any successor definition adopted by the Commission.

(o) 'Non-Qualified Stock Option' or `NQSO' means any Stock Option that is not an Incentive Stock Option.

(p) 'Normal Retirement' means retirement from consulting or active employment with the Company and any Subsidiary or Affiliate on or after age 65.

(q) 'Phantom Stock Unit' means a right, pursuant to an award granted under Section II and subject to the provisions thereof, to receive from the Company cash in an amount equal to the Fair Market Value of a share of Stock.

(r) 'Plan' means this 2001 Long Term Incentive Plan, as hereinafter amended from time to time.

(s) 'Restricted Stock' means an award of shares of Stock that is subject to restrictions under Section 7 below.

(t) 'Retirement' means Normal or Early Retirement.

(u) 'Stock' means the Common Stock, $0.10 par value per share, of the Company.

(v) 'Stock Appreciation Right' or `SAR' means the right pursuant to an award granted under Section 6 below to (a) surrender to the Company all (or a portion) of a Stock Option in exchange for an amount in any combination of cash or Common Stock equal to the difference between (i) the Fair Market Value, as of the date such Stock Option (or such portion thereof) is surrendered, of the shares of Stock covered by such Stock Option (or such portion thereof), subject, where applicable, to the pricing provisions in Section 6(b)(ii), and (ii) the aggregate exercise price of such Stock Option (or such portion thereof) or (b) to receive from the Company an amount of cash based upon the excess, if any, of the Fair Market Value of a number of shares of Stock specified in such award at the time of exercise of the right over the Fair Market Value of such number of shares of Stock on the date the right was granted.

(w) 'Stock Option' or 'Option' means any option to purchase shares of Stock (including Restricted Stock and Deferred Stock, if the Committee so determines) granted pursuant to Section 5 below.

(x) 'Stock Purchase Right' means the right to purchase Stock pursuant to Section 9.

(y) 'Subsidiary' means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns stock possessing 50%, or more of the total combined voting power of all classes of stock in one of the other corporations in the chain.

In addition, the term 'Cause' shall have the meaning set forth in Section 5(i) below.

SECTION 2. ADMINISTRATION.

The Plan shall be administered by the Board or, if the Board delegates its power and authority to administer this Plan to a committee of the Board, such committee. Any such committee shall consist solely of two or more directors appointed by and holding office at the pleasure of the Board, each of whom is a 'Non-Employee Director' of the Company as defined in Rule 16b-3 and an 'outside director' for purposes of Section 162(m) of the Code. If the Board delegates its power and authority to administer this Plan to a committee, the members of such committee shall serve at the pleasure of the Board, such committee members may resign at any time by delivering written notice to the Board and vacancies in the committee may be filled by the Board.

The Committee shall have full authority to grant, pursuant to the terms of the Plan, to officers, consultants and other key employees eligible under Section 4: (i) Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock, (iv) Deferred Stock, (v) Stock Purchase Rights, (vi) Long Term Performance Awards and/or (vii) Phantom Stock Units.

In particular, the Committee shall have the authority:

(i) to select the officers, consultants and other key employees of the Company and its Subsidiaries and Affiliates to whom Stock Options, Stock Appreciation Rights, Restricted Stock, Deferred Stock, Stock Purchase Rights, Long Term Performance Awards and/or Phantom Stock Units may from time to time be granted hereunder;

(ii) to determine whether and to what extent Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock, Deferred Stock, Stock Purchase Rights, Long Term Performance Awards and/or Phantom Stock Units, or any combination thereof, are to be granted hereunder to one or more eligible employees;

(iii) to determine the number of shares, if applicable, to be covered by each such award granted hereunder;

(iv) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder (including, but not limited to, the share price and any restriction or limitation, or any vesting acceleration or waiver of forfeiture restrictions regarding any Stock Option or other award and/or the shares of Stock relating thereto, based in each case on such factors as the Committee shall determine, in its sole discretion);

(v) to determine whether and under what circumstances a Stock Option may be settled in cash, Restricted Stock and/or Deferred Stock under Section 5(k) or (l), as applicable, instead of Stock;

(vi) to determine whether, to what extent and under what circumstances Option grants and/or other awards under the Plan and/or other cash awards made by the Company are to be made, and operate, on a tandem basis vis a vis other awards under the Plan and/or cash awards made outside of the Plan, or on an additive basis;

(vii) to determine whether, to what extent and under what circumstances Stock and other amounts, payable with respect to an award under this Plan shall be deferred either automatically or at the election of the participant (including providing for and determining the amount (if any) of any deemed earnings on any deferred amount during any deferral period); and

(viii) to determine the terms and restrictions applicable to Stock Purchase Rights and the Stock purchased by exercising such Rights.

(ix) to interpret the Plan and remedy any inconsistencies and ambiguities herein and between any agreement evidencing an award thereunder.

The Committee shall have the authority to adopt, alter and repeal such rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable; to interpret the terms and provisions of the Plan and any award issued under the Plan (and any agreements relating thereto); and to otherwise supervise the administration of the Plan.

All decisions made by the Committee pursuant to the provisions of the Plan shall be made in the Committee's sole discretion and shall be final and binding on all persons, including the Company and Plan participants.

SECTION 3. STOCK SUBJECT TO PLAN.

The total number of shares of Stock reserved and available for distribution pursuant to stock options or other awards relating to Stock made under the Plan shall be 700,000 shares. Such shares may consist, in whole or in part, of authorized and unissued shares or treasury shares. The maximum number of shares with respect to which an employee may be granted options under this Plan during any fiscal year is 250,000.

Subject to Section 6(b)(iv) below, if any shares of Stock that have been optioned cease to be subject to a Stock Option, or if any such shares of Stock that are subject to any Restricted Stock or Deferred Stock Award, Stock Purchase Right, or Long Term Performance Award granted hereunder are forfeited or any such award otherwise terminates without a payment being made to the participant in the form of Stock, such shares shall again be available for distribution in connection with future awards under the Plan.

In the event of any merger, reorganization, consolidation, recapitalization, Stock dividend, Stock split or other change in corporate structure affecting the Stock, such substitution or adjustment shall be made in the aggregate number of shares reserved for issuance under the Plan, in the number and option price of shares subject to outstanding Options granted under the Plan, in the number and purchase price of shares subject to outstanding Stock Purchase Rights under the Plan, and in the number of Phantom Stock Units, and in the number of shares subject to other outstanding awards granted under the Plan as may be determined to be appropriate by the Committee, in its sole discretion, provided that the number of shares subject to any award shall always be a whole number. Such adjusted option price shall also be used to determine the amount payable by the Company upon the exercise of any Stock Appreciation Right associated with any Stock Option. In addition, the Committee, in its sole discretion, shall determine the amount of cash to which the recipient of a Stock Appreciation Right not associated with an Option shall be entitled upon exercise so that there will be no increase or decrease in the cash to which the recipient shall be entitled upon exercise by reason of such event. In addition, in the event of any merger or other corporate transaction or event which results in shares of Stock being purchased for cash, or being exchanged for or converted into cash or the right to receive cash, the Committee, in its sole discretion, and on such terms and conditions as it deems appropriate, may provide that any Stock Option, Stock Appreciation Right, Restricted Stock or Deferred Stock Award, Stock Purchase Right, Long Term Performance Award or Phantom Stock Unit Award shall be converted into the right to receive an amount of cash equal to the amount of cash, if any, that would have been received, in the event of such merger or corporate transaction or event, if such Stock Option, Stock Appreciation Right, Restricted Stock or Deferred Stock Award, Stock Purchase Right, Long Term Performance Award or Phantom Stock Unit Award had been fully exercisable or payable, or vested and had been exercised or paid immediately prior to such merger or other corporate transaction or event to the extent of the cash value thereof, and, upon such conversion, such Stock Option, Stock Appreciation Right, Restricted Stock or Deferred Stock Award, Stock Purchase Right, Long Term Performance Award or Phantom Stock Unit Award (including any such Stock Option, Stock Appreciation Right, Restricted Stock or Deferred Stock Award, Stock Purchase Right, Long Term Performance Award or Phantom Stock Unit Award which, under the terms of such merger or other corporate transaction or event, would have no cash value) shall be cancelled.

SECTION 4. ELIGIBILITY.

Officers, consultants and other key employees of the Company and its Subsidiaries and Affiliates (but excluding members of the Committee and any person who serves only as a director) who are responsible for or contribute to the management, growth and/or profitability of the business of the Company and/or its Subsidiaries and Affiliates are eligible to be granted awards under the Plan.

SECTION 5. STOCK OPTIONS.

Stock Options may be granted alone, in addition to or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. Any Stock Option granted under the Plan shall be in such form as the Committee may from time to time approve.

Stock Options granted under the Plan may be of two types: (i) Incentive Stock Options and (ii) Non-Qualified Stock Options.

The Committee shall have the authority to grant to any optionee Incentive Stock Options, Non-Qualified Stock Options, or both types of Stock Options (in each case with or without Stock Appreciation Rights); provided, however that Incentive Stock Options shall only be granted to an individual who, at the time of grant, is an employee of the Company or a Subsidiary.

Options granted under the Plan shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Option Price. The option price per share of Stock purchasable under a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 85% of Fair Market Value as determined by the Committee; provided, however, that in the case of an Incentive Stock Option, the option price shall not be less than 100% of Fair Market Value as of the date of grant.

(b) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten years after the date the Option is granted.

(c) Exercisability. Stock Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at or after grant, provided, however, that, except as provided in Section 5(f), (g) and (h), unless otherwise determined by the Committee at or after grant, no Stock Option shall be exercisable prior to the first anniversary date of the granting of the Option. If the Committee provides, in its sole discretion, that any Stock Option is exercisable only in installments, the Committee may waive such installment exercise provisions at any time at or after grant in whole or in part, based on such factors as the Committee shall determine, in its sole discretion.

(d) Method of Exercise. Subject to whatever installment exercise provisions apply under Section 5(c), Stock Options may be exercised in whole or in part at any time during the option period, by giving written notice of exercise to the Company specifying the number of shares to be purchased.

Such notice shall be accompanied by payment in full of the purchase price, either by check, note or such other instrument as the Committee may accept. As determined by the Committee, in its sole discretion, at or after grant, payment in full or in part may also be made in the form of unrestricted or, in the case of the exercise of a Non-Qualified Stock Option, Restricted Stock subject to an award (based, in each case, on the Fair Market Value of the Stock on the date the option is exercised, as determined by the Committee); provided, however, that, in the case of an Incentive Stock Option, the right to make a payment in the form of already owned shares may be authorized only at the time the option is granted. If payment of the option exercise price of a Non-Qualified Stock Option is made in whole or in part in the form of Restricted Stock, any Stock received upon the exercise shall be subject to the same forfeiture restrictions or deferral limitations, unless otherwise determined by the Committee, in its sole discretion, at or after grant.

No shares of Stock shall be issued until full payment therefor has been made. An optionee shall generally have the rights to dividends or other rights of a stockholder with respect to shares subject to the Option when the optionee has given written notice of exercise, has paid in full for such shares, and, if requested, has given the representation described in Section 15(a).

(e) Transferability of Options. Except as otherwise determined by the Committee in its sole discretion and set forth in the applicable Stock Option agreement, no Stock Option shall be transferable by the optionee otherwise than by will or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee; provided, however, NQSOs held by a participant may be transferred to such family members or family trusts as the Committee in its sole discretion shall approve, unless otherwise restricted from such transfer under the terms of the Grant.

(f) Termination by Death. Subject to Section 5(j), if an optionee's employment by or consultancy with the Company and any Subsidiary or Affiliate terminates by reason of death, any Stock Option held by such optionee may thereafter be exercised, to the extent such option was exercisable at the time of death or on such accelerated basis as the Committee may determine at or after grant (or as may be determined in accordance with procedures established by the Committee), by the legal representative of the estate or by the legatee of the optionee under the will of the optionee, for a period of three years (or such other period as the Committee may specify at grant) from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(g) Termination by Reason of Disability. Subject to Section 5(j), if an optionee's employment by or consultancy with the Company and any Subsidiary or Affiliate terminates by reason of Disability, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of termination or on such accelerated basis as the Committee may determine at or after grant (or as may be determined in accordance with procedures established by the Committee), for a period of three years (or such other period as the Committee may specify at grant) from the date of such termination of employment or consultancy or until the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that, if the optionee dies within such three-year period (or such other period as the Committee shall specify at grant), any unexercised Stock Option held by such optionee shall thereafter be exercisable to the extent to which it was exercisable at the time of death for a period of twelve months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Disability, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, such Stock Option will thereafter be treated as a Non-Qualified Stock Option.

(h) Termination by Reason of Retirement. Subject to Section 5(j), if an optionee's employment by or consultancy with the Company and any Subsidiary or Affiliate terminates by reason of Normal or Early Retirement, any Stock Option held by such optionee may thereafter be exercised by the optionee, to the extent it was exercisable at the time of such Retirement or on such accelerated basis as the Committee may determine at or after grant (or as may be, determined in accordance with procedures established by the Committee), for a period of three years (or such other period as the Committee may specify at grant) from the date of such termination of employment or consultancy or the expiration of the stated term of such Stock Option, whichever period is the shorter; provided, however, that, if the optionee dies within such three-year period (or such other period as the Committee may specify at grant), any unexercised Stock Option held by such optionee shall thereafter be exercisable, to the extent to which it was exercisable at the time of death, for a period of twelve months from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter. In the event of termination of employment by reason of Retirement, if an Incentive Stock Option is exercised after the expiration of the exercise periods that apply for purposes of Section 422 of the Code, the option will thereafter be treated as a Non-Qualified Stock Option.

(i) Other Termination. Unless otherwise determined by the Committee (or pursuant to procedures established by the Committee) at or after grant, if an optionee's employment by or consultancy with the Company and any Subsidiary or Affiliate terminates for any reason other than death, Disability or Normal or Early Retirement, the Stock Option shall thereupon terminate, except that such Stock Option may be exercised for the lesser of three months or the balance of such Stock Option's term if the optionee is involuntarily terminated by the Company and any Subsidiary or Affiliate without Cause. For purposes of this Plan, 'Cause' means the conviction of, or plea of nolo contendere to a felony by the participant, or a participant's willful misconduct or dishonesty, any of which is directly and materially harmful to the business or reputation of the Company or any Subsidiary or Affiliate.

(j) Incentive Stock Options. Anything in the Plan to the contrary notwithstanding, no term of this Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify the Plan under Section 422 of the Code, or, without the consent of the optionee(s) affected, to disqualify any Incentive Stock Option under such Section 422.

To the extent required for 'incentive stock option' status under Section 422(b)(7) of the Code (taking into account applicable Internal Revenue Service regulations and pronouncements), the Plan shall be deemed to provide that the aggregate Fair Market Value (determined as of the time of grant) of the stock with respect to which Incentive Stock Options are exercisable for the first time by the optionee during any calendar year under the Plan and/or any other stock option plan of the Company or any Subsidiary or parent corporation (within the meaning of Section 424 of the Code) after 1986 shall not exceed $100,000. If the aggregate Fair Market Value exceeds $100,000, then those options in excess of $100,000 will not be treated as ISOs. Those shares not treated as ISOs will be taxed at ordinary

income rates on exercise. If Section 422 is hereafter amended to delete the requirement now in Section 422(b)(7) that the plan text expressly provide for the $100,000 limitation set forth in Section 422(b)(7), then this paragraph of Section 5(j) shall no longer be operative.

(k) Buyout Provisions. The Committee may at any time offer to buy out for a payment in cash, Stock, Deferred Stock or Restricted Stock an option previously granted, based on such terms and conditions as the Committee shall establish and communicate to the optionee at the time that such offer is made.

(l) Settlement Provisions. If the option agreement so provides at grant or is amended after grant and prior to exercise to so provide (with the optionee's consent), the Committee may require that all or part of the shares to be issued with respect to the spread value of an exercised Option take the form of Deferred or Restricted Stock, which shall be valued on the date of exercise on the basis of the Fair Market Value (as determined by the Committee) of such Deferred or Restricted Stock determined without regard to the deferral limitations and/or forfeiture restrictions involved.

(m) 10% Stockholders. No Incentive Stock Option may be granted under this Plan to any employee who, at the time the Incentive Stock Option is granted, owns, or is considered as owning, within the meaning of Section 422 of the Internal Revenue Code, shares possessing more than ten percent (10%) of the total combined voting power or value of all classes of stock of the Company, a Subsidiary or a parent corporation (within the meaning of Section 424 of the Code) unless the option price under such Option is at one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the date such Option is granted and the duration of such Option is no more than five (5) years.

SECTION 6. STOCK APPRECIATION RIGHTS.

(a) Grant and Exercise. Stock Appreciation Rights may be granted separately or in conjunction with all or part of any Stock Option granted under the Plan. In the case of a Non-Qualified Stock Option, such rights may be granted either at or after the time of the grant of such Stock Option. In the case of an Incentive Stock Option, such rights may be granted only at the time of the grant of such Stock Option.

A Stock Appreciation Right or applicable portion thereof granted with respect to a given Stock Option shall terminate and no longer be exercisable upon the termination or exercise of the related Stock Option, subject to such provisions as the Committee may specify at grant where a Stock Appreciation Right is granted with respect to less than the full number of shares, covered by a related Stock Option.

A Stock Appreciation Right may be exercised by a recipient, subject to Section 6(b), in accordance with the procedures established by the Committee for such purpose. Upon such exercise, the recipient shall be entitled to receive an amount determined in the manner prescribed in Section 6(b). Stock Options relating to exercised Stock Appreciation Rights shall no longer be exercisable to the extent that the related Stock Appreciation Rights have been exercised.

(b) Terms and Conditions. Stock Appreciation Rights shall be subject to such terms and conditions, not inconsistent with the provisions of the Plan, as shall be determined from time to time by the Committee, including the following:

(i) Stock Appreciation Rights awarded with no associated Stock Option shall be exercisable in accordance with their terms and Stock Appreciation Rights granted in association with Stock Options shall be exercisable only at such time or times and to the extent that the Stock Options to which they relate shall be exercisable in accordance with the provisions of Section 5 and this Section 6 of the Plan. The exercise of Stock Appreciation Rights held by recipients who are subject to Section 16(b) of the Exchange Act shall comply with Rule 16b-3 thereunder, to the extent applicable.

(ii) Upon the exercise of a Stock Appreciation Right granted in association with a Stock Option, a recipient shall be entitled to receive an amount in cash and/or shares of Stock, as the Committee in its sole discretion shall determine, equal in value to the excess of the Fair Market Value of one share of Stock over the option price per share specified in the associated Stock Option multiplied by the number of shares in respect of which the Stock Appreciation Right shall have been exercised. Upon the exercise of a Stock Appreciation Right awarded with no associated Stock Option, a recipient shall be entitled to receive an amount in cash equal in value to the excess, if any, of the Fair Market Value of a number of shares of Stock specified in the award at the date of exercise of the Stock Appreciation Right over the Fair Market Value of such number of shares of Stock at the date of grant of the Stock Appreciation Right. When payment is to be made in shares, the number of shares to be paid shall be calculated on the basis of the Fair Market Value of the shares on the date of exercise. When payment is to be made in cash to a recipient subject to Section 16(b) of the Exchange Act, such amount shall be calculated on the basis of the closing price, regular way, of the stock on the New York Stock Exchange during the applicable period referred to in Rule 16b-3(e) under the Exchange Act to the extent applicable.

(iii) Stock Appreciation Rights shall not be transferable by the recipient thereof otherwise than by will or by the laws of descent and distribution, and all Stock Appreciation Rights shall be exercisable, during the recipient's lifetime, only by the recipient.

(iv) Upon the exercise of a Stock Appreciation Right, any Stock Option or part thereof to which such Stock Appreciation Right is associated shall be deemed to have been exercised for the purpose of the limitation set forth in Section 3 of the Plan on the number of shares of Stock to be issued under the Plan.

SECTION 7. RESTRICTED STOCK.

(a) Administration. Shares of Restricted Stock may be issued either alone, in addition to or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. The Committee shall determine the eligible persons to whom, and the time or times at which, grants of Restricted Stock will be made, the number of shares to be awarded, the price to be paid by the recipient of Restricted Stock (subject to Section 7(b)), the time or times within which such awards may be subject to forfeiture, and all other terms and conditions of the awards.

The Committee may condition the grant of Restricted Stock upon the attainment of specified performance goals or such other factors as the Committee may determine, in its sole discretion.

The provisions of Restricted Stock awards need not be the same with respect to each recipient.

(b) Awards and Certificates. The prospective recipient of a Restricted Stock Award shall not have any rights with respect to such award, unless and until such recipient has executed an agreement evidencing the award and has delivered a fully executed copy thereof to the Company, and has otherwise complied with the applicable terms and conditions of such award. Each award shall be subject to the following terms and conditions:

(i) The purchase price for shares of Restricted Stock shall be equal to or greater than their par value.

(ii) Awards of Restricted Stock must be accepted within a period of 60 days (or such shorter period as the Committee may specify at grant) after the award date, by executing a Restricted Stock Award agreement and paying whatever price is required under Section 7(b)(i).

(iii) Each participant receiving a Restricted Stock Award shall be issued a stock certificate in respect of such shares of Restricted Stock. Such certificate shall be registered in the name of such participant, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such award.

(iv) The Committee shall require that the stock certificates evidencing such shares be held in custody by the Company until the restrictions, if any, thereon shall have lapsed, and that, as a condition of any Restricted Stock Award, the participant shall have delivered a stock power, endorsed in blank, relating to the Stock covered by such award.

(c) Restrictions and Conditions. The shares of Restricted Stock awarded pursuant to this Section 7 shall be subject to the following restrictions and conditions:

(i) Subject to the provisions of this Plan and the award agreement, during a period set by the Committee commencing with the date of such award (the 'Restriction Period'), the participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock awarded under the Plan. Within these limits, the Committee, in its sole discretion, may provide for the lapse of such restrictions in installments and may accelerate or waive such restrictions in whole or in part, based on service, performance and/or such other factors or criteria as the Committee may determine, in its sole discretion.

(ii) Except as provided in this paragraph (ii) and Section 7(c)(i), the participant shall have, with respect to the shares of Restricted Stock, all of the rights of a stockholder of the Company, including the right to vote the shares, and the right to receive any cash dividends. The Committee, in its sole discretion, as determined at the time of award, may permit or require the payment of cash dividends to be deferred and, if the Committee so determines, reinvested, subject to Section 14(e), in additional Restricted Stock to the extent shares are available under Section 3, or otherwise reinvested. Pursuant to Section 3 above, Stock dividends issued with respect to Restricted Stock shall be treated as additional shares of Restricted Stock that are subject to the same restrictions and other terms and conditions that apply to the shares with respect to which such dividends are issued.

(iii) Subject to the applicable provisions of the award agreement and this Section 7, upon termination of a participant's employment or consultancy with the Company and any Subsidiary or Affiliate for any reason during the Restriction Period, all shares still subject to restriction will vest, or be forfeited, in accordance with the terms and conditions established by the Committee at or after grant. If any Restricted Stock is forfeited, the Company shall pay to the participant (or the estate of a deceased participant) an amount equal to the price the participant paid with respect to such Restricted Stock.

(iv) If and when the Restriction Period expires without a prior forfeiture of the Restricted Stock subject to such Restriction Period, certificates for an appropriate number of unrestricted shares shall be delivered to the participant promptly.

SECTION 8. DEFERRED STOCK.

(a) Administration. Deferred Stock may be awarded either alone, in addition to or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. The Committee shall determine the eligible persons to whom and the time or times at which Deferred Stock shall be awarded, the number of shares of Deferred Stock to be awarded to any person, the duration of the period (the 'Deferral Period') during which, and the conditions under which, receipt of the Stock will be deferred, and the other terms and conditions of the award in addition to those set forth in Section 8(b).

The Committee may condition the grant of Deferred Stock upon the attainment of specified performance goals or such other factors or criteria as the Committee shall determine, in its sole discretion.

The provisions of Deferred Stock Awards need not be the same with respect to each recipient.

(b) Terms and Conditions. The shares of Deferred Stock awarded pursuant to this Section 8 shall be subject to the following terms and conditions:

(i) Subject to the provisions of this Plan and the award agreement referred to in Section 8(b)(vi) below, Deferred Stock Awards may not be sold, assigned, transferred, pledged or otherwise encumbered during the Deferral Period. At the expiration of the Deferral Period (or the Elective Deferral Period referred to in Section 8(b)(v), where applicable), share certificates shall be issued and delivered to the participant, or his legal representative, in a number equal to the shares covered by the Deferred Stock Award.

(ii) Unless otherwise determined by the Committee at grant, amounts equal to any dividends declared during the Deferral Period with respect to the number of shares covered by a Deferred Stock Award will be paid to the participant currently, or deferred and deemed to be reinvested in additional Deferred Stock, or otherwise reinvested, all as determined at or after the time of the award by the Committee, in its sole discretion.

(iii) Subject to the provisions of the award agreement and this Section 8, upon termination of a participant's employment or consultancy with the Company and any Subsidiary or Affiliate for any reason during the Deferral Period for a given award, the Deferred Stock in question will vest, or be forfeited, in accordance with the terms and conditions established by the Committee at or after grant. If any Deferred Stock is forfeited, the Company shall pay to the participant (or the estate of a deceased participant) an amount equal to the price, if any, the participant paid with respect to such Deferred Stock.

(iv) Based on service, performance and/or such other factors or criteria as the Committee may determine, the Committee may, at or after grant, accelerate the vesting of all or any part of any Deferred Stock Award and/or waive the deferral limitations for all or any part of such award.

(v) A participant may elect to further defer receipt of an award (or an installment of an award) for a specified period or until a specified event (the 'Elective Deferral Period'), subject in each case to the Committee's approval and to such terms as are determined by the Committee, all in its sole discretion. Subject to any exceptions adopted by the Committee, such election must generally be made at least 12 months prior to completion of the Deferral Period for such Deferred Stock Award (or such installment).

(vi) Each award shall be confirmed by, and subject to the terms of, a Deferred Stock agreement executed by the Company and the participant.

(vii) A recipient of a Deferred Stock Award shall have no rights as a stockholder with respect to any shares covered by his Deferred Stock Award until the issuance of a stock certificate for such shares.

SECTION 9. STOCK PURCHASE RIGHTS.

(a) Awards and Administration. Subject to Section 3 above, the Committee may grant eligible participants Stock Purchase Rights which shall enable such participants to purchase Stock (including Deferred Stock and Restricted Stock):

(i) at its Fair Market Value on the date of grant;

(ii) at 50% of such Fair Market Value on such date;

(iii) at an amount equal to Book Value on such date; or

(iv) at an amount equal to the par value of such Stock on such date.

However, no share of Stock shall be sold at less than its par value. The Committee shall also impose such deferral, forfeiture and/or other terms and conditions as it shall determine, in its sole discretion, on such Stock Purchase Rights or the exercise thereof.

The terms of Stock Purchase Rights Awards need not be the same with respect to each participant. Each Stock Purchase Right Award shall be confirmed by, and be subject to the terms of, a Stock Purchase Rights agreement.

(b) Exercisability. Stock Purchase Rights shall generally be exercisable for such period after grant as is determined by the Committee not to exceed 90 days.

(c) Loans. If the Committee so determines, the Company shall make or arrange for a loan to a participant with respect to the exercise of Stock Purchase Rights. The Committee shall have full authority to decide whether such a loan should be made and to determine the amount, term and other provisions of any such loan, including the interest rate to be charged, whether the loan is to be with or without recourse against the borrower, the security, if any, therefor, the terms on which the loan is to be repaid and the conditions, if any, under which it may be forgiven. However, no loan hereunder shall have a term (including extensions) exceeding ten years in duration or be in an amount exceeding 90%, of the total purchase price paid by the borrower.

SECTION 10. LONG TERM PERFORMANCE AWARDS.

(a) Administration. Long Term Performance Awards may be granted either alone or in addition to other awards granted under the Plan. The Committee shall determine the nature, length and starting date of the performance period (the 'Performance Period') for each Long Term Performance Award, which shall be at least two years (subject to Section 11), and shall determine the performance objectives to be used in the valuation of Long Term Performance Awards and determining the extent to which such Long Term Performance Awards have been earned. Performance objectives may vary, from participant to participant and between groups of participants and shall be based upon such Company, Subsidiary, Affiliate or individual performance factors or criteria as the Committee may deem appropriate, including, but not limited to, earnings per share or return on equity. Performance Periods may overlap and participants may participate simultaneously with respect to Long Term Performance Awards that are subject to different Performance Periods and different performance factors and criteria. Long Term Performance Awards shall be confirmed by, and be subject to the terms of, a Long Term Performance Award agreement. The terms of such awards need not be the same with respect to each participant.

At the beginning of each Performance Period, the Committee shall determine for each Long Term Performance Award subject to such Performance Period the range of dollar values or number of shares of Stock (including Deferred or Restricted Stock) to be awarded to the participant at the end of the Performance Period if and to the extent that the relevant measures of performance for such Long Term Performance Award are met. Such dollar values or number of shares of Stock may be fixed or may vary in accordance with such performance or other criteria as may be determined by the Committee.

(b) Adjustment of Awards. The Committee may adjust the performance goals and measurements applicable to the Long Term Performance Awards to take into account changes in law and accounting and tax rules and to make such Adjustments as the Committee deems necessary or appropriate to reflect the inclusion or exclusion of the impact of extraordinary or unusual items, events or circumstances in order to avoid windfalls or hardships.

(c) Termination. Unless otherwise provided in the applicable Long Term Performance Award agreement, if a participant terminates employment or his consultancy during a Performance Period because of death, Disability or Retirement, such participant shall be entitled to a payment with respect to each outstanding Long Term Performance Award at the end of the applicable Performance Period:

(i) based, to the extent relevant under the terms of the award, upon the participant's performance for the portion of such Performance Period ending on the date of termination and the performance of the Company or any applicable business unit for the entire Performance Period, and

(ii) prorated for the portion of the Performance Period during which the Participant was employed by the Company, a subsidiary or affiliate,

all as determined by the Committee. The Committee may provide for an earlier payment in settlement of such award in such amount and under such terms and conditions as the Committee deems appropriate.

Except as otherwise provided in the applicable Long Term Performance Award agreement, if a participant terminates employment or his consultancy during a Performance Period for any other reason, then such participant shall not be entitled to any payment with respect to the Long Term Performance Award subject to such Performance Period, unless the Committee shall otherwise determine.

(d) Form of Payment. The earned portion of a Long Term Performance Award may be paid currently or on a deferred basis with such interest or earnings equivalent as may be determined by the Committee. Payment shall be made in the form of cash or whole shares of Stock, including Restricted Stock or Deferred Stock, or a combination thereof, either in a lump sum payment or in annual installments, all as the Committee shall determine. If and to the extent a Long Term Performance Award is payable in Stock and the full amount therefor is not paid in Stock, then the shares of Stock representing the portion of the value of the Long Term Performance Award not paid in Stock shall again become available for award under the Plan.

SECTION 11. PHANTOM STOCK UNITS.

(a) Administration. Phantom Stock Units may be awarded alone, in addition to or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. The Committee shall determine the eligible persons to whom and the time or times at which Phantom Stock Units shall be awarded, the number of Phantom Stock Units to be awarded to any person and the terms and conditions of the award in addition to those set forth in Section 11(b).

The Committee may condition the grant of Phantom Stock Units upon the attainment of specified performance goals or such other factors or criteria as the Committee in its sole discretion, shall determine.

The provisions of Phantom Stock Unit Awards need not be the same with respect to each recipient.

(b) Terms and Conditions. The Phantom Stock Units awarded pursuant to this Section 11 shall be subject to the following terms and conditions:

(i) Subject to the provisions of the Plan, Phantom Stock Units may not be sold, assigned, transferred, pledged or otherwise encumbered.

(ii) Unless otherwise determined by the Committee at grant, amounts equal to cash dividends, or the Fair Market Value of Stock dividends declared and paid with respect to the number of shares of Stock equal to the number of Phantom Stock Units previously granted to a recipient but not yet surrendered as provided in clause (iii) below will be paid to the recipient currently or reinvested, at the sole discretion of the Committee, in an additional number of Phantom Stock Units, which number shall be determined by dividing the amount of such cash dividends, or the Fair Market Value of such Stock dividends, by the Fair Market Value of a share of Stock on the date the dividends were declared, provided that fractional Phantom Stock Units shall be paid in cash.

(iii) A recipient shall be entitled to surrender to the Company Phantom Stock Units granted to him, such surrender to be upon any date or dates or during any period specified by the Committee, in its sole discretion, in the award and upon such other terms and conditions as the Committee, in its sole discretion, shall specify in such award. Upon such surrender the Company shall deliver to the recipient cash in an amount equal to the Fair Market Value of a share of Stock on the date of surrender multiplied by the number of Phantom Stock Units so surrendered.

(iv) Subject to the provisions of the award and this Section 11, upon termination of a recipient's employment or consultancy with the Company and any Subsidiary or Affiliate for any reason, all Phantom Stock Units previously granted to the recipient that have not vested will vest, or be forfeited, in accordance with the terms and conditions of the award established by the Committee at or after grant.

(v) Subject to the provisions of the award and this Section 11, if termination of a recipient's employment or consultancy with the Company and any Subsidiary or Affiliate is by reason of death, Early Retirement, Normal Retirement or Disability, the recipient or the representatives of his estate shall have the privilege of surrendering for cash the recipient's Phantom Stock Units which the recipient or the deceased could have surrendered at the time of his Early Retirement, Normal Retirement, Disability or death, provided that such surrender must occur prior to the expiration of the surrender period and within six months after the recipient's Early Retirement, Normal Retirement, Disability or death.

SECTION 12. AMENDMENTS AND TERMINATION.

The Board may amend, alter, or discontinue the Plan, but no amendment, alteration, or discontinuation shall be made which would impair the rights of an optionee or participant under a Stock Option, Stock Appreciation Right (or Limited Stock Appreciation Right),

Restricted or Deferred Stock Award, Stock Purchase Right, Phantom Stock Unit Award, or Long Term Performance Award theretofore granted, without the optionee's or participant's consent, or which, without the approval of the Company's stockholders, would:

(a) except as expressly provided in this Plan, increase the total number of shares reserved for the purpose of the Plan;

(b) change the employees or class of employees eligible to participate in the Plan; or

(c) extend the maximum option period under Section 5(b) of the Plan.

The Committee may amend the terms of any Stock Option or other award theretofore granted, prospectively or retroactively, but, subject to Section 3 above, no such amendment shall impair the rights of any holder without the holder's consent. The Committee may also substitute new Stock Options for previously granted Stock Options (on a one for one or other basis), including previously granted Stock Options having higher option exercise prices. Except for adjustments permitted under Section 3 of the Plan, there will be no repricing of "underwater" stock options (stock options whose exercise price is greater than market price) without first obtaining stockholder approval.

Subject to the above provisions, the Board shall have broad authority to amend the Plan to take into account changes in applicable securities and tax laws and accounting rules, as well as other developments.

SECTION 13. UNFUNDED STATUS OF PLAN.

The Plan is intended to constitute an 'unfunded' plan for incentive and deferred compensation. With respect to any payments not yet made to a participant or optionee by the Company, nothing contained herein shall give any such participant or optionee any rights that are greater than those of a general creditor of the Company. In its sole discretion, the Committee may authorize the creation of trusts or other arrangements to meet the obligations created under the Plan to deliver Stock or payments in lieu of or with respect to awards hereunder, provided, however, that, unless the Committee otherwise determines with the consent of the affected participant, the existence of such trusts or other arrangements is consistent with the 'unfunded' status of the Plan.

SECTION 14. GENERAL PROVISIONS.

(a) The Committee may require each person purchasing shares pursuant to a Stock Option or other award under the Plan to represent to and agree with the Company in writing that the optionee or participant is acquiring the shares for investment and without a view to distribution thereof. The certificates for such shares may include any legend which the Committee deems appropriate to reflect any restrictions on transfer.

The Committee may condition the exercise of an Option or the issuance and delivery of Stock upon the listing, registration or qualification of the Stock upon a securities exchange or under applicable securities laws.

All certificates for shares of Stock or other securities delivered under the Plan shall be subject to such stock-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Stock is then listed, and any applicable Federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(b) Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(c) The making of an award under this Plan shall not confer upon any employee of the Company or any Subsidiary or Affiliate any right to continued employment with the Company or a Subsidiary or Affiliate, as the case may be, nor shall it interfere in any way with the right of the Company or a Subsidiary or Affiliate to terminate the employment of any of its employees at any time.

(d) No later than the date as of which an amount first becomes includable in the gross income of the participant for Federal income tax purposes with respect to any award under the Plan, the participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any Federal, state, or local taxes of any kind required by law to be withheld with respect to such amount. Unless otherwise determined by the Committee, withholding obligations may be settled with Stock, including Stock that is part of the award that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements and the Company and its Subsidiaries or Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the participant.

(e) The actual or deemed reinvestment of dividends or dividend equivalents in additional Restricted Stock (or in Deferred Stock or other types of Plan awards other than Phantom Stock Units) at the time of any dividend payment shall only be permissible if sufficient shares of Stock are available under Section 3 for such reinvestment (taking into account then outstanding Stock Options, Stock Purchase Rights and other Plan awards other than Phantom Stock Units).

(f) The Plan and all awards made and actions taken thereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

SECTION 15. EFFECTIVE DATE OF PLAN.

The Plan shall be effective as of January 1, 2001; subject to the approval of the Plan by the holders of a majority of the shares of the Company's Common Stock at the next annual stockholders' meeting in 2001. Any grants made under the Plan prior to such approval shall be effective when made (unless otherwise specified by the Committee at the time of grant), but shall be conditioned on, and subject to, such approval of the Plan by such stockholders. Notwithstanding any other provision of the Plan to the contrary, no Option, Stock Appreciation Right or Stock Purchase Right may be exercised and no Restricted or Deferred Stock or Long Term Performance Award shall become vested until such approval.

SECTION 16. TERM OF PLAN.

No Stock Option, Stock Appreciation Right, Restricted Stock Award, Deferred Stock Award, Stock Purchase Right, Other Stock-Based Award, Phantom Stock Unit Award or Long Term Performance Award shall be granted pursuant to the Plan on or after December 31, 2004, but awards granted prior to such date may extend beyond that date.

SECTION 17. CERTAIN STOCK OPTIONS FOR UNITED KINGDOM EMPLOYEES

Stock Options granted under Section 5 which are Non-Qualified Stock Options may be granted subject to the terms and conditions of Schedule A hereto. Such Non-Qualified Stock Options shall be subject to the terms and conditions of the Plan, including Section 5.

SCHEDULE A

THE COOPER COMPANIES, INC.
2001 LONG TERM INCENTIVE PLAN
CERTAIN STOCK OPTIONS FOR UNITED KINGDOM EMPLOYEES

(Providing for the grant of Non-Qualified Stock Options which it is intended shall satisfy the requirements of the UK Inland Revenue pursuant to Schedule 9 of the UK Income and Corporation Taxes Act 1988 (the 'Taxes Act')).

Non-Qualified Stock Options may be granted pursuant to this Schedule A in accordance with such provisions as would be applicable if the provisions of the Cooper Companies, Inc. 2001 Long Term Incentive Plan (the 'Plan') relating to Stock Options were here set out in full (provided that such stock options shall not be granted to an individual in conjunction with any other form of award under the Plan and that Sections 6, 7, 8, 9, 10, and 11 shall not apply to this Schedule A), subject to the following modifications:

SECTION A1. ELIGIBILITY.

Non-Qualified Stock Options may only be granted under this Schedule A to individuals who are directors or employees of the Company and its subsidiaries (and for this purpose a subsidiary shall mean any company of which the Company has control as defined in section 840 of the Taxes Act) and who are not ineligible to participate in accordance with the provisions of paragraph 8 of Schedule 9 to the Taxes Act and, if a director, is required to work in that capacity for the Company and/or any such subsidiary for at least 25 hours per week, excluding meal breaks.

SECTION A2. STOCK SUBJECT TO THE PLAN.

(a) Non-Qualified Stock Options granted under this Schedule A may only be made and may only be exercised in respect of Stock which satisfies the requirements of paragraphs 10-14 of Schedule 9 to the Taxes Act.

(b) Only in the event of any reorganization, consolidation, recapitalization, Stock dividend, Stock split or other variation of the Company's Stock, may an adjustment be made under Section 3 of the Plan to the amount of Stock which is the subject of Non-Qualified Stock Options granted under this Schedule A and the option price payable in respect thereof and then only with the prior approval of the UK Inland Revenue and in such manner as the auditors of the Company confirm in writing to be fair and reasonable.

SECTION A3. STOCK OPTIONS.

(a) Non-Qualified Stock Options may only be granted pursuant to this Schedule A at an option price which is not less than 100% of Fair Market Value as of the date of grant provided that if no sale of Stock occurs on the New York Stock Exchange on such date the option price shall not be less than the Fair Market Value of the Stock as determined in accordance with Part VIII of the UK Taxation of Chargeable Gains Act 1992 and agreed on or before that date for the purposes of this Schedule A with the UK Inland Revenue Shares Valuation Division.

(b) No Non-Qualified Stock Options may be granted to an employee or director which will result in the aggregate option price for all the Stock comprised in outstanding Non-Qualified Stock Options granted to him under this Schedule A together with the aggregate option price of all Stock comprised in outstanding Non-Qualified Stock Options granted to him under any other stock option scheme established by the Company, or any associated company (as defined in Section 416 of the Taxes Act), approved under Schedule 9 to the Taxes Act (except under any savings-related stock option scheme) exceeding 30,000 UK pounds sterling (converting, for this purpose the option price into pounds sterling using the exchange rate applicable on the date of grant of such option) or such other amount as is for the time being specified as being the appropriate limit for the purposes of paragraph 28(1) of Schedule 9 to the Taxes Act. For the avoidance of doubt, the limit set out in Section 5(j) of the Plan applying to Incentive Stock Options shall not apply to Non-Qualified Stock Options granted under this Schedule A.

(c) The conditions attaching to Non-Qualified Stock Options granted under this Schedule A shall be determined at grant and may not be determined following the grant of such option.

(d) In the event of the optionee's death a Non-Qualified Stock Option granted pursuant to this Schedule A must be exercised within twelve months of the optionee's death whereupon, to the extent it has not been exercised, such option shall lapse.

(e) No Non-Qualified Stock Option granted under this Schedule A may be exercised at any time if the holder of such option is precluded from participating under this Schedule A by paragraph 8 of Schedule 9 to the Taxes Act.

(f) Sections 5(k), (l) and for the avoidance of doubt 5(m) and Section 12(iv) of the Plan shall not apply to Non-Qualified Stock Options granted under this Schedule A. Payments for Non-Qualified Stock Options granted under this Schedule A may not be made in the form of Restricted Stock.

(g) Within 30 days of the receipt of a written notice (in the form prescribed by the Company) duly signed by the optionee together with their option certificate and the full purchase price of the Stock being acquired pursuant to the exercise of their option the Company shall procure that the optionee acquires the Stock in respect of which the option has been validly exercised by (i) allotting Stock to the optionee; or (ii) procuring the transfer of Stock to the optionee and shall issue a definitive certificate for the Stock acquired pursuant to the exercise of the option.

(h) Stock issued pursuant to this Schedule A shall rank pari passu with the issued Stock and the Company shall at all times keep available sufficient Stock to satisfy the exercise of, to the full extent possible, all options granted pursuant to this Schedule A which have neither lapsed nor become fully exercisable.

SECTION A4. AMENDMENTS AND TERMINATION.

For the purposes of this Schedule A no amendments to this Schedule A (including any provision of the Plan which is incorporated within this Schedule A) pursuant to Section 12 shall have effect until the approval of the UK Inland Revenue has been obtained in respect thereof. This Section A4. shall not however restrict the general power of the Board of Directors to amend the Plan where the amendment will not apply to this Schedule A.

CONTENTS

Fiscal 2000
Financial Highlights ... 2

Letter to
Shareholders 3

Financial Section 28

Corporate
Information 62

THE COOPER COMPANIES, INC. is a rapidly growing specialty healthcare company serving the vision care and women's healthcare markets around the world with high quality products and services.

CooperVision markets a broad range of contact lenses, concentrating on high-growth value-added market segments.

CooperSurgical offers diagnostic products as well as surgical instruments and accessories used primarily by gynecologists and obstetricians.

Note About Internet Addresses in this Report: The Internet addresses in this report are for informational purposes only and not intended as hyperlinks. Nothing referred to by any of these addresses is a part of this annual report.

FINANCIAL HIGHLIGHTS

Selected Financial Information for Five Years
(In thousands except per share data)

THE COOPER COMPANIES, INC. (NYSE:COO)

	2000	1999	1998	1997	1996
PER SHARE INFORMATION:					
Income from continuing operations*	$ 2.03	$ 1.54	$ 0.91	$ 0.77	$ 0.57
Net income as reported	$ 2.00	$ 1.75	$ 2.61	$ 2.39	$ 1.41
Dividends	$ 0.08	$ 0.04	N/A	N/A	N/A
Cash flow**	$ 3.51	$ 2.82	$ 1.93	$ 1.50	$ 1.13
Diluted average shares	$ 14,510	$ 14,312	$ 15,269	$ 13,120	$ 11,794
Stock price - high	$ 38.81	$ 31.88	$ 51.69	$ 41.13	$ 15.13
Stock price - low	$ 24.63	$ 11.75	$ 14.00	$ 14.00	$ 5.63
Sales	$197,317	$165,328	$147,192	$ 88,769	$ 66,118
Gross profit	$129,217	$106,319	$ 91,428	$ 61,444	$ 46,207
Operating income	$ 46,869	$ 38,811	$ 29,700	$ 19,803	$ 14,270
Operating income/sales	24%	23%	20%	22%	22%
Interest expense	$ 4,744	$ 6,330	$ 6,253	$ 3,174	$ 3,421
Provision for (benefit of) income taxes	$ 12,727	$ 10,711	$(34,723)	$(26,735)	$ (4,438)
Working capital	$ 47,410	$ 58,565	$ 69,376	$ 71,456	$ 32,394
Property, plant and equipment, net	$ 47,933	$ 40,319	$ 34,234	$ 7,634	$ 4,650
Total assets	$322,565	$285,873	$296,041	$170,624	$ 84,230
Total debt	$ 48,351	$ 61,955	$ 90,247	$ 9,563	$ 38,089
Capital expenditures	$ 14,665	$ 10,121	$ 19,573	$ 7,735	$ 3,182
Depreciation and amortization	$ 8,734	$ 8,440	$ 8,416	$ 4,267	$ 3,352

* 1996, 1997 and 1998 are pro forma, assuming a 40 percent tax rate
** Pretax income from continuing operations plus depreciation and amortization

TO OUR SHAREHOLDERS

In fiscal year 2000, The Cooper Companies continued to generate strong increases in revenue, earnings and cash flow. Since 1995, the first full year under the current management, Cooper's revenue has grown at a compounded annual rate of 29 percent, its operating income at 46 percent, its pro forma earnings per share from continuing operations at 45 percent and its cash flow per share at 38 percent.

During this period, both of our medical device business units have prospered. CooperVision (CVI), our contact lens business, has grown its revenue at a compounded annual rate of 29 percent and today is one of the world's leading and fastest growing manufacturers of contact lenses.

CooperSurgical (CSI), our women's healthcare business, has achieved significant scale, with revenue growing at a compounded annual rate of 29 percent and now approaching $50 million annually, as we continue to consolidate a fragmented market. During this period, CSI has become a major manufacturer and marketer of medical device products for the gynecology segment of the women's healthcare market in the United States and, we believe, the largest supplier of gynecology devices for the physician's office.

Other measures of financial performance are equally strong. Over the past five years:

- Cash flow (pretax income from continuing operations plus depreciation and amortization) per share has grown from $.69 to $3.51.

- Debt has declined to 20 percent of total capitalization.

- One hundred shares of Cooper stock that cost $588 on October 31, 1995 increased in value by over 500 percent to $3,575 by the end of fiscal 2000. During this period the Company's market capitalization grew from $68 million to $517 million.

We are proud of this record of consistent growth that Cooper's employees have delivered and thank them for their continued commitment to our goals.

As we look ahead, we see positive market dynamics driven by favorable demographics for both businesses and continued efficiency and innovation in serving them.

The soft contact lens market around the world remains attractive, growing at about six percent to an estimated $3 billion in 2000. In the United States and in other industrialized countries, a new group of teenagers is entering the market. As contact lens wear begins in the pre- and early teen years, these new wearers are now beginning to generate a revenue annuity.

In Japan, the world's second largest contact lens market, practitioners are rapidly shifting to disposable and planned replacement soft contact lenses from hard gas permeable lenses.

[GRAPHIC]

In the United States, "Generation Y" is stimulating the contact lens market. By 2007, there will be two million more high school students than there were in 1997.

In addition to these positive macro market trends, many lens manufacturers are now launching new specialty, value-added products that are upgrading the value of the market. In many countries outside the United States, contact lens fitters are finding that toric lenses both benefit patient vision and enhance practice income, and the market is expanding. Toric lenses, the fastest growing segment of the worldwide contact lens market, are CooperVision's leading products.

New aspheric lens designs that provide a crisper quality of vision and improved acuity in low light conditions also have been well accepted. CVI's Frequency Aspheric lens has become the worldwide leader in this value added category. CVI also married its aspheric technology to a new line of cosmetic lenses, Frequency Colors, and entered this second fastest growing segment of the worldwide specialty lens market during 2000.

Favorable demographic trends also drive our women's healthcare business. Women of the "baby-boomer" generation are reaching the age when gynecology procedures are performed most frequently, and CooperSurgical has, through both acquisition and internal development, built an extensive product line to support them. You'll read more about this below in a special section, CooperSurgical: Consolidating Women's Healthcare for Profitable Growth, that details the women's healthcare market and CooperSurgical's strategy. We feel strongly that CooperSurgical is an important member of the Cooper family, and this section describes why.

YEAR IN REVIEW

The Cooper Companies reported sales of $197.3 million for the fiscal year, a 19 percent increase over 1999. CVI's revenue grew to $151.8 million, up 12 percent, while CSI's grew to $45.5 million, a 55 percent increase that reflects primarily the acquisition of two lines of women's healthcare products earlier in the fiscal year. Diluted earnings per share from continuing operations grew 32 percent to $2.03. Cash flow per share reached $3.51, up from $2.82 the previous year.

[GRAPHIC]

REVENUE (IN MILLIONS OF U.S. DOLLARS)

[GRAPHIC]

OPERATING INCOME
(IN MILLIONS OF U.S. DOLLARS)

COOPERVISION
COOPERSURGICAL

[GRAPHIC]

CooperVision's Japanese partner, Rohto Pharmaceuticals, Inc., has launched CVI's conventional lenses in Japan and expects to introduce its planned replacement lenses in 2002.

COOPERVISION

In the United States, the largest contact lens market in the world, CVI's revenue grew 18 percent to $97.8 million, improving its market share by about one share point.

Outside the United States, CVI's core revenue grew 18 percent at constant currency rates as new product launches, particularly in Canada and in Europe, brought fresh vigor to our operations abroad. With the recent acquisition of distributors in Sweden and Spain, we now have CVI infrastructures in five countries outside the United States.

In Japan, through its marketing partner Rohto Pharmaceuticals, Inc., a leader in the Japanese consumer eye care market, CVI has so far introduced only conventional lenses - those worn for about a year before replacement - and revenue is limited. We expect Rohto to introduce CVI's line of frequently replaced lenses to Japanese practitioners in 2002 following regulatory approval.

Rohto is the fourth-largest company in Japan's drug, cosmetic and healthcare products industry with 2000 revenue of about $515 million and about 640 employees. It is the leading "over-the-counter" eye drop manufacturer in Japan and ranks second or third in sales of contact lens solutions. Rohto will use its significant distribution presence to market CVI's contact lenses.

Rohto received Japanese regulatory approval in 1999 to sell CVI's conventional spherical and toric lenses and has introduced these lenses under the Rohto i.Q brand in Japan.

Toric lenses to correct astigmatism continue to be CVI's strongest product line. The torics lens market, about $330 million worldwide, continues to grow faster than any other segment of the contact lens market. In the United States, where about three-quarters of these products are sold,

we estimate that the toric market grew 7 percent, compared with a flat market for spherical lenses, which correct only near- and farsightedness.

Sales of CVI's toric products in the United States grew 19 percent in fiscal 2000, six times faster than the total U.S. contact lens market, and its share of the total toric lens market in the United States reached 31 percent, up more than two share points. CVI's disposable planned replacement toric revenue, led by Frequency Toric and the new CV Encore Toric, grew 32 percent. CVI now holds about 34 percent of this market.

CVI's gross margin improved from 66 percent of revenue to 69 percent year to year due to a favorable product mix shift to higher margin products and to continuing manufacturing efficiencies. As our sales to Rohto in Japan become significant, we expect our gross margin to decline but operating margins to remain at historic levels while we generate incremental operating income from our Japanese sales. Under our agreement, Rohto will incur the costs to market the lenses in Japan, and our prices to them will reflect this arrangement. These lower prices will reduce our gross margins, but without local marketing costs, our operating margins will remain intact.

CVI launched three important new specialty lens products during 2000. In the first quarter, we launched Frequency Aspheric in the United States following its overseas introduction in 1999. The optical properties of this lens improve visual acuity in low light conditions and correct low amounts of astigmatism where toric lenses are not indicated. This offers practitioners the opportunity to improve patient vision while adding incremental income to their practices with a value added, highly featured product.

[GRAPHIC]

CVI competes in the disposable planned replacement toric market with products for two-week, monthly and quarterly replacement.

IN CANADA, WHERE
CVI IS THE SECOND LEADING
CONTACT LENS MANUFACTURER,
WE INTRODUCED ENCORE COLORS
TO PRACTITIONERS WITH THIS
MESSAGE:

"Real color gets people into cosmetic lenses;
real comfort keeps people wearing them. Encore
Colors are manufactured using the same UltraSync
molding process that makes every Encore lens
comfortable. Additionally, Encore Colors' tinting
process does not compromise comfort. You can
fit Encore Colors as a full time lens for most of
your spherical patients."

[GRAPHIC]

Real photos from a model's eyes.
They have not been digitally retouched in
any way. Gray, aqua, blue, green, hazel.

In May, CVI introduced Frequency Colors in Europe and in September, launched Encore Colors in Canada. In the first quarter of 2001, CVI will start marketing Frequency Colors in the United States. The cosmetic lens market - opaque and color enhancing lenses that change the appearance of the eye's natural color - is the second largest specialty lens market segment behind toric lenses. Worldwide revenue is about $250 million, growing at about 8 percent annually. The Frequency Colors line of five opaque colored lenses is well differentiated from its competition in three important ways:

First, patients rated Frequency Colors equal or better in appearance than the top-selling brand of disposable color contacts. The technology used to color the lenses randomly places dashes of color throughout the lens in varying tones and intensity to give the appearance of a natural iris.

Second, Frequency Colors has demonstrated superior comfort in clinical trials compared to the leading competitive products'D'.

Third, it incorporates the benefits of the aspheric design of Frequency Aspheric.

Importantly, CVI's line of colored lenses are interchangeable with the leading brands of disposable spherical lenses, so practitioners will not have to refit current wearers who want to use colored lenses occasionally.

During 2000, CVI also introduced a cast molded toric lens, CV Encore Toric, to compete in the two-week segment of the disposable toric market in the United States. Because of the efficient UltraSync manufacturing technology, this lens can be priced competitively.

CLINICAL RESULTS WITH FREQUENCY COLORS

[GRAPHIC]

In a clinical comparison of Encore Colors versus the top selling brand of disposable color contacts, 63 percent of patients found Encore Colors more comfortable.

CVI also introduced the Cooper Prosthetic Lens this year. Prosthetic lenses are similar to opaque lenses, but are denser in color to mask corneal scarring and other conditions that cause the eye to appear unattractive.

CVI's bifocal lens remains in clinical trials with a marketing decision expected during 2001. Results must be superior to competitive lens performance after six months of wear or we will not introduce this product.

CVI expanded its presence on the World Wide Web during 2000 with a new marketing initiative that informs consumers about its advanced technology lenses and refers them to local contact lens practitioners who have registered on the CVI site. A second feature allows practitioners to ship lenses directly to their patients or order lenses directly for their own inventory. The Website is www.coopervision.com.

[GRAPHIC]

CVI also features a line of novelty lenses used during holidays such as Halloween and Mardi Gras to add festive accents to fancy dress and costumes.

'D'. Data on file at CooperVision

Two acquisitions helped drive CSI's 2000 revenue to $45.5 million, up 55 percent. In December 1999, CSI purchased a group of women's healthcare products from BEI Medical Systems Company, Inc., including a well-known uterine manipulator and other products for the gynecological surgery market.

In January 2000, CSI purchased Leisegang Medical, Inc, a leading global designer and manufacturer of precision instruments for women's healthcare including colposcopes, instruments to perform loop electrosurgical excision procedures, hand-held gynecology instruments, disposable specula and cryosurgical systems. Many of the products are disposable, including the Sani-Spec line of plastic specula, its largest product group. CSI believes it is now the world's leading manufacturer and marketer of colposcopy products - instruments used to examine the cervix.

In another transaction announced in October 2000, CSI purchased MedaSonics, Inc., which markets a line of compact, hand-held Doppler ultrasound systems used in obstetrics and gynecology, cardiology and other medical specialties. Fetal Dopplers detect fetal life and viability from as early as nine weeks gestation and assess the rate and rhythm of the fetal heartbeat. Vascular Dopplers locate and determine the status of blood vessels and measure systolic blood pressure in infants, and patients with trauma or obesity. During surgery, dopplers detect venous air embolism, evaluates direct vessel and transcutaneous blood flow and measures systolic blood pressure.

In November, CSI announced an exclusive distribution agreement with Norland Medical Systems, Inc. to distribute a line of bone measurement systems used to evaluate osteoporosis, a condition that affects 22 million American women, many of whom could benefit from early diagnosis through pharmaceutical intervention.

These transactions continue CSI's market consolidation strategy, and CSI now believes that it is the largest manufacturer and marketer of products for the physician's office segment of the gynecology market. CSI's target is to reach $100 million in revenue by 2003 or 2004.

During fiscal 2000, CSI's operating income grew 45 percent. In fiscal 2001, we expect its operating margin to approach 20 percent as we complete the integration of the recent acquisitions.

In January 2000, the FemExam pH and Amines TestCard System - a rapid, economical point of care diagnostic test used to help determine if a vaginal infection is bacterial or fungal - received reimbursement codes and guidelines from the American Medical Association and the United States Health Care Financing Administration.

Since then, it has shown strong growth, averaging 30 percent sequential quarterly revenue growth in the past three quarters. The Cerveillance Digital Colposcope line of advanced imaging and information processing technologies used to examine and monitor cervical tissue generates about $2.5 million in annual revenue.

NEXT YEAR'S GOALS

We see the momentum of the past five years continuing in 2001. We expect earnings per share from continuing operations in the range of $2.36 to $2.42 with revenue increasing between 16 percent and 21 percent. Both of our businesses will continue to benefit from favorable demographics. At CooperVision, recently introduced contact lens products and geographic expansion will drive incremental revenue, and we look forward to beginning, late in the year, to compete aggressively in Japan, the world's second largest market. At CooperSurgical, we will continue to pursue our strategy to consolidate the gynecology segment of the women's healthcare market.

Thank you for your continued support.

Allan E. Rubenstein, M.D.

Allan E. Rubenstein, M.D.
Chairman of the Board

A. Thomas Bender

A. Thomas Bender
President and Chief Executive Officer
January 24, 2001

This special section describes the continuing opportunity for CSI in women's healthcare. In it, we review the market opportunity and important emerging trends, discuss CSI's approach to consolidating the market and integrating businesses and explain the unique mix of product and distribution strategies that will support our future growth.

COOPERSURGICAL: CONSOLIDATING WOMEN'S HEALTHCARE FOR PROFITABLE GROWTH

In 1990, CooperSurgical, sensing a long-term opportunity, launched a strategy to consolidate the highly fragmented women's healthcare medical device market by acquiring businesses and product lines that primarily serve the obstetrician/gynecologist (Ob/Gyn).

CSI is now at the forefront of women's healthcare, a growing market driven by favorable demographics and advancing technology. Its sales, approaching $50 million annually, represent 23 percent of Cooper's total revenue. Operating margin is expected to approach 20 percent in the second half of 2001.

The market consolidation strategy continues: CSI has added 11 major products or product lines to date - four in the past 18 months. This strategy fits well with Cooper's strong cash flow. The cash generated by CooperVision coupled with the $139 million of net operating losses remaining at the end of fiscal 2000, allows CSI to readily compete for the superb opportunities available in women's healthcare.

THE MARKET FOR MEDICAL DEVICES IN WOMEN'S HEALTHCARE

FAVORABLE DEMOGRAPHICS DRIVE THE MARKET

In 1999, over 90 million women between the ages of 15 and 64 recorded more than 118 million visits to the Ob/Gyn. Over 70 million of these related to gynecologic complaints(1).

By 2010, the United States Census Bureau projects that the number of women in this age group will grow by 12 percent. Over 40 million of these women will be 45 to 64 years of age, as the `baby boomers' - women born between 1946 and 1964 -begin to experience the gynecologic problems associated with advancing age. By then, total patient visits to U.S. Ob/Gyns are projected to reach 132 million.

VISITS TO U.S OB/GYNS REFLECT AN AGING FEMALE POPULATION

Annual examinations, cancer screening, menstrual disorders, vaginitis, and the management of menopause account for approximately two-thirds of the patient visits to Ob/Gyns in the United States, with the rest for pregnancy and reproductive management.

Office visits for pregnancy and reproductive management are, as expected, by women between the ages of 15 - 44, while older patients 45 - 65 manifest gynecologic concerns(1). Consistent with an aging population, visits for menstrual disorders and menopause are growing, and osteoporosis (reduction in bone mass) has become one of the most frequent diagnoses.

In 1999, nearly 5 million patient contacts to monitor and treat abnormal Pap smears were reported, mostly in the 25 to 44-year age group(2). Follow-up visits include repeat Pap smears and colposcopic examination (visualization of the cervix with a light source and microscope). Visits for abnormal Pap smear have remained constant at about 4.5 percent of the total visits for the past five years and are expected to remain at this level.

Vaginitis (inflammation of vaginal tissue) represents about 4 percent of the total visits with about 80 percent of these cases between the ages of 15 and 44(1). Office visits include assessment of the vaginal ecosystem and the identification of infectious agents.

(1) Physician's Drug and Diagnostic Audit, January - December 1999. Philadelphia, Pa: Scott-Levin, Inc.

(2) Women's Health 2000, A Contemporary Ob/Gyn Fact Book. Contemporary Ob/Gyn 2000; 67-68.

The Ob/Gyn also is the primary contact for fertility assessment and treatment. These visits occur primarily in the 25 - 44 year age group and include evaluation of ovulatory function, fallopian tube patency and the status of the endometrium (the lining of the uterus).

MOST FREQUENTLY PERFORMED PROCEDURES MIRROR AGING TRENDS

Endometrial sampling is the Ob/Gyn's most frequently performed procedure, often done in conjunction with the start of hormone replacement therapy (HRT), and in the evaluation of menstrual disorders. As the population continues to age, the incidence of menstrual disorders and the use of HRT will also rise.

Hysterectomy (removal of the uterus), the second most frequently performed major surgical procedure among reproductive age women after Cesarean delivery, is widely performed for menstrual disorders. More than a fourth of American women will have a hysterectomy performed by the time they are 60 years old. Sometimes, the ovaries and the fallopian tubes are removed at the same time. About three-quarters of these procedures are performed abdominally and one-quarter vaginally. A small number are performed using a laparoscope, a minimally invasive surgical instrument.

Hysteroscopy (evaluation of the uterus using an endoscope) and myomectomy (removal of a uterine tumor) assess and correct abnormal uterine bleeding or improve fertility. Diagnostic hysteroscopy is performed in the physician's office or in an outpatient facility, to obtain biopsies and determine the presence of tumors.

Tubal ligation, a sterilization procedure involving destruction or occlusion of the fallopian tubes, is the third most frequently performed gynecologic surgical procedure. It is often carried out during a Cesarean section or following a vaginal delivery.

WHY WOMEN VISIT AN OB/GYN(1)	2000 ESTIMATE	1999	1995
Normal pregnancy	22,486	22,594	21,806
Contraceptive management	12,305	12,061	10,894
Gynecologic examination	11,709	13,658	12,586
Female climacteric (menopause)	10,046	10,247	7,831
Menstrual disorders	5,391	5,230	3,847
Abnormal Pap smear	4,953	4,840	4,495
Vaginitis	4,431	4,398	4,450
Surgery follow-up	2,810	2,811	3,191
Routine post-partum follow-up	2,306	2,676	2,585
Genital symptoms	1,673	1,570	1,749
Urinary tract infection	1,059	1,185	1,141
Absence of menstruation	1,018	1,035	1,024
Infertility screening	970	833	980
Osteoporosis	770	541	0
Other	36,518	34,775	34,757
Total visits	118,445	118,454	111,336

(1) Physician's Drug and Diagnostic Audit, January - December 1999. Philadelphia, Pa: Scott-Levin, Inc.

MOST COMMON MEDICAL PROCEDURES IN OB/GYN PRACTICE, 1999(3)

MEDICAL PROCEDURE	% OB/GYNS

	CURRENTLY PERFORMING
Endometrial sampling	94
Abdominal hysterectomy	90
Laparoscopy	89
Tubal ligation	86
Vaginal hysterectomy	85
Laparotomy	84
Pap smear	
Manually read	83
Automated	34
Colposcopy imaging	78
Cryosurgery	78
Loop electrosurgical excision procedure (LEEP)	76
Hysteroscopy	74
Myomectomy	72
Gynecologic ultrasound	69
Infertility testing/treatment	68
OB ultrasound	67

(3) 1999 Technology Study. Contemporary Ob/Gyn, 1999; 8-9.

LEADING GYNECOLOGICAL PROCEDURES
IN HOSPITALS, 1996(4)

	NUMBER OF PROCEDURES
Hysterectomy	591,000
Ovary and fallopian tube removal	475,000
Bilateral destruction or occlusion of fallopian tubes	342,000
Repair of cystocele and rectocele	151,000
Dilation and curettage (D&C) of the uterus	83,000
Mastectomy	89,000

(4) National Hospital Discharge Survey, Annual Summary, 1996.
National Center for Health Statistics. Vital Health Statistics, 1998.

OB/GYN PRACTICE SETTINGS(6)

PRACTICE SETTING	NUMBER OF SITES
Ob-Gyn offices:	
Solo practices	7,928
Group practices	8,174
Total offices	16,102
Hospitals	6,000
Fertility clinics	300

(6) American Medical International Database, Los Angeles, CA, October 2000.

OB/GYN DISTRIBUTION BY AGE AND GENDER(7)

AGE	FEMALE	PERCENT OF TOTAL	MALE	PERCENT OF TOTAL
Under 35	3,364	10	1,860	5
35 - 44	4,388	13	5,015	14
45 - 54	2,599	7	7,211	21
55 - 64	858	2	5,588	16
65+	271	1	3,968	11
All Ages	11,480	33	23,642	67

(7) Women's Health 2000, A Contemporary Ob/Gyn Fact Book.
Contemporary Ob/Gyn 2000; 30.

TRENDS IN OB/GYN PRACTICE PROFILES

In a 1996 review of practice profiles(5), the American College of

Obstetricians and Gynecologists reported that:

Nearly two-thirds of Ob/Gyns worked exclusively in private practice, 13 percent worked in a private practice and held a salaried position, and 23 percent held salaried positions only. This reflects a significant shift toward managed care employment compared with the College's 1991 report.

More than half of private practice Ob/Gyns worked in group practices, a significant increase from 1991. About 20 percent of these physicians practiced gynecology only.

Women comprised about 65 percent of residents, a significant demographic change since the 1991 survey.

CONSOLIDATING THE WOMEN'S HEALTHCARE MARKET

While general medical practitioners play an important role in women's primary healthcare, the Ob/Gyn is recognized as the reproductive health specialist and is the predominant customer for associated medical devices.

Historically, many small medical device companies have supplied the women's healthcare market with a wide range of products through a necessarily fragmented distribution system. There are over 75 of these companies serving the United States women's healthcare market today, reflecting the wide scope of women's healthcare needs and the large number and varied types of providers who meet them. There are nearly 31,000 Ob/Gyn's under the age of 65 practicing at 16,100 locations in the United States, as well as 6,000 hospitals with clinics, outpatient and surgical facilities, plus 300 fertility clinics specializing in assisted reproductive technologies.

Until recently, larger companies have not sensed an opportunity to build a large, integrated women's healthcare business. This has allowed smaller companies to target a single procedure or disease and develop a limited product line to address either its diagnosis or treatment. Most of these businesses have remained small and, as their growth slowed, many looked to exit the market.

(5) ACOG Economic Impact Study: Profile of Ob/Gyn Practices, 1991-1994: Washington, American College of Obstetrics and Gynecology, 1996.

CSI's business strategy has been to selectively identify smaller companies and product lines and acquire those that can improve its existing market position or offer opportunities in new clinical areas.

ACQUISITIONS WITH A CLINICAL FOCUS

CSI has historically concentrated on five high potential areas in women's healthcare:

GYNECOLOGY: medical and surgical management of gynecologic disorders

ONCOLOGY: medical and surgical approaches to treat malignancies of the cervix, ovary, uterus, and vulva

REPRODUCTIVE ENDOCRINOLOGY AND FERTILITY: reproductive biology including hormones and assisted reproductive technologies

OFFICE PRACTICE: diagnostic evaluations within primary and preventive care

OBSTETRICS: evaluation and monitoring of a pregnant woman and her fetus.

Most of the medical device usage comes from the first three categories, as does CSI's revenue.

Since the early '90s, CSI has developed a business model that surrounds Ob/Gyns with premium medical devices for their highest volume procedures. Over the past six years, CSI has acquired or licensed 11 major companies or product lines.

CSI achieves financial benefit from its acquisitions by rapidly integrating technologies and manufacturing functions to improve profitability. Using this approach, CSI gross margin currently approaches 55 percent, the high end of the medical device industry average.

THE COOPERSURGICAL BRAND

CSI has gained a strong market position with a customer base in nearly 60 percent of Ob/Gyn offices, 65 percent of hospitals and 69 percent of fertility clinics. Each new addition presents opportunities to expose CSI's existing product line to new customers and new products to existing customers.

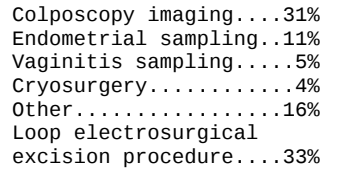
[GRAPHIC]

Gynecology.....57%
Oncology.....21%
Reproductive endocrinology & fertility.....14%
Office practice..8%

CSI OB/GYN REVENUE DISTRIBUTION BY CLINICAL AREA

THE DISTRIBUTION OF CSI REVENUE BY PRIMARY CLINICAL PRACTICE AREA IN 2000

[GRAPHIC]



OFFICE-BASED OB/GYN SALES
BY MEDICAL PROCEDURE, 2000

The distribution of CSI's 2000 revenue by procedure type indicates its success in focusing on high volume procedures.

CSI rapidly integrates acquired companies or products into its portfolio through a branding strategy. Because CSI has excellent name recognition and recall with its customers, the marketing strategy features "CooperSurgical" in a high profile position and at the same time promotes the acquired product line or company brand names. As a result, CSI grows in importance and substance to the customer as a source of preferred products.

MEETING CUSTOMER NEEDS WITH A MULTIPLE SITE, MULTIPLE PRODUCT STRATEGY

CSI markets a diversified product mix in a variety of clinical settings. The product line contains more than 2,100 offerings. In 2000, 51 percent of CSI's Ob/Gyn revenue was generated in the office setting, 38 percent in the hospital and 11 percent in fertility clinics. About 60 percent of CSI's products are disposable. For optimal market coverage, CSI employs a direct sales force of 28 representatives, 7 independent sales representatives, catalogs and other direct marketing programs, including a business-to-business e-commerce site (www.cooopersurgical.com) for physicians and hospitals.

OFFICE-BASED SALES

CSI's group of products for the practitioner's office addresses high volume clinical conditions:

ABNORMAL PAP SMEARS: When a Pap test result is abnormal, the physician often repeats it or performs a colposcopic examination--a visual inspection of the cervix and surrounding tissues--and samples suspicious tissue. Depending on the result, the physician may recommend a follow-up Pap and colposcopic examination or a Loop Electrosurgical Excision Procedure (LEEP) to biopsy tissue, remove it or both.

CSI offers a complete product line to support the evaluation of abnormal Pap smears: vaginal specula, the Cervex - Brush for specimen collection, colposcopes with supporting instrumentation and a full LEEP product line.

CSI entered the colposcopy market with its 1990 acquisition of Frigitronics and later introduced the first overhead colposcopy unit specifically designed for LEEP.

In 1998, CSI introduced, the Cerveillance Scope, which uses digital technology to visualize and document cervical lesions. This is the first device to combine digital imaging technology and proprietary software in a fully integrated compact instrument. CSI became a world leader in colposcopy with its 2000 acquisition of Leisegang Medical, a leading colposcopy manufacturer.

In 1991, CSI introduced the LEEP procedure to the United States market and followed with a complete line of products to surround it. These include the LEEP System 1000 electrosurgical generator, the CooperSurgical Smoke Evacuation System 6080, and the non-conductive, autoclavable instrumentation and ancillary disposable products used in each case. It also includes the Prima Series speculum that resists staining and surface degradation, and disposable products such as sterile single use LEEP electrodes and LEEP RediKit.

Menopause: Menopause is the permanent cessation of menstruation after loss of ovarian function. As the female population has aged, visits related to menopause have grown to over 10 million per year(8). The United States Census Bureau projects a 30 percent increase in women in this age group over the next ten years.

Hormone replacement therapy (HRT) is recommended for the primary symptoms of menopause -- hot flashes and vaginal atrophy -- and to reduce the long-term effects of estrogen deficiency: cardiovascular disease, weakening of the pelvic support structures and osteoporosis. Before starting HRT, physicians often sample cells from the endometrium, particularly when bleeding is irregular or heavy. With some therapeutic regimens, physicians test annually to monitor the thickening of the uterine lining, which occurs in up to 30 percent of women receiving estrogens alone as their HRT(8).

(8) Menopause. In: Visscher CH, ed. Precis V, An Update in Obstetrics and Gynecology, American College of Obstetrics and Gynecology, 1994; 404.

[Graphic]
The Cerveillance Scope uses state-of-the art digital technology to examine the cervix and serially document changes.

[Graphic]
CSI's Loop Electrical Excision Procedure Equipment.

Office Based Gynecology Procedures

Reason for Visit	Annual Office Visits, 1999 (000's)	Rank in Annual Visits to Ob/Gyns	Product Categories Used
Gynecological examinations	13,658	Third	Vaginal specula Pap smear
Menopause	10,247	Fourth	Endometrial sampling
Menstrual disorders	5,230	Fifth	Endometrial sampling Hysteroscopy
Abnormal Pap smear	4,840	Sixth	LEEP products Colposcopes Pap smear
Vaginitis	4,398	Seventh	Vaginitis testing
Female genital symptoms	1,570	Tenth	Cryosurgery Electrosurgery

Endometrial cell sampling helps evaluate abnormal uterine bleeding in women at risk for endometrial polyps or abnormal cellular growth. Clinicians regard CSI's Pipelle, a disposable aspiration device, as the premier product for this procedure.

Menstrual Disorders: Office visits for menstrual disorders have risen significantly in the last five years. There are three main classes: abnormal uterine bleeding, the absence of a menstrual cycle, and a painful menstrual cycle. More than 50 percent of women experience pain associated with their menstrual cycle(9). A comprehensive differential diagnosis of this condition often includes laparoscopy.

Abnormal uterine bleeding is common in women approaching menopause. The standard diagnostic process involves a physical examination, blood tests, pelvic ultrasound and endometrial biopsy, where the CSI Pipelle is used.

Anatomic causes of abnormal uterine bleeding, including benign tumors that are found in about 50 percent of women over 35(10), are identified through laparoscopic or hysteroscopic examination. Operative hysteroscopy is often performed to remove benign tumors.

Hysteroscopy is performed either in the physician's office or at the hospital. Diagnostic hysteroscopy provides a direct view of uterine cavity abnormalities before treatment. The equipment required includes a scope, a light source and a mechanism to distend the uterus. Operative hysteroscopy is usually performed in hospitals or at outpatient surgical facilities. CSI offers an array of diagnostic hysteroscopy products including a fully integrated system with light source, camera and monitor for office use, and a variety of hysteroscopes. CSI also markets Hyskon, a solution used to distend the uterus.

[Graphic]
The Pipelle offers a rapid, simple technique and excellent patient acceptance for cervical cell sampling

[Graphic]
The Hysteroscopy Series 4000 offers a modular design for maximum flexibility in hysteroscopy.

(9) Rapkin A. Pelvic Pain and Dysmenorrhea. In Berek ed., Novak's Gynecology, 12th Edition. Baltimore: Williams & Wilkins, 1996; 408.

(10) Hillard P. Benign Diseases of the Female Reproductive Tract: Symptoms and Signs. In: Berek JS ed., Novak's Gynecology, 12th Edition. Baltimore: Williams & Wilkins, 1996; 408.

Vaginitis: The signs of vaginitis are redness, swelling and discharge caused by an infection or disturbance in the vaginal ecosystem mainly due to bacterial vaginosis (BV), Candidiasis (yeast), and Trichomoniasis.

Apart from physical discomfort, the consequences of yeast infections are relatively benign. BV and Trichomoniasis infections, however, can lead to serious consequences. BV has been associated with early pregnancy loss, preterm delivery, premature rupture of membranes, and postpartum endometritis as well as post surgical infections and pelvic inflammatory disease. Trichomoniasis is linked to postoperative infection, preterm delivery and premature rupture of membranes. The differential diagnosis of vaginitis includes evaluation of the discharge through pH measurement and determination of the presence or absence of amines.

In 1998, CSI introduced FemExam pH and Amines TestCard, a point of care diagnostic test used to differentiate these infections. The card objectively indicates elevated pH and the presence of amines, two of the four criteria used to diagnose BV. When positive, these two criteria provide a presumptive diagnosis of BV. During 2000, the American Medical Association created a specific reimbursement code for amines testing to supplement the existing code for pH testing. The Health Care Financing Administration has set a suggested reimbursement rate.

Female Genital Symptoms: Most cases of Female Genital Symptoms relate to the human papilloma virus (HPV), which is the most common sexually transmitted viral infection in the United States. Manifestations of HPV include genital warts and precancerous conditions of the cervix and the vagina.

Diagnosis is through colposcopic inspection, and where indicated, biopsy. There are no known cures. Treatment regimens include keratolytic agents that promote skin shedding, immunotherapy and surgical procedures such as cryosurgery, electrocautery (LEEP) and laser therapy. CSI offers both electrosurgical and cryosurgical equipment for office-based treatment of differing stages of the infection.

[Graphic]
CSI's FemExam diagnostic cards help clinicians differentiate between bacterial and fungal vaginal infections.

[Graphic]
The Cryo-Plus offers the economy and convenience of interchangeable probes.

Hospital-Based Sales

CSI derives 38 percent of its Ob/Gyn revenue from hospital- based products, primarily from three major procedure areas: laparoscopy, hysteroscopy and hysterectomy. Because office-based practitioners are primarily responsible for specifying which products will be used when these procedures are performed in the hospital, CSI presents its products for hospital use to physicians when calling in their offices.

Diagnostic Laparoscopy: Diagnostic laparoscopy is a minimally invasive procedure used in both the hospital and the outpatient clinic to diagnose many gynecologic conditions. The standard equipment used includes a laparoscope, light source, camera with monitor, a device to aid in visualization of the pelvic cavity and a variety of laparoscopic surgical instruments. In addition, laparoscopic surgery on women who have not had a hysterectomy requires a uterine manipulator to improve access and visualization within the pelvic cavity.

CSI developed a strong presence in the United States disposable uterine manipulation market when it acquired the Kronner Manipujector and ZUMI products. These disposables aid in manipulation of the uterus and permit dye injection to test fallopian tube patency. In addition, for added control, CSI offers RUMI, a uterine control device that incorporates a reusable handle with disposable tips.

Operative Laparoscopy: The techniques and indications for laparoscopic surgery continue to evolve. In all cases, skill, training and experience are needed to achieve outcomes equivalent to those in more invasive "open" procedures. There are several well-defined laparoscopic indications in gynecology including sterilization, management of ectopic pregnancy, removal of benign ovarian masses and reduction of uterine tumors. Advanced procedures require specific instrumentation to improve access and duplicate the conditions of an open procedure. CSI's KOH Colpotomizer System facilitates laparoscopic hysterectomy. This patented system that includes disposables, improves anatomical landmarks for the physician, which accelerates the

[Graphic]

Laparoscopy.....63%
Hysterectomy.....9%
Hysteroscopy.....9%
Other.....19%

CSI OB/GYN HOSPITAL SALES
BY MEDICAL PROCEDURE, 2000

CSI offers products for most major procedures performed in the hospital.

[Graphic]
The Kronner is a disposable uterine manipulator injector used for laproscopic procedures, tubal sterilizations and fertility studies.

[Graphic]
The RUMI System offers total control of the uterus during pelvic laproscopic procedures.

procedure and improves safety. Experienced clinicians have demonstrated similar operative times to open procedures using this system.

As with diagnostic laparoscopy, all operative procedures where a uterus is present require a uterine manipulator. With its premier product line, including the Kronner Manipujector, CSI is a leading supplier of disposable uterine manipulators.

CSI also provides Nu-Tip, a range of popular laparoscopic instruments with reusable handles for added durability and stability, and disposable tip assemblies for rapid instrument turnaround and consistent performance. The laparoscopic line includes a patented disposable access trocar and the Marlow Balloon Cannula, which improves the surgeon's control and reduces patient trauma.

Diagnostic Hysteroscopy: Although clinicians can perform diagnostic hysteroscopy in the office, it is done more often in the hospital or outpatient clinic where equipment is readily available. CSI's Hyskon is routinely used as the distension media for diagnostic procedures in the hospital setting.

Hysterectomy: Hysterectomy, the second most frequent surgical procedure in women of reproductive age, is often performed to treat menstrual disorders. Always carried out in a hospital, the surgical approaches are: abdominal, vaginal and laparoscopic with about 75 percent done through an abdominal incision, 25 percent vaginally and a negligible number laparoscopically(11).

Surgeons perceive CSI's Zeppelin hysterectomy products as the premier instrument line for abdominal procedures.

Pelvic Repair: The main causes of pelvic support problems are childbirth and aging. The physical stress of childbirth can cause irreversible tissue and ligament damage. With the onset of menopause, the loss of estrogen further complicates this. Symptoms range from a feeling of fullness or heaviness in the bladder to urinary incontinence.

HOSPITAL-BASED GYNECOLOGIC PROCEDURES

DIAGNOSTIC LAPAROSCOPY
Infertility evaluations
Assessment of pelvic pain
Diagnosis and staging of endometriosis
Diagnosis of ectopic pregnancy
Evaluation of pelvic masses
DIAGNOSTIC HYSTEROSCOPY
Evaluation of the endocervical canal
Evaluation of abnormal uterine bleeding
Diagnosis of uterine adhesions
OPERATIVE LAPAROSCOPY
Tubal sterilization
Management of ectopic pregnancy
Selected ovarian surgeries
Hysterectomy
Fertility related operations
Endometriosis
HYSTERECTOMY
Abdominal
Vaginal

[Graphic]
KOH Colpotomizer System
A unique product innovation for effective laparoscopic surgery.

[Graphic]
The Zepplin hysterectomy clamp is hand-crafted from the finest German stainless steel to provide superior performance.

(11) Stovall TG. Hysterectomy. In Novak's Gynecology, 12th Edition. Baltimore: Williams & Wilkins, 1996; 408; 727.

FERTILITY PROCEDURES

	Primary Location	Products
FERTILITY ASSESSMENT		
X-Ray of the uterus and fallopian tubes	Hospital	Uterine injectors and ancillaries
Post-coital sample collection Cervical mucus evaluations	Office	Endocervical aspirator
FERTILITY TREATMENT		
Intrauterine injection	Office Fertility Clinic	Artificial insemination catheters
Embryo transfer	Fertility Clinic	Embryo transfer catheters and stylets

Treatment, depending on the cause and severity, includes HRT, vaginal hysterectomy and advanced pelvic support surgery where the surgeon reconstructs critical ligaments. CSI's Nichols Pelvic Reconstructive Surgery Set is used here. Incontinence surgery has increased in recent years as the population ages.

Reproductive Product Sales

Products used to treat reproductive disorders in fertility clinics represent 11 percent of CSI revenue, primarily for fertility assessment and treatment.

Infertility is defined as the failure of a couple to establish a pregnancy after one year of unprotected intercourse. This is based on expected monthly conception rates of 20-25 percent in healthy young couples(12). Fertility decreases significantly in women over the age of 35(13). Approximately 15 percent of couples are infertile and in 15 percent of these cases, no cause can be identified(14).

Increased infertility in the U.S over the past 25 years is due to an increase in sexually transmitted diseases and the deferral of childbearing to later years. In addition, increased public information regarding new treatments and a greater willingness to discuss fertility issues openly have caused more couples to seek treatment. Basic infertility evaluations can identify the cause in approximately 85 percent of couples.(15)

Cervical and coital factors: Abnormalities in cervical mucus combined with other causes can contribute to infertility. For example, disruption or

[Graphic]
The Nichols Pelvic Reconstruction Surgery Set permits multiple suture placement with a single application.

90% IVF products
7% Endometrial Sampling
3% IUI products

[GRAPHIC]

Percent of CSI Reproductive Product Sales to Fertility Clinics by Procedures Type, 2000

CSI's holds a strong position in devices used for embryo transfer.

(12) Moghissi KS, ed. Infertility. In: Holzman, GB, ed. Precis, Reproductive Endocrinology: An Update in Obstetrics and Gynecology. Washington, ACOG, 1998; 71.
(13) Ibid; 71.
(14) Ibid; 71.
(15) Ibid; 71.

removal of cervical epithelium during surgical procedures may narrow the cervical opening or cause inadequate mucus production, compromising the mechanism for sperm transport and storage.

Clinicians use postcoital testing to assess cervical and coital factors. This test, usually performed early in the assessment, evaluates mucus quality and sperm-mucus interaction through visual and microscopic observations. The CSI Aspirette endocervical suction curette helps physicians collect clean samples. Additional early infertility testing includes a Pap smear and cervical cultures to evaluate potential underlying sexually transmitted infection.

Intrauterine insemination using an injection catheter has achieved high pregnancy rates in couples with cervical factor infertility caused by structural abnormalities. CSI offers two artificial insemination catheters, the Uni-Sem and the Wallace. The nature of the condition and the preference of the physician determine which is used.

Uterine Factors: Reduced fertility has been associated with many uterine conditions including chronic endometritis, benign tumors, adhesions, congenital malformations and polyps. Endometritis, an inflammation of the endometrial lining, interferes with ovum implantation. The other conditions prevent either implantation or the proper endometrial development that is essential in providing nutrients for sustained growth. Endometritis is identified by endometrial biopsy and culture.

X-ray of the uterus and fallopian tubes after injection of a contrast dye identifies other causes. The dye is injected using a specially designed catheter fitted with a balloon to prevent leakage from the cervical canal. CSI offers several disposable dye injection catheters to accommodate variations in cervical and uterine size including the HUI, HUI MiniFlex and ZUI uterine injectors. CSI also provides a disposable procedure kit that contains the items essential for catheter introduction.

[Graphic]
Wallace catheters are the premier line of embryo transfer and artificial insemination catheters for use in advanced reproductive techniques.

[Graphic]
The HUI (Harris Uterine Injector) allows injection of contrast media or gas into the uterine cavity without reflux.

[Graphic]
The HUI MiniFlex uses a small easily inserted catheter to minimize catheter resistance.

Fallopian tube factors: Tubal infertility results when the ovum cannot descend into the uterine cavity. It is evaluated using either an X-ray procedure or through laparoscopic surgery. One of the most common causes of infertility is distal (the section closest to the ovary) fallopian tube disease. Treatment includes operative laparoscopy or, in extreme cases, an open procedure. Successful pregnancies occur in 5-30 percent for moderate to severe disease and 50-70 percent in mild cases(16). There are fewer patients with proximal (nearest the point of attachment) tubal disease. Several surgical procedures are used for proximal tube repair and successful pregnancies have occurred in 20-40 percent of these patients(17).

Many patients with severe disease or with a history of previously unsuccessful tubal surgery consider in vitro fertilization (IVF) as an alternative. IVF, the most frequently used assisted reproductive technology (ART), involves manipulation of eggs and embryos outside of the body. Fertilized eggs are then returned into the body to establish pregnancy. These complex procedures are performed in fertility clinics, as they require a highly specialized team of clinicians.

In IVF, a hormone mixture stimulates the ovaries to maximize the production of oocytes (eggs not yet completely developed). An oocyte retrieval needle collects the eggs under ultrasonic guidance. They are placed with sperm in media conducive to fertilization. Two or three days later, the embryos are graded. Those chosen for transfer are introduced into the uterus with a special transfer catheter. CSI's Wallace product line leads the United States embryo transfer catheter market. Other Wallace products include insertion stylets, trial transfer catheters and the recently introduced oocyte retrieval needle.

Peritoneal factors: Peritoneal related infertility factors (those related to the lining of the abdominal cavity) include pelvic inflammatory disease, endometriosis, ruptured appendix, ruptured ovarian cyst, previous surgery, and foreign body reaction. Adhesions (a fibrous band holding together parts that are usually separated) resulting from these processes can involve the fallopian tubes or ovaries and interfere with normal oocyte delivery. To minimize further adhesion formation, diagnostic evaluation and treatment is usually performed laparoscopically.

(16) Infertility. In Visscher HC, ed. Precis V, An Update in Obstetrics and Gynecology. American College of Obstetrics and Gynecology, 1994; 424.

(17) Ibid; 425.

Endometriosis is the presence of endometrial tissue outside of the uterine cavity. Although benign, it can invade and destroy tissue causing severe inflammation and adhesions. About 7 percent(18) of women of reproductive age in the United States have some form of endometriosis. About 30 percent(19) of infertile women who are otherwise normal have this condition.

Endometriosis is either monitored with "watchful waiting" or treated using hormonal therapy or surgery, depending on the patient's age, desire for childbearing, severity of symptoms and coexisting medical conditions. Conservative surgical procedures include excision, vaporization and coagulation of endometrial implants and removal of adhesions using laparoscopy.

Ovulatory factors: Patients with ovulatory disorders complain of amenorrhea (lack of menses), menorrhagia (abnormal bleeding) or infertility. Diagnosis is through hormone level testing, basal body temperature measurement, endometrial biopsy and early fertility evaluation. Treatment includes ovulation induction with agents such as clomiphene citrate. Follicle development is often monitored using ultrasound. Endometrial biopsies are also recommended, as up to 25 percent(20) of menstrual cycles induced by clomiphene citrate produce an endometrial environment unfriendly to implantation. In addition, cervical mucus is evaluated during therapy, as approximately 15 percent(21) of patients develop dysfunctional mucus production requiring intrauterine insemination. The pregnancy rate for this therapy is only about 40 percent(22), so ovulatory induction is frequently used in conjunction with intrauterine insemination.

Male factors: Male infertility causes nearly half of all couples' inability to conceive. Several mechanisms may cause this, including abnormal sperm production, disordered sperm maturation, abnormal sperm function or ineffective sperm delivery. Unfortunately, medical or surgical treatment is appropriate in only 10 percent of these cases and assisted reproductive technologies offer the best opportunity for conception. CSI does not currently offer any specific products for evaluation of male infertility.

CAUSE OF INFERTILITY(16)	INCIDENCE RATE
Male Factor	40-50%
Tubal and Peritoneal Factors	25-30%
Ovulatory defects	20-25%
Cervical and Uterine Factors	10%

BASIC INFERTILITY EVALUATIONS

CAUSE OF INFERTILITY	INITIAL EVALUATIONS
Cervical and coital factors	Post coital test Cervical cytology Cervical cultures
Uterine and tubal factors	X-Ray of the uterus and fallopian tubes Hysteroscopy
Peritoneal factors	Laparoscopy
Ovulatory factors	Basal body temperature
	Endometrial sample and/or serum progesterone
	Home ovulation detection kit
Male factors	Semen analysis

(18) Moghissi KS, ed. Infertility. In Holzman GB, ed. Precis, Reproductive Endocrinology: An Update in Obstetrics and Gynecology. Washington, ACOG, 1998; 79.
(19) Ibid; 80.
(20) Ibid; 84.
(21) Ibid; 84.
(22) Ibid; 84.

CooperSurgical:

At The Forefront of Women's Healthcare

By acquiring products, companies and technologies focused in gynecology, oncology and reproductive medicine, CSI has become a premier supplier of branded medical devices to the Ob/Gyn and has built the volume necessary to develop the first comprehensive medical device distribution system in women's healthcare. CSI has the profitability and market presence necessary for sustained growth and leadership within this very attractive segment.

Sources:

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ACOG Economic Impact Study: Profile of Ob/Gyn Practices, 1991-1994: Washington,: American College of Obstetrics and Gynecology, 1996.

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[GRAPH]

QUARTERLY COMMON STOCK PRICE RANGE

HIGH LOW

2000

JAN 31		APR 30		JULY 31		OCT 31	
$33.63	$24.63	$36.00	$25.00	$38.81	$32.38	$36.38	$26.25

[GRAPH]

1999

JAN 31		APR 30		JULY 31		OCT 31	
$28.00	$12.38	$16.33	$11.75	$25.12	$15.38	$31.88	$19.63

At December 31, 2000 and 1999, there were 1,719 and 1,902 common stockholders of record, respectively.

INDEX TO FINANCIAL INFORMATION

Quarterly Common Stock Price Range	28
Five Year Financial Highlights	30
Two Year Quarterly Information	31
Managment's Discussion and Analysis of Financial Condition and Results of Operations	32
Independent Auditors' Report	38
Management's Statement Regarding Financial Reporting	38
Consolidated Statements of Income	39
Consolidated Balance Sheets	40
Consolidated Statements of Cash Flows	41
Consolidated Statements of Comprehensive Income	42
Notes of Consolidated Financial Statements	43

Five Year Financial Highlights

Consolidated Operations

(In thousands, except per share amounts)	Years Ended Octoer 31, 2000	1999	1998	1997	1996
Net sales	$197,317	$165,328	$147,192	$ 88,769	$ 66,118
Gross profit	$129,217	$106,319	$ 91,428	$ 61,444	$ 46,207
Income from continuing operations before income taxes	$ 42,127	$ 32,712	$ 23,087	$ 16,936	$ 11,167
Provision for (benefit of) income taxes	12,727	10,711	(34,723)	(26,735)	(4,438)
Income before items below	29,400	22,001	57,810	43,671	15,605
Discontinued operations, net of taxes	--	3,099	(17,964)	(13,750)	998
Extraordinary item, net	--	--	--	1,461	--
Cumulative effect of change in accounting principle	(432)	--	--	--	--
Net income	$ 28,968	$ 25,100	$ 39,846	$ 31,382	$ 16,603
Diluted earnings (loss) per share:					
Continuing operations	$ 2.03	$ 1.54	$ 3.79	$ 3.33	$ 1.32
Discontinued operations	--	0.21	(1.18)	(1.05)	0.09
Extraordinary item, net	--	--	--	0.11	--
Cumulative effect of change in accounting principle	(0.03)	--	--	--	--
Earnings per share	$ 2.00	$ 1.75	$ 2.61	$ 2.39	$ 1.41
Average number of shares used to compute diluted earnings per share	14,510	14,312	15,269	13,120	11,794

Consolidated Financial Position

(In thousands)	October 31, 2000	1999	1998	1997	1996
Current assets	$112,685	$100,461	$116,077*	$ 100,574*	$ 58,712*
Property, plant and equipment, net	47,933	40,319	34,234	7,634	4,650
Intangible assets, net	110,854	80,518	84,308	32,274	16,864
Other assets	51,093	64,575	61,422	30,142	4,004
	$322,565	$285,873	$296,041	$170,624	$ 84,230
Short-term debt	$8,094	$ 4,888	$ 11,570	$ 438	$ 177
Other current liabilities	57,181	37,008	35,131	28,680	26,141
Long-term debt	40,257	57,067	78,677	9,125	37,912
Other long-term liabilities	18,595	22,767	25,410	20,848	4,670
Total liabilities	124,127	121,730	150,788	59,091	68,900
Stockholders' equity	198,438	164,143	145,253	111,533	15,330
	$322,565	$285,873	$296,041	$170,624	$ 84,230

* Includes net assets of discontinued operations, which were sold in 1999.

Two Year Quarterly Financial Data

2000
(In thousands, except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$40,404	$50,769	$50,908	$55,236
Gross profit	$26,632	$32,484	$33,500	$36,601
Income from continuing operations before income taxes	$ 7,259	$10,169	$11,245	$13,454
Provision for income taxes	2,432	3,406	2,584	4,305
Income from continuing operations	4,827	6,763	8,661	9,149
Cumulative effect of change in accounting principle	(432)	--	--	--
Net income	$ 4,395	$ 6,763	$8,661	$ 9,149
Diluted earnings per share*:				
Continuing operations	$0.34	$ 0.47	$0.59	$ 0.63
Cumulative effect of change in accounting principle	(0.03)	--	--	--
Net income	$0.31	$ 0.47	$0.59	$ 0.63
Number of shares used to compute diluted earnings per share	14,359	14,438	14,596	14,618

1999
(In thousands, except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$34,959	$41,743	$43,404	$45,222
Gross profit	$21,543	$26,569	$28,288	$29,919
Income from continuing operations before income taxes	$ 4,088	$7,898	$ 9,627	$11,099
Provision for income taxes	1,447	2,604	3,081	3,579
Income from continuing operations	2,641	5,294	6,546	7,520
Discontinued operations, net of taxes:				
Income (loss)	(21)	150	--	--
Gain on disposal	1,279	1,691	--	--
Income from discontinued operations	1,258	1,841	--	--
Net income	$ 3,899	$ 7,135	$ 6,546	$7,520
Diluted earnings per share*:				
Continuing operations	$ 0.18	$ 0.38	$ 0.46	$ 0.53
Discontinued operations	0.09	0.13	--	--
Net income	$ 0.27	$ 0.51	$ 0.46	$ 0.53
Number of shares used to compute diluted earnings per share	14,668	14,071	14,194	14,299

* The sum of earnings per share for the four quarters is different from the full year amount because we base our calculations on the weighted average number of common shares outstanding in each respective period.

Note numbers refer to the "Notes to Consolidated Financial Statements" beginning on page 43 of this report.

RESULTS OF OPERATIONS

In this section we discuss the results of our operations for fiscal 2000 and compare them with those for fiscal 1999 and 1998. We discuss our cash flows and current financial condition under "Capital Resources and Liquidity."

Highlights: Fiscal Year 2000 vs. Fiscal Year 1999

Net sales up 19% to $197.3 million.

Gross profit up 22%; margin improved by one percentage point to 65% of net sales.

Operating income up 21% to $46.9 million.

Diluted earnings per share from continuing operations up 32% to $2.03 from $1.54.

Selected Statistical Information -
Percentage of Net Sales and Growth

	Percent of Sales Years Ended October 31,				
	2000	% Growth	1999	% Growth	1998
Net sales	100%	19%	100%	12%	100%
Cost of sales	35%	15%	36%	6%	38%
Gross profit	65%	22%	64%	16%	62%
Selling, general and administrative	38%	22%	37%	10%	38%
Research and development	1%	37%	1%	2%	1%
Amortization	2%	11%	2%	7%	2%
Operating income	24%	21%	23%	31%	20%

Net Sales

All revenue is generated by our two business units, CooperVision ("CVI") and CooperSurgical ("CSI"):

CVI markets a broad range of contact lenses primarily in North America and Europe.

CSI markets diagnostic products, surgical instruments and accessories to the women's healthcare market, primarily in the U.S.

Our consolidated revenue grew by 19% in 2000 and 12% in 1999. Both CVI and CSI have generated consistent net sales growth over the three-year period.

($ in millions)	Growth	
	2000 vs. 1999	1999 vs. 1998
Business Unit		
CVI	$ 15.8 12%	$ 16.8 14%
CSI	$ 16.2 55%	$ 1.3 5%

2000 Compared with 1999

CVI

CVI's worldwide core business, which we define as all revenue other than sales to other contact lens suppliers ("OEM" sales), grew 16% in fiscal 2000:

($ in millions)	2000	% Total	1999	% Total	% Growth

United States	$ 97.8	64%	$ 82.9	61%	18%
International	49.6	33%	44.3	33%	11%
Core business	147.4	97%	127.2	94%	16%
OEM	4.4	3%	8.8	6%	(49%)
Total	$151.8	100%	$136.0	100%	12%

The 11% growth in International (revenue generated by overseas subsidiaries and to overseas distributors) includes the negative effect on reported revenue of weakness in the pound sterling and the euro, which lost 12% and 20%, respectively, in value against the U.S. dollar in fiscal 2000. In constant currency terms, our core business and our International revenue each grew by 18%.

In the United States, the largest contact lens market in the world, CVI revenue grew 18% to $97.8 million, improving its share of the market to 8.5%. U.S. sales of toric lenses to correct astigmatism continued to drive CVI's sales gains, growing 19% in 2000, or about six times faster than the total contact lens market.

The disposable-planned replacement ("DPR") toric market grew about 27% for the nine months ended September 30, 2000 and continues to be the fastest growing category in the U.S. contact lens market. Sales of CVI's DPR torics grew 32% in the U.S., led by Frequency 55 Toric and Encore Toric. CVI believes that it holds a 34% share of this market segment.

Internationally, revenue grew 18% in constant currency. In 2000, we acquired former distributors in Sweden and Spain and now have a direct presence in five overseas countries. Our operations in Canada, where we hold an overall number two market share, and Italy generated particularly strong results.

In 2000, CVI introduced three new specialty lenses:

Frequency Aspheric - Designed to improve visual acuity in low light conditions and correct low levels of astigmatism.

Frequency Colors - Opaque and color enhancing lenses that change eye appearance. This is our entree into the second fastest growing specialty market segment, behind toric lenses.

Encore Toric - A cast-molded toric lens competing in the two-week segment of the U.S. DPR toric market.

As expected, OEM sales decreased 49% in 2000. We expect this trend to continue as our product mix shifts toward higher margin branded products.

We believe that CVI will continue to compete successfully in the worldwide contact lens market, particularly with its DPR toric line and newer specialty products including color lenses and aspheric lenses. Demographics are also favorable, as the teenaged population, the age when most people begin to wear contact lenses, is projected to show dramatic growth near to mid-term.

CSI

CSI revenue grew 55%, primarily due to the recent acquisitions of products from BEI Medical Systems, Inc. and Leisegang Medical, Inc. Both the FemExam pH and Amines TestCard System as well as the Cerveillance Digital Colposcope line continued to perform well. We believe that CSI is now the largest manufacturer of in-office gynecological devices used in the women's healthcare market.

In December 1999, CSI acquired a well-known line of uterine manipulators and other products for the gynecologist's office from BEI Medical Systems Company, Inc.

At the end of January 2000, CSI completed the acquisition of Leisegang Medical, Inc. The products acquired include diagnostic and surgical instruments: colposcopes, instruments to perform loop electrosurgical excision procedures, hand-held gynecological instruments, specula and cryosurgical systems. Many products are disposable, including the Sani-Spec line of plastic specula, Leisegang's largest product group.

Favorable demographic trends also drive CSI's business. The women of the "baby-boomer" generation are reaching the age when gynecological procedures are performed most frequently, and CSI has, through both acquisition and internal development, built an extensive product line for the Ob/Gyn professional.

We anticipate that CSI will continue its strategy to consolidate the fragmented women's healthcare market.

1999 Compared with 1998

CVI

CVI's worldwide core business, grew 16% in fiscal 1999:
($ in millions) % % %

($ in millions) % % %
1999 Total 1998 Total Growth
- ----------

U.S.	$ 82.9	61%	$ 70.3	59%	18%
International	44.3	33%	39.8	33%	11%
Core Business	127.2	94%	110.1	92%	16%
OEM	8.8	6%	9.1	8%	(4%)
Total	$136.0	100%	$119.2	100%	14%

CVI's core product sales grew 18% in the U.S. and 11% internationally. CVI believes that through fiscal 1999, it gained one market share point in the U.S.

In the United States, sales of toric lenses grew 26%, and DPR torics sales grew 41% as Preference Toric, CVI's premium toric brand, and Frequency 55 Toric both showed strong results. CVI believes that it led the U.S. DPR toric sector with about 34% of the revenue generated, up from 29% in 1998.

U.S. sales of all DPR lenses -- torics and spheres together -- grew about 9% through the first nine calendar months, according to an industry market research audit. Sales of CVI's DPR lenses in the U.S. were 38% ahead for the fiscal year. DPR lenses represented 66% of CVI's U.S. revenue and 75% of its worldwide revenue.

Internationally, our Canadian and Italian businesses generated strong sales, and new product introductions continued in Europe, including toric and other specialty lenses.

CSI

CSI's revenue grew 5% in fiscal 1999. CSI's sales of gynecology ("GYN") products grew 6%, led by its FemExam, infrared coagulator, Marlow and Cerveillance Scope

product lines. The growth in these product lines was partially offset by lower sales of more mature product lines. GYN product sales accounted for over 90% of CSI's sales in fiscal 1999. In July, CSI announced that it had agreed with 3M Pharmaceuticals (NYSE: MMM) and Matria Healthcare Inc. (NASDAQ: MATR) to co-market its FemExam pH and Amines TestCard in the United States and that the American Medical Association had awarded the FemExam Card an additional third party reimbursement code. The FemExam Card is an accurate,

convenient point of care diagnostic test used to help determine if a vaginal infection is bacterial or fungal. In August, CSI and BioStar, Inc., a Thermo Electron Corporation (NYSE: TMO) subsidiary, agreed to co-market three additional in-office tests for vaginitis. All four tests are being developed under CSI's licensing agreement with Litmus Concepts, Inc. In the United States, vaginitis accounts for about 13 million physician office visits and about 10 million clinic visits, annually.

Cost of Sales/Gross Profit

Our consolidated gross profit margin has consistently improved over the three-year period:

	Gross Profit % of Net Sales		
	2000	1999	1998
CVI	69%	66%	64%
CSI	54%	56%	55%
Consolidated	65%	64%	62%

The gross margin improvement at CVI results from:

Continuing cost reduction projects at our U.S. and U.K. manufacturing facilities.

A shift in our sales mix from OEM to value-added products.

The weak pound sterling reducing the translated production costs at our U.K. manufacturing plant.

Excluding a major change in product mix, we believe that further cost reductions will improve margins in the future. This mix change could result from a substantial increase in our business in Japan through Rohto and/or the rapid expansion of opaque contact lenses, both of which generate lower gross margins. A major cost improvement project began in the fourth quarter of 1998, when we spent about $1.7 million to improve efficiency, rationalize manufacturing, expand capacity and fill back orders. The combination of increased revenue and improved margin has resulted in CVI's gross profit increasing from $76.1 million in 1998 to $89.9 million in 1999 and to $104.7 million this year.

CSI's gross margin declined in 2000 reflecting primarily the lower margins of the products recently acquired from BEI and Leisegang. We expect that, following the integration of acquisitions, CSI's margins will return to, and then surpass, the 56% of sales generated in fiscal 1999. The nature and timing of future acquisitions will determine when this happens.

Selling, General and Administrative Expense ("SGA")

(In millions)	2000	1999	1998
CVI	$ 53.6	$ 45.8	$ 38.5
CSI	15.1	9.6	10.7
Headquarters	6.7	6.3	7.0
	$ 75.4	$ 61.7	$ 56.2

Consolidated SGA increased by 22% in 2000 and 10% in 1999.

SGA at CVI increased by 17% in 2000 and 19% in 1999. The increases in both periods resulted primarily from selling, promotion and distribution costs to launch new products. Also in 2000, we incurred one-time costs for a new distribution system. As a percentage of revenue, SGA at CVI was 35% in 2000, 34% in 1999 and 32% in 1998.

SGA increased at CSI in 2000 by 58% over 1999 reflecting the additional costs associated with acquisitions that contributed all but 4% of CSI's 55% revenue growth. CSI's 1999 SGA decreased vs. 1998, when it incurred a high level of costs to launch new products.

Headquarters SGA dropped to 3.4% of consolidated revenue from 3.8% in 1999 and 4.8% in 1998, when we resolved certain legal issues. We anticipate that Headquarters SGA will continue to grow at a rate below sales growth.

Research and Development Expense

Research and development expense was 1% of revenue in each year of the

three-year period: $2.7 million in 2000, $2 million in 1999 and $1.9 million in 1998.

We expect the current level of research and development spending to remain stable as a percentage of sales, as we continue to focus on acquiring products that can be marketed immediately or in the short-term, rather than on longer-term, higher-risk research and development projects.

Amortization of Intangibles

Amortization of intangibles was $4.2 million in 2000, $3.8 million in 1999 and $3.6 million in 1998. The increase in each year reflects the effect of acquisition activity during the three-year period.

Operating Income

Operating income improved by $17.2 million between 1998 and 2000:

(In millions)	Years Ended October 31, 2000	1999	1998
CVI	$ 47.3	$ 40.8	$ 34.6
CSI	6.3	4.3	2.1
Headquarters	(6.7)	(6.3)	(7.0)
	$ 46.9	$ 38.8	$ 29.7
Percent growth	21%	31%	

Settlement of Disputes, Net

In 2000, we recorded a charge to income of $653,000 to settle a dispute with a German distributor that included the write-off of a related investment in a joint venture.

In 1998, we recorded a charge to income of $1.3 million to settle a dispute with GT Laboratories and for other smaller matters.

Other Income, Net

(In thousands)	Years Ended October 31, 2000	1999	1998
Interest income	$ 499	$ 375	$ 311
Foreign exchange gain (loss)	(256)	(325)	591(1)
Gain on swap contract	240	--	--
Other	172	181	(12)
	$ 655	$ 231	$ 890

(1) The foreign exchange gain of $591,000 includes a one-time gain of $850,000 reflecting weakness in sterling occurring before we implemented our hedging program, partially offset by losses over the period.

Interest income increased in 2000 and 1999 because of higher investment balances primarily from cash received from our sale of Hospital Group of America ("HGA"), our former psychiatric services business, and positive cash flow from operations, net of debt repayments.

In 2000, we repaid the Midland Bank loan and cancelled an interest rate swap, realizing a gain of $240,000.

Interest Expense

Interest expense was $4.7 million in 2000 and $6.3 million in each of fiscal 1999 and 1998. The decrease in 2000 reflects debt repayments funded by operating cash flow and cash received from the sale of HGA (see Capital Resources and Liquidity).

Provision for (Benefit of) Income Taxes

In fiscal 1998, we recorded a large tax benefit for the remaining anticipated value of our $184 million net operating loss carryforwards ("NOLs"). As a result, in fiscal years 1999 and 2000, we report our provision for income taxes as if we were a taxpayer with no NOLs.

We implemented a global tax plan in 1999 to minimize both the taxes reported in our income statement and the actual taxes we will have to pay once we fully use the benefits of our NOLs. Our full year 1999 effective tax rate ("ETR") on income from continuing operations was 32.7%, which includes the impact of the global tax plan and a reversal of $1.1 million of tax reserves no longer required. Our full-year 2000 ETR was 30.2%, which includes the impact of the global tax plan and a reversal of $1.4 million of tax reserves no longer required.

We expect that our global tax plan will result in our ETR being reduced to approximately 30% over the next several years. This plan could also extend the cash flow benefits of our NOLs through 2003, assuming no major acquisitions or

large stock issuance. We expect that actual payments for taxes will be about 10% of pretax income during this period.

Income from Discontinued Operations

Income from discontinued operations is income derived from HGA, which we declared a discontinued operation in October 1998. The reported income of $129,000 and $4.3 million for the fiscal years ended 1999 and 1998, respectively, is net of income tax expense of $66,000 and $130,000.

Loss from Disposal
of Discontinued Operations

In 1998, we wrote down HGA's net assets by $22.3 million to the then estimated fair market value in anticipation of the sale of the business. In 1999, we revised our estimated loss by $3 million to $19.3 million.

CAPITAL RESOURCES & LIQUIDITY
Year 2000 Highlights:

- Operating cash flow $41 million, up 48% vs. $27.7 million in 1999.

- Cash flow (pretax income from continuing operations plus depreciation and amortization) per diluted share $3.51 vs. $2.82 in 1999.

Closed five acquisitions for cash payments totaling $24.4 million.

Refinanced approximately $18 million of long-term debt, replacing it with less expensive debt under our Revolving Credit Agreement.

Expenditures for purchases of property, plant and equipment $14.7 million vs. $10.1 million in 1999.

Comparative Statistics:

($ in millions)	October 31, 2000	1999
Cash and cash equivalents	$ 14.6	$ 20.9
Total assets	$ 322.6	$ 285.9
Working capital	$ 47.4	$ 58.6
Total debt	$ 48.4	$ 62.0
Ratio of debt to equity	0.24:1	0.38:1
Debt as a percentage of total capitalization	20%	27%

Operating Cash Flows

Our major source of liquidity continues to be cash flow from operating activities. Operating cash flow for fiscal 2000 was $41 million, a growth of 48% from the $27.7 million generated in fiscal 1999. In fiscal 2000, first quarter operating cash flow was significantly ahead of 1999's first quarter, providing cash of $5.3 million as opposed to the $3.4 million of cash used reported in the first quarter of 1999. The first quarter continues to be our weakest cash flow quarter, reflecting payments to settle disputes, bonus payments and, to a greater extent in 1999, inventory builds in anticipation of new product launches. We now anticipate generating positive operating cash flow each quarter.

Quarterly Operating Cash Flow:

(In millions)	2000	1999
Q1	$ 5.3	$ (3.4)
Q2	10.6	9.2
Q3	12.5	9.5
Q4	12.6	12.4
Fiscal year	$ 41.0	$ 27.7

The full year increase of $13.3 million was driven by strong operating results (operating income of $46.9 million, up 21%) and a reduced investment in inventory. Of the total increase in inventory of $4.8 million, approximately $3.9 million represented inventories of companies acquired this year. Major uses of cash for operating activities in fiscal 2000, in addition to those required in the ordinary course of our business, included approximately $6 million related to various settlements, $1.4 million to fund entitlements under Cooper's bonus plans and approximately $4.1 million in interest payments.

Investing Cash Flows

From an inflow of $20.2 million in 1999, which was driven by net cash of $25.3 million received from the sale of HGA, our investing cash flows swung to an outflow of $40.6 million in 2000. The outflow in 2000 was driven by capital expenditures of $14.7 million and expenditures of about $24 million to fund acquisitions.

Financing Cash Flows

Our financing activities resulted in the use of $7.2 million cash this year and $34.6 million in 1999. This year we spent about $18 million to refinance a portion of the debt raised in 1998 to fund an acquisition. We funded most of the $18 million drawing on our KeyBank line of credit, which carries a lower effective interest rate. Because the debt we paid off was backed by a letter of credit from KeyBank, and was, therefore, deducted from the total facility amount, we lost no availability under our line of credit. We also repaid approximately $12.7 million of debt this year. In 1999 we repaid a large portion of debt when we disposed of HGA and spent $7.3 million to purchase shares of our common stock on the open market.

Risk Management (See Note 7)

We are exposed to risks caused by changes in foreign currency exchange rates, principally debt denominated in pounds sterling and from overseas operations denominated in foreign currencies. We have hedged most of the debt by entering into contracts to buy sterling forward. We are also exposed to risk associated with changes in interest rates, as the interest rate on certain of our debt varies with the London Interbank Offered Rate.

Outlook

We believe that cash and cash equivalents on hand of $14.6 million plus cash from operating activities will fund future operations, capital expenditures, cash dividends and smaller acquisitions. We may need additional funds for larger acquisitions and other strategic alliances. At October 31, 2000, we had $35.7 million available under the KeyBank line of credit and, based on conversations with KeyBank, anticipate that additional financing would be available as required.

Inflation and Changing Prices

Inflation has not had any appreciable effect on our operations in the last three years.

New Accounting Pronouncements

(See Note 1)

Forward-Looking Statements

Some of the information included in this annual report contains "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements regarding anticipated growth in our revenue, anticipated market conditions and results of operations. To identify forward-looking statements look for words like "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates" or "anticipates" and similar words or phrases. Discussions of strategy, plans or intentions often contain forward-looking statements. These, and all forward-looking statements, necessarily depend on assumptions, data or methods that may be incorrect or imprecise.

Events, among others, that could cause actual results and future actions to differ materially from those described by or contemplated in forward-looking statements include major changes in business conditions, a major disruption in the operations of our manufacturing facilities, new competitors or technologies, the impact of an undetected virus on our computer systems, acquisition integration delays or costs, foreign currency exchange exposure, investments in research and development and other start-up projects, dilution to earnings per share from acquisitions or issuing stock, regulatory issues, significant environmental cleanup costs above those already accrued, litigation costs, cost of business divestitures, the requirement to provide for a significant liability or to write off a significant asset, changes in accounting principles or estimates, and other factors described in our Securities and Exchange Commission filings, including the "Business" section in our Annual Report on Form 10-K for the year ended October 31, 2000. We caution investors not to rely on forward-looking statements. They reflect our analysis only on their stated dates or the date of this report. We disclaim any intent or obligation to update these forward-looking statements.

Independent Auditors' Report

The Board of Directors and Stockholders
The Cooper Companies, Inc:

We have audited the accompanying consolidated balance sheets of The Cooper Companies, Inc. and subsidiaries as of October 31, 2000 and 1999, and the related consolidated statements of income, comprehensive income and cash flows for each of the years in the three-year period ended October 31, 2000. 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 The Cooper Companies, Inc. and subsidiaries as of October 31, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended October 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

San Francisco, California
December 8, 2000

Management's Statement

We prepared the financial statements in this report according to accounting principles generally accepted in the United States of America, and we are responsible for them. They include estimates based on our informed judgment. The other financial information in the report is consistent with that in the financial statements.

Our accounting systems include controls to reasonably assure the safeguarding of Cooper's assets and the production of financial statements that conform to accounting principles generally accepted in the United States of America. We supplement these with qualified personnel and provide for appropriate separation of duties. The Board of Directors, through its Audit and Finance Committee of three outside directors, determines whether we fulfill our responsibilities to prepare financial statements and maintain financial controls. This committee recommends to the Board of Directors appointment of the Company's independent certified public accountants, subject to ratification by the stockholders. It meets regularly with management and the independent accountants. The independent accountants have access to the committee without management present to discuss auditing and financial reporting. Each committee member is familiar with finance and accounting, and the chair is a financial executive.

KPMG LLP has been the Company's independent certified public accountants since 1980, when the Company incorporated. KPMG provides an objective, independent review of the fairness of reported operating results and financial position.

A. Thomas Bender	Robert S. Weiss
A. Thomas Bender	Robert S. Weiss
President and Chief Executive Officer	Executive Vice President, Treasurer and Chief Financial Officer

Consolidated Statements of Income

(In thousands, except per share amounts)	Years Ended October 31, 2000	1999	1998
Net sales	$ 197,317	$ 165,328	$ 147,192
Cost of sales	68,100	59,009	55,764
Gross profit	129,217	106,319	91,428
Selling, general and administrative expense	75,424	61,734	56,226
Research and development expense	2,711	1,977	1,944
Amortization of intangibles	4,213	3,797	3,558
Operating income	46,869	38,811	29,700
Settlement of disputes, net	653	--	1,250
Other income, net	655	231	890
Interest expense	4,744	6,330	6,253
Income from continuing operations before income taxes	42,127	32,712	23,087
Provision for (benefit of) income taxes	12,727	10,711	(34,723)
Income from continuing operations	29,400	22,001	57,810
Discontinued operations, net of taxes:			
Income	--	129	4,336
Gain (loss) from disposal	--	2,970	(22,300)
	--	3,099	(17,964)
Income before cumulative effect of change in accounting principle	29,400	25,100	39,846
Cumulative effect of change in accounting principle	(432)	--	--
Net income	$ 28,968	$ 25,100	$ 39,846
Basic earnings per share:			
Continuing operations	$ 2.07	$ 1.56	$ 3.90
Discontinued operations	--	0.22	(1.21)
Cumulative effect of change in accounting principle	(0.03)	--	--
Earnings per share	$ 2.04	$ 1.78	$ 2.69
Diluted earnings per share:			
Continuing operations	$ 2.03	$ 1.54	$ 3.79
Discontinued operations	--	0.21	(1.18)
Cumulative effect of change in accounting principle	(0.03)	--	--
Earnings per share	$ 2.00	$ 1.75	$ 2.61
Number of shares used to compute earnings per share:			
Basic	14,188	14,098	14,828
Diluted	14,510	14,312	15,269

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

(In thousands)	October 31, 2000	October 31, 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 14,608	$ 20,922
Accounts receivable, less allowances of $2,440 in 2000 and $1,136 in 1999	33,058	26,792
Inventories	38,219	33,430
Deferred tax assets	17,800	11,638
Prepaid expenses and other current assets	9,000	7,679
Total current assets	112,685	100,461
Property, plant and equipment, at cost	67,216	54,211
Less accumulated depreciation and amortization	19,283	13,892
	47,933	40,319
Goodwill and other intangibles, net	110,854	80,518
Deferred tax assets	42,979	56,519
Other assets	8,114	8,056
	$ 322,565	$ 285,873
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	$ 6,062	$ 2,583
Current installments of long-term debt	2,032	2,305
Accounts payable	7,733	6,263
Employee compensation and benefits	6,652	5,885
Accrued divestiture costs	1,533	3,231
Accrued acquisition costs	18,900	229
Accrued income taxes	8,033	11,351
Other accrued liabilities	14,330	10,049
Total current liabilities	65,275	41,896
Long-term debt	40,257	57,067
Other noncurrent liabilities	18,595	22,767
Total liabilities	124,127	121,730
Commitments and contingencies (see Note 11)		
Stockholders' equity:		
Preferred stock, 10 cents par value, shares authorized: 1,000; zero shares issued or outstanding	--	--
Common stock, 10 cents par value, shares authorized: 40,000; issued: 15,189 and 14,975 at October 31, 2000 and 1999, respectively	1,519	1,497
Additional paid-in capital	257,994	251,345
Less:		
Accumulated other comprehensive loss	(3,558)	(595)
Deferred compensation	(129)	--
Accumulated deficit	(46,210)	(74,044)
Treasury stock at cost: 729 and 917 shares at October 31, 2000 and 1999, respectively	(11,178)	(14,060)
Stockholders' equity	198,438	164,143
	$ 322,565	$ 285,873

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

(In thousands)	Years Ended October 31, 2000	1999	1998
Cash flows from operating activities:			
Net income	$ 28,968	$ 25,100	$ 39,846
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred income taxes	10,894	6,790	(35,787)
Depreciation expense	4,521	4,561	4,678
Provision for doubtful accounts	426	1,273	1,813
Amortization expense	4,213	3,879	3,738
(Gain) loss from disposal of discontinued operations	--	(2,970)	22,300
Change in operating assets and liabilities excluding effects from acquisitions:			
Receivables	(4,314)	(3,086)	(3,910)
Inventories	(2,150)	(3,116)	(6,933)
Other assets	(471)	1,703	(952)
Accounts payable	1,339	(2,657)	1,130
Accrued liabilities	3,644	(864)	(5,949)
Income taxes payable	(3,042)	(619)	(5,104)
Other long-term liabilities	(3,000)	(2,500)	(3,973)
Other	--	204	471
Cash provided by operating activities	41,028	27,698	11,368
Cash flows from investing activities:			
Purchases of assets and businesses	(24,444)	--	(34,298)
Disposition of discontinued operations	--	28,685	--
Disposition costs paid	(1,455)	(3,412)	--
Purchases of property, plant and equipment	(14,665)	(10,121)	(19,573)
Sale of (investment in) marketable securities	--	5,419	(5,419)
Other	--	(415)	--
Cash provided (used) by investing activities	(40,564)	20,156	(59,290)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows - Concluded

(In thousands)	Years Ended October 31, 2000	1999	1998
Cash flows from financing activities:			
Proceeds from long-term line of credit	$ 23,658	$ 8,568	$ 36,500
Repayment of long-term line of credit	(16,500)	(30,368)	(14,700)
Principal payments on long-term obligations	(19,881)	(7,145)	(7,603)
Proceeds from long-term borrowings	--	2,965	29,682
Net borrowings under short-term agreements	3,566	--	1,011
Purchase of treasury stock	--	(7,345)	(7,993)
Exercise of warrant and options	3,078	948	--
Dividends on common stock	(1,134)	(561)	--
Short-term debt payment	--	(2,142)	--
Other	--	514	430
Cash provided (used) by financing activities	(7,213)	(34,566)	37,327
Effect of exchange rate changes on cash and cash equivalents	435	301	(321)
Net increase (decrease) in cash and cash equivalents	(6,314)	13,589	(10,916)
Cash and cash equivalents at beginning of year	20,922	7,333	18,249
Cash and cash equivalents at end of year	$ 14,608	$ 20,922	$ 7,333
Supplemental disclosures of cash flow information:			
Cash paid for:			
Interest (net of amounts capitalized)	$ 4,130	$ 7,248	$ 4,536
Income taxes	$ 4,480	$ 2,116	$ 5,846

Supplemental disclosure of noncash investing and financing activities:
Earn-out agreement:

As part of the acquisition of Aspect Vision Care Ltd. (see Note 2), in fiscal 2000, we agreed to pay the former owners of Aspect, in addition to the 'L'5 million payment previously accrued, 'L'8.5 million ($13 million on the date of the agreement). The total amount is included under other liabilities in our consolidated balance sheet.

Acquisitions:		
Fair value of assets acquired	$ 35,742	$ 93,406
Less, liabilities assumed and acquisition costs	(5,106)	(29,607)
	$ 30,636	$ 63,799
Funded by:		
Cash payments	$ 24,444	$ 34,298
Issuance of stock and debt	6,192	29,501
	$ 30,636	$ 63,799

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

(In thousands)	Years Ended October 31, 2000	1999	1998
Net income	$ 28,968	$ 25,100	$ 39,846
Other comprehensive income (loss):			
Foreign currency translation adjustment	(2,963)	71	(311)
Comprehensive income	$ 26,005	$ 25,171	$ 39,535

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1.
Summary of Significant Accounting Policies
General

The Cooper Companies, Inc. and subsidiaries (the "Company," "Cooper" or "we" and similar pronouns), through its principal business segments, develop, manufacture and market healthcare products. CooperVision ("CVI") markets a range of specialty contact lenses to correct visual defects, including toric lenses that correct astigmatism, cosmetic lenses that change or enhance the appearance of the eyes' natural color and aspheric lenses that improve vision in low light conditions. CooperSurgical ("CSI") markets diagnostic products and surgical instruments and accessories to the women's healthcare market.

Consolidation

The financial statements in this report include the accounts of all the Company's consolidated entities. Intercompany transactions and balances are eliminated in consolidation.

Foreign Currency Translation

We translate assets and liabilities of our operations located outside the United States into U.S. dollars at prevailing year-end exchange rates. We translate income and expense accounts at weighted average rates for each year. We record gains and losses from the translation of financial statements in foreign currencies into U.S. dollars in other comprehensive income. We record gains and losses from changes in exchange rates on transactions denominated in currencies other than each reporting location's functional currency in net income for each period. Net foreign exchange gain (loss) included in the determination of net income for the years ended October 31, 2000, 1999 and 1998 was ($256,000), ($325,000) and $591,000, respectively.

Derivatives

We use derivatives to reduce market risk from changes in foreign exchange and interest rates. We do not use derivative financial instruments for trading or speculative purposes. We believe that the counter party with whom we enter into forward exchange contracts and interest rate swap agreements is financially sound and that the credit risk of these contracts is negligible.

Estimates in the Preparation of Financial Statements

We prepare our financial statements in conformity with accounting principles generally accepted in the United States of America, which requires us to make informed estimates and judgments about certain amounts appearing in them. The actual results could differ from the estimated figures included in our financial statements.

Revenue Recognition

We recognize revenue upon shipment of our products, when risk of ownership transfers to our customers. We record, based on historical statistics, appropriate provisions for shipments to customers who have the right of return.

Cash and Cash Equivalents

Cash and cash equivalents include commercial paper and other short-term income producing securities with maturity dates of three months or less. These investments are readily convertible to cash and are carried at cost, which approximates market value.

Inventories, at the Lower of Average Cost or Market

(In thousands)	October 31, 2000	1999
Raw materials	$ 9,740	$ 8,151
Work-in-process	6,056	3,786
Finished goods	22,423	21,493
	$38,219	$33,430

Property, Plant and Equipment, at Cost

(In thousands)	October 31, 2000	1999

Land and improvements	$ 1,343	$ 1,500
Buildings and improvements	11,371	11,036
Machinery and equipment	54,502	41,675
	$67,216	$54,211

We compute depreciation using the straight-line method in amounts sufficient to write off depreciable assets over their estimated useful lives. We amortize leasehold improvements

over their estimated useful lives or the period of the related lease, whichever is shorter. We depreciate buildings over 35 to 40 years and machinery and equipment over 3 to 15 years.

We expense costs for maintenance and repairs, and we capitalize major replacements, renewals and betterments. We eliminate the cost and accumulated depreciation of depreciable assets retired or otherwise disposed of from the asset and accumulated depreciation accounts and reflect any gains or losses in operations for the period.

Amortization of Intangibles

We amortize intangible assets (primarily goodwill of $96.9 million and $65.4 million at October 31, 2000 and 1999) on a straight-line basis over periods of up to 40 years. Accumulated amortization at October 31, 2000 and 1999 was $16.9 million and $12.7 million, respectively. We assess the recoverability of goodwill and other long-lived assets by determining whether the amortization of the related balance over its remaining life can be recovered through reasonably expected undiscounted future cash flows. We also evaluate amortization periods of intangibles to determine whether later events and circumstances warrant revised estimates of useful lives. To date, no such adjustments have been required.

Earnings Per Share ("EPS")

We determine basic EPS by using the weighted average number of shares outstanding and then add outstanding dilutive stock warrants and options to determine diluted EPS.

Stock-Based Compensation

We account for stock-based compensation in accordance with Statement of Financial Accounting Standards ("SFAS") 123, Accounting for Stock-Based Compensation. This statement establishes financial accounting and reporting standards for stock-based compensation, including employee stock option plans. As allowed by SFAS 123, we continue to measure compensation expense under Accounting Principles Board ("APB") Opinion No. 25, Accounting For Stock Issued to Employees, and related interpretations (see Note 9).

New Accounting Pronouncements

In April 1998, The American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-5, "Reporting on the Cost of Start-up Activities." The SOP broadly defines start-up activities and requires us to expense them as incurred, effective for fiscal years beginning after December 15, 1998. We adopted the SOP in the first quarter of this year and reported an after tax charge of $432,000 as the cumulative effect of a change in accounting principle. Our previous policy had been to defer the cost of start-up activities as appropriate and amortize them over future periods.

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" (as amended by SFAS Nos. 137 and 138). SFAS 133 is required to be adopted in the first quarter of fiscal years beginning after June 15, 2000. SFAS 133 requires us to recognize all derivatives at fair value on the balance sheet. Changes in fair value must be recognized currently in earnings unless we meet specific hedge accounting criteria. We will adopt SFAS 133 in the first quarter of fiscal 2001 and do not anticipate that it will have a material effect on our consolidated financial statements.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101 "Revenue Recognition in Financial Statements." SAB 101 is to be adopted for fiscal years beginning after December 15, 1999. We will adopt SAB 101 in the fourth quarter of fiscal 2001 and do not expect that it will have a material effect on our consolidated financial statements.

In July 2000, the Emerging Issues Task Force ("EITF") reached a consensus on Issue 00-10, "Accounting for Shipping and Handling Fees and Costs." This issue, which will become effective for us in the fourth quarter of fiscal 2001, addresses the income statement classification for shipping and handling fees and costs by companies. We are currently analyzing EITF 00-10 and do not expect its implementation to have a material impact on our consolidated financial statements, other than a potential income statement reclassification that may result in increased revenue and selling, general and administrative expenses with no effect on operating income.

In May 2000, the EITF reached a consensus on Issue 00-14, "Accounting for Certain Sales Incentives." This issue, which will become effective for us in the fourth quarter of fiscal 2001, addresses the recognition, measurement, and income statement classification for sales incentives offered voluntarily by a vendor without charge to customers that can be used in, or are exercisable by a customer as a result of, a single exchange transaction. We are currently analyzing EITF 00-14, and based on our current understanding and interpretation, we do not expect that our implementation of EITF 00-14 will have a material impact on our consolidated financial statements.

Note 2.
Acquisitions
MedaSonics Acquisition

On October 18, 2000, we acquired MedaSonics, Inc., including its line of handheld and compact Doppler ultrasound systems used in obstetrics and gynecology as well as in cardiology and other medical specialties.

We paid cash of $500,000 and 162,290 shares of our common stock, having a market value of $5.6 million at the closing. A maximum of 28,469 additional shares will be paid at a later date.

The acquisition has been accounted for as a purchase. The excess of the purchase price over the fair value of the net assets acquired (goodwill) has been recorded at $5.4 million and is being amortized over 20 years.

Leisegang Acquisition

On January 31, 2000, we acquired a group of women's healthcare products (the "Leisegang Business") from NetOptix Corporation for approximately $10 million in cash at closing, plus in May 2000, an additional $250,000. Before the acquisition, the Leisegang Business had annual revenue of more than $11 million from operations in the U.S., Germany and Canada.

The Leisegang Business consists of diagnostic and surgical instruments including colposcopes, instruments to perform loop electrosurgical excision procedures, hand-held gynecological instruments, disposable specula and cryosurgical systems. Many of these products are disposable, including the Sani-Spec line of plastic specula, its largest product group.

The acquisition has been accounted for as a purchase. Goodwill has been recorded at $5.4 million and is being amortized over 20 years.

BEI Acquisition

On December 8, 1999, we acquired a group of women's healthcare products from BEI Medical Systems Company, Inc., including uterine manipulators and other products for the gynecological surgery market, for approximately $10.3 million in cash. Most of these products are disposable. Physicians use them in both their offices and in hospitals.

The acquisition has been accounted for as a purchase. Goodwill has been recorded at $8.4 million and is being amortized over 20 years.

Investment in Litmus

In February 1998, we purchased, for approximately $10 million cash, a 10% equity position in Litmus Concepts Inc. and received an exclusive license to distribute Litmus' FemExam TestCard System of diagnostic tests in the women's professional healthcare market in North America. Of the $10 million purchase price, we allocated $5 million to the equity investment and $5 million to the exclusive license. We are accounting for our investment in Litmus on the cost basis and amortizing the license over 17 years. We agreed to annual minimum purchases, which end when we have purchased 10 million units of the products or on the sixth anniversary of the agreement, whichever occurs first. If we do not meet the required minimum purchases, Litmus' only remedy is to cancel the exclusivity of the license.

Aspect Acquisition

In December 1997, we acquired Aspect Vision Care Ltd. ("Aspect"), a privately held manufacturer of high quality contact lenses sold primarily in the United Kingdom and other European countries. Aspect is an English company with the pound sterling as its functional currency. We have included Aspect in CVI's results from the date of its acquisition.

We paid approximately $51 million at closing ($21.6 million in cash, 38,000 shares of Cooper's common stock with a value of $1.5 million and $28 million in 8% five-year notes to the selling shareholders), and based on Aspect's performance over the last three years, we will pay an additional 'L'13.5 million (approximately $20.5 million) as follows: $17.2 million is payable in two payments - one on December 11, 2000 and the other on June 11, 2001 and is included in current accrued liabilities. The balance of $3.3 million is payable on December 11, 2001 and is included in other long-term liabilities. The cash paid at closing was partially financed under our $50 million line of credit (see "Midland Bank" Note 6). The acquisition has been accounted for as a purchase. Based on an independent valuation report, Goodwill has been recorded at $57.9 million ($44.9 million at closing, including about $7.5 million for the minimum earn-out, and an additional $13 million accrued in October 2000 in anticipation of payment of the aforementioned amounts). The entire amount of goodwill will be amortized on the 40th anniversary of the acquisition. Other intangibles of $3.5 million are being amortized over periods of from 10 to 30 years.

Following the acquisition, some of the selling shareholders became employees of Cooper. As of October 31, 2000 and 1999, approximately $41.2 million and $23.4 million, respectively, of the five-year notes and the additional payments owed by Cooper in connection with the acquisition are payable to these employees or members of their immediate family. None of these employees are officers of Cooper. For the years ended October 31, 2000, 1999 and 1998, our consolidated income statement included $1.8 million, $1.9 million and $2 million of interest expense and $2.3 million, $2.4 million and $2.3 million of royalty expense paid or payable to these individuals.

In connection with the Aspect acquisition, Cooper agreed to make quarterly royalty payments of from 5% to 7 1/2% on sales of certain Aspect-manufactured products, with a minimum royalty for five years of 'L'1 million a year. The balance of royalties payable under the agreement was $481,000 and $586,000 at October 31, 2000 and 1999, respectively, and is included in other accrued liabilities in the accompanying consolidated balance sheet.

Note 3.
Discontinued Operations

In 1998, we declared Hospital Group of America ("HGA"), our psychiatric services business, a discontinued operation and recorded a charge of $22.3 million reflecting our initial estimate of the ultimate loss on disposition.

In January 1999, we completed the sale of a portion of HGA for $5 million in cash and trade receivables. On April 15, 1999, we sold the remainder of HGA to Universal Health Services, Inc. for $27 million and recorded gains on disposal of $1.3 million in the first quarter and $1.7 million in the second quarter, reflecting adjustments to the loss estimated in 1998.

HGA's patient revenues were $20.8 million and $55.5 million for fiscal years ended October 31, 1999 and 1998, respectively.

Note 4.
Earnings Per Share

(In thousands, except per share amounts)	Years Ended October 31, 2000	1999	1998
Income from continuing operations	$ 29,400	$ 22,001	$ 57,810
Discontinued operations, net of income taxes	--	3,099	(17,964)
Cumulative effect of change in accounting principle	(432)	--	--
Net income	$ 28,968	$ 25,100	$ 39,846
Basic:			
Weighted average common shares	14,188	14,098	14,828
Basic earnings per common share:			
Continuing operations	$ 2.07	$ 1.56	$ 3.90
Discontinued operations	--	0.22	(1.21)
Cumulative effect of change in accounting principle	(0.03)	--	--
Basic earnings per share:	$ 2.04	$ 1.78	$ 2.69
Diluted:			
Weighted average common shares	14,188	14,098	14,828
Add:			
Dilutive warrants	--	23	56
Dilutive options	322	191	385
Effect of dilutive securities	322	214	441
Diluted weighted average common shares	14,510	14,312	15,269
Diluted earnings per share:			
Continuing operations	$ 2.03	$ 1.54	$ 3.79
Discontinued operations	--	0.21	(1.18)
Cumulative effect of change in accounting principle	(0.03)	--	--
Diluted earnings per share:	$ 2.00	$ 1.75	$ 2.61

We excluded the following options to purchase Cooper's common stock from the computation of diluted EPS because their exercise prices were above the average market price.

	Years Ended October 31, 2000	1999	1998
Number of shares excluded	989,250	1,321,083	571,250
Range of exercise prices	$34-$62.21	$21-$62.21	$36-$62.21

Note 5.
Income Taxes

The income tax provision (benefit) related to income from all operations in the consolidated statements of income consists of:

(In thousands)	Years Ended October 31, 2000	1999	1998
From continuing operations	$ 12,727	$ 10,711	$(34,723)
From cumulative effect of a change in accounting principle	(218)	--	--
From discontinued operations	--	(6,425)	130
	$ 12,509	$ 4,286	$(34,593)

The income tax provision (benefit) related to income from continuing operations in the consolidated statements of income consists of:

(In thousands)	Years Ended October 31, 2000	1999	1998
Current			
Federal	$ 1,508	$ 445	$ 462
State	(2,474)	(641)	471
Foreign	2,799	2,222	131
	1,833	2,026	1,064
Deferred			
Federal	9,532	8,730	(35,955)
State	1,362	(45)	--
Foreign	--	--	168
	10,894	8,685	(35,787)
	$ 12,727	$ 10,711	$(34,723)

We reconcile the provision for (benefit of) income taxes attributable to income from continuing operations and the amount computed by applying the statutory federal income tax rate of 35% to income from continuing operations before income taxes as follows:

(In thousands)	Years Ended October 31, 2000	1999	1998
Computed expected provision for taxes from continuing operations	$ 14,744	$ 11,449	$ 8,080
Increase (decrease) in taxes resulting from:			
Income (loss) outside the United States subject to different tax rates	(534)	(325)	431
Amortization of intangibles	426	392	477
State taxes, net of federal income tax benefit	1,271	312	306
Reversal of prior years' estimated state tax liabilities no longer required	(2,330)	(1,121)	--
Utilization of net operating loss carryforwards	--	--	(10,359)
Change in valuation allowance	(655)	331	(35,787)
Other, net	(195)	(327)	2,129
Actual provision (benefit) of income taxes	$ 12,727	$ 10,711	$(34,723)

The tax effects of temporary differences that give rise to the deferred tax assets and liabilities are:

(In thousands)	October 31, 2000	1999
Deferred tax assets:		
Accounts receivable, principally due to allowances for doubtful accounts	$ 852	$ 559
Inventories, principally due to obsolescence reserves	2,310	1,329
Litigation settlements	6,000	7,200
Accrued liabilities, reserves and compensation accruals	3,593	1,696
Net operating loss carryforwards	48,671	56,957
Capital loss carryforwards	2,991	2,991
Tax credit carryforwards	3,712	4,138
Other	--	1,933
Total gross deferred tax assets	68,129	76,803
Less valuation allowance	(6,488)	(7,996)
Deferred tax assets	61,641	68,807
Deferred tax liabilities:		
Plant and equipment	(862)	(650)
Net deferred tax assets	$ 60,779	$ 68,157

The net (increase)/decrease in the total valuation allowance for the years ended October 31, 2000, 1999 and 1998 was $1.5 million, ($923,000) and $45.4 million, respectively. In 1998, we recognized an income tax benefit of $35.8 million ($23.3 million in the fourth quarter of fiscal 1998) from reducing the valuation allowance based primarily on the continued improvement in Cooper's operating results and future prospects. The recognition of the net deferred tax assets is based upon expected future earnings that we believe are more likely than not to be realized.

At October 31, 2000 Cooper had net operating loss and tax credit carryforwards for federal tax purposes that expire as follows:

Year of Expiration	Net Operating Losses	Tax Credits
(In thousands)		
2000	$ --	$ 1,132
2001	--	202
2002	790	29
2003	1,378	330
2004	22,241	--
2005	11,006	--
2006	22,265	--
2007	22,058	--
2008	49,535	--
2009	6,553	--
2010	1,318	--
2018	823	--
2019	1,092	--
Indefinite life	--	2,019
	$139,059	$ 3,712

Note 6.
Long-Term Debt

(In thousands)	October 31, 2000	1999
Aspect promissory notes due December 2, 2002 (see Note 2)	$ 20,653	$23,439
KeyBank line of credit	7,059	--
Midland Bank Debt	--	17,445
Aspect bank loans	5,264	6,292
County of Monroe Industrial Development Agency ("COMIDA") Bond	2,455	2,695
Capitalized leases, interest rates from 7% to 11%, maturing 1999 to 2007	6,832	9,401
Other	26	100
	42,289	59,372
Less current installments	2,032	2,305
	$ 40,257	$57,067

Our long-term debt matures as follows over the next five years:

(In thousands)	Long-Term Debt
2001	$ 2,032
2002	$ 1,817
2003	$ 26,103
2004	$ 1,613
2005	$ 1,425

KeyBank Line of Credit

We have a $50 million senior secured revolving credit facility with KeyBank National Association ("KeyBank"). KeyBank syndicated a portion of the facility to one other lender and acts as agent. The facility matures September 11, 2002. Interest rates range from 50 to 200 basis points over the London Interbank Offered Rate (LIBOR) depending on certain financial ratios. The interest rate may be floating or fixed at our option. We had outstanding borrowings from the credit facility of $7.1 million and zero at October 31, 2000 and 1999, respectively. On October 31, 2000, the effective rates ranged from 6.9% to 7.7%. Cooper pays an annual commitment fee of 0.375% on the unused portion of the revolving credit facility and pays interest monthly on outstanding balances.

Terms include a first security interest in all Cooper assets. During the term of the facility, we may borrow, repay and re-borrow up to the $50 million, unless we opt to reduce the line voluntarily. We have used the KeyBank line of credit to guarantee other foreign borrowings by issuing $7.2 million of letters of credit against the line of credit, which reduced its unused portion. At October 31, 2000, we had $35.7 million available.

Under certain circumstances when we obtain additional debt or equity, mandatory prepayments will be required to repay outstanding amounts and permanently reduce the total commitment amount available.

The KeyBank line of credit contains various covenants, including maintenance of certain ratios and transaction limitations requiring approval of the lenders. Certain prepayments are subject to penalties.

Midland Bank

We partially funded the Aspect acquisition by a 'L'10.5 million loan from Midland Bank plc, due November 27, 2002. In March 1998, we converted the denomination of the loan to U.S. dollars and entered into an interest rate swap to fix the interest rate at 6.19% per annum (see Note 7). KeyBank issued a letter of credit to secure the Midland loan. Interest on the Midland loan is 20 basis points (0.2%) over sterling LIBOR, adjusted monthly, and Cooper pays an annual letter of credit fee of 1% of the balance to KeyBank. In January 2000, we repaid the 'L'10.5 million, and cancelled the interest rate swap. On the cancellation of the swap, we realized a gain of $240,000, which is recorded in other income.

Aspect Bank Loans

The balance of these loans at October 31, 2000, was $5.3 million and is secured by certain assets of Aspect and a $4.2 million letter of credit in favor of National Westminster Bank ("NWB") from KeyBank. Loan maturity dates range from March 2003 to June 2007. The interest rate on 'L'2.5 million borrowed March 30, 1998 is 0.2625% above sterling LIBOR. Sterling LIBOR ranged between 5.8% and 6.6% for the period of the loan. The interest rate on other NWB loans is 1.5% above the base rate, which ranged between 5.3% and 6% for the reporting period. In 1998, the proceeds were used to repay a loan of 'L'827,000 ($1.4 million), included in acquired debt, and to fund capital expenditures.

Capitalized Leases

The capitalized lease balance at October 31, 2000, was $6.8 million. The leases primarily relate to manufacturing equipment in the U.S. and the United Kingdom and are secured by those assets. The amount of our capitalized leases decreased for the period primarily because of payments on existing capitalized leases.

COMIDA Bond

The COMIDA bond is a $3 million Industrial Revenue Bond ("IRB") to finance the cost of plant expansion, building improvements and the purchase of equipment related to CVI's Scottsville, New York, facility. The interest rate has been effectively fixed at 4.88%, through a rate swap transaction (see Note 7). Principal is repaid quarterly, from July 1997 to October 2012. The IRB is secured by substantially all of CVI's rights to the facility.

KeyBank issued a letter of credit to support certain obligations under the COMIDA bond. CVI is obligated to repay KeyBank for draws under and expenses incurred in connection with the letter of credit, under a reimbursement agreement, which Cooper guarantees. The agreement contains customary provisions and covenants, including certain required ratios and levels of net worth. CVI and COMIDA have granted a mortgage lien on the building and real estate located in Scottsville and a first lien security interest on the equipment purchased under the bond proceeds to KeyBank to secure payment under the reimbursement agreement.

Note 7.

Financial Instruments

The fair values of our financial instruments, including cash and cash equivalents, trade receivables, lines of credit, accounts payable and accrued liabilities, approximated their carrying values as of October 31, 2000 and 1999 because of the short maturity of these instruments. We believe that there are no significant concentrations of credit risk in trade receivables.

The fair value of our other long-term debt approximated the carrying value at October 31, 2000 and 1999 because we believe that we could obtain similar financing with similar terms.

Derivatives

Foreign Exchange Instruments

Cooper enters into forward exchange contracts to hedge the currency exposure of liabilities and firm commitments denominated in foreign currencies. We recognize gains and losses on hedges in our results of operations in the same period as we realize the gain or loss from remeasuring the foreign currency denominated asset or liability. As of October 31, 2000, we had outstanding forward exchange contracts of $48 million to purchase 'L'30.1 million, which are to be purchased from time to time through November 2002. We obtained the fair value of the forward exchange contracts through KeyBank's foreign exchange department. The fair value indicated that termination of the forward exchange contracts at October 31, 2000 would have resulted in a loss of $3.7 million.

We also enter into forward exchange contracts to minimize the net currency exposure of intercompany liabilities and commitments denominated in foreign currencies. We record gains and losses on these forward contracts in our results, and they offset the gains and losses from the remeasurement of our intercompany accounts. At October 31, 2000, we had outstanding forward exchange contracts against our intercompany accounts of $2.9 million to sell 4.4 million Canadian Dollars. We obtained the fair value of the forward exchange contracts through KeyBank's Foreign Exchange department. The fair value indicated that termination of these forward exchange contracts at October 31, 2000 would have resulted in a loss of $17,000.

Interest Rate Swaps

On a selective basis, we enter into interest rate swap agreements to reduce the potential negative impact of increases in interest rates on our outstanding variable-rate debt under the Midland Bank Loan and the IRB. We recognize in our results of operations over the life of the contract, as interest expense, the amortization of contract premiums incurred from buying interest rate swaps. We record net payments or receipts resulting from these agreements as adjustments to interest expense. The effect of interest rate instruments on our results of operations in fiscal years ended October 31, 2000, 1999 and 1998 was not significant. As of October 31, 2000, Cooper had interest rate swap agreements with notional amounts totaling $6.7 million. As of October 31, 2000, we had a $2.5 million interest rate swap that matures on January 1, 2012 and a $4.2 million interest rate swap that matures on April 1, 2003.

We obtained the fair value of the swap agreements through KeyBank's derivative department. The fair value indicated that termination of the swap agreements at October 31, 2000 would have resulted in an $82,000 loss.

Note 8.

Stockholders' Equity

(In thousands) Years Ended October 31,

	Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock
Balance at October 31, 1997	14,798	$1,480	$249,213	$(138,429)	$ --
Exercise of stock options	75	7	419	--	--
Treasury stock purchased	--	--	--	--	(7,993)
Restricted stock amortization and share issuance	1	--	47	--	--
Stock issued for acquisition (see Note 2)	38	4	1,488	--	--
Net income	--	--	--	39,846	--
Balance at October 31, 1998	14,912	1,491	251,167	(98,583)	(7,993)
Exercise of stock options	61	6	461	--	--
Treasury stock purchased	--	--	--	--	(7,345)
Exercise of warrants and treasury stock used	--	--	(330)	--	1,278
Restricted stock amortization and share issuance	2	--	47	--	--
Dividends on common stock	--	--	--	(561)	--
Net income	--	--	--	25,100	--
Balance at October 31, 1999	14,975	1,497	251,345	(74,044)	(14,060)
Exercise of stock options	212	22	3,040	--	16
Treasury stock used for acquisitions	--	--	3,326	--	2,866
Restricted stock/stock option amortization and share issuance	2	--	283	--	--
Dividends on common stock	--	--	--	(1,134)	--
Net income	--	--	--	28,968	--
Balance at October 31, 2000	15,189	$1,519	$257,994	$(46,210)	$(11,178)

Cash Dividends

On May 20, 1999, Cooper announced an annual cash dividend on its common stock of 8 cents per share, payable in quarterly installments of 2 cents per share. We made four payments in fiscal 2000 and two in fiscal 1999.

Treasury Stock

In September 1998, our Board of Directors authorized us to purchase up to one million shares of our common stock. All of these shares have been purchased.

(In thousands)	Shares	Purchase Price
Purchased and paid for in fiscal 1999	514	$7,345
Purchased and paid for in fiscal 1998	486	7,993
	1,000	15,338
Reissued in fiscal 2000(1)	(188)	(2,882)
Reissued in fiscal 1999(2)	(83)	(1,278)
	729	$11,178

(1) Cooper issued 187,876 shares of treasury stock for:

1) Issued 24,586 treasury shares related to a prior acquisition.

2) Issued 162,290 treasury shares related to the MedaSonics acquisition.

3) Issued 1,000 treasury shares upon the exercise of stock options.

Treasury stock was credited for $2.9 million for the average cost of the treasury stock, charging approximately $400,000 to additional paid in capital, receiving $14,000 in cash, and charging $2.5 million to intangibles for the acquisition.

(2) Cooper issued 83,333 shares of treasury stock upon the exercise of a warrant related to a prior acquisition. We received $948,000 cash upon the exercise of the warrant, crediting treasury stock for $1.3 million for the average cost of the treasury stock and charging the balance of $330,000 against additional paid in capital.

Stockholders' Rights Plan

Under our stockholder rights plan, each outstanding share of our common stock carries one preferred share purchase right (a "Right"). The Rights will become exercisable only under certain circumstances involving acquisition of beneficial ownership of 20% or more of the our common stock by a person or group (an "Acquiring Person") without the prior consent of Cooper's Board of Directors. If a person or group becomes an Acquiring Person, each Right would then entitle the holder (other than an Acquiring Person) to purchase, for the then purchase price of the Right (currently $145, subject to adjustment), shares of Cooper's common stock, or shares of common stock of any person into which we are thereafter merged or to which 50% or more of our assets or earning power is sold, with a market value of twice the purchase price. The Rights will expire in October 2007 unless earlier exercised or redeemed. The Board of Directors may redeem the Rights for $.01 per Right prior to any person or group becoming an Acquiring Person.

Note 9.

Employee Stock Plans

At October 31, 2000, Cooper had two stock-based compensation plans:

1998 Long-Term Incentive Plans ("1998 LTIP")

We designed the 1998 LTIP to increase Cooper's stockholder value by attracting, retaining and motivating key employees and consultants who directly influence our profitability. Stockholders approved the 1998 LTIP in April 1998.

The 1998 LTIP authorized either a committee of three or more individuals not eligible to participate in the 1998 LTIP or Cooper's Board of Directors to grant to eligible individuals during a five-year period, stock options, stock appreciation rights, restricted stock, deferred stock, stock purchase rights, phantom stock units and long-term performance awards for up to 1 million shares of common stock, subject to adjustment for future stock splits, stock dividends, expirations, forfeitures and similar events. Options generally vest based on Cooper's stock price, however, in some cases, both stock price and time are the criteria. As of October 31, 2000, 30,000 shares remained available under the 1998 LTIP for future grants. No restricted shares have been granted under the

1998 LTIP. Approximately 2 million shares of restricted stock and stock options were granted under a predecessor plan.

We intend to submit a new LTIP for shareholder approval at the Annual Meeting of Stockholders in March 2001. The guidelines for granting awards under the new plan will be substantially the same as the current plan.

1996 Long-Term Incentive Plan for Non-Employee Directors ("1996 NEDRSP")

The 1996 NEDRSP provides for annual grants of restricted stock and options to non-employee directors at the start of each fiscal year. Specifically, each non-employee director will be awarded the right to purchase restricted stock worth $7,500 (or $9,375 in the case of the Chairman of the Board who is a non-employee director) for $0.10 per share by January 15 of the year following the date of the grant. Grants of restricted stock not exercised by then will expire. The restrictions on

the restricted stock will lapse when the stock reaches certain target values or by the fifth anniversary of the date of grants. In addition, each non-employee director was granted an option to purchase 10,000 shares of Cooper's common stock in fiscal 2000 and 1999 (or, in the case of the Chairman of the Board who is a non-employee director, 11,250 shares). In fiscal 1998, each non-employee director was granted an option to purchase 5,000 shares (or, in the case of the Chairman of the Board who is a non-employee director, 6,250 shares). 260,000 shares of Cooper's authorized but unissued common stock had been reserved for this. As of October 31, 2000, 65,971 shares remained available under the 1996 NEDRSP for future grants. Restricted shares of 1,775, 1,994 and 1,312 were granted under the 1996 NEDRSP in fiscal 2000, 1999 and 1998, respectively, and there were no restricted shares with restrictions in place outstanding at October 31, 2000. The 1996 NEDRSP expired on November 16, 2000. We intend to institute a new plan that will be substantially identical to the current plan.

Common stock activity under these plans was:

	Years Ended October 31,					
	2000		1999		1998	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at beginning of year	1,796,778	$29.39	1,660,797	$29.12	929,564	$19.39
Granted	295,750	33.12	231,250	27.29	806,250	38.16
Exercised	(213,696)	14.40	(60,269)	7.76	(75,017)	5.68
Forfeited	(37,000)	36.48	(35,000)	39.85	--	--
Outstanding at end of year	1,841,832	$31.59	1,796,778	$29.39	1,660,797	$29.12
Options exercisable at year end	1,222,332	$26.34	1,080,478	$23.17	605,797	$19.99
Weighted-avg. fair value of options granted during the year		$12.90		$11.33		$ 8.57

The options outstanding at October 31, 2000 for the stock option plans are:

	Options Outstanding			Options Exercisable	
Exercise Prices	Number Outstanding at 10/31/00	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Outstanding at 10/31/00	Weighted Average Exercise Price
$5.91-7.68	80,334	4.63	$ 6.92	80,334	$ 6.92
$14.31-16.00	107,165	5.91	14.90	107,165	14.90
$20.00-21.00	103,333	5.78	20.13	103,333	20.13
$23.44-25.56	247,250	8.20	24.11	246,400	24.10
$26.00-30.69	315,000	7.91	27.44	302,650	27.30
$34.00-35.09	477,500	8.32	34.98	243,000	34.87
$36.00-40.38	273,250	7.38	37.81	139,450	37.97
$43.20-62.21	238,000	7.90	51.72	--	--
$5.91-62.21	1,841,832	7.60	$31.59	1,222,332	$26.34

The excess of market value over $.10 per share of restricted shares on respective dates of grant is initially recorded as deferred compensation and charged to operations as earned. Restricted shares and other stock compensation charged against operating income for the years ended October 31, 2000, 1999 and 1998 was $154,000, $210,000 and $260,000, respectively.

Pro Forma Information

As permitted by FASB 123, Cooper applies APB Opinion No. 25 and related interpretations to account for its plans for stock options issued to employees. Accordingly, no compensation cost has been recognized for its employee stock option plans, as options are granted with exercise prices equal to or greater than 100% of their fair value at the grant date. Had compensation cost for our stock-based compensation plans been determined under the fair value method included in SFAS 123, our net income and earnings per share would have been reduced to the pro forma amounts indicated below:

(In thousands, except per share amounts)		Years Ended October 31, 2000	1999	1998
Net Income	As reported	$28,968	$25,100	$39,846
	Pro forma	$27,694	$21,721	$34,512
Basic earnings per share	As reported	$ 2.04	$ 1.78	$ 2.69
	Pro forma	$ 1.95	$ 1.54	$ 2.33
Diluted earnings per share	As reported	$ 2.00	$ 1.75	$ 2.61
	Pro forma	$ 1.93	$ 1.54	$ 2.28

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants in fiscal 2000, 1999 and 1998: dividend yield: 0.249%, 0.382% and 0%; expected volatility: 45%, 50% and 48%; expected option lives of 3.5 years for all three years and risk-free interest rates of 5.9%, 5.8% and 4.8%, respectively.

Note 10.

Employee Benefits

Cooper's Retirement Income Plan

Cooper's Retirement Income Plan (the "Plan") covers substantially all full-time United States employees. Cooper's contributions are designed to fund normal cost on a current basis and to fund over 30 years the estimated prior service cost of benefit improvements (15 years for annual gains and losses). The unit credit actuarial cost method is used to determine the annual cost. Cooper pays the entire cost of the Plan and funds such costs as they accrue. Virtually all of the assets of the Plan are comprised of participation in equity and fixed income funds.

Net periodic pension cost of the Plan was:

(In thousands)	2000	1999	1998
Change in benefit obligation November 1 to October 31			
Projected benefit obligation at beginning of year	$ 11,281	$ 10,465	$ 8,957
Service cost	664	649	398
Interest cost	830	763	664
Benefits paid	(445)	(410)	(381)
Actuarial (gain)/loss	--	(186)	827
Projected benefit obligation at end of year	$ 12,330	$ 11,281	$ 10,465
Change in plan assets November 1 to October 31			
Fair value of plan assets at beginning of year	$ 9,628	$ 8,824	$ 9,012
Actual return on plan assets	1,004	1,214	142
Employer contributions	886	--	51
Benefits paid	(445)	(410)	(381)
Fair value of plan assets at end of year	$ 11,073	$ 9,628	$ 8,824
Funded status	$ (1,257)	$ (1,653)	$ (1,641)
Unrecognized transition amount	311	336	362
Unrecognized prior service cost	428	458	(26)
Unrecognized net (gain)/loss	(827)	(675)	401
Accrued pension liability	$ (1,345)	$ (1,534)	$ (904)
Reconciliation of accrued pension liability			
Accrued cost at November 1	$ (1,534)	$ (904)	$ (663)
Net periodic pension cost for year	(697)	(630)	(292)
Contributions made during year	886	--	51
Accrued cost at October 31	$ (1,345)	$ (1,534)	$ (904)
Actuarial assumptions			
Discount rate	7.5%	7.5%	7.0%
Expected return on assets	9.0%	9.0%	9.0%
Average compensation increase	4.0%	4.0%	4.0%
Cost of living	3.5%	3.5%	3.5%
Net periodic pension costs			
Service cost	$ 664	$ 649	$ 398
Interest cost	830	763	664
Asset return	(1,004)	(1,214)	(142)
Amortization			
Net transition obligations	25	26	26
Prior service cost	30	30	(3)
Gain/(loss)	152	376	(651)
Net periodic pension cost total	$ 697	$ 630	$ 292

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Cooper's 401(k) Savings Plan

Cooper's 401(k) Savings Plan provides for the deferral of compensation as described in the Internal Revenue Code and is available to substantially all full-time United States employees of Cooper. Employees who participate in the 401(k) Plan may elect to have from 1% to 16% of their pre-tax salary or wages deferred and contributed to the trust established under the Plan. Cooper's contribution on account of participating employees, net of forfeiture credits, was $627,000, $333,000 and $396,000 for the years ended October 31, 2000, 1999 and 1998, respectively.

Cooper's Incentive Payment Plan

Cooper's Incentive Payment Plan is available to officers and other key executives. Participants may, in certain years, receive bonuses based on performance. Total bonuses earned for the years ended October 31, 2000, 1999 and 1998, were approximately $1.7 million, $1.4 million and $851,000, respectively.

Note 11.

Commitments and Contingencies

Lease Commitments

Total minimum annual rental obligations (net of sublease revenue of approximately $306,000 in fiscal 2000 and $195,000 per year thereafter through March 2005) under noncancelable operating leases (substantially all real property or equipment) in force at October 31, 2000 are payable in subsequent years as follows:

(In thousands)	
2001	$ 4,720
2002	4,356
2003	3,774
2004	3,127
2005	2,045
2006 and thereafter	6,477
	$ 24,499

Aggregate rental expense for both cancelable and noncancelable contracts amounted to $5.2 million, $5.7 million and $3.2 million in 2000, 1999 and 1998, respectively.

MEC

In 1993, we reached agreement with Medical Engineering Corporation ("MEC"), a subsidiary of Bristol-Myers Squibb Company, which limited our contingent liabilities associated with breast implant litigation involving a former division of ours (the "MEC Agreement"). The remaining liability recorded for payments to be made to MEC under the MEC Agreement is due as follows:

December 31, (In thousands)	
2000	$ 3,500
2001	4,000
2002	4,500
2003	3,000
	$ 15,000

Payments to MEC of $11.5 million beginning December 31, 2001 are contingent upon our earning net income before taxes in each fiscal year. They were recorded in Cooper's financial statements in fiscal 1997 as loss from sale of discontinued operations as Management concluded that the maximum payments would be required. They are reflected on the balance sheet in "Other accrued liabilities" for the amount due on December 31, 2000 and in "Other noncurrent liabilities" for the amounts due thereafter. These payments are limited to the lesser of 50% of our net income before taxes in each fiscal year on a noncumulative basis, or the amounts shown above.

Environmental

In 1997, environmental consultants that Cooper engaged identified a contained area of groundwater contamination consisting of industrial solvents including trichloroethane (also known as TCA) at one of CVI's sites. In the opinion of counsel, the solvents were released into the ground before we acquired the business at that site, and the area containing these chemicals is limited. On April 6, 1999, Cooper and the New York Department of Environmental Conservation entered into a voluntary agreement covering the environmental investigation of the site. The investigation has been completed and we expect to initiate a state-approved mediation in the spring of 2001. As of October 31, 2000, we have accrued approximately $300,000 for that purpose. In our opinion, the cost of remediation will not be material, considering this accrual.

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Note 12.

Business Segment Information

Cooper is organized by product line for management reporting with operating income, as presented in our financial reports, as the primary measure of segment profitability. No costs from corporate functions are allocated to the segments' operating income. Items below operating income are not considered when measuring the profitability of a segment. The accounting policies used to generate segment results are the same as our overall accounting policies.

Two business segments comprise Cooper's operations:

- CVI, which develops, manufactures and markets a range of contact lenses, and
- CSI, which develops, manufactures and distributes diagnostic products and surgical equipment, instruments and disposables, primarily for obstetrics and women's healthcare.

Total net sales include sales to customers as reported in our consolidated statements of income and sales between geographic areas that are priced at terms that allow for a reasonable profit for the seller. Income (loss) from operations is total net sales less cost of sales, research and development expenses, selling, general and administrative expenses and amortization of intangible assets. Corporate operating loss is principally corporate headquarters expense. Investment income, net, settlement of disputes, net, other income (expense), net, and interest expense were not allocated to individual businesses. Our business segments do not rely on any one major customer.

Identifiable assets are those used in continuing operations except cash and cash equivalents, which are included as corporate assets.

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Information by business segment for each of the years in the three-year period ended October 31, 2000 follows: (In thousands)

	CVI	CSI	Corporate & Eliminations	Consolidated
2000				
Net revenue from non-affiliates	$ 151,788	$ 45,529	$ --	$ 197,317
Operating income (loss)	$ 47,287	$ 6,277	$ (6,695)	$ 46,869
Investment income, net				499
Settlement of dispute				(653)
Other income (expense), net				156
Interest expense				(4,744)
Income before income taxes				$ 42,127
Identifiable assets	$ 180,433	$ 66,428	$ 75,704	$ 322,565
Depreciation expense	$ 3,849	$ 608	$ 64	$ 4,521
Amortization expense	$ 2,155	$ 2,058	$ --	$ 4,213
Capital expenditures	$ 14,089	$ 554	$ 22	$ 14,665
1999				
Net revenue from non-affiliates	$ 135,978	$ 29,350	$ --	$ 165,328
Operating income (loss)	$ 40,802	$ 4,336	$ (6,327)	$ 38,811
Investment income, net				419
Other income (expense), net				(188)
Interest expense				(6,330)
Income before income taxes				$ 32,712
Identifiable assets	$ 153,759	$ 41,491	$ 90,623	$ 285,873
Depreciation expense	$ 3,224	$ 515	$ 75	$ 3,814
Amortization expense	$ 2,209	$ 1,588	$ --	$ 3,797
Capital expenditures	$ 9,837	$ 290	$ 15	$ 10,142
1998				
Net revenue from non-affiliates	$ 119,210	$ 27,982	$ --	$ 147,192
Operating income (loss)	$ 34,574	$ 2,136	$ (7,010)	$ 29,700
Investment income, net				329
Settlement of disputes, net				(1,250)
Other income (expense), net				561
Interest expense				(6,253)
Income before income taxes				$ 23,087
Identifiable assets	$ 143,888	$ 41,887	$ 110,266	$ 296,041
Depreciation expense	$ 2,307	$ 484	$ 81	$ 2,872
Amortization expense	$ 2,090	$ 1,468	$ --	$ 3,558
Capital expenditures	$ 16,941	$ 746	$ 45	$ 17,732

Information by geographical area by country of domicile for each of the years in the three-year period ended October 31, 2000 follows: (In thousands)

2000	United States	Europe	Canada	Other, Eliminations & Corporate	Consolidated
Sales to unaffiliated customers	$ 145,416	$ 36,048	$ 15,772	$ 81	$ 197,317
Sales between geographic areas	163	30,058	--	(30,221)	--
Net sales	$ 145,579	$ 66,106	$ 15,772	$ (30,140)	$ 197,317
Operating income (loss)	$ 38,915	$ 57	$ 930	$ 6,967	$ 46,869
Identifiable assets	$ 127,414	$ 111,474	$ 6,389	$ 77,288	$ 322,565
1999					
Sales to unaffiliated customers	$ 115,754	$ 37,648	$ 11,441	$ 485	$ 165,328
Sales between geographic areas	3,410	19,232	--	(22,642)	--
Net sales	$ 119,164	$ 56,880	$ 11,441	$ (22,157)	$ 165,328
Operating income (loss)	$ 32,215	$ 11,829	$ (366)	$ (4,867)	$ 38,811
Identifiable assets	$ 86,367	$ 92,025	$ 4,434	$ 103,047	$ 285,873
1998					
Sales to unaffiliated customers	$ 102,181	$ 34,952	$ 10,059	$ --	$ 147,192
Sales between geographic areas	3,403	5,858	--	(9,261)	--
Net sales	$ 105,584	$ 40,810	$ 10,059	$ (9,261)	$ 147,192
Operating income (loss)	$ 34,134	$ 2,081	$ 495	$ (7,010)	$ 29,700
Identifiable assets	$ 105,095	$ 78,042	$ 2,638	$ 110,266	$ 296,041

Corporate Information

Board of Directors:

Allan E. Rubenstein, M.D.
Chairman of the Board University HeartScan

A. Thomas Bender
President and Chief Executive Officer

Michael H. Kalkstein
Partner, Oppenheimer, Wolff & Donnelly, LLP

Moses Marx
General Partner, United Equities

Donald Press
Executive Vice President,
Broadway Management Co., Inc.

Steven Rosenberg
President and Chief Executive Officer,
Berkshire Bankcorp Inc.

Robert S. Weiss
Executive Vice President,
Treasurer and Chief Financial Officer

Stanley Zinberg, M.D.
Vice President Practice Activities, American College of Obstetricians and Gynecologists

Committees of the Board:

Management Committee

Allan E. Rubenstein, M.D.
(Chairman), Donald Press

Audit and Finance Committee

Steven Rosenberg (Chairman)
Michael H. Kalkstein
Stanley Zinberg, M.D.

Compensation Committee

Michael H. Kalkstein (Chairman)
Donald Press
Allan E. Rubenstein, M.D.

Nominating Committee

Allan E. Rubenstein, M.D. (Chairman)
Moses Marx
A. Thomas Bender

Officers:

A. Thomas Bender
President and Chief Executive Officer
and President CooperVision, Inc.

Robert S. Weiss
Executive Vice President,
Treasurer and Chief Financial Officer

B. Norris Battin
Vice President, Investor Relations
and Communications

Gregory A. Fryling
Chief Operating Officer,
CooperVision, Inc.

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

Nicholas J. Pichotta
President and Chief Executive Officer
CooperSurgical, Inc.

Stephen C. Whiteford
Vice President and Corporate Controller

Investor Information:

Principal Subsidiaries:

CooperVision, Inc.
21062 Bake Parkway, Suite 200
Lake Forest, CA 92630
Voice: (949) 597-8130 Fax: (949) 597-0663
www.coopervision.com

CooperSurgical, Inc.
15 Forest Parkway, Shelton, CT 06484
Voice: (203) 929-6321 Fax: (203) 925-0135
www.coopersurgical.com

Corporate Offices:

The Cooper Companies, Inc.
21062 Bake Parkway, Suite 200
Lake Forest, CA 92630
Voice: (949) 597-4700 or toll free, (888)-822-2660
Fax: (949) 597-0662

The Cooper Companies, Inc.
6140 Stoneridge Mall Road, Suite 590
Pleasanton, CA 94588
Voice: (925) 460-3600 Fax: (925) 460-3648
www.coopercos.com

Transfer Agent:

American Stock Transfer & Trust Company
40 Wall Street, New York, NY 10005
(800) 937-5449

Certified Public Accountants:

KPMG LLP

Stock Exchange Listing:

The New York Stock Exchange
Ticker Symbol "COO"

Trademarks:

Corporate information, including the current share price, recent news releases and the Company's annual report on Securities and Exchange Commission Form 10-K without exhibits, is available free of charge through the Company's interactive stockholder communication system. Call 1-800-334-1986, seven days a week, 24 hours a day. Visit The Cooper Companies, Inc. on the World Wide Web at www.coopercos.com.

Investor Relations Contact:

B. Norris Battin
21062 Bake Parkway, Suite 200
Lake Forest, CA 92630
Voice: (949) 597-4700 Fax: (949) 597-3688
email: ir@coopercompanies.com

Annual Meeting:

The Cooper Companies, Inc. will hold its Annual Stockholders' Meeting on March 28, 2001 at the New York Marriott East Side, New York, NY at 10:00 A.M.

The Cooper Companies, Inc.

21062 Bake Parkway

Suite 200

Lake Forest, CA 92630

Voice: 949.597.8130

Fax: 949.597.0663

www.cooperco.com

[Cooper Logo]

EXHIBIT 21

SUBSIDIARIES OF
THE COOPER COMPANIES, INC.
A DELAWARE CORPORATION

NAME	JURISDICTION OF INCORPORATION
THE COOPER COMPANIES, INC.	Delaware
CooperVision, Inc.	New York
CooperVision, LLC	Delaware
CooperVision Technology, Inc.	Delaware
CooperVision International Holding Company, L.P.	England
CooperVision Canada Corp.	Canada
Aspect Vision Holdings, Limited	England-Wales
Aspect Vision Care Limited	England-Wales
CooperVision Scandinavia Aktiebolag	Sweden
CooperVision Limited	England-Wales
Cooper Aspect Iberica SL	Spain
Aspect Vision Italia s.r.l.	Italy
CooperSurgical, Inc.	Delaware

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OCT-31-2000
NOV-01-1999
OCT-31-2000
14,608
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35,498
2,440
38,219
112,685
67,216
19,283
322,565
65,275
40,257
1,519
0
0
196,919
322,565
197,317
197,317
68,100
68,100
0
0
4,744
42,127
12,727
29,400
0
0
(432)
28,968
2.04
2.00