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TRANSCRIPT

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PRESENTATION

Operator

Good morning, ladies and gentlemen. At this time, I would like to welcome everyone to the Plains Exploration second-quarter earnings conference call. All lines have been placed on mute to prevent any background noise. After the speakers remarks, there will be a question-and-answer period. (OPERATOR INSTRUCTIONS).

Thank you. It is now my pleasure to turn the floor over to your host, Mr. Scott Winters, Vice President, Investor Relations. Sir, you may begin your conference.

Scott Winters *Plains Exploration & Production Company VP, IR*

Operator, thank you, and good morning, everybody. Welcome to our call this morning. Our results were released early this morning, and a copy of the press release and a short slide presentation are available on our website at pxp.com. Also, PXP plans to file its 10-Q today. There s a lot of information in the Q, so please refer to the document for additional details when it becomes available. Our conference call is being broadcast live on the Internet, and anyone may listen to the call or the replay by accessing our website after the call today.

Before we begin today s comments, I would like remind everybody that during this call, there will be forward-looking statements as defined by the Securities and Exchange Commission. These statements are based on our current expectations and projections about future events, and involve certain assumptions, known as well as unknown risks, uncertainties and other factors that could cause our actual results to differ materially. Please refer to our Forms 10-K, 10-Q and 8-K filed with the SEC for a complete discussion on forward-looking statements.

On the call today is Jim Flores, our Chairman, President and CEO; Doss Bourgeois, our EVP of Exploration and Production; Winston Talbert, our EVP and Chief Financial Officer; and John Wombwell, our EVP and General Counsel.

PXP reported $25.3 million of net income in the second quarter of 2007 versus a loss of $7.1 million for the same period last year. Compared to the first quarter of 2007, oil and gas revenues were up 14%, due to higher realized prices and increased volumes. Sales volumes increased about 3% to 53,500 barrels of oil equivalent per day during the second quarter of 2007 from 51,900 barrels of oil equivalent per day in the first quarter of this year. Higher volumes offshore California, in the Los Angeles Basin and the Gulf Coast, combined with one month of Piceance Basin volumes, more than offset slightly lower San Joaquin volumes resulting from the Star Fee incident in March.

Compared to the second quarter of last year, oil and gas revenues in 2007 were lower, primarily due to the Occidental property sales in the fall of 2006, which lowered volumes, and a decrease in realize prices, which were partially offset by the absence of an oil revenue hedging loss in the 2007 period.

Compared to the second quarter of last year, total production costs per unit increased due to lower volumes from the asset sales and higher LOE and steam operating costs. LOE costs reflect increased expenditures for repairs, maintenance and well workovers, increased labor costs and general cost increases from service providers. The steam operating costs primarily reflect higher steam volumes and higher cost of gas used in steam generation.

As we discussed in the first-quarter call this past May, because we sold California producing properties in 2006 that provided much of the gas used in the steaming operation, there was a one-time structural change in the source of the natural gas used in our steaming operations, which led to higher costs. The higher cost in 2007 reflects the fact that almost all the gas burned to generate steam was purchased, while in 2006 almost half of the gas burned was produced from the Company s properties. Costs for these volumes consisted only of transportation costs.

Compared to the first quarter of 2007, total production costs per unit were up, due to higher LOE expenses as a result of increased workover and contract labor costs and to higher gathering and transportation costs as a result of adding the Piceance Basin assets. Compared to the second quarter of last year, G&A expense decreased in 2007, compared to the same period in 2006. G&A expense increased from the first quarter of 2007, due mainly to higher stock-based compensation expense, as PXP stock price moved up throughout the quarter.

In 2007, we recognized a $15.8 million loss related to the marked-to-market derivative contracts in the second quarter and cash payments related to the contracts that settled totaled about $25.6 million. However, in the second quarter of 2006, we recognized a $142.9 million loss related to the marked-to-market derivative contracts and cash payments related to the contracts that settled totaled $25.4 million for that period.

As you remember, our derivative position in 2007 consists of crude oil put options, and our potential loss in these contracts will be limited to the cost of the options. In 2006, the derivative losses were primarily related to crude oil collars.

The Company issued $600 million of 7.75% senior notes that mature June 15, 2015. The net proceeds were used to repay borrowings under PXP s revolving credit facility.

With respect to recent corporate developments, on July 17, 2007, PXP announced a definitive agreement to acquire Pogo Producing Company in a stock and cash transaction valued at approximately $3.6 billion, based on PXP s closing price on July 16th of 2007. Along with asset diversification and significant cost savings, this accretive transaction nearly doubles PXP s production, with the addition of a substantial number of producing properties; provides significant growth potential in Texas, primarily the Panhandle, Permian Basin and Gulf Coast, plus the prolific Madden Field in Wyoming and the San Juan Basin in New Mexico; and diversifies PXP s exposure into new and attractive regions, with lower-risk exploration and development opportunities and unconventional resources.

On May 31st of this year, PXP closed the previously announced acquisition of oil and gas and mainstream properties in the Piceance Basin of Colorado, in which PXP acquired interests in oil and gas-producing properties covering over 55,000 net acres; over 200 producing, productive wells; over 3,000 additional potential drilling locations; and 40 miles of pipeline and gathering systems, including a 25% interest in the Collbran Valley Gas Gathering System. These properties are currently producing approximately 5,500 barrels of oil equivalent per day. The planned expansion project within the Collbran Valley Gas Gathering System is expected to be completed by the end of the third quarter. Upon completion, PXP expects to increase production to approximately 12,000 barrels of oil equivalent per day in this Basin by the end of the year.

In addition to these recent transactions, PXP s ongoing Gulf of Mexico exploratory program has yielded significant positive results so far this year, with several more exploratory tests currently underway. The operator announced a discovery at the Flatrock Prospect on South Marsh Island 212 PXP s working interest is 30% and positive results at the Cottonwood Point Prospect on Vermilion Block 31 PXP s working interest is 40%. Drilling continues at both of these projects.

Last week, the operator provided an update on Flatrock. Flatrock has so far encountered eight zones totaling 260 net feet of hydrocarbon-bearing sands over a combined 637-foot gross interval. Completion operations are underway as well in the previously announced Hurricane Deep discovery nearby on South Marsh Island Block 217. PXP s working interest is 30%. The developments of Hurricane Deep and Flatrock are expected to contribute meaningful production in 2008.

Six additional high-impact Gulf of Mexico prospects are currently drilling or planned to spud during the third quarter. Cottonwood Point, Cas, Mound Point South, Vicksburg and Bob North are currently drilling. The Buckhorn Prospect is scheduled to begin drilling late in the third quarter.

On the development front in California, PXP continues to focus on the waterflood projects in the Los Angeles Basin and steam-enhanced recovery projects in the San Joaquin Valley. I won t repeat all the drilling activity stats posted in the press release, but I will point out that at Montebello Field in Los Angeles Basin, PXP drilled the remaining 5 of the 10 planned wells for 2007 in the second quarter and finished the batch completion of all the wells. In the Gulf Coast region, the successful Perseus II well was completed during the second quarter, and as I mentioned earlier, completion operations are underway on the Hurricane Deep discovery.

In the Piceance Basin, PXP is operating five drilling rigs and plans to drill a total of 63 wells during the third and fourth quarters of this year. As indicated in the press release and mentioned earlier, the first planned expansion project on the Collbran Valley Gas Gathering System is expected to be completed by the end of the quarter, allowing PXP to nearly double production from this Basin by the end of the year.

The first six months have been both busy and prosperous. For the remainder of the year, we intend to work through the remaining planned exploration project inventory to continue developing our California and Piceance assets and to move quickly to close the proposed acquisition of Pogo Producing Company.

With that, I will turn the call over to Jim.

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

Thank you, Scott, and good morning, everyone. I think Scott s synopsis of all the results has been a very active summer, as everybody knows from all the press releases that we made and the transactions, as well as compounding the activity has been the successful drilling, and we still await a lot of our high-impact drilling here in the next 60 days. We think that will have a meaningful impact to the Company.

Earlier in the year, with our financings, our access to the bond market were well-timed. We were able to get some good foundation and financing underneath plains and gave us a springboard to acquire Pogo. We re still working on that transaction and look forward to filing the S-4 this month, and then we will find out whether we will be reviewed by the Securities and Exchange Commission, and then either will go through a review process and then move to our closure or just go straight to the closing of the transaction.

We have not put forth any formal plans on the transaction until we get closer to closing; it would be premature to do that. We continue to like what we see as we continue to live with the Pogo people for a while. They are great people, they are great assets, and look forward to energizing the areas we think are the growth opportunities, as well as complementing our areas.

The Piceance Basin continues to get better for us, from a marketing standpoint and also from the well productivity standpoint; we ve had five rigs running up there. We like our situation in bringing on some gas this winter in the Piceance and also the Pogo gas, compared to where we are basically consuming what we re selling right now, out in the San Joaquin Basin. So we are benefiting from the low gas prices today and looking forward to a better gas market in the future.

The gas market continues to stay tough for a year or so. I think we will be well-positioned, having bought the gas here in a low-price environment, and looking forward to the turnaround in the economics there.

On the oil side, we are continuing to see gains in San Joaquin and L.A. Basin by doing less. We have cut our capital budget there. We moved a lot of rigs out of the field, and waiting to see some of our EOR and steam enhancements and waterfloods respond, and we re response there that has been long-awaited. But we re finally seeing, and it has been basically by not disrupting the production there, just continuing to let the fields respond to all the work and stimulation we ve done over the last couple of years.

Offshore California continues to rock along. Our T-Ridge project is still in the permit process, and some of the California regulators and interested groups are getting their hands around whether we can get that project on the runway this fall. We will be working heavily on that, as well as expanding our exploration effort, expanding it more, realizing our exploration effort this year with all the success. It s pointing us to doing less exploration going forward and more development, because of the size of the projects and what we will be able to development at Flatrock and Hurricane Deep and Cottonwood Point, and that s before any of our deepwater stuff comes along or is able to be developed. Then we will have some resolution around our Friesian project with Shell about how we re going to develop that and go forward.

So presently, we re planning on developing the projects. However, we will continue to look at the sales market. If those projects are better to be monetized in the sales market, we will continue to look at that. One of the things that we ll be doing is testing all the assets in conjunction with closing the Pogo transaction. We will be looking at certain targeted asset sales there, so we realize and maximize all the synergies in that transaction. Of course, some of the PXP assets, the long-dated ones that take long to bring on production, will be candidates as well, as well as our real estate out in Los Angeles.

So with that update and synopsis to Scott s comments, I want to turn it over for questions, over to the operator, and we can get your questions. Operator?

QUESTION AND ANSWER

Operator

(OPERATOR INSTRUCTIONS). David Kistler, Simmons & Company.

David Kistler ***Simmons & Company Analyst***

A quick question on the Piceance here, a little bit of maintenance. Can you talk a little bit about what your CapEx expectations are for the balance of 2007 and 2008, or are we getting ahead of ourselves on that?

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

Well, we re probably getting a little ahead of it in 2008. 2007 we can get you some figures on that. We re basically having the same CapEx; we just kept things running the same way (inaudible); I think it s about $20 million, $20 million to $25 million the rest of the year.

David Kistler ***Simmons & Company Analyst***

Just continuing in that area, with the CVGS expansion, and as a 25% owner of that, are you guys also carrying the capital commitments for that expansion?

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

Yes, but that s minimal, because it s really just adding compressors. All the hard dollars will all have been spent.

David Kistler ***Simmons & Company Analyst***

You mentioned a little bit about assets that if the monetization market opens up for you to liquidate some assets, can you rank order any of the things in your portfolio right now? Or is that going to be on a very specific basis, based on the individual market?

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

It s an interesting question, because I ve got to tell you, I ve never been in a transaction where every single one of the Pogo assets I ve gotten multiple requests on every single asset, from bona fide buyers and a lot of people I know and so forth. I ve never seen that kind of appetite on anything we ve ever bought before. When we do the breakup value math, it s much higher than what the value of Pogo is today as well as PXP, so we expect the cash market to be real robust. It s really going to be around what we think we want to continue we want to accelerate the growth, not weight the Company down and be in a situation to where things we think we can have near-term growth impact to PXP, the ones that are going to be the most coveted assets.

The other thing is there s nothing broken with any of the Pogo assets. The assets that we have always been top of the list have been our long-dated assets toward production, which are the deepwater assets that we sold last year. We will continue to, obviously, have those on top of the list, because that s capital out the door for several years versus capital in the door like some of the near-term assets. Then also, we ve retained Lehman Brothers as working on our MLP concept and structure that, if that market is still there, we re going to be looking at accessing that.

At the same point in time, I think what we re realizing that a lot of other operators that are not considering MLPs are finding, that whether you form an MLP or not, selling the assets at a tax advantage but an MLP multiple basis does the same thing as the MLP, basically, and you don t have the complications or the governance and the economics.

So just here in the near term so the market is going to be changing all the time. When we look at closing the Pogo deal late in the fourth quarter, we re going to have a different gas market, we re going to have a different outlook for 2008 than anybody has today. It s going to be positive or

negative.

The way we look at things going forward, we had planned on $65 oil this year, and it has kind of averaged in there, and the second half of the year looks, obviously, stronger than the first half of the year. We planned for $6 gas. That s why we sold our gas last year, and sold those assets, and we are a net consumer all this year. Buying into the gas market, the way we are seeing it right now, makes a lot of sense, looking at what we think gas prices look like in 2008 and 2009. So we will be trying to make those decisions here late in the fourth quarter or early in 2008.

One of the key things is, it s going to be imperative for us to focus on getting our balance sheet in good shape. We re going to have a lot of cash flow. We re going to have a lot of development commitments, but something [that is all can be] ratable. So we should be a free cash flow generator in 2008 and be back in business where all of our [shows] are comfortable.

David Kistler *Simmons & Company Analyst*

Asking on that free cash flow question for a second, given the recent success you guys have hand with your partnership with McMoRan, ran], is that something you d look to extend as well?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

Well, it s a great partnership. It s performance-oriented, [it s only if it s] quality of projects, you know. So if there s a quality project, yes. But it won t be of the magnitude, of the size program we had this year, where this is a combination of five years of Jim Bob s work and effort in pulling together Chevron and Exxon and drilling some deep wells and testing projects. These things just didn t fall off the shelf, and it s a really unique I think, once in a decade, once in a career opportunity.

So if Jim Bob can re-create another one of those on, let s say, Newfield s stake or whatever, we would be highly interested in that. But we re going to give them a little time, so it s kind of we look at it has kind of a one-shot deal. Now, there will be add-ons, but nothing of this significance as far as a program.

Operator

David Heikkinen, Pickering Energy Partners.

David Heikkinen *Pickering Energy Partners Analyst*

First, Scott, very good prepared remarks, thought that was very helpful. On the MLP volatility, what we re seeing, and in kind of thinking about the market, your comments about if the market is still there, given yesterday and then today, how do you ?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

(multiple speakers) [trying to be candid].

David Heikkinen *Pickering Energy Partners Analyst*

How do you think about that volatility going into the back half of the year, and kind of the financing needs and how you think about the structure of PXP?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

We re trying to stay flexible because, obviously, the market is telling you you had better be flexible. To start off with the way this transaction is financed, we re looking at a transaction that we can do all of our revolver, we re not subject to the credit markets from the standpoint of bonds or those types of things, because you don t want to have to depend on that unless you are an LBO shop, I guess. But from our standpoint, we want to take it if it s there.

At the same point in time, with the robust commodity market on the oil side, we have a lot of opportunity to monetize assets or hedge what we have or do those types of things. So we like the operational flexibility as well as the financial flexibility.

Specifically to your question, we look at the MLP as an asset sale vehicle, a synthetic structure finance vehicle, and we think it has merit. Whether it has the merit to the PXP shareholder, we are still working those kinks out. That changes, depending on the market outlook, like you said, and everything else.

But the greatest peril to any MLP is cost, and one of the biggest costs is debt financing. With the credit crunch out there, and access to capital there and pushing the yields not only of credit up, they are going to be pushing the MLP yields up, as everyone knows. So it may not be as advantageous for forming MLPs versus just doing commodity property sales and those types of things, if we can get those type aggressive multiples.

I think the MLP market out there right now is going to be very challenged operationally to meet its performance targets, and if we have some challenged buyers out there, then that might be a good sellers market for us. So we re going to be flexible, but one of the things we can t commit to is having a good balance sheet starting in 2008, because that s going to be important for our we think we have a healthy balance sheet, but we think we need to be stronger and take advantage of what we have been able to accomplish.

David Heikkinen *Pickering Energy Partners Analyst*

So if you think about next year, free cash generation, priorities for that free cash flow can you talk about that some, or is it too soon to ?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

No, we still have $150 million or $250 million, [I forget], $150 million authorized in stock purchase buyback; we can fluff that up. The best return we have made to our shareholders is drilling good exploratory wells, selling them and buying stock back. We re going to continue to look at do that, because we re all shareholders here, and that s important to us. But at the same point in time, we wanted to fill in the intermediate growth of our company with the Piceance and the Gulf of Mexico and the Ranches area Pogo has in South Texas and some of the things that they have going on that we think that are pretty good.

So what we will look at is trying to develop a budget that has $100 million to, say, $150 million that s not going to be robust compared to some of the past years of free cash flow, prior to asset sales, that we can t have on a reoccurring basis, because we think we can operate our business that way. With the amount of discoveries that we ve had this year already and the good things happening to us on some of the development fronts in the Piceance, we re not going to need to restart our business like we did this year with the exploration drill bits, so we re going to be able to be more mindful of the capital going out the door, have the good operating results and have the ability operationally to put together a budget that will develop some free cash flow, assuming oil prices in the $60 to $65 range and gas around $7.50 to $8.

Operator

Eric Kalamaras, Wachovia Capital Markets.

Eric Kalamaras *Wachovia Capital Markets Analyst*

Can you give a little more clarity on the wells in the Piceance as to what the EORs might look like there, as well as what the capital spending, per-well basis, might look like?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

Yes, we ve had the Piceance for about 60 days, so to say the EORs have changed much there versus what we talked about earlier and the capital spending and so forth, I know we re drilling the shallower wells, we re drilling we have wells of all different so we have wells that cost $800,000; we have wells that cost $1.3 million. So we can give you an average across that. It s really an unfair comparison, and the EORs are strictly subject to the early parts of the decline curve, so that s not really enough data there. We fully expect these wells to make Bcf plus average and cost somewhere between $800,000 and $1.3 million.

But that s just a rough estimate that doesn t have a whole lot of technical background. We haven t been in the Basin five years, like EnCana and Williams, those guys that have some really good data on.

Operator

(OPERATOR INSTRUCTIONS). [Anthony Amorthinos], [Musinic and Company].

Anthony Amorthinos ***[Musinic and Company] Analyst***

I was hoping you d give a little more clarity on the possible alternative to the MLP option. You were mentioning some kind of a monetization, more commodity-oriented. If perhaps you can mention one or two examples are out there recently that we can look at?

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

I appreciate you re asking for clarification on that. When I m saying commodity basically, the asset market trades off just a slight discount to the commodity strip. I probably didn t finish the entire thought and sentence commodity strip.

So we re seeing a much more robust valuation for assets beyond where they are priced today and our capitalization in the stock and bond market. So when I talked about that, if we could sell assets to the MLPs at a value significantly higher than where we re and capture that, and assets that we believe are fully valuated and those types of things may be an alternative to the MLP and let them take the risk of the bond market and the risk of the MLP market and so forth.

Just here in the near term, there s no reason to rush out and do the MLP that s what I was trying to articulate because we can do the next quarter, we can do it six months from now, we can do it a year from now. We own the assets, so we don t have to go out and capture them. But it s something that we can do, if that market firms a little bit.

Operator

Nicholas Pope, JPMorgan.

Nicholas Pope ***JPMorgan Analyst***

The midstream assets in a potential MLP could they go into the same MLP as the regular E&P assets?

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

Sure. There s nothing that s going to that s more marketing requirements versus anything else. Midstream assets are excellent MLP candidates.

Nicholas Pope ***JPMorgan Analyst***

I didn t know if they could go into the same vehicle.

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

We haven t made that full evaluation, but we don t see any reason why they couldn t. But it may be more important to break them out; we ll see.

Nicholas Pope ***JPMorgan Analyst***

Then just a little clarification on some of the deepwater prospects. First, who operates Bob North? What are your expected drilling times for Vicksburg, Bob North and Buckhorn?

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

Buckhorn is still on the shelf, so that project should start here in October. We ll be the operator of Buckhorn. The Vicksburg project in Buckhorn you are looking somewhere, 500 plus Bcf is the project there. It s correlative to our Cas prospect that is drilling right now, and we are working with different partners and their interests in trying to see what interest we end up with on that project. Our Vicksburg project Shell is

the operator of it, and it is currently drilling right now. If we maintain with all of our confidence and relationships with all the operators, they speak for the aspects of the well, just like McMoRan speaks for as their operator in our wells. Shell has obviously been our spokesman at all the projects we ve had. So they are going to be spokesman at Vicksburg, and then you have Bob North that just recently spudded, and Chevron is the operator there. Those are both very large deepwater opportunities, somewhere between 200 and 600 million barrels each.

Nicholas Pope *JPMorgan Analyst*

Do you know how long it s going to take to drill those?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

They should be down, you know, third quarter.

Nicholas Pope *JPMorgan Analyst*

And the timing, like once they start drilling?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

Yes, on those deepwater projects, you have got so many things involved and so forth. We are only authorized to say they are drilling. I can give you quarterly targets, but it s hard to time those. You d have to really just call Shell and Chevron, and good luck.

Nicholas Pope *JPMorgan Analyst*

Got it. What s the infrastructure like out there? Are these things that could be brought on fairly quickly, or would there be a long-term development process for these as well?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

You know what s interesting, in Friesian, the project the discovery we announced last year with Shell and Bob North and also Vicksburg, all three of those do have a near-term tie-back potential because of [infrastructure], which is a big shift from where we were two years ago with Big Foot, when it was purely a stand-alone development. That s one of the things that we were able to move toward.

At the same point in time, if they realized their P10 reserve potential and are of size, then they will probably be stand-alone development. Consequently, it would push out production a long ways. That s where we get into whether it s worth it for PXP to hold onto those and wait five to seven years for production versus monetizing them today. So we ll just have to wait and see as those projects, all three of them, as they mature and also if they are successful and mature. Friesian, obviously, we know is successful, whether there are going to be tie-back potentials or whether they are going to be stand-alones, and then we will be able to make a decision on which way PXP can value the most from it.

Operator

(OPERATOR INSTRUCTIONS). Larry Benedetto, Howard Weil.

Larry Benedetto ***Howard Weil Analyst***

Jim, when you bought the Piceance Basin assets, you talked about possibly section 1031 exchange?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

Right.

Larry Benedetto *Howard Weil Analyst*

Is that still a possibility now?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

No. What we did in shifting that I guess we articulated at last call, that we weren t very clear on. We kept the tax basis inside the Piceance assets. It would help aid us in the event we wanted to form an MLP and drop those assets down. We do have enough, and so the aspect and also with our exploration drilling our [IDCs], it wasn t a real value grab that we needed here near-term, so it was better off leaving the basis in the Piceance assets for the MLP.

Larry Benedetto *Howard Weil Analyst*

Secondly, is Buckhorn a McMoRan-generated prospect?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

No, Buckhorn is a prospect that we generated in-house here at PXP, by our guys that have been finding all this oil and gas for us.

Larry Benedetto *Howard Weil Analyst*

Thirdly, Flatrock looks like a very, very nice discovery. How much running room do you have there as far as additional locations and plans to develop that?

Jim Flores *Plains Exploration & Production Company Chairman, President, CEO*

Flatrock is probably one of the bigger discoveries of my career, from what I ve seen so far with between the Rob-L and the Operc, especially near-term value, just strictly from the standpoint of being able to bring the production on 30 miles south of Henry Hub. That s probably just what the world needs right now, another big slug of gas.

But the interesting thing about Flatrock is it is a subtle large structure, and when we say a subtle large structure, anywhere between 1,500 and 3,000 acres, depending on which fault walks are going to be productive, in which sands and so forth. One thing that McMoRan and PXP and our unnamed major, Chevron, have all committed to accelerate development there. In fact, we have just received another AFE to bring another rig in there and drilling development wells.

So we could have three rigs running there by year end, drilling multiple targets in there. So I think we have a lot of running room. It s going to be chasing the Piceance as far as a production contributor for PXP next year.

Operator

Jerry Getsos, KF & Co.

Greg Golinski ***KF & Co. Analyst***

This is Greg Golinski with Kling This is Greg Golinski with Klingenstein, Fields. I had three questions on hedging. First off, can you talk about this year relative to last? Has something changed? Is the accounting treatment different, or is it just sort of how it works out? I noticed there was some included in oil and gas revenues last year, and it s a negative impact this year. Has something changed in the accounting treatment, or is it just how it works out?

Winston Talbert ***Plains Exploration & Production Company EVP, CFO***

Last year, what was in our income statement last year were swaps that we had terminated about a year and a half or two years ago, and so when we terminated them, we had to keep them flowing through the income statement as they would have expired over time, but we terminated them early. Then we bought out all the collars last year, so that eliminated that. So we went to fully marked-to-market about two years ago on all of our derivatives. So now all we have going forward are put contracts.

Greg Golinski ***KF & Co. Analyst***

The other two questions were, and I think you sort of answered that, what is the strategy going forward? Do you envision any changes to the existing hedging structure in place at Pogo after it s acquired? I know there is a limited amount you can say about what you re doing there, but how does that mesh with the existing strategy you guys have?

Winston Talbert ***Plains Exploration & Production Company EVP, CFO***

Well, I think the strategy and the philosophy that we have had around here is that we want to put in price protection for our oil at reasonable prices that will protect our capital budget but preserve the upside for our shareholders going forward. So that s why we have been putting in $55 floors and just kind of letting the commodity price do what it s going to do. I don t see that philosophy changing on oil.

Now, as we look into the Pogo assets, we re getting a lot of gas, and gas tends to be a little bit more volatile. We will look at strategies that I think will do the same thing, which is capture the upside but protect the downside. So they have been using a lot of collars; I don t see changing that kind of philosophy. We might put in more put contracts than collar contracts, but going forward I don t really see a big difference from what we have been doing.

Operator

There are no further questions at this time.

Jim Flores ***Plains Exploration & Production Company Chairman, President, CEO***

Operator, thank you. Everyone, appreciate your interest and look forward to the third-quarter drilling results, where I can be a little bit more definitive on timing some of the success of some of those wells, as well as moving toward the S-4 filing and closure of the Pogo transaction. We will be up at the Lehman Brothers conference early September in New York, spending a few days there, and look forward to seeing all our friends at that time. Thanks again. Bye.

Operator

Thank you. This concludes today s Plains Exploration second-quarter earnings conference call. You may now disconnect, and have a wonderful day.

ADDITIONAL INFORMATION & FORWARD LOOKING STATEMENTS

This transcript contains forward-looking information regarding PXP that is intended to be covered by the safe harbor forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. All statements included in this transcript that address activities, events or

developments that PXP expects, believes or anticipates will or may occur in the future are forward-looking statements. These include statements regarding:

- completion of the proposed merger,
- effective integration of the two companies,
- reserve and production estimates,

oil and gas prices,

the impact of derivative positions,

production expense estimates,

cash flow estimates,

future financial performance,

planned capital expenditures, and

other matters that are discussed in PXP s filings with the SEC.

These statements are based on our current expectations and projections about future events and involve known and unknown risks, uncertainties, and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. Please refer to our filings with the SEC, including our Form 10-K for the year ended December 31, 2006, for a discussion of these risks.

All forward-looking statements in this transcript are made as of the date hereof, and you should not place undue reliance on these statements without also considering the risks and uncertainties associated with these statements and our business that are discussed in this transcript and our other filings with the SEC. Moreover, although we believe the expectations reflected in the forward-looking statements are based upon reasonable assumptions, we can give no assurance that we will attain these expectations or that any deviations will not be material. Except for any obligation to disclose material information under the Federal securities laws, we do not intend to update these forward-looking statements and information.

PXP AND POGO WILL FILE A JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS WITH THE SECURITIES AND EXCHANGE COMMISSION. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION REGARDING PXP, POGO AND THE ACQUISITION. A DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS WILL BE SENT TO SECURITY HOLDERS OF PXP SEEKING THEIR APPROVAL OF THE ISSUANCE OF SHARES OF PXP STOCK TO BE USED AS MERGER CONSIDERATION AND SECURITY HOLDERS OF POGO SEEKING THEIR APPROVAL OF THE ACQUISITION. INVESTORS AND SECURITY HOLDERS MAY OBTAIN A FREE COPY OF THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS (WHEN AVAILABLE) AND OTHER DOCUMENTS FILED BY PXP AND POGO WITH THE SEC AT THE SEC S WEBSITE AT WWW.SEC.GOV.

THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND SUCH OTHER DOCUMENTS (RELATING TO PXP) MAY ALSO BE OBTAINED FOR FREE FROM PXP BY DIRECTING A REQUEST TO PLAINS EXPLORATION & PRODUCTION COMPANY, 700 MILAM, SUITE 3100, HOUSTON, TX 77002, ATTENTION: JOANNA PANKEY; TELEPHONE: (713) 579-6000, E-MAIL**:** JPANKEY@PXP.COM.

THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS AND SUCH OTHER DOCUMENTS (RELATING TO POGO) MAY ALSO BE OBTAINED FOR FREE FROM POGO BY DIRECTING A REQUEST TO POGO PRODUCING COMPANY, 5 GREENWAY PLAZA, SUITE 2700, HOUSTON, TX 77046, ATTENTION: CLAY JEANSONNE, TELEPHONE: (713) 297-5000, E-MAIL**:**JEANSONC@POGOPRODUCING.COM.

PXP, its directors, executive officers and certain members of management and employees may be considered participants in the solicitation of proxies from PXP s stockholders in connection with the acquisition. Information regarding such persons and a description of their interest in the acquisition is contained in the joint proxy statement/prospectus when it is filed. Information concerning beneficial ownership of PXP stock by its directors and certain executive officers is included in its proxy statement dated March 29, 2007 and subsequent statements of changes in beneficial ownership on file with the SEC.

Pogo, its directors, executive officers and certain members of management and employees may be considered participants in the solicitation of proxies from Pogo s stockholders in connection with the acquisition. Information regarding such persons and a description of their interest in the acquisition is contained in the joint proxy statement/prospectus when it is filed. Information concerning beneficial ownership of Pogo stock by its directors and certain executive officers is included in its proxy statement dated April 20, 2007 and subsequent statements of changes in beneficial ownership on file with the SEC.

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Recommendation of the Ocular Board of Directors

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: Why am I receiving this joint proxy statement/prospectus?

A: Cooper and Ocular have agreed to the acquisition of Ocular by Cooper under the terms of a merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A. In order to complete the merger, Cooper stockholders must vote to approve the issuance of Cooper common stock in the merger, and Ocular stockholders must vote to approve and adopt the merger agreement and to approve the merger contemplated by the merger agreement. Cooper and Ocular will hold separate special meetings of their respective stockholders to obtain these approvals. This joint proxy statement/prospectus contains important information about the merger and the special meetings, and you should read it carefully. The enclosed voting materials allow you to vote your shares without attending your company s special meeting. Your vote is important. Cooper and Ocular encourage you to vote as soon as possible. See *How do I cast my vote?* on page 2.

Q: Why are Cooper and Ocular proposing to merge?

A: Cooper and Ocular believe that the merger will provide substantial strategic and financial benefits to the stockholders of both companies, and that the combination will create a stronger and more competitive specialty healthcare company that is capable of creating more stockholder value than either Cooper or Ocular could on its own. Cooper believes that the merger will enhance Cooper s position as a major manufacturer and supplier of soft contact lenses, with additional manufacturing facilities and technology, an expanded global distribution network, increased breadth of product line and an expanded customer base. Ocular believes that the merger provides its stockholders with both liquidity and an opportunity to participate in the potential growth and value of the combined company at an attractive valuation for their Ocular shares. See *The Merger Reasons for the Merger Cooper* on page 43 and *The Merger Reasons for the Merger Ocular* on page 46

Q: What will happen in the merger?

A: Ocular will merge with and into TCC Acquisition, a wholly-owned subsidiary of Cooper. In the merger, Ocular stockholders will be entitled to receive 0.3879 of a share of Cooper common stock and $22.00 in cash, without interest, for each share of Ocular common stock they own. All outstanding options for Ocular common stock will become fully vested and exercisable immediately prior to completion of the merger. Holders of options with an exercise price less than the merger consideration value, referred to as in-the-money options, will receive a combination of Cooper common stock and cash in an amount equal to the spread value of their options, less applicable withholding taxes, in exchange for cancellation of their in-the-money options. Based on the number of shares of Cooper and Ocular common stock outstanding on a fully diluted basis on , 2004, the record date for the special meetings, Cooper estimates that it will issue approximately 10.5 million shares of its common stock in the merger to the stockholders and holders of in-the-money options and that immediately after the merger the former Ocular stockholders and optionholders, in the aggregate, will own approximately 24% of the then-outstanding shares of Cooper common stock.

Example: If you currently own 100 shares of Ocular common stock, then as a result of the merger you will receive 38 shares of Cooper common stock and $2,200 in cash, plus cash representing the value of the fractional share.

Q: When do you expect the merger to be completed?

A: Cooper and Ocular are working to complete the merger as quickly as practicable and currently expect that the merger could be completed as early as , 2004. However, Cooper and Ocular cannot predict the exact timing of completion of the merger because the merger is subject to regulatory approvals and other conditions. There may be a substantial period of time between the approval of the respective merger proposals by stockholders at the special meetings and the effectiveness of the merger.

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Q: Where and when are the special meetings?

A: The Cooper special meeting will take place at The Benjamin Hotel, 152 East 50th Street, New York, New York, on , 2004, at 10:00 a.m. local time. The Ocular special meeting will take place at the Hilton Concord, 1970 Diamond Boulevard, Concord, California, on , 2004, at 10:00 a.m. local time.

Q: What vote of Cooper stockholders is required to approve the issuance of Cooper common stock in the merger?

A: Approval of the issuance of Cooper common stock pursuant to the merger agreement requires the affirmative vote of the holders of a majority of shares of Cooper common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents a majority of the outstanding shares of Cooper common stock entitled to vote on the proposal.

Q: What vote of Ocular stockholders is required to approve and adopt the merger agreement and approve the merger?

A: The affirmative vote of the holders of a majority of the outstanding shares of Ocular common stock entitled to vote at the special meeting is required to approve and adopt the merger agreement and approve the merger.

Q: How does my company s board of directors recommend that I vote?

A: The Cooper board of directors unanimously recommends that Cooper stockholders vote FOR the proposal to approve the issuance of Cooper common stock in the merger. See *The Merger Reasons for the Merger Cooper* on page 43.

The Ocular board of directors unanimously recommends that Ocular stockholders vote FOR the proposal to approve and adopt the merger agreement and approve the merger. See *The Merger Reasons for the Merger Ocular* on page 46.

Q: What risks should I consider in deciding whether to vote for the merger?

A: You should carefully review the section of this joint proxy statement/prospectus entitled *Risk Factors* on page 19.

Q: Are any stockholders already committed to voting in favor of the merger?

A: Yes. Ocular s Chairman of the Board, John D. Fruth, who owns approximately 19% of the shares of Ocular common stock outstanding on , 2004, the record date for the Ocular special meeting, has agreed to vote his shares of Ocular common stock in favor of the proposal to adopt and approve the merger agreement and approve the merger. See *Voting Agreement* on page 92.

Q: How do I cast my vote?

A: If you are a holder of record, you may vote in person at your special meeting or by submitting a proxy for your special meeting. You can submit your proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage paid envelope.

If you hold your shares in street name, which means your shares are held of record by a broker, bank or nominee, you must provide the record holder of your shares with instructions on how to vote your shares.

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Q: Can I change my vote after I have delivered my proxy?

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at your company s special meeting by (i) delivering to the Secretary of Cooper or Ocular, as appropriate, a signed notice of revocation; (ii) granting a new, later-dated proxy, signed and delivered to the Secretary of Cooper or Ocular, as appropriate; or (iii) attending your special meeting and voting in person; however, your attendance alone will not revoke your proxy.

If you hold your shares in street name , you must contact your broker, bank or other nominee to change your vote.

Q: What happens if I do not return a proxy or voting instruction card or otherwise vote?

A: Cooper and Ocular urge you to vote at your company s special meeting. If you do not vote, it could affect the proposals, since the success of each of the Cooper and Ocular proposals require that a majority of the outstanding shares of Cooper and Ocular, as the case may be, cast votes on the respective proposal. If you are a Cooper stockholder and you abstain on the proposal, or fail to give voting instructions to your nominee, your votes will not count towards the total votes cast on the proposal for purposes of determining if the necessary majority of outstanding shares has voted on the proposal. If you are an Ocular stockholder and abstain on the proposal or fail to give voting instructions to your nominee, it will have the same effect as voting AGAINST the proposal. See *The Cooper Special Meeting Voting; Proxies; Revocation* on page 110 and *The Ocular Special Meeting Voting; Proxies; Revocation* on page 115.

Q: What should I do if I receive more than one set of voting materials?

A: You may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a stockholder of Cooper and a stockholder of Ocular, you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date and return each proxy card and voting instruction card that you receive.

Q: Should I send in my Ocular stock certificates now?

A: No. After the merger is completed, you will receive written instructions from the exchange agent on how to exchange your Ocular stock certificates for the merger consideration. Please do not send in your Ocular stock certificates with your proxy.

Q: What rights do I have to seek a valuation of my shares?

A: Under Delaware law, holders of Cooper common stock are not entitled to appraisal rights in connection with the issuance of Cooper common stock in the merger.

Under Delaware law, holders of Ocular common stock who do not vote in favor of approval and adoption of the merger agreement and approval of the merger will have the right, if the merger is completed, to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery, but only if they submit a written demand for an appraisal prior to the vote at the Ocular Special Meeting and they comply with the procedures explained in this joint proxy statement/prospectus. See *Appraisal Rights* on page 106.

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Q: Will Ocular stockholders and holders of in-the-money options be able to trade the Cooper common stock received in connection with the merger?

A: The shares of Cooper common stock issued to Ocular stockholders and holders of in-the-money options in connection with the proposed merger will be freely tradeable, unless you are an affiliate of Ocular as defined in the Securities Act. If you are an affiliate of Ocular, you will be required to comply with applicable restrictions of Rule 145 of the Securities Act in order to resell shares of Cooper common stock you receive in the merger.

Q: Who can answer my questions?

A: If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, you should contact:

if you are a Cooper stockholder:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

(800) 549-6697

or

Investor Relations

The Cooper Companies, Inc.

21062 Bake Parkway, Ste 200

Lake Forest, CA 92630

Tel: (949) 597-4700

Fax: (949) 768-3688

Email: ir@coopercos.com

if you are an Ocular stockholder:

Strategic Stock Surveillance, LLC

331 Madison Avenue

New York, NY 10017

(866) 657-8728 (toll free)

or

EVC Group, Inc.

90 Montgomery Street Suite 1001

San Francisco, CA 94165

Tel: (415) 896-6820

Email: ocularir@evcgroup.com

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SUMMARY

The following is a summary of information contained in this joint proxy statement/prospectus. This summary may not contain all of the information about the merger that is important to you. For a more complete description of the merger, Cooper and Ocular encourage you to read carefully this entire joint proxy statement/prospectus, including the attached annexes. In addition, you are encouraged to read the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about Cooper and Ocular which have been filed with the Securities and Exchange Commission, or the SEC. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge through Cooper or Ocular, as the case may be, or from the SEC through its website at http://www.sec.gov.

The Companies

The Cooper Companies, Inc.

6140 Stoneridge Mall Road, Suite 590

Pleasanton, CA 94588

(925) 460-3600

The Cooper Companies, Inc., a Delaware corporation that was organized in 1980, manufactures and markets specialty healthcare products through its CooperVision and CooperSurgical units. CooperVision develops, manufactures and markets a broad range of soft contact lenses for the worldwide vision care market. It specializes in toric lenses that correct astigmatism, cosmetic lenses that change the appearance of the color of the eye, and other lenses, primarily in high growth, specialty and value-added market segments around the world. Its leading products are disposable and planned replacement toric and spherical lenses. CooperSurgical develops, manufactures and markets medical devices, diagnostic products and surgical instruments and accessories used primarily by gynecologists and obstetricians.

TCC Acquisition Corp. is a newly-formed, wholly-owned subsidiary of Cooper that was formed solely for the purpose of effecting the merger. TCC Acquisition has not conducted and will not conduct any business prior to completion of the merger.

Ocular Sciences, Inc.

1855 Gateway Boulevard, Suite 700

Concord, CA 94520

Ocular Sciences, Inc., a corporation founded in 1985 and reincorporated in Delaware in 1997, is a global manufacturer and marketer of soft contact lenses, marketed for disposable monthly, bi-weekly and daily replacement regimens and reusable annual and quarterly replacement regimens.

The Merger **(see page 37)**

Cooper and Ocular have agreed to the acquisition of Ocular by Cooper under the terms of the merger agreement that is described in this joint proxy statement/prospectus and attached as Annex A to this joint proxy statement/prospectus. You are encouraged to read the merger agreement in its entirety.

Under the terms of the merger agreement, Ocular will merge with and into TCC Acquisition, with TCC Acquisition surviving the merger. If you are an Ocular stockholder, upon completion of the merger each share of Ocular common stock you own will be converted into the right to receive 0.3879 of a share of Cooper common stock and $22.00 in cash, without interest, plus cash for any fractional shares. This joint proxy statement/prospectus refers to the share and cash consideration to be paid by Cooper to Ocular stockholders and holders of in-the-money options as the merger consideration. Cooper stockholders will continue to own their existing shares of Cooper common stock, which will not be affected by the merger.

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Based on the number of shares of Cooper and Ocular common stock outstanding and in-the-money options outstanding on , 2004, the record date for the special meetings, Cooper expects to issue approximately 10.5 million shares of Cooper common stock in the merger to Ocular stockholders and holders of in-the-money options. After completion of the merger, these former Ocular stockholders and optionholders are expected to own approximately 24% of the then-outstanding shares of Cooper common stock.

Recommendations of the Cooper and Ocular Boards of Directors (see pages 43 and 46)

Cooper

After careful consideration, the board of directors of Cooper unanimously approved the merger and determined that the issuance of Cooper common stock in the merger is advisable and in the best of interests of Cooper stockholders, and recommends that Cooper stockholders vote FOR the issuance of Cooper common stock in the merger.

Ocular

After careful consideration, the board of directors of Ocular unanimously approved the merger and determined that the approval and adoption of the merger agreement by Ocular stockholders is advisable and that the merger is fair and in the best interests of Ocular stockholders, and recommends that Ocular stockholders vote FOR approval and adoption of the merger agreement and approval of the merger.

Stockholders Entitled to Vote; Vote Required

Cooper Stockholders

You can vote at the Cooper special meeting if you owned Cooper common stock at the close of business on , 2004, the record date for the Cooper special meeting. On that date, there were shares of Cooper common stock outstanding and entitled to vote. You can cast one vote for each share of Cooper common stock that you owned on that date. Stockholder approval of the issuance of Cooper common stock in the merger is required under the rules of the New York Stock Exchange, which requires the affirmative vote of the holders of a majority of shares of Cooper common stock cast on such proposal, in person or by proxy, provided that the total votes cast on the proposal represent a majority of the outstanding shares of Cooper common stock entitled to vote on the proposal.

Abstentions and broker non-votes will be counted in determining whether a quorum is present at the Cooper special meeting for purposes of the vote of Cooper stockholders on the proposal to approve the issuance of Cooper common stock in the merger. Abstentions, which occur when a stockholder attends a meeting, either in person or by proxy, but abstains from voting, and broker non-votes, which occur when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary authority with respect to the proposal, will not count as votes either for or against the proposal or towards the total votes cast on the proposal for purposes of determining if the necessary majority of outstanding shares has voted on the proposal.

Ocular Stockholders

You can vote at the Ocular special meeting if you owned Ocular common stock at the close of business on , 2004, the record date for the Ocular special meeting. On that date, there were shares of Ocular common stock outstanding and entitled to vote. You can cast one vote for each share of Ocular common stock that you owned on that date. Approval and adoption of the merger agreement and approval of the merger requires the affirmative vote of the holders of a majority of the outstanding shares of Ocular common stock entitled to vote at the Ocular special meeting.

Abstentions and broker non-votes will be counted in determining whether a quorum is present at the Ocular special meeting for purposes of the vote of Ocular stockholders on the proposal to approve and adopt the merger agreement and to approve the merger. Abstentions and broker non-votes will have the same effect as a vote AGAINST the proposal.

Voting Agreement (see page 92)

Cooper has entered into a voting agreement with John D. Fruth, Chairman of the Board of Directors of Ocular, pursuant to which Mr. Fruth agreed, among other things, to vote all of his shares of Ocular common stock in favor of the approval and adoption of the merger agreement and approval of the merger. As of the record date, he beneficially owned shares of Ocular common stock, representing approximately 19% of the outstanding shares of Ocular common stock.

Opinions of Financial Advisors (see pages 50 and 56)

Cooper

In connection with the merger, Cooper retained J.P. Morgan Securities, Inc., referred to as JPMorgan, as its lead financial advisor. In deciding to approve the merger, the Cooper board of directors considered the oral opinion of JPMorgan provided to the Cooper board of directors on July 28, 2004, subsequently confirmed in writing, that, as of the date of the opinion and based upon and subject to the considerations described in the written opinion, the merger consideration to be paid in the proposed merger was fair, from a financial point of view, to Cooper.

The full text of the written opinion of JPMorgan, dated July 28, 2004, is attached to this document as Annex C and incorporated by reference into this joint proxy statement/prospectus. You are encouraged to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by JPMorgan in connection with the opinion. JPMorgan provided its opinion for the information and assistance of the Cooper board of directors in connection with its consideration of the transactions contemplated by the merger agreement, and the opinion does not constitute a recommendation to any stockholder as to any matters relating to the merger.

Ocular

On July 28, 2004, Morgan Stanley & Co. Incorporated, referred to as Morgan Stanley, financial advisor to Ocular, delivered to the Ocular board of directors its oral opinion, which was subsequently confirmed by delivery of a written opinion dated July 28, 2004, that, as of that date, and based upon and subject to the factors and assumptions set forth in the opinion, the merger agreement consideration to be received by the holders of the shares of Ocular common stock pursuant to the merger agreement was fair to these holders, from a financial point of view. The full text of Morgan Stanley s written opinion is attached to this joint proxy statement/prospectus as Annex D and incorporated by reference into this joint proxy statement/prospectus. You are encouraged to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. Morgan Stanley s opinion is directed to the Ocular board of directors in connection with its consideration of the merger and does not constitute a recommendation to any stockholder as to any matters relating to the merger.

Share Ownership of Directors and Executive Officers of Cooper and Ocular

At the close of business on the record date for the Cooper special meeting, directors and executive officers of Cooper and their affiliates beneficially owned and were entitled to vote approximately shares of Cooper common stock, collectively representing approximately % of the shares of Cooper common stock outstanding on that date.

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At the close of business on the record date for the Ocular special meeting, directors and executive officers of Ocular and their affiliates, excluding John D. Fruth, beneficially owned and were entitled to vote approximately shares of Ocular common stock, collectively representing approximately % of the shares of Ocular common stock outstanding on that date. As of the record date for the Ocular special meeting, John D. Fruth, Chairman of the Board of Directors of Ocular, beneficially owned a total of shares of Ocular common stock, or approximately 19% of the then-outstanding shares of Ocular common stock.

Interests of Directors and Executive Officers of Ocular in the Merger (see page 69)

When considering the Ocular board of directors recommendation that Ocular stockholders vote in favor of approval and adoption of the merger agreement and approval of the merger, Ocular stockholders should be aware that some directors and executive officers of Ocular have interests in the merger that may be different from, or in addition to, the interests of other Ocular stockholders. These interests relate to or arise from, among other things:

- the continued indemnification of and provision of directors and officers insurance to current directors and officers of Ocular following the merger;
- the appointment of John D. Fruth and Edgar J. Cummins, currently directors of Ocular, as directors of Cooper upon completion of the merger;
- the potential receipt of severance payments by executive officers;
- the accelerated vesting of, and payments of cash and Cooper common stock for, the officers and directors outstanding in-the-money Ocular stock options in the merger; and
- the accelerated vesting of, and payments of cash and Cooper common stock for, the directors 2004 annual grant of Ocular stock options, granted on August 2, 2004, subsequent to the execution of the merger agreement, which in the aggregate provide for the purchase of 70,000 shares of Ocular common stock at an exercise price of $44.79 per share.

The Ocular board of directors knew about these additional interests, and considered them, among other matters, when it approved the merger agreement and the merger.

Listing of Cooper Common Stock and Delisting of Ocular Common Stock (see page 69)

Application will be made to have the shares of Cooper common stock issued in the merger approved for listing on the New York Stock Exchange, where Cooper common stock is traded under the symbol COO. Upon completion of the merger, Ocular common stock will be delisted from the Nasdaq National Market and will be deregistered under the Securities Exchange Act of 1934, and Ocular will no longer file periodic reports with the SEC.

Appraisal Rights (see page 106)

Cooper Stockholders

Under applicable Delaware law, holders of Cooper common stock are not entitled to appraisal rights in connection with the issuance of Cooper common stock in the merger.

Ocular Stockholders

Under Section 262 of the Delaware General Corporation Law, referred to as the DGCL, holders of Ocular common stock who do not wish to accept the 0.3879 of a share of Cooper common stock and $22.00 cash consideration payable per share of Ocular common stock pursuant to the merger may seek judicial appraisal of the fair value of their shares by the Delaware Court of Chancery. This value could be more than, less than or

equal to the value of the merger consideration. This right to appraisal is subject to a number of restrictions and technical requirements. Generally, in order to properly demand appraisal, among other things:

- you must not vote in favor of the proposal to approve and adopt the merger agreement and approve the merger;

- you must make a written demand on Ocular for appraisal in compliance with the DGCL before the vote on the proposal to approve and adopt the merger agreement and approve the merger occurs at the Ocular special meeting; and

- you must hold your shares of record continuously from the time of making a written demand for appraisal through completion of the merger. A stockholder who is the record holder of shares of common stock of Ocular on the date the written demand for appraisal is made, but who thereafter transfers those shares prior to completion of the merger, will lose any right to appraisal for those shares.

If you hold shares in the name of a broker, bank or other nominee, you must instruct your nominee to take the steps necessary to enable you to demand appraisal for your shares.

Merely voting against or abstaining from voting on the proposal will not preserve your right to appraisal under Delaware law. Also, because a submitted proxy not marked AGAINST or ABSTAIN will be voted FOR the proposal to approve and adopt the merger agreement and the merger, the submission of a proxy not marked AGAINST or ABSTAIN will result in the waiver of appraisal rights. If you or your nominee fails to follow all of the steps required by Section 262 of the DGCL, you will lose your right of appraisal. See *Appraisal Rights* on page 106 for a description of the procedures that you must follow in order to exercise your appraisal rights.

Annex E to this joint proxy statement/prospectus contains the full text Section 262 of the DGCL, which relates to your right to appraisal. You are encouraged to read these provisions carefully and in their entirety.

Conditions to Completion of the Merger (see page 77)

Completion of the merger depends on a number of conditions being met, including:

- the receipt of the required approvals from Cooper and Ocular stockholders;

- the absence of any actual or threatened legal prohibition having the effect of preventing or otherwise prohibiting completion of the merger or limiting Cooper s activity in connection with the ownership or operation of Ocular;

- the expiration or termination of the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; or the antitrust or competition laws of any other applicable jurisdiction;

- the approval for listing on the New York Stock Exchange of the shares of Cooper common stock to be issued in the merger;

the absence of breaches of the representations and warranties in the merger agreement which result in any material adverse effect with respect to the representing party;

the performance of each party s obligations under the merger agreement in all material respects;

the receipt of opinions by Cooper and Ocular from their respective tax counsel that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended;

the absence of any material adverse effect with respect to Cooper or Ocular;

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- the cancellation of all unexpired and unexercised Ocular options upon completion of the merger; and

- the appointment of John D. Fruth and Edgar J. Cummins, currently directors of Ocular, as directors of Cooper upon completion of the merger.

Where legally permissible, a party may elect to waive a condition to its obligation to complete the merger even though that condition has not been satisfied.

No Solicitation by Ocular or Cooper (see page 80)

The merger agreement contains restrictions on the ability of Ocular to solicit or engage in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in Ocular. Similarly, the merger agreement contains restrictions on the ability of Cooper to solicit or engage in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in Cooper.

Notwithstanding these restrictions, the merger agreement provides that, under specified circumstances, if Ocular receives an unsolicited acquisition proposal, and its board of directors determines in good faith, after consultation with its outside counsel, that its failure to take any action on such offer would be reasonably likely to result in a breach of the board s fiduciary duties, and that the acquisition proposal is reasonably likely to lead to a proposal superior to the merger, the board may, after promptly notifying Cooper, furnish information to the third party and engage in negotiations regarding an acquisition proposal with that third party.

In addition, notwithstanding the restrictions above, if Cooper receives an unsolicited acquisition proposal, and its board of directors determines in good faith, after consultation with its outside counsel, that its failure to take any action on such offer would reasonably be likely to result in a breach of the board s fiduciary duties, the board may, after promptly notifying Ocular, furnish information to the third party and engage in negotiations regarding an acquisition proposal with the third party.

Termination of the Merger Agreement (see page 87)

Ocular and Cooper, by action of their respective boards of directors, may terminate the merger agreement and abandon the merger at any time prior to completion of the merger, whether before or after Ocular stockholders have approved and adopted the merger agreement and approved the merger and Cooper stockholders have approved the issuance of Cooper common stock in the merger:

- by mutual written consent of Cooper and Ocular;

- if the merger is not completed prior to the outside date of January 31, 2005 (which date may be extended to April 30, 2005 under some circumstances);

- if any governmental entity or any other person permanently prohibits completion of the merger;

- if Ocular stockholders do not adopt and approve the merger agreement and approve the merger at Ocular s special meeting; or

- if Cooper stockholders do not approve the issuance of Cooper common stock in the merger at Cooper s special meeting.

In addition, Cooper could decide to terminate the merger agreement in the following situations:

- the Ocular board of directors withdraws, modifies, qualifies, or fails, within 5 business days of Cooper s request, to reconfirm, its recommendation that its stockholders vote to approve and adopt the merger agreement and approve the merger in this joint proxy statement/prospectus;

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a tender offer or exchange offer is commenced that, if successful, would result in any person or group becoming a beneficial owner of 35% or more of the outstanding shares of Ocular common stock, and Ocular s board of directors fails to recommend that Ocular stockholders not tender their shares in such tender or exchange offer;

any person or group becomes the beneficial owner of 35% or more of the outstanding shares of Ocular common stock;

Ocular fails to call or hold its stockholders meeting by January 26, 2005 or, if the outside date of the merger is extended, by the fifth day prior to the new outside date;

after July 28, 2004, there is any material adverse effect with respect to Ocular which is not cured within 20 days after Cooper provides written notice to Ocular;

(i) Ocular is in breach of any of its covenants or agreements, or (ii) any of Ocular s representations or warranties in the merger agreement becomes untrue or incorrect, and such breach or misrepresentation is not cured within 20 days after written notice and would cause certain closing conditions of Cooper pertaining to the covenants, agreements, representations and warranties of Ocular not to be satisfied; or

prior to its stockholders approval of the issuance of shares of Cooper common stock in the merger, Cooper receives a conflicting proposal and Cooper s board of directors determines in good faith, after consultation with outside legal counsel, to enter into an agreement to effect the conflicting proposal, provided that Cooper has complied with the non-solicitation provisions of the merger agreement and 5 business days have elapsed from delivery of written notice to Ocular of the conflicting proposal and Ocular has not submitted a binding offer which the Cooper board of directors has determined in its good faith judgment to be at least as favorable to Cooper stockholders as the conflicting proposal.

Lastly, Ocular could decide to terminate the merger agreement in the following situations:

the Cooper board of directors withdraws, modifies, qualifies, or fails, within 5 business days of Ocular s request, to reconfirm, its recommendation of the issuance of shares of Cooper common stock in the merger in this joint proxy statement/prospectus;

Cooper fails to call or hold its stockholders meeting by January 26, 2005 or, if the outside date of the merger is extended, the fifth day prior to the new outside date;

after July 28, 2004, there is any material adverse effect with respect to Cooper which is not cured within 20 days after Ocular provides written notice to Cooper;

(i) either Cooper or TCC Acquisition is in breach of any of its covenants or agreements, or (ii) any of either Cooper s or TCC Acquisition s representations or warranties in the merger agreement becomes untrue or incorrect, and such breach or misrepresentation is not cured within 20 days after written notice and would cause certain closing conditions of Ocular pertaining to the covenants, agreements, representations and warranties of Cooper and TCC Acquisition not to be satisfied; or

prior to its stockholders approval and adoption of the merger agreement and approval of the merger, Ocular receives a superior proposal and Ocular s board of directors determines in good faith, after consultation with outside legal counsel, to enter into an agreement to effect the superior proposal, provided that, Ocular has complied with the non-solicitation provisions of the merger agreement and 5 business days have elapsed from delivery of written notice to Cooper of the superior proposal and Cooper has not submitted a binding offer which the Ocular board of directors has determined in its good faith judgment to be at least as favorable to

Ocular stockholders as the superior proposal.

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Expenses and Termination Fee (see pages 89 and 90)

If the merger agreement is terminated, either Cooper or Ocular, in specified circumstances, may be required to, in the case of Ocular, reimburse up to $6 million of Cooper s expenses or, in the case of Cooper, reimburse up to $4.5 million of Ocular s expenses. In certain circumstances where reimbursement of expenses is required, Cooper or Ocular may also be required to pay a termination fee of $35 million to the other party.

Ocular Stock Options (see page 74)

All outstanding options for Ocular common stock will become fully vested and exercisable immediately prior to completion of the merger. Options for Ocular common stock with an exercise price equal to or greater than the merger consideration value, referred to as out-of-the-money, will be canceled upon completion of the merger. Options for shares of Ocular common stock with an exercise price less than the merger consideration value, referred to as in-the-money, will be canceled in exchange for a combination of cash and Cooper common stock in an amount equal to the spread value of their options, less applicable withholding taxes.

Material United States Federal Income Tax Consequences of the Merger (see page 65)

Cooper and Ocular expect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, referred to as the Code, and it is a condition to closing that each of Cooper and Ocular receive opinions from their respective legal counsel to the effect that the merger will so qualify. If the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, then, in general, no gain or loss will be recognized for federal income tax purposes by Cooper, Cooper stockholders or Ocular. Ocular stockholders will recognize gain, but not loss, equal to the lesser of:

- the amount of cash they receive in the merger; or
- the amount equal to the excess, if any, of (i) the sum of the amount of cash and the fair market value of Cooper common stock they receive in the merger, over (ii) the adjusted tax basis of their Ocular common stock exchanged.

Under certain circumstances, in order to preserve the above tax treatment to Cooper and its stockholders and Ocular and its stockholders, the merger agreement permits Cooper and Ocular to revise the merger structure (see page 76). If the merger structure is revised, Cooper and Ocular will be required to resolicit stockholder approval.

Tax matters are very complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. Cooper and Ocular encourage you to consult your tax advisor for a full understanding of the tax consequences of the merger to you.

Accounting Treatment (see page 68)

Cooper will account for the merger under the purchase method of accounting for business combinations under accounting principles generally accepted in the United States of America, referred to as GAAP .

Regulatory Approvals (see page 64)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, Cooper and Ocular cannot complete the merger until they have filed the necessary notifications with the Antitrust Division of the U.S. Department of Justice and the U.S. Federal Trade Commission of the merger and until required waiting period has ended. Cooper and Ocular submitted the required filings on August 6, 2004.

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Summary Selected Historical Financial Data

Cooper and Ocular are providing you with the following information to aid you in your analysis of the financial aspects of the merger. They derived this information from the audited financial statements of Cooper for its fiscal years ended October 31, 1999 through 2003 and Ocular for its fiscal years ended December 31, 1999 through 2003 and the unaudited financial statements of Cooper for the six months ended April 30, 2004 and Ocular for the six months ended June 30, 2004. This information is only a summary, and you should read it together with Cooper s and Ocular s historical financial statements and related notes contained in the annual reports and other information that have been filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* on page 118.

The Cooper Companies, Inc.

Summary Selected Historical Consolidated Condensed Financial Data

(In thousands)

	Six Months Ended April 30,	Years Ended October 31,				
Consolidated Statement of Income Data:	**2004**	**2003**	**2002**	**2001**	**2000**	**1999**
Net sales	$ 230,286	$ 411,790	$ 315,306	$ 234,572	$ 201,217	$ 168,155
Gross profit	$ 148,341	$ 265,202	$ 199,493	$ 153,368	$ 133,117	$ 109,146
Income from continuing operations before income taxes	$ 51,355	$ 90,487	$ 65,169	$ 52,128	$ 42,127	$ 32,712
Provision for income taxes	11,301	21,717	16,294	14,992	12,727	10,711
Income before items below	40,054	68,770	48,875	37,136	29,400	22,001
Discontinued operations						3,099
Cumulative effect of change in accounting principle					(432)	
Net income	$ 40,054	$ 68,770	$ 48,875	$ 37,136	$ 28,968	$ 25,100

	At April 30,	At October 31,				
Consolidated Balance Sheet Data:	**2004**	**2003**	**2002**	**2001**	**2000**	**1999**
Current assets	$ 254,251	$ 264,224	$ 198,910	$ 155,205	$ 112,685	$ 100,461
Property, plant and equipment, net	138,776	116,277	87,944	61,028	47,933	40,319
Goodwill	308,448	282,634	238,966	131,732	96,905	65,443
Other intangible assets, net	26,417	15,888	14,651	13,890	13,949	15,075
Other assets	16,861	26,541	30,644	34,994	51,093	64,575
	$ 744,753	$ 705,564	$ 571,115	$ 396,849	$ 322,565	$ 285,873

Short-term debt	$ 23,877	$ 20,658	$ 36,333	$ 8,249	$ 8,094	$ 4,888
Other current liabilities	89,591	97,656	90,348	59,724	57,181	37,008
Long-term debt	154,872	165,203	127,318	60,553	40,257	57,067
Other liabilities			5,674	12,039	18,595	22,767
Total liabilities	268,340	283,517	259,673	140,565	124,127	121,730
Stockholders equity	476,413	422,047	311,442	256,284	198,438	164,143
	$ 744,753	$ 705,564	$ 571,115	$ 396,849	$ 322,565	$ 285,873

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Ocular Sciences, Inc.

Summary Selected Historical Consolidated Condensed Financial Data

(In thousands)

Consolidated Statement of Income Data:	Six Months Ended June 30, 2004	Years Ended December 31, 2003	2002	2001	2000	1999
Net sales	$ 163,893	$ 310,563	$ 267,121	$ 224,974	$ 156,552	$ 156,590
Gross profit	$ 94,582	$ 167,172	$ 146,784	$ 127,162	$ 83,620	$ 93,214
Income before income taxes	$ 20,820	$ 36,374	$ 12,903	$ 11,763	$ 56,092	$ 47,781
Provision for income taxes	5,207	9,820	5,690	5,240	17,151	11,348
Net income	$ 15,613	$ 26,554	$ 7,213	$ 6,523	$ 38,941	$ 36,433

Consolidated Balance Sheet Data:	At June 30, 2004	At December 31, 2003	2002	2001	2000	1999
Current assets	$ 201,838	$ 199,543	$ 170,917	$ 125,978	$ 135,525	$ 104,311
Property, plant and equipment, net	143,014	134,903	119,941	128,157	118,645	102,591
Intangible assets, net	57,289	60,330	55,815	45,765	7,819	7,617
Other assets	4,468	4,532	5,416	4,437	3,242	7,796
	$ 406,609	$ 399,308	$ 352,089	$ 304,337	$ 265,231	$ 222,315
Other current liabilities	$ 69,004	$ 78,120	$ 65,847	$ 48,629	$ 31,965	$ 29,744
Current portion of long-term debt	398	411	420	12,660	1,246	1,214
Long-term debt, less current portion	2,190	16,877	30,730	3,388	4,482	2,228
Other liabilities	862	2,055	5,142	9,769	5,824	5,520
Total liabilities	72,454	97,463	102,139	74,446	43,517	38,706
Stockholders equity	334,155	301,845	249,950	229,891	221,714	183,609
	$ 406,609	$ 399,308	$ 352,089	$ 304,337	$ 265,231	$ 222,315

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Summary Selected Unaudited Pro Forma Financial Data

The following selected unaudited pro forma statement of income data gives effect to the merger as if it had been completed on November 1, 2002, and the following selected unaudited pro forma balance sheet data gives effect to the merger as if it had been completed on April 30, 2004. The selected unaudited pro forma financial data is based upon the estimates and assumptions of management and is presented for illustrative purposes only. The selected unaudited pro forma financial data does not purport to be indicative of results of operations of the combined company for future periods or the consolidated financial position or results that actually would have been realized for the periods presented had Cooper and Ocular been a single entity during these periods. The selected unaudited pro forma financial data (i) has been derived from and should be read in conjunction with the unaudited pro forma consolidated financial statements and accompanying notes included in this joint proxy statement/prospectus as described under *Unaudited Pro Forma Consolidated Condensed Financial Statements* on page 93 and (ii) should be read in conjunction with the consolidated financial statements of Cooper and Ocular and other information that has been filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* on page 118.

	Year Ended October 31, 2003 (In thousands, except per share data)	Six Months Ended April 30, 2004 (In thousands, except per share data)
Pro Forma Statement of Income Data:		
Net sales	$ 722,353	$ 394,179
Net income	62,466	44,478
Earnings per share:		
Basic	$ 1.50	$ 1.04
Diluted	$ 1.46	$ 1.01
Shares used in calculation of earnings per share:		
Basic	41,678	42,811
Diluted	42,726	44,194

	April 30, 2004 (In thousands)
Pro Forma Balance Sheet Data:	
Total assets	$ 2,061,179
Long-term debt and other noncurrent liabilities	759,110
Stockholders equity	1,069,199

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Comparative Per Share Information

The following tables set forth historical per share information of Cooper and Ocular and unaudited pro forma per share information after giving effect to the merger under the purchase method of accounting. The historical per share information is derived from the audited financial statements as of and for the fiscal year ended October 31, 2003 for Cooper and December 31, 2003 for Ocular. The unaudited pro forma per share information after giving effect to the merger combines the per share information included in the audited financial statements as of and for the fiscal year ended October 31, 2003 for Cooper and December 31, 2003 for Ocular. The unaudited pro forma per share information does not purport to be indicative of results of operations of the combined company for future periods or the consolidated financial position or results that actually would have been realized for the periods presented had Cooper and Ocular been a single entity during these periods. The unaudited pro forma per share information (i) has been derived from and should be read in conjunction with the unaudited pro forma consolidated financial statements and accompanying notes included in this joint proxy statement/prospectus as described under *Unaudited Pro Forma Consolidated Condensed Financial Statements* on page 93 and (ii) should be read in conjunction with the consolidated financial statements of Cooper and Ocular and other information that has been filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* on page 118.

	Year Ended October 31, 2003	Six Months Ended April 30, 2004
Historical Cooper:		
Earnings per share:		
Basic	$ 2.20	$ 1.24
Diluted	2.13	1.19
Book value per common share (1)	13.52	14.72
Cash dividends declared per common share	0.06	0.03

	Year Ended December 31, 2003	Six Months Ended June 30, 2004
Historical Ocular:		
Earnings per share:		
Basic	$ 1.11	$ 0.63
Diluted	1.09	0.61
Book value per common share (1)	12.61	13.54
Cash dividends declared per common share		

	Year Ended October 31, 2003	Six Months Ended April 30, 2004
Pro forma Cooper and Ocular:		
Earnings per share:		
Basic	$ 1.50(2)	$ 1.04(3)
Diluted	1.46(2)	1.01(3)
Book value per common share (4)	N/A	24.97
Equivalent pro forma Ocular: (5)		
Earnings per share:		
Basic	$ 0.58	$ 0.40
Diluted	0.57	0.39
Book value per common share	N/A	9.69

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(1) Calculated by dividing stockholders equity by the number of shares outstanding as of October 31, 2003, for Cooper and as of December 31, 2003, for Ocular.
(2) Assumes the merger had been completed on November 1, 2002.
(3) Assumes the merger had been completed on November 1, 2003.
(4) Calculated by dividing pro forma stockholders equity by the pro forma number of Cooper shares that would have been outstanding as of April 30, 2004, assuming the merger had been completed on April 30, 2004.
(5) Calculated by multiplying the pro forma per share amounts by the exchange ratio of 0.3879 of a share of Cooper common stock for each share of Ocular common stock.

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Comparative Per Share Market Price Data

Cooper common stock trades on the New York Stock Exchange under the symbol COO. Ocular common stock trades on the Nasdaq National Market under the symbol OCLR. The table below sets forth, for the periods indicated, the high and low per share sales prices for Cooper common stock, as adjusted to reflect the 2-for-1 split of Cooper common stock on November 22, 2002, and Ocular common stock as reported on the New York Stock Exchange or the Nasdaq National Market, respectively.

Cooper paid regular semi-annual dividends on its common stock of $0.025 per share on a split-adjusted basis in the year preceding the 2-for-1 stock split on November 22, 2002, and $0.03 per share in the years subsequent to the stock split.

	Cooper Common Stock		Ocular Common Stock	
	High	Low	High	Low
Calendar Year 2002				
Quarter ended March 31, 2002	$ 25.23	$ 21.19	$ 29.95	$ 22.35
Quarter ended June 30, 2002	27.55	22.50	30.25	24.21
Quarter ended September 30, 2002	27.63	19.18	27.42	21.31
Quarter ended December 31, 2002	31.47	23.95	23.45	14.33
Calendar Year 2003				
Quarter ended March 31, 2003	$ 30.24	$ 23.10	$ 16.22	$ 11.69
Quarter ended June 30, 2003	36.10	26.38	20.14	13.78
Quarter ended September 30, 2003	44.75	32.03	23.80	18.73
Quarter ended December 31, 2003	48.15	39.51	29.73	21.71
Calendar Year 2004				
Quarter ended March 31, 2004	$ 55.61	$ 45.75	$ 32.68	$ 26.67
Quarter ended June 30, 2004	63.34	52.22	38.00	27.99
Quarter ended September 30, 2004 (through , 2004)				

The above table shows only historical comparisons. Because the market prices of Cooper common stock and Ocular common stock will fluctuate prior to the merger, these comparisons may not provide meaningful information to Cooper stockholders in determining whether to approve the issuance of Cooper common stock in the merger or to Ocular stockholders in determining whether to approve and adopt the merger agreement and approve the merger. Cooper and Ocular stockholders are encouraged to obtain current market quotations for Cooper and Ocular common stock and to review carefully the other information contained in this joint proxy statement/prospectus or incorporated by reference into this joint proxy statement/prospectus in considering whether to approve their respective proposal. See *Where You Can Find More Information* on page 118.

The table below sets forth for July 28, 2004, the last trading day before Cooper and Ocular announced the merger, and , 2004, the last trading day before the date of this joint proxy statement/prospectus, the closing prices for Cooper common stock and Ocular common stock as reported on the New York Stock Exchange and the Nasdaq National Market, respectively, as well as the pro forma equivalent per share value of Ocular common stock based on the merger consideration (0.3879 of a share of Cooper common stock plus $22.00 for each outstanding share of Ocular common stock).

	Cooper Common Stock	Ocular Common Stock	Pro Forma Equivalent of Ocular Common Stock
July 28, 2004	$ 56.53	$ 36.00	$ 43.93
, 2004			

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RISK FACTORS

Cooper stockholders and Ocular stockholders should carefully consider the following factors in evaluating how to vote their shares at their company s special meeting. These factors should be considered in conjunction with the other information included in or incorporated by reference into this joint proxy statement/prospectus, including the risks discussed in Ocular s most recent Form 10-K. Additional risks and uncertainties not presently known to Cooper or Ocular, or that are not currently believed to be important to you, may also adversely affect the merger and Cooper following the merger.

Risks Related to the Merger

The value of the Cooper common stock to be received in the merger will fluctuate, because the exchange ratio is fixed and Cooper s share prices have historically been volatile.

Cooper s and Ocular s share prices have been volatile in the past and may continue to be volatile in the future. Upon completion of the merger, Ocular stockholders will be entitled to receive 0.3879 of a share of Cooper common stock and $22.00 in cash, without interest, for each share of Ocular common stock that they own.

The 0.3879 exchange ratio will not change, even if the market price of either or both the Ocular common stock and Cooper common stock fluctuates. Because Ocular stockholders will receive a portion of the merger consideration in shares of Cooper common stock, the value of the merger consideration to be received by Ocular stockholders will depend on the market price of Cooper common stock at the time the merger is completed. Accordingly, if the market value of Cooper common stock declines prior to the time the merger is completed, the value of the merger consideration to be received by Ocular stockholders will decline. Conversely, if the market value of Cooper common stock increases prior to the time the merger is completed, the value of the merger consideration to be received by Ocular stockholders will increase. In addition, because the date that the merger is completed will occur after the stockholder meetings, Cooper and Ocular stockholders may not know the exact value of the Cooper common stock that will be issued in the merger at the time they vote on the merger proposals.

Variations in the market price of Cooper common stock may be caused by a number of factors, including changes in the businesses, operations or prospects of Cooper or Ocular, the timing of the merger, regulatory considerations and general market and economic conditions. Cooper and Ocular encourage you to obtain current market quotations for Cooper and Ocular shares before you vote your shares.

The issuance of shares of Cooper common stock to Ocular stockholders and optionholders in the merger will substantially reduce the percentage interests of Cooper stockholders.

If the merger is completed, we expect that approximately 10.5 million shares of Cooper common stock will be issued to Ocular stockholders and optionholders, and former Ocular stockholders and optionholders will own, in the aggregate, approximately 24% of the combined company immediately following completion of the merger (based on the number of shares of Cooper and Ocular common stock outstanding on a fully diluted basis on   , 2004, the record date for the special meetings). The issuance of approximately 10.5 million shares of Cooper common stock to Ocular stockholders and optionholders will cause a significant reduction in the relative percentage interest of current Cooper stockholders in earnings, voting, liquidation value and book and market value.

Cooper will have more indebtedness after the merger, which could adversely affect its cash flows and business.

In order to complete the merger, Cooper anticipates arranging for a credit facility that provides for at least $750 million of new financing capacity, a substantial portion of which will be used to fund the cash portion of the consideration to Ocular stockholders. Cooper s debt outstanding as of April 30, 2004 was approximately

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$175.5 million. After giving effect to the merger, Cooper s pro forma total debt outstanding as of April 30, 2004 would have been approximately $780.3 million. Since the interest rates under this new facility will not be established until closing, they will be adversely affected by any increases in current interest rates. As a result of this increase in debt, demands on Cooper s cash resources will increase after the consummation of the merger. Any additional indebtedness incurred by Cooper may adversely affect its ability to finance operations or borrow additional funds, could limit its ability to pursue desirable business opportunities, and could create competitive disadvantages compared to other companies with lower debt levels.

As a result of the merger, Cooper will be a larger and broader organization. If Cooper s management is unable to adequately manage the combined company, its operating results will suffer.

As a result of the merger, Cooper will have a substantially greater number of employees than prior to the merger. The combination will also result in Cooper directly operating in several new geographic markets in which it previously had a minimal presence, including Japan and Germany. The combined company will face challenges inherent in efficiently managing an increased number of employees and addressing new geographic markets, including the need to implement appropriate systems, policies, benefits and compliance programs.

Difficulties or delays in successfully managing the substantially larger and broader organization could have a material adverse effect on the combined company after the merger and, as a result, on the market price of Cooper common stock.

Cooper may experience difficulties in integrating Ocular s business with its existing business and may not be able to realize the expected benefits of the merger as planned.

Although Cooper has had experience in integrating a number of acquired businesses, none was of the size or complexity of Ocular. Combining the operations, technologies and personnel of the two companies, coordinating and integrating their sales organizations and distribution channels, and implementing uniform standards, internal controls, processes, procedures, policies and information systems will be time consuming and expensive. Disruption of, or loss of momentum in, the activities of one or more of the combined company s businesses or loss of key personnel caused by the integration process, diversion of management s attention from the daily operations of the combined company and any delays or difficulties encountered in connection with the merger and integration of the two companies businesses could have an adverse effect on the business, results of operations or financial condition of the combined company. In addition, during the integration process it is possible that some Cooper assets may be disposed of and a reduction in Cooper s workforce may occur, thereby resulting in restructuring charges that could adversely affect Cooper s financial results.

Achieving the benefits expected by Cooper from the merger will depend in large part on successful integration of the companies operations. In addition, Cooper s ability to obtain the benefits of the expanded global distribution network resulting from the merger, particularly in Japan, may be delayed or limited by the need to obtain regulatory approvals and to restructure relationships with its existing distributors. Moreover, Cooper s ability to reduce manufacturing costs for its high volume lenses in the future by utilizing Ocular s Generation II manufacturing process will depend upon a number of factors, including process compatibility and the timing of implementation. Failure to realize these operating efficiencies and cost reductions could have an adverse effect on the business, results of operations or financial condition of the combined company.

Cooper may be required to recognize impairment charges on goodwill following the merger, which would reduce Cooper s consolidated net worth and stockholders equity.

Cooper currently estimates that as a result of the merger, Cooper s goodwill, representing the excess of the purchase price over the fair value of the assets acquired and liabilities assumed, net of appropriate deferred taxes, will increase from $308 million to approximately $1.2 billion. Pursuant to generally accepted accounting principles, Cooper and Ocular are, and the combined company will be, required to perform impairment tests on their goodwill balances annually or at any time when events occur, which could impact the value of their

business segments. Cooper s and Ocular s determinations of whether an impairment has occurred are based on a comparison of each of their reporting units fair market values with their respective carrying values. Significant and unanticipated changes could require a provision for impairment in a future period that could substantially affect Cooper s reported earnings in a period of such change. In addition, such charges would reduce Cooper s consolidated net worth and its stockholders equity and increase its debt to total capitalization ratio, which may result in a default under its credit facilities.

Charges to operations resulting from the application of the purchase method of accounting may adversely affect the combined company s financial results and the market value of Cooper common stock following the merger.

In accordance with GAAP, the combined company will account for the merger using the purchase method of accounting. Cooper will allocate the total estimated purchase price to Ocular s net tangible assets, identifiable intangible assets and in-process research and development, based on their fair values as of the date of completion of the merger, and record the excess of the purchase price over those fair values as goodwill. Cooper will incur additional amortization expense over the estimated useful lives of certain of the intangible assets acquired in connection with the merger, which, subject to the results of an appraisal, has been assumed to be $2 million on an annual basis. To the extent that the results of the appraisal or other application of purchase accounting principles lead to significant changes to the assumptions made in the pro forma financial statements or adjustments to amortization, cost of goods sold or other items, such changes could materially adversely impact the financial results of the combined company. To the extent that the value of goodwill or intangible assets with indefinite lives becomes impaired, Cooper may be required to incur material charges relating to the impairment of those assets. The additional charges could adversely affect Cooper s financial results, including earnings per common share, which could cause the market price of Cooper common stock to decline. In addition, the combined company will temporarily have a lower gross margin due to the sell-through of Ocular inventories for which the carrying value is increased to fair value.

Some of Ocular s officers and directors have interests in the merger that may influence them to support or approve the merger.

When considering the recommendations of the board of directors of Ocular that Ocular stockholders vote in favor of the approval and adoption of the merger agreement and approval of the merger, Ocular stockholders should be aware that some of the directors and executive officers of Ocular have interests in the merger that may be different from, or in addition to, the interests of Ocular stockholders. These interests include:

- the continued indemnification of, and provision of, directors and officers insurance to, current directors and officers of Ocular following the merger;
- the appointment of John D. Fruth and Edgar J. Cummins, currently directors of Ocular, as directors of Cooper upon completion of the merger;
- the potential receipt of severance payments by executive officers;
- the accelerated vesting of, and the payments of cash and Cooper common stock for, the officers and directors outstanding in-the-money Ocular stock options in the merger; and
- the accelerated vesting of, and payments of cash and Cooper common stock for, the directors 2004 annual grant of Ocular stock options, issued on August 2, 2004, subsequent to the execution of the merger agreement, which in the aggregate provide for the purchase of 70,000 shares of Ocular common stock at an exercise price of $44.79 per share.

The receipt of compensation or other benefits in the merger may have influenced these directors in making their recommendation that you vote in favor of the transactions called for by the merger agreement, and these officers in making recommendations to their board of directors relating to the merger. See *The Merger Interests of Directors, Executive Officers and Stockholders of Ocular in the Merger* on page 69.

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Provisions of the merger agreement may deter alternative business combinations and could negatively impact the stock prices of Cooper and Ocular if the merger agreement is terminated in certain circumstances.

Restrictions in the merger agreement on solicitation generally prohibit Cooper and Ocular from soliciting any acquisition proposal or offer for a merger or business combination with any other party, including a proposal that might be advantageous to the stockholders of Cooper or Ocular when compared to the terms and conditions of the merger described in this joint proxy statement/prospectus. In addition, under certain circumstances Cooper or Ocular may be obligated to pay a $35 million termination fee, plus expenses, to the other upon termination of the agreement. These provisions may deter third parties from proposing or pursuing alternative business combinations that might result in greater value to Cooper or Ocular stockholders than the merger. In the event the merger is terminated by Cooper or Ocular in circumstances that obligate either party to pay the $35 million termination fee, plus expenses, to the other party, including where either party terminates the merger agreement because the other party s board of directors withdraws its support of the merger, Cooper s and/or Ocular s stock prices may decline. See *The Merger Agreement Termination Fee* on page 89 and *The Merger Agreement Expenses* on page 90.

Cooper and Ocular may be required to comply with material restrictions or conditions in order to obtain the regulatory approvals required to complete the merger.

The merger is subject to review by the Antitrust Division of the U.S. Department of Justice and the U.S. Federal Trade Commission under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Under this statute, Cooper and Ocular are required to make pre-merger notification filings and to await the expiration or early termination of the statutory waiting period prior to completing the merger. The governmental entities from whom approvals are required may attempt to condition their approval of the merger, or of the transfer to Cooper of licenses and other entitlements, on the satisfaction of certain regulatory conditions. Any such condition may have the effect of imposing additional costs on Cooper or otherwise substantially reducing the benefits to the combined company if the merger is completed, provided that, Cooper determines to accept such conditions (which it is not obligated to do under the merger agreement see *The Merger Agreement Regulatory Filings; Antitrust Matters; Obtaining Regulatory Approvals* on page 85) or would cause a condition to the merger to fail if Cooper determines not to accept such condition.

If Cooper or Ocular determines that there is a reasonable likelihood that the merger will fail to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, Cooper and Ocular will likely revise the merger structure, which will delay completion of the merger, or Cooper and Ocular may choose to abandon the merger.

Cooper and Ocular intend for the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. However, the merger agreement provides that if either Cooper or Ocular, after consulting with outside tax counsel, reasonably determines at any time that there is a reasonable likelihood that the merger will not qualify as a reorganization within the meaning of Section 368(a) of the Code, such party will have the right to revise the merger structure to qualify as a transaction described in Section 351 of the Code. In general, failure to qualify as a reorganization would occur if, as a result of a decline in the trading price of Cooper stock or the exercise of appraisal rights by a greater than expected number of Ocular stockholders, the relative amount of cash (as a percentage of the sum of the aggregate value of all merger consideration plus the cash paid to dissenters) paid to Ocular stockholders upon completion of the merger is too great to permit the merger to qualify as a reorganization under Section 368(a) of the Code. In general, the approximate trading price of Cooper stock at which it is possible that the parties may deem it prudent to revise the merger structure is $43.00, equal to a % decline from the closing price of $ on, 2004, the record date for the special meetings.

Revisions to the merger structure would require Cooper and Ocular to amend the merger agreement and to resolicit stockholder approval of the resulting mergers, the amended merger agreement and related transactions, both of which are likely to delay completion of the mergers. Moreover, the affirmative vote of the holders of a majority of the outstanding shares of Cooper common stock entitled to vote on the mergers

would be required to

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approve and adopt the amended merger agreement and approve the mergers under the alternative merger structure. This represents a higher voting threshold for approval than required under the current merger structure. In addition, the parties may choose to abandon the merger rather than revise the merger structure.

For a full description of the tax consequences of the merger for Ocular s stockholders, see *The Merger Material United States Federal Income Tax Consequences* on page 65. For a full description of the alternative merger structure, see *The Merger Agreement Alternative Structure* on page 76.

Risks Related to the Business and Operations of the Combined Company Following the Merger

The following are risks that currently affect the business, financial condition or results of operations of Cooper and Ocular individually and will affect the combined company following completion of the merger.

Cooper and Ocular operate in the highly competitive healthcare industry and there can be no assurance that the combined company will be able to compete successfully.

Both Cooper and Ocular operate within a highly competitive environment. Numerous companies develop, manufacture and market soft contact lenses. Cooper s and Ocular s products compete with similar products offered by a number of companies, including Johnson & Johnson, Ciba Vision and Bausch & Lomb. More recently, 1-800-Contacts, a distributor of contact lenses via mail order and the internet, has acquired manufacturing capabilities and has begun selling its own products outside the United States. Many of Cooper s and Ocular s competitors have substantially greater financial, manufacturing, selling and marketing, research and development, and technical resources, greater market penetration and larger manufacturing volumes than the combined company will have.

Many competitors in CooperVision s specialty lens business have substantially greater financial resources and larger research and development and sales forces than CooperVision. Furthermore, many of these competitors offer a greater range of contact lenses, plus 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. We cannot assure you that the combined company will not encounter increased competition in the future or that additional successful product entries into CooperVision s higher-margin specialty lens segments by a larger competitor would not have a material adverse effect on the combined company s business, financial condition or results of operations.

The market for many of Ocular s non-specialty, commodity soft contact lenses, which are lenses widely used to correct the most common types of visual disorders, is intensely competitive and is characterized by declining prices for many products. Price reductions by competitors could make the combined company s commodity products less competitive, and there can be no assurance that the combined company would be able to either match the competitor s pricing plan or reduce prices in response. The combined company s ability to respond to competitive pressures by decreasing prices without adversely affecting gross margins and operating results will depend on its ability to decrease its costs per lens. Any significant decrease in the combined company s costs per lens will depend, in part, on its ability to increase sales volume and production capacity. Cooper and Ocular cannot assure you that the combined company will be able to continue to increase its sales volume or reduce its per unit production costs. The combined company s failure to respond to competitive pressures, particularly price competition, in a timely manner could have a material adverse effect on its business, financial condition and results of operations.

Weak economic conditions may cause a decline in the number of people fitted for contact lenses, cause consumers to increase the length of time between doctor visits and replace their contact lenses less frequently, slow the migration of consumers to contact lenses from other types of vision correction and slow the migration of consumers to disposable replacement regimens.

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In the women s healthcare segment, competitive factors include technological and scientific advances, product quality, price and effective communication of product information to physicians and hospitals. CooperSurgical competes with a number of manufacturers in each of its niche markets, some of which have substantially greater financial and personnel resources and sell a much broader range of products.

Product innovations are important in the industry in which Cooper and Ocular operate, and the combined company faces the risk of product obsolescence.

Product innovations are important in the niche areas of the healthcare industry in which the combined company will compete. Although Cooper s focus has been on products that will be marketable immediately or in the short term, the combined company s focus on the soft contact lens business will expand to longer-term, higher risk research and development projects. The cost of obtaining necessary regulatory approval and other costs related to product innovations may be meaningful. There can be no assurance that the combined company s new soft contact lens products will be successful in the marketplace and, as a result, justify the expense involved in their development and approval. In addition, we cannot assure you that new products or technologies will not be developed that could lead to the obsolescence of one or more of Cooper s or Ocular s existing products, which could have a material adverse effect on the combined company s business, financial condition, or results of operations.

If the combined company s new products are not accepted by the market, it will not be able to sustain or expand its business.

Certain of Cooper s and Ocular s proposed products have not yet been clinically tested or commercially introduced and there can be no assurance that any of them will achieve market acceptance or generate operating profits. Cooper and Ocular have not commercially marketed many of their new or any of their planned products, such as Cooper s Proclear aspheric and multifocal, daily disposable or extended wear contact lenses and Ocular s aspheric lens internationally, multifocal lens domestically, and its bi-weekly and extended wear silicone hydro-gel lenses globally. The market acceptance and customer demand for these products are uncertain and may be impacted by many factors, some of which will be outside of the control of the combined company, including the cost competitiveness of such products, consumer reluctance to try a new product, regulatory requirements, and the emergence of newer and more competitive products.

Alternative forms of vision correction, and new medical and technological developments, may reduce the need for the combined company s optical products.

The combined company also will compete with manufacturers of eyeglasses and other forms of vision correction. We cannot assure you that the combined company will not encounter increased competition in the future, or that such competition would not have an adverse effect on the combined company s business, financial condition or results of operations.

As corneal refractive surgical procedures such as LASIK surgery become increasingly accepted as an effective and safe technique for permanent vision correction, they could substantially reduce the demand for contact lenses by enabling patients to avoid the ongoing cost and inconvenience of contact lenses. Other technological developments in the eyecare industry, such as new surgical procedures or medical devices, and the development of new pharmaceutical products may cause a substantial decline in the number of contact lens wearers and thus adversely affect demand for the combined company s products.

Changes in effective tax rates or adverse outcomes resulting from examination of Ocular s income tax returns could adversely affect the results of the combined company.

The combined company s future effective tax rates could be adversely affected by earnings being higher than anticipated in countries where the combined company has higher statutory rates or lower than anticipated in countries where it has lower statutory rates, by changes in valuation of its deferred tax assets and liabilities, or by changes in tax laws or interpretations thereof. Ocular s income tax returns are currently being audited by the

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Internal Revenue Service, and the combined company will be subject to the continuous examination of its income tax returns by the Internal Revenue Service and other tax authorities, and we cannot assure you that the outcomes from these examinations will not have a material adverse effect on the combined company s operating results and financial condition.

Cooper s and Ocular s substantial and expanding international operations are subject to uncertainties that could affect the operating results of the combined company.

The growth strategy of the combined company involves, and is believed to be dependent upon, expanding its sales and operations in numerous foreign jurisdictions. A significant portion of both Cooper s and Ocular s current operations are conducted and located outside the United States. The combined company will have manufacturing sites in North America and Europe and primary distribution sites in North America, Europe and Japan. Approximately 40% of Cooper s net sales for the fiscal year ended October 31, 2003, and approximately 42% of Cooper s net sales for the six months ended April 30, 2004, were derived from the sale of products outside the United States. Approximately 57% of Ocular s net sales for the fiscal year ended December 31, 2003, and approximately 61% of Ocular s net sales for the six months ended June 30, 2004, were derived from the sale of products outside the United States. On a pro forma basis, approximately 47% of the combined company s net sales for the fiscal year ended October 31, 2003, were derived from the sale of products outside the United States. The expansion of international sales and operations by the combined company will involve operations in markets with which Cooper and Ocular are not as experienced, and the combined company may not be successful in capturing a significant portion of these markets for soft contact lenses.

International operations and business expansion plans are subject to numerous risks, including the following: foreign customers may have longer payment cycles than customers in the U.S.; tax rates in some foreign countries may exceed those of the U.S., and foreign earnings may be subject to repatriation taxes, withholding requirements or the imposition of tariffs, exchange controls or other restrictions; general economic and political conditions in the countries where the combined company operates may have an adverse effect on its operations in those countries or not be favorable to its growth strategy; managing a large organization spread throughout various countries may be more difficult; foreign governments may adopt regulations or take other actions that would have a direct or indirect adverse impact on the combined company s business and market opportunities; enforcing agreements and collecting receivables through some foreign legal systems may be more difficult; fluctuations in currency exchange rates may adversely affect financial results; and enforcing intellectual property rights in some foreign countries may be more difficult.

As Cooper continues to expand the combined company s business globally, its success will depend, in large part, on its ability to anticipate and effectively manage these and other risks associated with its international operations, including in Japan, the world s second largest contact lens market. However, any of these factors could adversely affect the combined company s international operations and, consequently, its operating results.

Exchange rate fluctuations could adversely affect the combined company s financial results.

As a result of the combined company s worldwide operations, currency exchange rate fluctuations will tend to affect the combined company s results of operations and financial position. The combined company expects to generate an increasing portion of its revenue and incur a significant portion of its expenses in currencies other than U.S. dollars. Although Cooper may enter into foreign exchange agreements with financial institutions to reduce its exposure to fluctuations in foreign currency values relative to the combined company s debt or receivables obligations, these economic hedging transactions, if entered into, will not eliminate that risk entirely. In addition, to the extent Cooper is unable to match revenue received in foreign currencies with costs paid in the same currency, exchange rate fluctuations could have a negative impact on the combined company s financial condition and results of operations. Additionally, because Cooper s consolidated financial results are reported in dollars, if the combined company generates sales or earnings in other currencies the translation of those results into dollars can result in a significant increase or decrease in the amount of those sales or earnings.

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Cooper is, and the combined company will be, vulnerable to interest rate risk with respect to its debt.

Cooper is subject to interest rate risk in connection with the issuance of variable and fixed-rate debt. In order to maintain its desired mix of fixed-rate and variable-rate debt, Cooper may use interest rate swap agreements and exchange fixed and variable-rate interest payment obligations over the life of the arrangements, without exchange of the underlying principal amounts. Cooper cannot assure you that it will be successful in structuring such swap agreements to effectively manage the combined company s risks. If Cooper is unable to do so, the combined company s business, earnings and financial condition may be adversely affected.

Cooper s stock price has been volatile historically and may continue to be volatile after the merger is completed.

The market price for Cooper common stock has been and may continue to be volatile, which may make it difficult for holders to resell shares of Cooper common stock at attractive prices. For example, during the 52-week period ended July 31, 2004, the last reported prices of Cooper common stock on the New York Stock Exchange ranged from a high of $63.17 to a low of $32.85. Cooper expects its stock price to be subject to fluctuations as a result of a variety of factors, including factors beyond its control.

Because of this volatility, Cooper may fail to meet the expectations of its stockholders or of securities analysts at some time in the future, and the trading prices of its securities could decline as a result. In addition, the stock market has experienced significant price and volume fluctuations that have affected the trading prices of equity securities. These fluctuations have often been unrelated or disproportionate to the operating performance of issuing companies. In addition, any negative change in the public s perception of vision care or women s healthcare related companies or medical device companies could depress Cooper s stock price regardless of its operating results.

Cooper and Ocular manufacture a significant portion of their products, and an interruption of manufacturing operations could adversely affect the combined company.

CooperVision and CooperSurgical manufacture a significant portion of the products Cooper sells and Ocular manufactures substantially all of the products it sells. As a result, any prolonged disruption in the operations of the combined company s manufacturing facilities, whether due to technical or labor difficulties, destruction of or damage to any facility or other reasons, could have a material adverse effect on the combined company s business, financial condition and results of operations.

Cooper and Ocular rely on several key suppliers for raw materials and equipment, and the combined company could experience inventory shortages if it were required to use an alternative supplier on short notice.

Cooper and Ocular rely on independent suppliers for raw materials, which primarily consist of various chemicals and packaging materials, and for manufacturing and packaging equipment. Raw materials and equipment used by Cooper and Ocular are generally available from multiple qualified suppliers, but Cooper and Ocular depend on several key suppliers for some of their product components. If the supply of materials and equipment from a key supplier were interrupted, replacement or alternative sources might not be readily obtainable due to the regulatory requirements applicable to Cooper and Ocular s manufacturing operations. Because some products require specialized manufacturing procedures, the combined company could experience inventory shortages if it were required to use an alternative manufacturer on short notice. The supply disruptions could materially adversely affect the combined company s business, financial condition, results of operations and future growth prospects.

If Cooper does not retain key personnel and attract and retain other highly skilled employees, its business could suffer.

The success of Cooper s and Ocular s businesses is, and the success of the combined company s business will be, heavily dependent on the leadership of its key management personnel. The loss of any of its senior

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management or other key research, clinical, regulatory, or sales and marketing personnel, particularly to competitors, could have a material adverse effect on its business, financial condition and results of operations. Cooper s success as the combined company will also depend on its ability to recruit, retain and motivate highly skilled sales, marketing and engineering personnel. Competition for these persons in its industry is intense and it may not be able to successfully recruit, train or retain qualified personnel. If Cooper fails to retain the necessary personnel of Cooper and Ocular, the combined company s business and its ability to obtain new customers, develop new products and provide acceptable levels of customer service could suffer.

If the combined company experiences a disruption of its information technology systems, or if the combined company fails to successfully manage and integrate its information technology and reporting systems, it could harm the business of the combined company.

Information technology systems, or IT systems, are an integral part of the business of Cooper and Ocular. Cooper and Ocular depend on IT systems to process orders and manage inventory and accounts receivable collections. IT systems also allow Cooper and Ocular to efficiently purchase products from their suppliers and ship products to their customers on a timely basis, maintain cost-effective operations and provide customer service. A serious disruption of their IT systems could have a material adverse effect on the business and results of operations of the combined company.

Cooper and Ocular are both in the process of upgrading certain of their management information systems and there can be no assurance that such upgrades will not result in a disruption of the combined company s business, extensive commitment of time and other costs related to upgrading such management information systems. Cooper and Ocular expect that they will need to continue to improve and further integrate their IT systems, reporting systems and procedures and train and educate their employees with respect to these improvements and integrations on an ongoing basis in order to effectively run their businesses. If the combined company fails to successfully manage and integrate the IT and reporting systems of Cooper and Ocular, it could adversely affect the combined company s business or operating results. Additionally, if the combined company determines that it would most effectively operate under one system, the abandonment of the other system could result in a charge against earnings, which could adversely affect the combined company s financial results.

Future acquisitions by Cooper may involve numerous risks.

Cooper and Ocular have a history of making acquisitions which have significantly contributed to each company s growth in recent years. As part of the combined company s growth strategy, particularly at CooperSurgical, Cooper intends to continue to consider acquiring complementary technologies, products and businesses. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities and an increase in amortization and/or write-offs of goodwill and other intangible assets, which could have a material adverse effect on the combined company s business, financial condition and results of operations.

Risks the combined company could face with respect to acquisitions include difficulties in the integration of the operations, technologies, products and personnel of the acquired company, risks of entering markets in which the combined company has no or limited prior experience, potential loss of employees, an inability to identify and consummate future acquisitions on favorable terms or at all, diversion of management s attention away from other business concerns, expenses of any undisclosed or potential liabilities of the acquired company, and expense, including restructuring expenses, to shut-down locations and/or terminate employees. The risks associated with acquisitions could have a material adverse effect on the combined company s business, financial condition and results of operations. Cooper and Ocular cannot assure you that the combined company will be successful in consummating future acquisitions on favorable terms or at all.

If the combined company fails to adequately protect its intellectual property, its business could suffer.

Cooper and Ocular consider their intellectual property rights, including patents, trademarks and licensing agreements, to be an integral component of their businesses and of the business of the combined company in the

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future. Cooper and Ocular attempt, and the combined company will continue to attempt, to protect their intellectual property rights through a combination of patent, trademark, copyright, trade secret laws and competent legal opinions, as well as licensing agreements and third-party nondisclosure and assignment agreements. The failure to obtain or maintain adequate protection of intellectual property rights for any reason could have a material adverse effect on the combined company s business, results of operations and financial condition.

Cooper and Ocular believe that their trademarks are valuable assets and have numerous trademark registrations in the United States, Europe and foreign countries in other parts of the world. While Cooper and Ocular believe that there are currently no pending challenges to the use or registration of any of their material trademarks, we cannot assure you that their trademarks do not or will not violate the proprietary rights of others, that they would be upheld if challenged or that Cooper, after the merger is completed, would, in such an event, not be prevented from using one or more of Cooper s and Ocular s trademarks, any of which could have an adverse effect on the combined company and its business.

The patents Cooper and Ocular own, and that Cooper will own as the combined company, could be challenged, invalidated or circumvented by others and may not be of sufficient scope or strength to provide the combined company with any meaningful protection or commercial advantage. Further, Cooper cannot assure you that it will have adequate resources to enforce the combined company s patents. Cooper cannot be certain that it will be the first creator of inventions covered by any patent application it makes or the first to file patent applications on such inventions. Although Cooper and Ocular have also applied for patent protection in the U.S. relating to certain existing and proposed processes and products, Cooper and Ocular cannot assure you that any of their patent applications will be approved.

Cooper and Ocular also rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to Cooper s and Ocular s unpatented technology. To protect their trade secrets and other proprietary information, Cooper and Ocular require employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance that these agreements will provide meaningful protection for the combined company s trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. If Cooper is unable to maintain the proprietary nature of the combined company s technologies, it could be materially adversely affected.

The protection of intellectual property in certain foreign countries is particularly uncertain. Adverse determinations in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent the combined company from manufacturing and selling its products, and such events would have a material adverse effect on the combined company s business, financial condition and results of operations.

The combined company s intellectual property could be subject to claims of infringement.

Significant litigation regarding intellectual property rights exists in the contact lens industry. On November 6, 2002, CIBA Vision Corporation and its subsidiary, Wesley Jessen Corporation, filed a lawsuit against Ocular in the U.S. District Court for the Northern District of California alleging that its color contact lenses infringe patents owned by Wesley Jessen. The complaint seeks an award of damages, including unspecified punitive damages, attorney s fees and costs and an injunction preventing the alleged infringement. We cannot assure you that this litigation will not have a material adverse effect on the combined company s operating results or that the combined company will not be subject to other intellectual property lawsuits in the future.

Cooper s and Ocular s competitors in both the U.S. and foreign countries, some of which have substantially greater resources and have made substantial investments in competing technologies, may have applied for or obtained, or may in the future apply for and obtain, patents that will

prevent, limit or otherwise interfere with the combined company s ability to make and sell its products. Cooper and Ocular have not conducted an independent

review of patents issued to third parties. Claims that the combined company s products infringe the proprietary rights of others are more likely to be asserted after commencement of commercial sales incorporating such technology.

It is possible that third parties will make claims of infringement against the combined company or other manufacturers in connection with their use of the combined company s technology. Any claims, even those without merit, could be expensive and time consuming to defend, cause the combined company to cease making, licensing or using products that incorporate the challenged intellectual property, require the combined company to redesign or reengineer its products, if feasible, divert management s attention and resources, or require the combined company to enter into royalty or licensing agreements in order to obtain the right to use a necessary product, component or process. Any royalty or licensing agreements, if required, may not be available to the combined company on acceptable terms or at all. A successful claim of infringement against the combined company or its contract manufacturers in connection with the use of its technology could adversely affect the combined company s business.

Cooper and Ocular are, and the combined company will be, vulnerable to the inherent risk of exposure to product liability claims.

Cooper and Ocular each face, and the combined company will face, an inherent risk of exposure to product liability claims in the event that the use of its products results in personal injury. It also faces the risk that defects in the design or manufacture of its products might necessitate a product recall. From time to time, Ocular has received, and the combined company may continue to receive, complaints of significant patient discomfort, including corneal scarring and complications, while using Cooper s or Ocular s contact lenses. In certain cases, the reasons for the problems have never been established. Although Cooper and Ocular have not experienced material losses to date due to product liability claims or product recalls, Cooper cannot assure you that it will not experience such losses as the combined company in the future.

Cooper addresses, and the combined company will address, some risk with a combination of self-insurance and third-party carrier policies, which policies are subject to deductibles and limitations. One of CooperSurgical s products is the subject of product liability claims which arose prior to its acquisition of the manufacturer. Although Cooper is entitled to indemnification from the seller and the product is covered by third party carrier insurance, Cooper cannot assure you that such indemnification and insurance will be adequate. In addition, although Cooper believes it currently maintains sufficient product liability insurance coverage, if it is unable to obtain or maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims, it may be unable to market one or more of the combined company s products.

Cooper s earnings will be adversely affected if it is required to change its accounting policies with respect to the expensing of stock options.

Cooper does not currently deduct the expense of stock option grants from its income based on the fair value method. The Financial Accounting Standards Board is considering, and the International Accounting Standards Board has adopted, effective February 2005, proposals requiring companies to change their accounting policies to record the fair value of stock options issued to employees and directors as an expense. Many companies have voluntarily changed, or are in the process of changing, their accounting policies to expense the fair value of stock options. Stock options are an important component of Cooper s employee compensation package and will continue to be an important component of Cooper after the merger. If Cooper changes its accounting policy with respect to the treatment of stock option grants, its earnings will be adversely affected, which in turn could have negative impact on the price of Cooper common stock.

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Development and marketing of the combined company s products will be subject to strict governmental regulation by the Food and Drug Administration.

Cooper s and Ocular s products and operations are subject to extensive and rigorous regulation by the U.S. Food and Drug Administration, or FDA, under the Federal Food, Drug, and Cosmetic Act, or FFDCA, and its implementing regulations, guidances, and standards. The FDA regulates the research, testing, manufacturing, safety, labeling, storage, recordkeeping, promotion, distribution and production of medical devices in the United States to ensure that medical products distributed domestically are safe and effective for their intended uses. The FDA also regulates the export of medical devices manufactured in the United States to international markets. Cooper s or Ocular s failure to comply with these laws and regulations could lead the FDA to issue injunctions, refuse to grant applications for marketing clearance or approval, suspend or revoke regulatory clearances or approvals, issue product recalls, terminate product distribution, seize products, or impose other civil or criminal penalties. The imposition of any one or more of these penalties could result in a material adverse effect on the combined company s business.

The process of obtaining and maintaining FDA regulatory clearances or approvals to market a medical device in the U.S. can be costly and time consuming, and there can be no assurance that such clearances or approvals will be granted on a timely basis, or at all. In particular, unless exempted pursuant to specific FDA regulations, the FDA permits commercial distribution of a new medical device only after an applicant has received marketing clearance for the device under Section 510(k) of the FFDCA or has obtained approval of a Premarket Approval, or PMA, application for the device. The PMA process is more costly, lengthy and uncertain than the 510(k) clearance process and must be supported by extensive data, including data from preclinical studies and human clinical trials. Cooper and Ocular cannot assure you that any new products they develop will be subject to the shorter 510(k) clearance process, and significant delays in obtaining regulatory clearances or approvals for those products may occur. In addition, any modification or enhancement to a 510(k)-cleared device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design or manufacture, requires a new 510(k) clearance or, possibly, approval of a PMA. Cooper and Ocular have made modifications to their products that they do not believe require the submission of new 510(k) notifications or PMA applications. Cooper and Ocular cannot confirm, however, that the FDA will agree with any of their determinations not to submit new 510(k) notifications or PMA applications for these modifications. Any FDA requirement that the combined company seek additional approvals or clearances for a product modification or enhancement could result in the recall of the modified device, delays, fines, costs associated with the modification of a product, loss of revenue and potential operating restrictions imposed by the FDA.

After the FDA permits a device to enter commercial distribution, numerous regulatory requirements apply. These include: the Quality System Regulation, which sets forth the requirements for good manufacturing practices of medical devices and includes, among other things, requirements governing design, testing, labeling, production processes, controls, documentation and other quality assurance procedures; labeling regulations; the FDA s general prohibition against promoting products for unapproved or off-label uses; and the Medical Device Reporting regulation, which requires that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to reoccur. The combined company s failure to comply with the FDA s regulations could result in, among other things, warning letters, fines, injunctions, consent decrees, civil penalties, repairs, replacements, refunds, recalls or seizures of products (which could result in the cessation or reduction of the combined company s production volume), total or partial suspension of production, the FDA s refusal to grant future premarket clearances or approvals, withdrawals or suspensions of current product applications and criminal prosecution. If any of these events were to occur, they could have a material adverse effect on the combined company s business, financial condition and results of operations.

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Changes in government regulation of the health care industry could materially adversely affect the combined company.

In recent years, an increasing number of legislative initiatives have been introduced or proposed in Congress and in state legislatures that could result in major changes to the regulation of the healthcare industry, either nationally or at the state level. Among the proposals under consideration are price controls on hospitals, insurance market reforms to increase the availability of group health insurance to small businesses, requirements that all businesses offer health insurance coverage to their employees and the creation of a government health insurance plan or plans that would cover all citizens. There continue to be efforts at the federal level to introduce various insurance market reforms, expand fraud and abuse and anti-referral legislation, and further reduce coverage and reimbursement under Medicare and Medicaid. A broad range of both similar and more comprehensive healthcare reform initiatives is likely to be considered at the state level. It is uncertain which, if any, of these or other proposals will be adopted. Cooper and Ocular cannot predict the effect such reforms or the prospect of their enactment may have on the business of the combined company.

Changes in government regulation of the retail optical industry could materially adversely affect the combined company.

The combined company s success will depend to a significant extent upon the success of its customers in the retail optical industry. These customers are subject to a variety of federal, state and local laws, regulations and ordinances. The state and local legal requirements vary widely among jurisdictions and are subject to frequent change. Furthermore, numerous healthcare-related legislative proposals have been made in recent years in Congress and in various state legislatures. The potential impact of these proposals with respect to the business of the combined company s customers is uncertain, and Cooper and Ocular cannot assure you that the proposals, if adopted, would not have a material adverse impact on the combined company s revenues, business, financial condition and results of operations.

Legislation affecting the contact lens industry could affect certain of the combined company s marketing strategies and could materially adversely affect the combined company.

There is substantial United States federal and state governmental regulation related to the prescribing of contact lenses. These regulations relate to who is permitted to prescribe and fit contact lenses, the prescriber s obligation to provide prescriptions to its patients, the length of time a prescription is valid, the ability or obligation of prescribers to prescribe lenses by brand rather than by generic equivalent or specification, and other matters.

Congress has recently enacted legislation affecting the prescription of contact lenses. In general, this legislation, which became effective on February 4, 2004, provides as follows:

- practitioners are required to provide each patient a copy of the prescription for his or her contact lens, and to verify the prescription information when asked. The prescription information is required to include, among other things, in the case of private label contact lenses, the name of the manufacturer of the lenses, the trade name of the private label brand, and, if applicable, the equivalent brand name;

- sellers of contact lenses are required to verify prescriptions. A prescription is deemed verified if the practitioner who wrote the prescription fails to respond to a verification request within 8 business hours. The substitution of the same lenses manufactured by the same company, but sold under different brand names, is permitted; and

the Federal Trade Commission is required to undertake a study examining the strength of competition in the sale of prescription contact lenses, including the use of exclusive relationships, the differences between on-line and off-line sellers of contact lenses and the use of prescriptions that specify a brand name or custom labeled lens, and submit such report to Congress in February 2005.

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This legislation may facilitate the sale of contact lenses by alternate distribution channels, such as internet sellers, at the expense of sales by eye care practitioners and reduce the value of private label brands. Such results could affect the combined company s marketing strategies that focus on sales to eye care practitioners and promote the use of private label brands. Additionally, it is unknown what, if any, conclusions the FTC might reach in the mandated market study, or whether Congress will take any further actions based on this study. Actions that promote alternative distribution channels or reduce the value of private label brands could adversely affect the success of certain of the combined company s marketing strategies.

In addition, adverse regulatory or other decisions affecting eyecare practitioners, or material changes in the selling and prescribing practices for contact lenses, could have a material adverse affect on the combined company s business, operating results and financial condition. Finally, although cost controls or other requirements imposed by third party healthcare payors such as insurers and health maintenance organizations have not historically had a significant effect on contact lens prices or distribution practices, this could change in the future, and could adversely affect the combined company s business, financial condition and results of operations.

Future trade practice litigation proceedings may materially adversely affect the combined company.

The contact lens industry has been the subject of a number of class action and government lawsuits and government investigations over the past ten years, alleging, among other things, violation of antitrust laws and fraudulent and deceptive practices in the manufacture and sale of contact lenses by certain companies in the industry. Although Cooper and Ocular have not been named in any of the foregoing lawsuits, Cooper and Ocular from time to time receive claims or threats similar to those brought against their competitors. There can be no assurance that the combined company will not face similar actions relating to its marketing and pricing practices or other claims or lawsuits in the future. The defense of any such action, lawsuit or claim could result in substantial expense and significant diversion of attention and effort by the combined company s management personnel. There can be no assurance that any such lawsuit would be settled or decided in a manner favorable to the combined company, and a settlement or adverse decision in any such action, lawsuit or claim could have a material adverse effect on the combined company s business, financial condition and results of operations.

Development and marketing of the combined company s products will be subject to strict governmental regulation by foreign regulatory agencies.

In many of the foreign countries in which Cooper and Ocular market their products, they are subject to regulations affecting, among other things, product standards, packaging requirements, labeling requirements, import restrictions, tariff regulations, duties and tax requirements. These laws and regulations range from simple product registration requirements in some countries to complex clearance and production controls in others. Some countries have historically permitted human studies earlier in the product development cycle than regulations in the United States permit, while many of the regulations applicable to Cooper s and Ocular s devices and products in such countries are similar to those of the FDA. This disparity in the regulation of medical devices may result in more rapid product clearance in certain countries than in the United States, while approvals in certain other countries may require longer periods than in the United States. These differences may also affect the efficiency and timeliness of international market introduction of the combined company s products, and there can be no assurance that the combined company will be able to obtain regulatory approvals or clearances for its products in foreign countries in a timely manner or at all. In many countries, the national health or social security organizations require Cooper s and Ocular s products to be qualified before they can be marketed with the benefit of reimbursement eligibility. Although to date, Cooper and Ocular have not experienced difficulty in complying with these regulations, the combined company s failure to receive, or delays in the receipt of, relevant foreign qualifications in the future could have a material adverse effect on the combined company s business, financial condition and results of operations.

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The costs of complying with the requirements of federal laws pertaining to the privacy and security of health information and the potential liability associated with failure to do so could materially adversely affect the combined company.

The Health Insurance Portability and Accountability Act of 1996, or HIPAA, affects the manner in which Cooper and Ocular use and disclose health information, and may affect the manner in which the combined company uses and discloses such information. Pursuant to HIPAA, the U.S. Department of Health and Human Services, or HHS, has promulgated rules mandating new standards relating to the privacy and security of individually identifiable health information as well as uniform standards relating to certain administrative and financial healthcare transactions. While Cooper and Ocular do not believe they are directly regulated as a covered entity under HIPAA, many of their customers are covered entities subject to HIPAA. Under HIPAA, such customers may be required to enter into business associates agreements with the combined company. These agreements will contractually obligate the combined company to adhere to the standards adopted by HHS with respect to health information it creates or obtains in the course of servicing these customers. The costs associated with these contractual obligations and potential liability associated with these obligations could have a material adverse effect on the combined company s business and financial condition and results of operation.

Changes in federal and state laws pertaining to healthcare fraud and abuse could materially adversely affect the combined company.

Cooper and Ocular may be subject to various federal and state laws pertaining to healthcare fraud and abuse, including anti-kickback laws. Violations of these laws are punishable by criminal and civil sanctions, including, in some instances, exclusion from participation in federal and state healthcare programs, including Medicare, Medicaid, Veterans Administration health programs and TRICARE. While Cooper and Ocular believe that their operations are in material compliance with such laws, because of the complex and far-reaching nature of these laws, there can be no assurance that they would not be required to alter one or more of their practices to be in compliance with these laws. Any violations of these laws or regulations could result in a material adverse effect on the combined company s business, financial condition and results of operations. Moreover, if there is a change in law, regulation, administrative or judicial interpretation, the combined company may have to change its business practices or its existing business practices could be challenged as unlawful, which could have a material adverse effect on the combined company s business, financial condition and results of operations.

The combined company s operations may be subject to federal and state anti-kickback laws. Certain provisions of the Social Security Act, which are commonly known collectively as the Medicare Fraud and Abuse Statute, prohibit persons from knowingly and willfully soliciting, receiving, offering or providing remuneration directly or indirectly to induce either the referral of an individual, or the furnishing, recommending, or arranging for a good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid. The definition of remuneration under this statute has been broadly interpreted to include anything of value, including such items as gifts, discounts, waivers of payment and providing anything at less than its fair market value. Many states have adopted prohibitions similar to the Medicare Fraud and Abuse Statute, some of which apply to the referral of patients for healthcare services reimbursed by any source, not only by the Medicare and Medicaid programs.

HIPAA created two new federal crimes: healthcare fraud and false statements relating to healthcare matters. The healthcare fraud statute prohibits knowingly and willfully executing or attempting to execute a scheme or artifice to defraud any healthcare benefit program, including private payers. The false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation in connection with the delivery of or payment for healthcare benefits, items or services. This statute applies to any health benefit plan, not just Medicare and Medicaid.

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Cooper and Ocular are, and the combined company will be, vulnerable to risks related to environmental matters.

Cooper s and Ocular s facilities are subject to a broad range of federal, state, local and foreign environmental laws and requirements, including those governing discharges to the air and water, the handling or disposal of solid and hazardous substances and wastes and remediation of contamination associated with the release of hazardous substances at facilities and offsite disposal locations. Cooper and Ocular have made, and the combined company will continue to make, expenditures to comply with such laws and requirements. Future events, such as changes in existing laws and regulations or the discovery of contamination at the combined company s facilities, may give rise to additional compliance or remediation costs that could have a material adverse effect on the combined company s business, results of operations or financial condition. Moreover, as manufacturers of various products, Cooper and Ocular are exposed to some risk of claims with respect to environmental matters, and there can be no assurance that the combined company will not incur material costs or liabilities in connection with any such claims.

Cooper is involved in a voluntary clean-up at one of its sites in the state of New York, and although the workplan submitted to the state was accepted and the clean-up is proceeding in accordance with the workplan and its expectations, there can be no assurance that the clean-up will be completed within the timeframe and cost projected, that the expected results will be achieved, or that Cooper will not identify alternate sources of contamination in connection with their remediation. As such, there can be no assurance that material costs or liabilities will not be incurred in connection with any such remediation.

Compliance with changing regulation of corporate governance, public disclosure and accounting matters may result in additional expenses.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new rules subsequently implemented by the SEC and New York Stock Exchange, as well as new accounting pronouncements, are creating uncertainty and additional complexities for companies such as Cooper. To maintain high standards of corporate governance and public disclosure, Cooper intends to invest all reasonable necessary resources to comply with evolving standards. This investment may result in increased general and administrative expenses and a diversion of management time and attention from strategic, revenue-generating and cost management activities.

Cooper s certificate of incorporation, provisions of Delaware law and Cooper s rights plan may have anti-takeover effects.

Certain provisions of Cooper s Restated Certificate of Incorporation and amended and restated by-laws may inhibit changes in control of the Company not approved by its board of directors. These provisions include: (i) advance notice requirements for stockholder proposals and nominations and (ii) the authority of Cooper s board to issue without stockholder approval preferred stock with such terms as Cooper s board may determine. Cooper will also be afforded the protections of Section 203 of the DGCL, which could have similar effects. Cooper s board of directors adopted a preferred stock purchase rights plan, commonly known as a poison pill, pursuant to a rights agreement dated as of October 29, 1997. The rights agreement is intended to prevent abusive hostile takeover attempts by requiring a potential acquiror to negotiate the terms of an acquisition with Cooper s board of directors. However, it could have the effect of deterring or preventing an acquisition of the combined company, even if a majority of the combined company s stockholders would be in favor of such acquisition, and could also have the effect of making it more difficult for a person or group to gain control of the combined company or to change existing management.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These include certain statements about the merger, capital resources, performance and results of operations. In addition, all statements regarding anticipated growth in Ocular s, Cooper s or the combined company s revenue, anticipated market conditions, planned product launches and results of operations are forward-looking statements. To identify these 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. Forward-looking statements necessarily depend on assumptions, data or methods that may be incorrect or imprecise and are subject to risks and uncertainties. These include:

- risks related to the inability to obtain, or meet conditions imposed for governmental and other approvals of the proposed merger, including approval by stockholders of both companies;
- the risk that the Cooper and Ocular businesses will not be integrated successfully;
- risks related to any uncertainty surrounding the merger, and the costs related to the merger;
- the risk that the combined company may not continue to realize anticipated benefits from its cost-cutting measures; and
- the ultimate validity and enforceability of the companies patent applications and patents and the possible infringement of the intellectual property of others.

Events, among others, that could cause actual results and future actions to differ materially from those described in forward-looking statements include:

- major changes in business conditions;
- a major disruption in the operations of Cooper s or Ocular s manufacturing or distribution facilities;
- new competitors or technologies;
- significant delays in new product introductions;
- the impact of an undetected virus on Cooper s or Ocular s computer systems;
- acquisition integration delays or costs (including delays or costs related to the merger of Cooper and Ocular);
- increases in interest rates;

foreign currency exchange exposure;

investments in research and development and other start-up projects;

dilution to earnings per share from acquisitions or issuing stock;

worldwide regulatory issues, including product recalls and the effect of healthcare reform legislation;

cost of complying with new corporate governance requirements;

changes in tax laws or their interpretation;

changes in geographic profit mix affecting tax rates;

significant environmental cleanup costs above those already accrued;

litigation costs, including any related settlements or judgments;

cost of business divestitures;

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- the requirement to provide for a significant liability or to write off a significant asset, including impaired goodwill;

- changes in accounting principles or estimates, including the potential cost of expensing stock options; and

- other events described in Cooper s and Ocular s Securities and Exchange Commission filings, including the Business section in Cooper s and Ocular s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus, or in the case of documents incorporated by reference, as of the date of those documents. Neither Cooper nor Ocular undertakes any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events, except as required by law.

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THE MERGER

The following is a description of the material aspects of the merger. While Cooper and Ocular believe that the following description covers the material terms of the merger, the description may not contain all of the information that is important to you. Cooper and Ocular encourage you to read carefully this entire joint proxy statement/prospectus, including the merger agreement attached to this joint proxy statement/prospectus as Annex A, for a more complete understanding of the merger.

General

Each of the Cooper board of directors and the Ocular board of directors has unanimously approved the merger agreement. In the merger, Ocular will be merged with and into TCC Acquisition, a wholly-owned subsidiary of Cooper. Ocular stockholders will be entitiled to receive 0.3879 of a share of Cooper common stock and $22.00 in cash, without interest, plus cash for any fractional shares, for each share of Ocular common stock they own. Shares of Cooper common stock will be issued with associated preferred share purchase rights. The cash portion of the merger consideration is expected to be paid out of Cooper s existing funds, cash provided by operating activities, additional borrowings or a combination of these sources.

Background of the Merger

From time to time since Ocular s initial public offering in 1997, Thomas Bender, Chief Executive Officer, and Robert Weiss, Chief Financial Officer, of Cooper have contacted or been contacted by John Fruth, currently Ocular s Chairman of the Board, and other senior executives of Ocular with respect to a combination of Cooper and Ocular, none of which resulted in any substantive discussions. In early Spring 2004, in the course of its review of available alternatives for Cooper s long-term growth, Cooper management noted Ocular s success in geographic expansion, particularly in Japan and Germany, its successful investment in manufacturing efficiencies, the strength of its daily disposable soft contact lens business and the potential for its extended wear products in development. The timing also seemed right for a combination of Ocular with Cooper, given the market values of the two companies and Ocular s success in reducing its costs through its manufacturing initiative. As a result, in mid-April 2004, Mr. Bender contacted Mr. Fruth and suggested a meeting to discuss a possible business combination between Cooper and Ocular.

Over the past several years, Ocular s board of directors has periodically met to review and assess Ocular s long-term plans and strategies. In early 2004, in preparation for such a meeting to be held in May 2004, Ocular s management began an analysis of Ocular s strategic alternatives, including possible strategic transactions as well as measures that it could take to continue to grow and increase its profitability as an independent company. As part of that process, Ocular management and Morgan Stanley had an introductory meeting on April 19, 2004, and a follow-up meeting on May 4, 2004, to discuss the ophthalmic industry and Ocular s strategic alternatives.

On May 11, 2004, Mr. Fruth and Edgar Cummins, a director of Ocular, met with Mr. Bender and Mr. Weiss to discuss the possibility and potential benefits of a business combination. As a result of that meeting, Cooper and Ocular entered into mutual confidentiality agreements on May 14, 2004, providing for confidential discussions and exchanges of information in order to determine the advisability of a business combination from the standpoint of their respective companies and stockholders.

Members of Cooper s senior management, including Messrs. Bender and Weiss, then met with representatives of JPMorgan on May 21, 2004, to discuss a possible transaction with Ocular and JPMorgan s retention as financial advisor to Cooper in connection with a possible transaction.

From May 21, 2004, through May 23, 2004, Ocular s board held its scheduled meeting to discuss Ocular s long-term plans and strategies. At this meeting, the board reviewed Ocular s historical and current business operations and financial performance, and senior management presented Ocular s long-term plan as an

independent company, including the key factors that were expected to contribute to future growth and the potential effect of various risks on the plan. Senior management also presented an overview of the competitive landscape and reviewed the potential benefits and risks associated with a possible business combination transaction with Cooper or another industry participant, as well as the potential benefits and risks of remaining independent and the risks of potential structural changes in the industry not involving Ocular that might be detrimental to the company. As part of the accompanying discussion, the directors were updated regarding the discussions Messrs. Fruth and Cummins had had with Cooper s management. Following this discussion, the board authorized Ocular to retain Morgan Stanley as Ocular s financial adviser with respect to a possible business combination transaction.

On May 25, 2004, the Cooper board of directors held a special telephonic meeting at which Mr. Bender informed the board of the initial discussions with Ocular and the potential advantages and opportunities in pursuing a business combination with Ocular. Cooper management and its outside counsel, Latham & Watkins LLP, outlined the possible structure and timing for a transaction, and representatives of Latham & Watkins advised the board of its fiduciary duties in considering a transaction. The board discussed the strategic benefits of the combination, the key areas of diligence preparatory to making an offer for Ocular, management s preliminary thoughts, based in part on input from JPMorgan, as to an acquisition price in the range of $36.00 to $38.00 per Ocular share, 50% in Cooper common stock and 50% in cash, and the financing alternatives for the cash portion. The Board then authorized management to continue discussions, commence due diligence and engage investment bankers to assist in the process. Cooper thereupon selected JPMorgan as its financial advisor for the transaction.

On May 27, 2004, certain members of Ocular s board and senior management met with representatives of Morgan Stanley to discuss current industry dynamics and strategic alternatives available to Ocular, including a possible business combination involving Cooper.

Representatives of JPMorgan met with Mr. Weiss on May 27, 2004, to discuss a possible transaction and, on May 28th, contacted representatives of Morgan Stanley and indicated that Cooper believed consideration of $37.00 per Ocular share, 50% in cash and 50% in Cooper common stock, would be appropriate for such a transaction.

On June 1, 2004, Ocular s board of directors held a special meeting to discuss the approach to be taken in the discussions with Cooper. As part of the meeting, management and members of Ocular s board reported on their recent meeting with Morgan Stanley and the board discussed Cooper s proposed $37.00 per Ocular share valuation.

On June 2, 2004, representatives of Morgan Stanley informed representatives of JPMorgan that Ocular s board believed that $37.00 per Ocular share did not reflect the long term value of Ocular and provided JPMorgan with financial information in support of this position for its review. During the following week, representatives of Morgan Stanley further discussed the proposed valuation and the terms of the business combination with certain members of Ocular s board of directors.

On June 10, 2004, representatives of Morgan Stanley met with representatives of JPMorgan to discuss Ocular s financial prospects, the possibility of a combination with Cooper and the potential synergies that could result from that combination. At the meeting, representatives of Morgan Stanley explained that, in light of such prospects and synergies, the Ocular board believed that $37.00 per Ocular share did not reflect Ocular s long-term value. Also on June 10th, Cooper management sent Ocular a request for specific information deemed necessary in order to move towards a more definitive proposal for a business combination with Ocular.

On June 18, 2004, representatives from Morgan Stanley and JPMorgan, as well as senior management from Ocular and Cooper, met to further discuss Ocular s financial prospects, a potential combination with Cooper and the potential synergies that could result from a combination. In addition, Ocular provided information in response to Cooper s June 10th request.

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On June 21 and 22, 2004, Cooper management discussed with representatives of JPMorgan a revised valuation of Ocular resulting from consideration of the information provided by Ocular. On June 22nd, representatives of JPMorgan indicated to representatives of Morgan Stanley that Cooper would be interested in pursuing a business combination at $40.00 per Ocular share in cash and stock. Morgan Stanley requested that Cooper confirm such interest in writing, and on June 24, 2004, representatives of JPMorgan provided representatives of Morgan Stanley with a letter from the Chairman of Cooper. The letter stated that Cooper would be prepared to discuss further a business combination with Ocular pursuant to a merger in which Ocular stockholders would receive $40.00 per Ocular share, 50% in cash and 50% in shares of Cooper common stock, with a fixed exchange ratio for the exchange of shares being set prior to entering into the definitive merger agreement, subject to satisfactory completion of legal, business, financial and accounting due diligence and the negotiation of definitive documentation and its approval by Cooper s board of directors. The letter noted that it was subject to the confidentiality agreements between the parties.

On June 28, 2004, Ocular s board of directors met to consider this proposal, together with representatives of Morgan Stanley and Ocular s outside legal counsel, Fenwick & West LLP. Representatives of Fenwick & West advised the members of Ocular s board of their fiduciary duties to Ocular s stockholders in considering and responding to the Cooper proposal. Morgan Stanley then provided an overview of Cooper s proposal to the board, and discussed certain financial and strategic aspects of the proposal with the board. The board then discussed with its financial and legal advisors various aspects of the proposed transaction with Cooper, including the terms of the proposal, Ocular s strategic alternatives, the possibility of further changes in the structure of the industry not involving Ocular, Ocular s prospects as an independent company and the challenges and opportunities that Ocular would face if it remained independent. The board also held an extensive discussion, together with its financial and legal advisors, with respect to the process that it should follow to maximize the value that would be received by its stockholders in a transaction, and considered potential benefits and risks of various alternatives in this regard. As part of this discussion, the board considered the possibility of a transaction with a third party, the risk of engaging in a process that did not result in a transaction for Ocular and the risk of announcing a transaction that was not subsequently consummated. The board also discussed the potential synergies that could result from a combination with Cooper and those that could result from combinations with certain other contact lens manufacturers. The independent members of the Ocular board of directors then held a separate session without Ocular management to discuss these matters. Based upon its discussion, the Ocular board of directors instructed Morgan Stanley to continue discussions with JPMorgan regarding other terms of a potential transaction with Cooper. In addition, the board requested Morgan Stanley to review further possible alternative business combinations. Following the board meeting, at the request of the board, representatives of Morgan Stanley advised representatives of JPMorgan that an appropriate valuation for Ocular would be $46.00 per Ocular share.

On June 29, 2004, the Cooper board of directors held a regular meeting, at which Cooper s management and representatives from JPMorgan and Latham & Watkins participated in discussions with respect to the proposed Ocular transaction. Mr. Bender updated the board on the status of negotiations, including Ocular s suggested valuation of $46.00 per Ocular share, and the potential benefits of the transaction to Cooper, including the results of Cooper s due diligence to date. Mr. Weiss reviewed the financial impact on Cooper of a transaction with Ocular, reviewed the potential cost of a transaction with Ocular and provided the Board with additional information concerning the possible financing structures to cover such cost. The board authorized Cooper management and JPMorgan to continue discussions and to continue to evaluate an appropriate acquisition price, but to advise Ocular and Morgan Stanley that the proposed $46.00 per Ocular share valuation was not acceptable. Following the formal board meeting, Cooper s independent directors met in private session for further discussion of the potential transaction.

On July 2, 2004, representatives of JPMorgan continued discussions with representatives of Morgan Stanley regarding the terms of a potential transaction between Cooper and Ocular, at which representatives of JPMorgan provided Cooper s views on certain financial aspects of, and potential synergies resulting from, a business combination of Cooper and Ocular.

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On July 7, 2004, Ocular s board of directors met with management and representatives of Morgan Stanley and Fenwick & West to consider Cooper s response to Ocular s indication of a $46.00 per Ocular share value for Ocular. Morgan Stanley reviewed with the board and senior management its discussions with JPMorgan regarding the terms of a potential business combination and also reviewed other potential alternatives that Ocular might pursue. The board discussed this information extensively. The Ocular board of directors then determined that it was in the best interests of Ocular s stockholders to continue discussions with Cooper and authorized Mr. Fruth to contact Mr. Bender to continue the discussions.

On July 9, 2004, Mr. Fruth met with Mr. Bender to continue their discussions regarding a possible combination and to discuss Ocular s valuation. After discussion, Mr. Bender stated that, subject to the satisfactory completion of due diligence and negotiation of definitive documentation, he was prepared to recommend to Cooper s board a business combination with Ocular in which Ocular shareholders would receive $44.00 per Ocular share, 50% in stock and 50% in cash. Mr. Fruth indicated that he believed that Ocular s board would support such a transaction, subject to satisfactory completion of due diligence of Cooper by Ocular and negotiation of definitive documentation.

On July 12, 2004, the Cooper board of directors held a special telephonic meeting at which Cooper management, together with representatives of JPMorgan and Latham & Watkins, reviewed with the board the status of negotiations and the proposed increase in the consideration to Ocular stockholders in the transaction. The board authorized Cooper management to continue discussions with Ocular and related due diligence, after which the independent directors held a separate session of t