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NORDSON CORP

FORM 10-K
(Annual Report)

Filed 01/25/02 for the Period Ending 10/28/01

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

for the fiscal year ended OCTOBER 28, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES --- EXCHANGE ACT OF 1934

for the transition period from ---------- to ----------

Commission file number 0-7977

NORDSON CORPORATION

(Exact name of registrant as specified in its charter)

Ohio	34-0590250
(State of incorporation)	(I.R.S. Employer Identification No.)

28601 Clemens Road, Westlake, Ohio	44145	(440) 892-1580
(Address of principal executive offices)	(Zip Code)	(Telephone Number)

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common Shares With No Par Value

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

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

State the aggregate market value of the voting stock held by nonaffiliates of the Registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing. $596,315,000 as of December 31, 2001

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date. 33,199,575 Common Shares as of December 31, 2001 ----------

Documents incorporated by reference: list the following documents if incorporated by reference and the part of the Form 10-K into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or
(c) under the Securities Act of 1933.

Portions of the 2001 Annual Report - Parts I, II and IV Portions of the Proxy Statement for the 2002 Annual Meeting - Part III

PART I

ITEM 1. BUSINESS.

GENERAL DEVELOPMENT OF BUSINESS

GENERAL DESCRIPTION OF BUSINESS

Founded in 1954, Nordson Corporation (the Company) designs, manufactures and markets precision dispensing systems that apply adhesives, sealants and coatings to a broad range of consumer and industrial products during manufacturing operations, helping customers meet quality, productivity and environmental targets. The Company also manufactures technology-based systems for curing and surface treatment processes.

Nordson products are used in a diverse range of end markets including:
appliance, automotive, bookbinding, container, converting, electronics, food and beverage, furniture, medical, metal finishing, nonwovens, packaging and other diverse industries.

The Company's consistent growth is based on a customer-driven strategy that is global in scope. Headquartered in Westlake, Ohio, Nordson markets its products through a network of direct operations in 31 countries throughout North America, Europe, Japan, Asia, Latin America and Australia. Consistent with this strategy, more than 50 percent of the Company's revenues are generated outside the United States.

Nordson has approximately 3,900 employees worldwide and has principal manufacturing facilities in Ohio, Georgia, Alabama, California, Connecticut, New Jersey, Florida, Rhode Island, Germany, The Netherlands, and the United Kingdom.

CORPORATE PURPOSE AND GOALS

Nordson Corporation strives to be a vital, self-renewing, worldwide organization which, within the framework of ethical behavior and enlightened citizenship, grows and produces wealth for its customers, employees, shareholders, and communities.

Nordson operates for the purpose of creating balanced, long-term benefits for all of our constituencies: customers, employees, shareholders and communities.

Our corporate goal for growth is to double the value of the Company over a five-year period, with the primary measure of value set by the market for Company shares.

While external factors may impact value, the achievement of this goal will rest with earnings growth, capital and human resource efficiency, and positioning for the future.

Nordson does not expect every quarter to produce increased sales, earnings and earnings per share, or to exceed the comparative prior year's quarter. We do expect to produce long-term gains. When short-term swings occur, we do not intend to alter our basic objectives in efforts to mitigate the impact of these natural occurrences.

Growth is achieved by seizing opportunities with existing products and markets, investing in systems to maximize productivity, and pursuing growth markets. This strategy is augmented through product line additions, engineering, research and development, and acquisition of companies that can serve multinational industrial markets.

We create benefits for our customers through a Package of Values(TM), which includes carefully engineered, durable products; strong service support; the backing of a well-established worldwide company with financial and technical strengths; and a corporate commitment to deliver what was promised.

We strive to provide genuine customer satisfaction; it is the foundation upon which we continue to build our business.

Complementing our business strategy is the objective to provide opportunities for employee self-fulfillment, growth, security, recognition and equitable compensation.

This goal is met through employee training and the creation of on-the-job growth opportunities. The result is a highly qualified and professional management team capable of meeting corporate objectives.

We recognize the value of employee participation in the planning process. Strategic and operating plans are developed by all business units and divisions, resulting in a sense of ownership and commitment on the part of employees in accomplishing company objectives.

Nordson Corporation is an equal opportunity employer.

Nordson is committed to contributing an average of 5 percent of domestic pretax earnings to human services, health, education and other charitable activities, particularly in communities where the Company has major facilities.

FINANCIAL INFORMATION ABOUT OPERATING SEGMENT, FOREIGN AND DOMESTIC OPERATIONS, AND EXPORT SALES

In accordance with Statement of Financial Accounting Standards No. 131, "Disclosure about Segments of an Enterprise and Related Information", Nordson has reported information about the Company's three operating segments. This information is contained in Note 16 (pages 37-38) of the 2001 Annual Report, incorporated herein by reference thereto.

NARRATIVE DESCRIPTION OF BUSINESS

PRINCIPAL PRODUCTS AND USES

Nordson offers a full range of equipment that moves and dispenses liquid and powder coatings, adhesives and sealants and many high-performance compounds. Nordson also produces technology-based systems for curing and surface treatment processes. Equipment ranges from manual, stand-alone units for low-volume operations to microprocessor-based automated systems for high-speed, high-volume production lines.

A summary of the Company's various products and examples of their uses are as follows:

ADHESIVE DISPENSING AND NONWOVEN FIBER SYSTEMS

Packaging - Automated adhesive dispensing systems for sealing corrugated cases and paperboard cartons, applying product labels, and stabilizing pallets.

Product Assembly - Adhesive and sealant dispensing systems for bonding or sealing plastic, metal and wood products.

Web Coating - Coating and laminating systems used to manufacture continuous-roll goods in the nonwovens, textile, paper and flexible packaging industries.

Nonwovens - Automated equipment for producing synthetic nonwoven fabrics and applying adhesives, superabsorbent powders, liquids, and fibers to disposable nonwoven products.

Automotive - Adhesive and sealant dispensing systems for bonding and sealing window glass, body panels and structural components used in automobiles and trucks.

COATING AND FINISHING SYSTEMS

Powder Coating - Automated spray systems used to apply powder paints and coatings to decorate and protect plastic, metal and wood products.

Liquid Finishing - Automated and manual spray systems that apply liquid paints and coatings to consumer and industrial products.

Container - Systems used to dispense and cure coatings used in the manufacture of metal, plastic and biodegradable containers.

ADVANCED TECHNOLOGY SYSTEMS

Asymtek - Automated dispensing equipment for applying a broad range of fluids during the assembly of printed circuit boards and semiconductor packages; automated systems for applying protective conformal coatings to printed circuit boards and electronic assemblies.

UV Curing - Drying and curing systems for graphic arts, finishing and product assembly operations.

Gas Plasma - Systems that modify surfaces and clean components during manufacture of medical instruments, electronic products and printed circuit boards.

EFD, Inc. - Manual and automated dispensing units for the low-pressure application of fluid materials for the electronics, medical and automotive industries.

Nordson markets its products in the United States and fifty-six other countries, primarily through a direct sales force and also through qualified distributors. Nordson has built a worldwide reputation for its creativity and expertise in the design and engineering of high-technology application equipment which meets the specific needs of its customers.

MANUFACTURING AND RAW MATERIALS

Nordson's production operations include machining and assembly. The Company finishes specially designed parts and assembles components into finished equipment. Many components are made in standard modules that can be used in more than one product or in combination with other components for a variety of models. The Company has principal manufacturing operations in Amherst, Ohio; Norcross and Dawsonville, Georgia; Talladega, Alabama; Carlsbad, Concord and Monterey, California; Branford, Connecticut; St. Petersburg, Florida; Fairfield and Phillipsburg, New Jersey; East Providence, Rhode Island; Luneburg, Germany; Maastricht, The Netherlands; and Slough, U.K.

Principal materials used to make Nordson products are metals and plastics, typically in sheets, bar stock, castings, forgings, and tubing. Nordson also purchases many electrical and electronic components, fabricated metal parts, high-pressure fluid hoses, packings, seals and other items integral to its products. Suppliers are competitively selected based on cost and quality. All significant raw materials Nordson uses are available through multiple sources.

Nordson's senior operating executives supervise an extensive quality control program for Nordson equipment, machinery and systems.

Natural gas and other fuels are primary energy sources for Nordson. However, standby capacity for alternative sources is available if needed.

PATENTS AND TRADEMARKS

The Company maintains procedures to protect patents and trademarks both domestically and internationally. However, Nordson's business is not materially dependent upon any one or more of the patents, or on patent protection in general.

SEASONAL VARIATION IN BUSINESS

There is no significant seasonal variation in the Company's business.

WORKING CAPITAL PRACTICES

No special or unusual practices affect Nordson's working capital. However, the Company generally requires substantial advance payments as deposits on customized equipment and systems and, in certain cases, requires progress payments during the manufacturing of these products. The Company maintains a relatively high investment in inventory to ensure products are available to customers when ordered. This investment reflects Nordson's commitment to customer service, part of its Package of Values (TM).

CUSTOMERS

The Company serves a broad customer base, both in terms of industries and geographic regions. The loss of a single or few customers would not have a material adverse effect on the Company's business. In 2001, no single customer accounted for 5 percent or more of sales.

BACKLOG

The Company's backlog of orders decreased to $74.8 million at October 28, 2001 from $131.3 million at October 29, 2000. All orders in the October 2001 backlog are expected to be shipped to customers in fiscal 2002.

GOVERNMENT CONTRACTS

Nordson's business neither includes nor depends upon a significant amount of governmental contracts or sub-contracts. Therefore, no material part of the Company's business is subject to renegotiation or termination at the option of the government.

COMPETITIVE CONDITIONS

Nordson equipment is sold in competition with a wide variety of alternative bonding, sealing, caulking, finishing and coating techniques. Any production process that requires the application of material to a substrate or surface is a potential use for Nordson equipment.

Many factors influence the Company's competitive position, including pricing, product quality and service. Nordson enjoys a leadership position in the competitive industrial application systems business by delivering high-quality, innovative products and technologies, as well as after-the-sale service and technical support. Working with customers to understand their processes and developing the application solutions that help them meet their production requirements also contributes to Nordson's leadership position. Nordson products help customers improve productivity, reduce raw material and energy consumption, lower maintenance costs, improve environmental conditions, and produce better performing finished products. Nordson's worldwide network of direct sales and technical resources also is a competitive advantage.

Risk factors associated with Nordson's competitive position include the development and commercial acceptance of alternative processes or materials and the growth of local competitors serving specific markets.

RESEARCH AND DEVELOPMENT

Investments in research and development are important to Nordson's long-term growth because they enable the Company to keep pace with changing customer and marketplace needs, and they help to sustain sales improvements year after year. The Company places strong emphasis on technology develop-ments and improvements through its internal engineering and research teams. Research and development expenses were approximately $27,701,000 in fiscal 2001, compared with approximately $27,222,000 in fiscal 2000 and $29,672,000 in fiscal 1999.

ENVIRONMENTAL COMPLIANCE

Compliance with federal, state and local environmental protection laws during fiscal 2001 had no material effect on the Company's capital expenditures, earnings, or competitive position. The Company also does not anticipate a material effect in 2002.

EMPLOYEES

As of October 28, 2001, Nordson had 3,902 employees, including all full-time and part-time employees.

ITEM 2. PROPERTIES.

The following table summarizes the principal properties of the Company.

Location	Description of Property	Approximate Square Feet
Amherst, Ohio (1)(2)(3)	A manufacturing, laboratory and office complex located on 52 acres of land	585,000
Norcross, Georgia (1)	A manufacturing, laboratory and office building located on 10 acres of land	150,000
Dawsonville, Georgia (1)	A manufacturing, laboratory and office building (leased)	143,000
Carlsbad, California (3)	Three manufacturing and office buildings (leased)	120,000
Duluth, Georgia (1)	An office and laboratory building (leased)	110,000
East Providence, Rhode Island (3)	A manufacturing, warehouse, distribution and office complex	75,000
Westlake, Ohio	Corporate headquarters and laboratory building located on 25 acres of land	68,000
Atlanta, Georgia (1)	A warehouse and office building (leased)	50,000
Branford, Connecticut (2)	A manufacturing and office building (leased)	46,000
Lincoln, Rhode Island (3)	A manufacturing building	44,000
Concord, California (3)	A manufacturing and office building (leased)	28,000
Talladega, Alabama (1)	A manufacturing and office building (leased)	27,000
St. Petersburg, Florida (1)	A manufacturing and office building (leased)	26,000
Luneburg, Germany (1)	A manufacturing, laboratory and office complex	130,000
Erkrath, Germany (1)(2)	An office, laboratory and warehouse (leased)	63,000

Location	Description of Property	Approximate Square Feet
Maastricht, The Netherlands(1)(2)(3)	A manufacturing, warehouse and office building (leased)	60,000
St. Thibault Des Vignes, France (1)(2)	An office building (leased)	45,000
Tokyo, Japan (1)(2)(3)	An office, laboratory and warehouse (leased)	42,000
Milano, Italy (1)(2)	An office, laboratory and warehouse (leased)	41,000
Slough, U.K. (3)	A manufacturing and office building (leased)	25,000
Bangalore, India (1)(2)	An office and warehouse building	16,000
Xirivella, Spain (1)(2)	An office and warehouse building	16,000
Dustable, U.K. (3)	An office building	6,000

Business Segment:
(1) Adhesive Dispensing and Nonwoven Fiber Systems
(2) Coating and Finishing Systems
(3) Advanced Technology Systems

Several of these properties are pledged as security for industrial revenue bonds and mortgage notes payable.

Other properties at international subsidiary locations and at branch locations within the United States are leased. Lease terms do not exceed 25 years and generally contain a provision for cancellation with some penalty at an earlier date.

In addition, the Company leases equipment under various operating and capitalized leases. Information about leases is reported in Note 7 of Notes to Consolidated Financial Statements on page 25 of the 2001 Annual Report, incorporated herein by reference thereto.

ITEM 3. LEGAL PROCEEDINGS.

The Company is involved in legal proceedings incidental to its business, none of which is material to the results of operations in the opinion of management.

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

None.

EXECUTIVE OFFICERS OF THE COMPANY.

The executive officers of the Company as of December 31, 2001 were as follows:

Name	Served As Officer Since	Position or Office With The Company and Business Experience During the Past Five (5) Year Period
Edward P. Campbell Age 52	1988	President and Chief Executive Officer, 1997. President and Chief Operating Officer, 1996.
Peter S. Hellman Age 52	2000	Executive Vice President, Chief Financial and Administrative Officer, 2000. President and Chief Operating Officer, TRW, Inc. from 1995 though 1999
Donald J. McLane Age 58	1986	Senior Vice President, 1999. Vice President, 1986.
Raymond L. Cushing Age 47	1995	Treasurer, 1995.
Robert A. Dunn, Jr. Age 54	1997	Vice President, 1997.
Bruce H. Fields Age 50	1992	Vice President, Human Resources, 1992.
Mark G. Gacka Age 47	1998	Vice President, 1998. Vice President, Container Systems Group/ General Manager, Electronics Business Group, 1992.
William D. Ginn Age 78	1966	Secretary, 1966.
Michael Groos Age 50	1995	Vice President, 1995.
James W. Messerly Age 61	2001	Vice President, Corporate Research & Technology, 2001. Director - Corporate Research, 1997. Manager - Corporate Research, 1994.
Nicholas D. Pellecchia Age 56	1986	Vice President, Finance and Controller, 1986.

PART II

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

MARKET INFORMATION AND DIVIDENDS.

The Company's common shares are listed on The Nasdaq Stock Market's National Market. The information appearing under the captions "Dividend Information and Price Range Per Common Shares" and "Stock Listing Information" on page 38 of the 2001 Annual Report is incorporated herein by reference thereto.

HOLDERS.

The approximate number of holders of record of each class of equity securities of the Company as of December 31, 2001 was as follows:

Title of Class	Number of Record Holders
Common shares with no par value	2,511

ITEM 6. SELECTED FINANCIAL DATA.

The Company incorporates herein by reference the information as to each of the Company's last five fiscal years appearing under the caption "Eleven-Year Summary" on pages 34 and 35 of the 2001 Annual Report.

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

The Company incorporates herein by reference the information appearing under the caption "Management's Discussion and Analysis" on pages 12 through 15 of the 2001 Annual Report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company incorporates herein by reference the information appearing under the caption "Management's Discussion and Analysis" on pages 12 through 15 of the 2001 Annual Report and Note 10 on pages 27 and 28 of the 2001 Annual Report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The information required by this item appears on pages 16 through 33 of the 2001 Annual Report, incorporated herein by reference thereto.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY.

The Company incorporates herein by reference the information appearing under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" on pages 2 through 6 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission by January 28, 2002.

Executive officers of the Company serve for a term of one year from date of election to the next organizational meeting of the Board of Directors and until their respective successors are elected and qualified, except in the case of death, resignation or removal. Information concerning executive officers of the Company is contained in Part I of this report under the caption "Executive Officers of the Company."

ITEM 11. EXECUTIVE COMPENSATION.

The Company incorporates herein by reference the information appearing under the caption "Compensation of Directors" located on page 7, and information pertaining to compensation of officers located on pages 10 through 13 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission by January 28, 2002.

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

The Company incorporates herein by reference the information appearing under the caption "Ownership of Nordson Common Shares" on pages 5 through 6 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission by January 28, 2002.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The Company incorporates herein by reference the information appearing under the caption "Agreements with Officers and Directors" on page 15 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission by January 28, 2002.

William D. Ginn, a director and Secretary of the Company, is Of Counsel to Thompson Hine LLP, a law firm that has in the past provided and continues to provide legal services to the Company.

Messrs. Eric T. Nord and Evan W. Nord, directors of the Company, are brothers.

PART IV

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

(a)(1). FINANCIAL STATEMENTS.

The financial statements listed in the accompanying index to financial statements are incorporated by reference in Item 8.

(a)(2) and (d). FINANCIAL STATEMENT SCHEDULES.

No consolidated financial statement schedules are presented because the schedules are not required, because the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the financial statements, including the notes thereto.

(a)(3) and (c). EXHIBITS.

The exhibits listed on the accompanying index to exhibits are filed as part of this Annual Report on Form 10-K.

(b). REPORTS ON FORM 8-K.

None.

SIGNATURES

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

NORDSON CORPORATION

Date: January 25, 2002

By: /s/ Peter S. Hellman

Peter S. Hellman
Executive Vice President,
Chief Financial and
Administrative Officer

/s/ Nicholas D. Pellecchia

Nicholas D. Pellecchia
Vice President, Finance
and Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ William P. Madar --- William P. Madar Director and Chairman of the Board	January 25, 2002
/s/ Edward P. Campbell --- Edward P. Campbell Director, President and Chief Executive Officer (Principal Executive Officer)	January 25, 2002
/s/ Peter S. Hellman --- Peter S. Hellman Executive Vice President, Chief Financial and Administrative Officer (Chief Financial Officer)	January 25, 2002
/s/ Nicholas D. Pellecchia --- Nicholas D. Pellecchia Vice President,Finance and Controller (Chief Accounting Officer)	January 25, 2002
/s/ William D. Ginn --- William D. Ginn Director and Secretary	January 25, 2002
/s/ Dr. Glenn R. Brown --- Dr. Glenn R. Brown Director	January 25, 2002
/s/ William W. Colville --- William W. Colville Director	January 25, 2002
/s/ Stephen R. Hardis --- Stephen R. Hardis Director	January 25, 2002
/s/ Joseph P. Keithley --- Joseph P. Keithley Director	January 25, 2002

/s/ Eric T. Nord *January 25, 2002*

Eric T. Nord
Director

/s/ Evan W. Nord *January 25, 2002*

Evan W. Nord
Director

/s/ Mary G. Puma *January 25, 2002*

Mary G. Puma
Director

/s/ William L. Robinson *January 25, 2002*

William L. Robinson
Director

/s/ Benedict P. Rosen *January 25, 2002*

Benedict P. Rosen
Director

NORDSON CORPORATION

ANNUAL REPORT ON FORM 10-K

ITEM 14(a)(1) and (3), and (c)

INDEX TO FINANCIAL STATEMENTS

INDEX TO EXHIBITS

CERTAIN EXHIBITS

FISCAL YEAR ENDED OCTOBER 28, 2001

NORDSON CORPORATION

INDEX TO FINANCIAL STATEMENTS

(Item 14(a)(1))

Page Reference

Data incorporated by reference in Item 8 from the 2001 Annual Report:

Consolidated statement of income for the years ended October 28, 2001, October 29, 2000 and October 31, 1999	16
Consolidated balance sheet as of October 28, 2001 and October 29, 2000	17
Consolidated statement of cash flows for the years ended October 28, 2001, October 29, 2000 and October 31, 1999	18
Consolidated statement of shareholders' equity for the years ended October 28, 2001, October 29, 2000 and October 31, 1999	19
Notes to consolidated financial statements	20-32
Report of independent auditors	33

The consolidated financial statements of the Registrant listed in the preceding index, which are included in the 2001 Annual Report, are incorporated herein by reference. With the exception of the pages listed in the above index and information incorporated by reference elsewhere herein, the 2001 Annual Report is not to be deemed filed as part of this report.

NORDSON CORPORATION

INDEX TO EXHIBITS

(Item 14(a)(3))

Exhibit Number	Description
(3)	Articles of Incorporation and By-Laws
3-a	1989 Amended Articles of Incorporation (incorporated herein by reference to Exhibit 3-a to Registrant's Annual Report on Form 10-K for the year-ended October 31, 1999)
3-b	1998 Amended Regulations (incorporated herein by reference to Exhibit 3-b to Registrant's Annual Report on Form 10-K for the year-ended November 1, 1998)
(4)	Instruments Defining the Rights of Security Holders, including indentures
4-a	Instruments related to Industrial Revenue Bonds (These instruments are not being filed as exhibits to this Annual Report on Form 10-K. The Registrant agrees to furnish a copy of such instruments to the Commission upon request.)
4-b	Restated Rights Agreement between Nordson Corporation and National City Bank, Rights Agent (incorporated herein by reference to Exhibit 1 to Registrant's registration of rights to purchase common shares on Form 8-A/Amendment No. 1 filed December 8, 1997)
4-c	$350 million Credit Agreement between Nordson Corporation and various financial institutions (incorporated herein by reference to Exhibit 4a to Registrant's Form 10-Q for the quarter ended July 29, 2001)
4-d	$100 million Senior Note Purchase Agreement between Nordson Corporation and various insurance companies (incorporated herein by reference to Exhibit 4b to Registrant's Form 10-Q for the quarter ended July 29, 2001)
(10)	Material Contracts
10-a	Nordson Corporation 1995 Management Incentive Compensation Plan as Amended (incorporated herein by reference to Exhibit 10-a to Registrant's Annual Report on Form 10-K for the year-ended November 2, 1997)*

NORDSON CORPORATION

INDEX TO EXHIBITS

(Item 14(a)(3))

Exhibit Number	Description
10-a-1	Nordson Corporation 1995 Management Incentive Compensation Plan - Exhibit 1 for 2001 Plan Year *
10-b	Nordson Corporation Deferred Compensation Plan (incorporated herein by reference to Exhibit 10-b to Registrant's Annual Report on Form 10-K for the year ended October 29, 2000)*
10-c	Indemnity Agreement *
10-d	Restated Nordson Corporation Excess Defined Contribution Retirement Plan (incorporated herein by Reference to Exhibit 10-h to Registrant's Annual Report Form 10-K for the year-ended November 2, 1997)*
10-d-1	First Amendment to Nordson Corporation Excess Defined Contribution Retirement Plan (incorporated herein by reference to Exhibit 10-e-1 to Registrant's Annual Report on Form 10-K for the year ended October 29, 2000)*
10-e	Nordson Corporation Excess Defined Benefit Pension Plan (incorporated herein by reference to Exhibit 10-i to Registrant's Annual Report on Form 10-K for the year-ended November 2, 1997)*
10-e-1	First Amendment to Nordson Corporation Excess Defined Benefit Pension Plan (incorporated herein by reference to Exhibit 10-f-1 to Registrant's Annual Report on Form 10-K for the year ended October 29, 2000)*
10-e-2	Second Amendment to Nordson Corporation Excess Defined Benefit Retirement Plan (incorporated herein by reference to Exhibit 10-f-2 to Registrant's Annual Report on Form 10-K for the year ended October 29, 2000)*

NORDSON CORPORATION

INDEX TO EXHIBITS

(Item 14(a)(3))

Exhibit Number	Description
10-f	Employment Agreement between the Registrant and Edward P. Campbell (incorporated herein by reference to Exhibit 10-k to Registrant's Annual Report on Form 10-K for the year ended November 1, 1998)*
10-g	Nordson Corporation 1993 Long-Term Performance Plan, as amended March 12, 1998 (incorporated herein by reference to Exhibit 10-j-1 to Registrant's Annual Report on Form 10-K for the year ended October 29, 2000)*
10-h	Nordson Corporation Assurance Trust Agreement (incorporated herein by reference to Exhibit 10-q to Registrant's Annual Report on Form 10-K for the year-ended November 1, 1998)
10-h-1	Employment Agreement (Change in Control) between the Registrant and Edward P. Campbell (incorporated herein by reference to Exhibit 10-q-1 to Registrant's Annual Report on Form 10-K for the year-ended November 1, 1998)*
10-h-2	Form of Employment Agreement (Change in Control) between the Registrant and Officers - excluding Edward P. Campbell - (incorporated herein by reference to Exhibit 10-q-2 to Registrant's Annual Report on Form 10-K for the year-ended November 1, 1998)*
10-i	1989 Stock Option Plan, as amended December 20, 1991 (incorporated herein by reference to Exhibit 10-l to Registrant's Annual Report on Form 10-K for the year-ended November 3, 1996)*
(13)	Selected portions of the 2001 Annual Report
13-a	Management's Discussion and Analysis (pages 12 through 15 of the 2001 Annual Report)
13-b	Consolidated Statement of Income (page 16 of the 2001 Annual Report)

NORDSON CORPORATION

INDEX TO EXHIBITS

(Item 14(a)(3))

Exhibit Number	Description
13-c	Consolidated Balance Sheet (page 17 of the 2001 Annual Report)
13-d	Consolidated Statement of Cash Flows (page 18 of the 2001 Annual Report)
13-e	Consolidated Statement of Shareholders' Equity (page 19 of the 2001 Annual Report)
13-f	Notes to Consolidated Financial Statements (pages 20 through 32 of the 2001 Annual Report)
13-g	Report of Independent Auditors (page 33 of the 2001 Annual Report)
13-h	Eleven-Year Summary (pages 34 and 35 of the 2001 Annual Report)
13-i	Shareholder Information (page 38 of the 2001 Annual Report)
(21)	Subsidiaries of the Registrant
(23)	Consent of Independent Auditors
(99)	Additional Exhibits
99-a	Form S-8 Undertakings (Nos. 33-32201, 2-82915, 33-18279, 33-20451, 33-20452, 33-18309 and 33-33481)
99-b	Form S-8 Undertakings (No. 2-66776)

*Indicates management contract or compensatory plan, contract or arrangement in which one or more directors and/or executive officers of Nordson Corporation may be participants.

Exhibit 10-a-1

EXHIBIT 1

NORDSON CORPORATION

1995 MANAGEMENT INCENTIVE COMPENSATION PLAN

ELIGIBLE POSITIONS FOR 2001 PLAN YEAR

- President and Chief Executive Officer

- Executive Vice President

- Sr. Vice President

- Vice President

- Vice President - Corporate Research and Technology

- Vice President - Finance and Controller

- Vice President - Manufacturing

- Vice President - Human Resources

EXHIBIT 10-c

NORDSON CORPORATION

**RESOLUTION OF BOARD OF DIRECTORS
AUTHORIZING EXECUTION OF
INDEMNIFICATION AGREEMENTS**

October 28, 1986

RESOLVED, that the officers of the Corporation, and each of them, be, and they hereby are, authorized and directed, subject to approval by the Corporation's shareholders, to execute and deliver Indemnity Agreements substantially in the form presented to this Board providing indemnification from the Corporation to the directors and officers of the Corporation in the circumstances and to the extent therein provided.

RESOLVED FURTHER, that the entering into of such indemnity Agreements by the Corporation be submitted to the Corporation's shareholders for their approval at the Company's 1987 Annual Meeting of shareholders.

RESOLVED FURTHER, that the officers of the Corporation be, and they hereby are, authorized and directed to take all other actions that they deem necessary or appropriate to carry out the purposes and intent of this Resolution.

INDEMNITY AGREEMENT

THIS AGREEMENT, is made on, October 28, 1986, among Nordson Corporation, an Ohio corporation ("Nordson"), and the undersigned director or officer of Nordson (the "Indemnified Party").

Article V of the 1984 Amended Regulations of Nordson (the "Regulations'), adopted by the shareholders of Nordson on February 21, 1984, provide for the indemnification of the present and former directors, officers, and employees of Nordson to the full extend permitted or authorized by the Ohio General Corporation Law, as it may be amended from time to time. The Indemnification provisions of the Regulations and of the Ohio General Corporation Law provide that they are not exclusive and, therefore, contemplate that additional indemnification may be provided by agreement or otherwise. Moreover, as expressly authorized by the Ohio General Corporation Law, Nordson has purchased and maintains a policy of directors and officers liability insurance ("D&O insurance") covering certain liabilities that may be incurred by its directors and officers in the performance of services on behalf of Nordson.

Recent developments with respect to the application and enforcement of the indemnification provisions of the Regulations and with the scope of coverage, cost, and availability D&O insurance have raised concerns about the adequacy nad reliability of the protection afforded to Nordson's directors and officers. The purpose of this Agreement, and counterparts of this Agreement between Nordson and certain other directors and officers, is to allay these concerns by providing the directors and officers with additional protection against liabilities that may be incurred by them in connection with their service to Nordson and, as a result, to enable the directors and officers to continue to serve Nordson without undue risk of personal liability.

Nordson and the Indemnified Party agree as follows:

1. INDEMNIFICATION OF INDEMNIFIED PARTY. Nordson will indemnify, to the full extent permitted or authorized by the Ohio General Corporation Law, as it may from time to time be amended, or by any other statutory provisions authorizing or permitting such indemnification.

2. MAINTENANCE OF D&O INSURANCE. Nordson will use its best efforts to maintain, for as long as the Indemnified Party continues to be a director or officer of Nordson and for five years thereafter, D&O insurance covering the Indemnified Party the terms of which (including limits of liability, retention amounts, and scope of coverage) are at least as favorable to the Indemnified Party as the D&O insurance maintained by Nordson at the date of this Agreement. Nordson will not, however, be required to purchase and maintain such D&O insurance if it is unavailable or the Board of Directors of Nordson, in its reasonable business judgment, determines that the amount of the premium is substantially disproportionate to the amount or scope of the coverage provided.

3. ADDITIONAL INDEMNIFICATION OF INDEMNIFIED PARTY.

(a) Subject only to the exclusions set forth in Section 3(b), Nordson will further indemnify the Indemnified Party against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him (the "Expenses") in connection with any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including any action by or in the right of Nordson, to which he is or was a party or is threatened to be made a party (a "Proceeding") by reason of the fact that he is or was a director, officer, employee, or agent of Nordson, or is or was serving at the request of Nordson as a director, trustee, officer, employee, or agent of another corporation, domestic or foreign, nonprofit or for profit, partnership, joint venture, trust, or other enterprise.

(b) The indemnification provided by Section 3(a) will not be paid by Nordson with respect to any claim:

(i) for which payment is actually made to the Indemnified Party under any D&O insurance purchased and maintained by Nordson, except to the extent that the aggregate amount of the expenses for which the Indemnified Party is otherwise entitled to indemnification under Section 3(a) exceeds the amount of such payment;

(ii) based upon or attributable to the Indemnified Party gaining in fact any personal profit or advantage to which he was not legally entitled;

(iii) for an accounting of profits made from the purchase or sale by the Indemnified Party of securities of Nordson within the meaning of Section 16(b) of the Securities Act of 1934 and amendments thereto or similar provisions of any state statutory law or common law;

(iv) brought about or contributed to by the dishonesty of the Indemnified Party; however, notwithstanding the foregoing, the Indemnified Party will be indemnified under Section 3(a) as to any claims upon which suit may be brought against him, by reason, of any alleged dishonesty on the part of the Indemnified party, unless a judgment or other final adjudication thereof adverse to the Indemnified Party establishes that acts of active and deliberate dishonesty committed by the Indemnified Party with actual dishonest purpose and intent were material to the cause of action so adjudicated.

4. NOTIFICATION AND DEFENSE OF CLAIMS. The Indemnified Party will give to Nordson, as soon as practicable, written notice of any claim made against him for which indemnification will or could be sought under this Agreement. The failure to give such notice will not, however, relieve Nordson of its obligations under this Agreement. In addition, the Indemnified Party and Nordson will cooperate with each other in the defense of any such claim.

5. PAYMENT OF EXPENSES. At the Indemnified Party's request, Nordson shall pay the Expenses as and when incurred by the Indemnified Party, after

receipt of written notice pursuant to Section 4 above and an undertaking, in form satisfactory to Nordson, by or on behalf o the Indemnified Party to repay the amounts so paid on the Indemnified Party's behalf if it shall ultimately be determined that the Indemnified Party is not entitled to be indemnified by Nordson for the Expenses pursuant to law, the Regulations, or this Agreement, in each case as in effect on the date hereof or as hereafter in effect by virtue of any amendment, modification, or supplement. Expenses that represent attorneys' fees or other costs incurred in defending any proceeding shall be paid by Nordson within thirty days of its receipt of such request, together with reasonable documentation of the amount and nature of the Expenses, subject to receipt of the notice nad the undertaking described in the preceding sentence of this Section 5.

6. NON-EXCLUSIVITY. Nothing in this Agreement will be deemed to diminish or otherwise restrict the right of the Indemnified Party to indemnification or recovery under the Regulations, any D&O insurance maintained by Nordson, or otherwise.

7. SEVERABILITY. If any provision or provisions of this Agreement are held to be unenforceable, the other provisions of this Agreement will remain in full force and effect.

8. GOVERNING LAW. This Agreement will be governed by and construed in accordance with Ohio law.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

NORDSON CORPORATION

By _____

_____

Indemnified Party

NORDSON CORPORATION

Exhibit 13-a

MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEARS 2001 AND 2000

Worldwide sales for 2001 were $731.4 million, down 1 percent from 2000 sales of $740.6 million. Local sales volume increased 2 percent, which was offset by negative currency effects of 3 percent due to the stronger dollar. Excluding sales from EFD, Inc., which was acquired on October 30, 2000, volume was down 5 percent.

Sales volume in the Company's adhesive dispensing systems segment decreased 3 percent. Advanced technology segment volume was up 32 percent as a result of the EFD acquisition. Excluding EFD, sales volume for this segment was off 11 percent, primarily due to the global slowdown in the semiconductor and electronics industries. Coating and finishing systems sales volume was down 7 percent influenced by weak demand for powder engineered systems in the United States. It is estimated that the effect of pricing on total revenues was neutral relative to the prior year.

Nordson's sales outside the United States accounted for 54 percent of total 2001 sales, compared with 55 percent for 2000. The addition of EFD resulted in volume gains in all of Nordson's four geographic regions. Excluding EFD, volume decreased 7 percent in North America, 5 percent in Europe and 6 percent in the Pacific South region. The slowdown in advanced technology was felt across all of these regions. Sales volume rose 1 percent in Japan, aided by gains in the advanced technology segment.

Gross margins, before restructuring charges, expressed as a percentage of sales were 54.0 percent in 2001, compared with 55.1 percent in 2000. Unfavorable currency effects, a change in the mix of products sold, pricing pressures and higher indirect costs were partially offset by the higher margins reported by EFD.

Selling and administrative expenses, excluding goodwill amortization and non-recurring charges, were 41.7 percent of sales in 2001 and 40.8 percent in 2000. Spending for 2001 increased 1.2 percent. Excluding EFD, spending was down 5 percent with favorable currency translation effects accounting for more than one-half of the decline. Goodwill amortization increased as a result of the EFD acquisition.

During 2001, continuing activity related to the Company's Action 2000 initiative resulted in the recognition of $14.0 million of non-recurring charges, consisting of severance and other costs associated with the combination of certain businesses. The amount related to inventory write-offs, $.7 million, is included in cost of sales. It is anticipated that the programs will be completed by the end of fiscal year 2002 and additional costs of approximately $3.0 million, primarily related to severance payments, will be incurred. Annualized savings from these programs are projected to be $40 million.

Worldwide operating profits, expressed as a percentage of sales before the effects of non-recurring charges, were 10.1 percent in 2001, compared with 13.6 percent for 2000. Segment operating profit percentages in 2001 and 2000, excluding corporate expenses which are not allocated to segments, were as follows:

SEGMENT	2001	2000
Adhesive Dispensing Systems	20%	25%
Coating and Finishing Systems	3%	6%
Advanced Technology Systems	18%	16%

All segments were impacted by the global economic downturn. The addition of EFD had a positive effect on the profitability of the advanced technology segment.

Interest expense of $29.5 million increased $17.8 million over 2000, due to increased borrowing levels as a result of the EFD acquisition. Other income included a gain of $5.1 million on the sale of real estate. Nordson's effective tax rate was 34.75 percent in 2001 compared with a rate of 34.50 percent in 2000.

Net income in 2001 was $24.6 million, or $.74 per share on a diluted basis compared with $54.6 million, or $1.67 per share on a diluted basis, in 2000. Excluding the effects of non-recurring charges, net income in 2001 was $33.8 million, or $1.02 per share, compared with $60.5 million, or $1.85 per share for 2000. Non-recurring charges on an after-tax basis totaled $9.2 million, or $.28 per share for 2001, and $5.9 million, or $.18 per share on a diluted basis for 2000.

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, "Business Combinations" and No. 142, "Goodwill and Other Intangible Assets" effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests. The Company will adopt Statements No. 141 and No. 142 in fiscal 2002. The effect of not amortizing goodwill is expected to result in an

increase to net income in fiscal 2002 of approximately $11 million, or $.34 per share. During fiscal 2002 the Company will perform the required impairment tests of goodwill, and has not yet determined what the effect of these tests will be on the earnings and financial position of the Company.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, "Accounting for

Asset Retirement Obligations." No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When a liability is initially recorded, the entity capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The Company is required to adopt No. 143 in fiscal 2003 and has not yet determined the impact of adoption on its consolidated financial position or results of operations.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." No. 144, which supersedes No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," provides a single accounting model for long-lived assets to be disposed of. Although retaining many of the fundamentalrecognition and measurement provisions of No. 121, this Statement significantly changes the criteria that would have to be met to classify an asset as held-for-sale. This distinction is important because assets held-for-sale are stated at the lower of their fair values or carrying amounts, and depreciation is no longer recognized. The Company is required to adopt No. 144 in fiscal 2003 and has not yet determined the impact of adoption on its consolidated financial position or results of operations.

FISCAL YEARS 2000 AND 1999

Worldwide sales for 2000 reached a record level of $740.6 million, up 6 percent over 1999 sales of $700.5 million. Local sales volume gains exceeded 8 percent, with the effect of the stronger dollar on translated international revenue accounting for the difference.

Sales volume in the Company's adhesive dispensing systems segment grew 7 percent, reflecting strong demand for systems serving the nonwovens and product assembly markets. Revenue in the advanced technology segment was up 28 percent driven by sales of dispensing and plasma treatment systems to the semiconductor and telecommunications industries. Coating and finishing systems sales volume was down 3 percent influenced by weak demand in Europe. It is estimated that the effect of price increases on total revenues was less than 1 percent.

Nordson's sales outside the United States accounted for 55 percent of total 2000 sales, compared with 56 percent for 1999. Volume gains were achieved in all of Nordson's four geographic regions. Compared to 1999, sales volume in North America grew 10 percent for the year, driven by strong performance within the Company's adhesive dispensing systems and advanced technology segments. In Europe, sales volume increased 6 percent as a result of strong sales in the adhesive dispensing markets. Sales volume also increased 6 percent in Japan. Lastly, sales volume rose 13 percent in the Pacific South region influenced by strong activity in the advanced technology segment.

Gross margins, expressed as a percentage of sales, were 55.1 percent in 2000, compared with 54.6 percent in 1999. Improved manufacturing efficiencies were mitigated somewhat by the effect of the strong dollar.

Selling and administrative expenses, excluding goodwill amortization and non-recurring charges, were 40.8 percent in 2000 and 42.3 percent in 1999. Spending for 2000 increased 1.8 percent with incremental expenses associated with the implementation of the Company's enterprise management system offset by the favorable currency translation effects of European-based costs.

During 2000, the Company's Action 2000 initiative resulted in the recognition of $9.0 million of non-recurring charges. Of this amount, $7.5 million of severance and related benefit payments were made to approximately 250 salaried employees. The remainder represents severance obligations due to approximately 125 hourly manufacturing employees. This amount was paid in 2001.

Worldwide operating profits, expressed as a percentage of sales before the effects of non-recurring charges, were 13.6 percent in 2000, compared with 11.4 percent for 1999. Segment operating profit percentages in 2000 and 1999, excluding expenses which are not allocated to segments, were as follows:

SEGMENT	2000	1999
Adhesive Dispensing Systems	25%	21%
Coating and Finishing Systems	6%	4%
Advanced Technology Systems	16%	9%

All segments reflect improvement as a result of Action 2000 initiatives.

Interest expense increased $1.4 million over the comparable period of 1999, mainly as a result of increased borrowing levels during most of the year and an increase in effective short-term borrowing rates. Interest of $.3 million related to the implementation of an enterprise management system was capitalized.

Nordson's effective tax rate was 34.5 percent in 2000 compared with a rate of 33.5 percent in 1999. In 1999, the rate was influenced by benefits from research and development credits from prior years.

Net income in 2000 was $54.6 million, or $1.67 per share on a diluted basis compared with $47.5 million, or $1.42 per share on a diluted basis, in 1999. Excluding the effects of non-recurring charges, net income in 2000 was $60.5 million, or $1.85 per share, compared with $49.5 million, or $1.48 per share for 1999. Non-recurring charges on an after-tax basis totaled $5.9 million, or $.18 per share for 2000, and $2.0 million, or $.06 per share on a diluted basis for 1999.

LIQUIDITY, CAPITAL EXPENDITURES AND SOURCES OF CAPITAL

During 2001, cash generated by operations was $73.4 million. Looking at working capital, accounts receivable and inventories decreased in the aggregate by $27 million, while accounts payable and other liabilities decreased by more than $26 million. Finally, approximately $6 million of cash was used to fund certain long-term obligations.

Significant uses of cash included the acquisition of EFD, Inc. on October 30, 2000, capital expenditures, dividends, and scheduled repayments of long-term debt. The EFD acquisition was financed with short-term credit facilities. Internally generated cash flow of the Company will be used to pay down this debt.

Nordson concentrated the majority of its 2001 capital expenditures on information systems and manufacturing facilities.

Dividend payments to shareholders on a per-share basis increased 8 percent over 2000.

On May 17, 2001, the Company replaced its short- and long-term revolving credit agreements with a syndicated $350 million revolving credit line. This facility consists of two parts: a $100 million, 364-day facility that can be extended for one year and a $250 million, five-year facility. Also on May 17, 2001, the Company placed $100 million of unsecured debt with a number of insurance companies. The weighted-average interest rate is 7.02% and the original weighted-average life was 6.5 years.

Nordson has various lines of credit with both domestic and foreign banks. At October 28, 2001, these lines totaled $432.6 million, of which $237.6 million was unused. The Company believes that the combination of present capital resources, internally generated funds, and unused financing sources are more than adequate to meet cash requirements for 2002. There are no significant restrictions limiting the transfer of funds from international subsidiaries to the parent Company.

EFFECTS OF FOREIGN CURRENCY

The impact of changes in foreign currency exchange rates on sales and operating results cannot be precisely measured because of fluctuating selling prices, sales volume, product mix and cost structures in each country where Nordson operates. As a rule, a weakening of the U.S. dollar relative to foreign currencies has a favorable effect on sales and net income, while a strengthening of the U.S. dollar has a detrimental effect.

In 2001 compared with 2000, the U.S. dollar was generally stronger against foreign currencies. If 2000 exchange rates had been in effect during 2001, sales would have been approximately $25.4 million higher and third-party costs would have been approximately $15.5 million higher. In 2000 compared with 1999, the U.S. dollar was generally stronger against foreign currencies. If 1999 exchange rates had been in effect during 2000, sales would have been approximately $18.6 million higher and third-party costs would have been approximately $13.8 million higher. These effects on reported sales do not include the impact of local price adjustments made in response to changes in currency exchange rates.

MARKET RISK

The Company operates internationally and enters into transactions denominated in foreign currencies. Consequently, the Company is subject to market risk arising from exchange rate movements between the dates foreign currencies are recorded and the dates they are settled. Nordson regularly uses foreign exchange contracts to reduce its risks related to most of these transactions. These contracts usually have maturities of 90 days or less, and generally require the Company to exchange foreign currencies for U.S. dollars at maturity, at rates stated in the contracts. Gains and losses from changes in the market value of these contracts offset foreign exchange losses and gains, respectively, on the underlying transactions. The balance of transactions denominated in foreign currencies are designated as hedges of the Company's net investments in foreign subsidiaries or are intercompany transactions of a long-term investment nature. As a result of the Company's use of foreign exchange contracts on a routine basis to reduce the risks related to nearly all of the Company's transactions denominated in foreign currencies as of October 28, 2001, the Company did not have a material foreign currency risk related to its derivatives or other financial instruments.

The Company finances a portion of its operations with short-term and long-term borrowings and is subject to market risk arising from changes in interest rates for most of its long-term debt.

The tables below present principal cash flows and related weighted-average interest rates by expected maturity dates of fixed-rate, long-term debt.

EXPECTED MATURITY DATE OCTOBER 28, 2001

	2002	2003	2004	2005	2006	THERE-AFTER	TOTAL VALUE	FAIR VALUE
				(In thousands)				
Long-term debt, including current portion								
Fixed-rate debt	$8,000	$8,000	$8,000	$12,290	$52,290	$101,420	$190,000	$198,486
Average interest rate	7.17%	7.13%	7.09%	7.05%	7.00%	6.90%	7.17%	

EXPECTED MATURITY DATE OCTOBER 29, 2000

	2001	2002	2003	2004	2005	THERE-AFTER	TOTAL VALUE	FAIR VALUE
				(In thousands)				
Long-term debt, including current portion								
Fixed-rate debt	$--	$--	$--	$--	$--	$50,000	$50,000	$47,175
Average interest rate	6.78%	6.78%	6.78%	6.78%	6.78%	6.78%	6.78%	

INFLATION

Inflation affects profit margins because the ability to pass cost increases on to customers is restricted by the need for competitive pricing. Although inflation has been modest in recent years and has had no material effect on the years covered by these financial statements, Nordson continues to seek ways to minimize the impact of inflation. It does so through focused efforts to raise its productivity.

TRENDS

The Eleven-Year Summary on pages 34 and 35 documents Nordson's historical financial trends. Over this period, the world's economic conditions fluctuated significantly. Nordson's solid performance is attributed to the Company's participation in diverse geographic and industrial markets and its long-term commitment to develop and provide quality products and worldwide service to meet customers' changing needs.

SAFE HARBOR STATEMENTS UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Statements in this report pertaining to future periods are "forward- looking statements" intended to qualify for the protection afforded by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations and involve risks and uncertainties. Consequently, the Company's actual results could differ materially from the expectations expressed in the forward-looking statements. Factors that could cause the Company's actual results to differ materially from the expected results include, but are not limited to: deferral of orders, customer-requested delays in system installations, currency exchange rate fluctuations, a sales mix different from assumptions and significant changes in local business conditions in geographic regions in which the Company conducts business.

NORDSON CORPORATION Exhibit 13-b

CONSOLIDATED STATEMENT OF INCOME

Years ended October 28, 2001, October 29, 2000 and October 31, 1999	2001	2000	1999
(In thousands except for per-share amounts)			
SALES	$ 731,416	$ 740,568	$ 700,465
OPERATING COSTS AND EXPENSES:			
Cost of sales	337,129	332,597	318,230
Selling and administrative expenses	305,343	301,849	296,365
Goodwill amortization	16,052	5,710	5,885
Severance and restructuring costs	13,355	8,960	3,000
	671,879	649,116	623,480
OPERATING PROFIT	59,537	91,452	76,985
OTHER INCOME (EXPENSE):			
Interest expense	(29,489)	(11,665)	(10,244)
Interest and investment income	1,414	984	1,601
Other - net	6,254	2,637	3,096
	(21,821)	(8,044)	(5,547)
Income before income taxes	37,716	83,408	71,438
Income taxes:			
Current	11,698	30,510	23,476
Deferred	1,408	(1,734)	456
	13,106	28,776	23,932
NET INCOME	$ 24,610	$ 54,632	$ 47,506
AVERAGE COMMON SHARES	32,727	32,455	33,048
Incremental common shares attributable to outstanding stock options, nonvested stock, and deferred stock-based compensation	323	312	436
AVERAGE COMMON SHARES AND COMMON SHARE EQUIVALENTS	33,050	32,767	33,484
BASIC EARNINGS PER SHARE	$ .75	$ 1.68	$ 1.44
DILUTED EARNINGS PER SHARE	$ .74	$ 1.67	$ 1.42

The accompanying notes are an integral part of the consolidated financial statements.

Exhibit 13-c

CONSOLIDATED BALANCE SHEET

October 28, 2001 and October 29, 2000	2001	2000
(In thousands)		
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,881	$ 785
Marketable securities	62	30
Receivables	167,822	191,371
Inventories	139,186	134,922
Deferred income taxes	37,564	32,747
Prepaid expenses	9,662	9,383
TOTAL CURRENT ASSETS	362,177	369,238
Property, plant and equipment - net	133,332	126,910
Intangible assets - net	343,106	93,763
Deferred income taxes	3,726	7,679
Other assets	20,112	12,450
	$ 862,453	$ 610,040
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 194,964	$ 91,697
Accounts payable	55,357	74,151
Income taxes payable	2,926	4,095
Accrued liabilities	71,404	65,305
Customer advance payments	12,992	10,226
Current maturities of long-term debt	14,580	4,230
Current obligations under capital leases	3,430	3,304
TOTAL CURRENT LIABILITIES	355,653	253,008
Long-term debt	188,078	57,498
Obligations under capital leases	3,695	3,302
Pension and retirement obligations	50,144	47,484
Other liabilities	1,157	1,525
Shareholders' equity:		
Preferred shares, no par value; 10,000,000 shares authorized; none issued	--	--
Common shares, no par value; 80,000,000 shares authorized; 49,011,000 shares issued	12,253	12,253
Capital in excess of stated value	114,889	103,142
Retained earnings	499,570	493,273
Accumulated other comprehensive loss	(18,358)	(11,946)
Common shares in treasury, at cost	(344,194)	(348,979)
Deferred stock-based compensation	(434)	(520)
TOTAL SHAREHOLDERS' EQUITY	263,726	247,223
	$ 862,453	$ 610,040

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ended October 28, 2001, October 29, 2000, and October 31, 1999	2001	2000	1999
(In thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 24,610	$ 54,632	$ 47,506
Adjustments to reconcile net income to net cash provided by operating activities:			
Severance and restructuring costs	7,552	1,528	3,000
Depreciation	24,909	24,276	22,257
Amortization	16,946	6,049	7,043
Provision for losses on receivables	2,289	1,110	1,374
Deferred income taxes	2,058	(3,077)	215
Other	2,637	5,254	1,165
Changes in operating assets and liabilities:			
Receivables	28,050	(33,494)	(2,378)
Inventories	(849)	(20,606)	6,126
Other current assets	(1,575)	(3,089)	1,234
Other non-current assets	(7,329)	387	(3,218)
Accounts payable	(19,899)	40,559	836
Income taxes payable	(524)	2,480	(997)
Accrued liabilities	(3,361)	6,314	3,178
Customer advance payments	2,799	5,753	(11,942)
Other non-current liabilities	(4,884)	(3,100)	5,905
Net cash provided by operating activities	73,429	84,976	81,304
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property, plant and equipment	(23,147)	(23,645)	(45,644)
Proceeds from sale of property, plant and equipment	10	82	151
Acquisition of businesses	(280,351)	--	(26,624)
Purchases of marketable securities	(32)	--	--
Net cash used in investing activities	(303,520)	(23,563)	(72,117)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from (repayment of) short-term borrowings	104,550	(37,688)	40,867
Proceeds from long-term debt	153,371	--	2,590
Repayment of long-term debt	(12,267)	(7,822)	(850)
Debt issuance costs	(2,429)	--	--
Repayment of capital lease obligations	(3,738)	(4,031)	(4,665)
Issuance of common shares	16,762	9,768	6,641
Purchase of treasury shares	(462)	(17,651)	(29,121)
Dividends paid	(18,313)	(16,853)	(15,899)
Net cash provided by (used in) financing activities	237,474	(74,277)	(437)
Effect of exchange rate changes on cash	(287)	(2,381)	460
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,096	(15,245)	9,210
Cash and cash equivalents at beginning of year	785	16,030	6,820
Cash and cash equivalents at end of year	$ 7,881	$ 785	$ 16,030

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Exhibit 13-e

Years ended October 28, 2001, October 29, 2000 and October 31, 1999	Common Shares In Treasury Shares	Common Shares In Treasury Amount	Common Shares	Capital In Excess Of Stated Value	Retained Earnings	Accumulated Other Comprehensive Loss	Deferred Stock-based Compensation	Total
(In thousands)								
BALANCE AT NOVEMBER 1, 1998	7,766	$(308,368)	$ 12,253	$ 92,030	$ 423,887	$ (4,792)	$ (235)	$214,775
Net income					47,506			47,506
Translation adjustments						(2,729)		(2,729)
Total comprehensive income								44,777
Shares issued for acquisition of new business and under company stock and employee benefit plans	(206)	3,931		5,137			(329)	8,739
Amortization of deferred stock-based compensation							225	225
Purchase of treasury shares	579	(31,219)						(31,219)
Dividends - $.48 per share					(15,899)			(15,899)
BALANCE AT OCTOBER 31, 1999	8,139	(335,656)	12,253	97,167	455,494	(7,521)	(339)	221,398
Net income					54,632			54,632
Translation adjustments						(4,425)		(4,425)
Total comprehensive income								50,207
2-for-1 stock split	8,138							
Shares issued under company stock and employee benefit plans	(542)	5,988		5,975			(535)	11,428
Amortization of deferred stock-based compensation							354	354
Purchase of treasury shares	827	(19,311)						(19,311)
Dividends - $.52 per share					(16,853)			(16,853)
BALANCE AT OCTOBER 29, 2000	16,562	(348,979)	12,253	103,142	493,273	(11,946)	(520)	247,223
Net income					24,610			24,610
Translation adjustments						(1,740)		(1,740)
Minimum pension liability adjustment net of taxes of $3,012						(4,672)		(4,672)
Total comprehensive income								18,198
Shares issued under company stock and employee benefit plans	(845)	9,332		11,747			(230)	20,849
Amortization of deferred stock-based compensation							316	316
Purchase of treasury shares	157	(4,547)						(4,547)
Dividends - $.56 per share					(18,313)			(18,313)
BALANCE AT OCTOBER 28, 2001	15,874	$(344,194)	$ 12,253	$114,889	$ 499,570	$(18,358)	$ (434)	$ 263,726

The accompanying notes are an integral part of the consolidated financial statements.

NORDSON CORPORATION Exhibits 13-f

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 -- SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION-- The consolidated financial statements include the accounts of the Company and its majority-owned and controlled subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. Ownership interests of 20 percent or more in non-controlled affiliates are accounted for by the equity method. Other investments are recorded at cost.

USE OF ESTIMATES -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes. Actual amounts could differ from these estimates.

FISCAL YEAR-- The fiscal year for the Company's domestic operations ends on the Sunday closest to October 31 and contained 52 weeks in 2001, 2000, and 1999. To facilitate reporting of consolidated accounts, the fiscal year for most of the Company's international operations ends on September 30.

REVENUE RECOGNITION --Revenues are recognized when customer orders are complete and shipped. Accruals for the cost of product warranties are maintained for anticipated future claims. A limited number of the Company's large engineered systems sales contracts are accounted for using the percentage-of-completion method. Accordingly, the amount of revenue recognized is based on the ratio of actual costs incurred to total estimated costs at completion.

SHIPPING AND HANDLING COSTS --Shipping and handling costs are included in cost of sales.

ADVERTISING COSTS-- Advertising costs are expensed as incurred and amounted to $5,421,000 in 2001 ($4,973,000 in 2000 and $6,621,000 in 1999).

RESEARCH AND DEVELOPMENT-- Research and development costs are expensed as incurred and amounted to $27,701,000 in 2001 ($27,222,000 in 2000 and $29,672,000 in 1999).

EARNINGS PER SHARE-- Basic earnings per share are computed based on the weighted-average number of common shares outstanding during each year, while diluted earnings per share are based on the weighted-average number of common shares and common share equivalents outstanding. Common share equivalents consist of shares issuable upon exercise of the Company's stock options, computed using the treasury stock method, as well as nonvested stock and deferred stock-based compensation.

CASH AND CASH EQUIVALENTS-- Highly liquid instruments with a maturity of 90 days or less at date of purchase are considered to be cash equivalents. Cash and cash equivalents are carried at cost.

MARKETABLE SECURITIES-- Marketable securities consist primarily of municipal and other short-term notes with maturities greater than 90 days at date of purchase. At October 28, 2001, all contractual maturities were within one year. The Company's marketable securities are classified as available for sale and recorded at quoted market prices which approximate cost.

INVENTORIES-- Inventories are valued at the lower of cost or market. Cost has been determined using the last-in, first-out (LIFO) method for 41 percent of consolidated inventories at October 28, 2001 (44 percent at October 29, 2000). The first-in, first-out (FIFO) method is used for all other inventories. Consolidated inventories would have been $6,472,000 and $7,245,000 higher than reported at October 28, 2001 and October 29, 2000, respectively, had the Company used the FIFO method, which approximates current cost, for valuation of all inventories.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION-- Property, plant and equipment are carried at cost. Plant and equipment are depreciated for financial reporting purposes using the straight-line method over the estimated useful lives of the assets or, in the case of property under capital leases, over the terms of the leases.

The Company capitalizes costs associated with the development and installation of internal use software in accordance with Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Accordingly, internal use software costs are expensed or capitalized depending on whether they are incurred in the preliminary project stage, application development stage, or the post-implementation stage. Amounts capitalized are amortized over the estimated useful lives of the software beginning with the project's completion. All re-engineering costs are expensed as incurred. The Company capitalizes interest costs on significant capital projects.

The Company capitalizedapproximately $26.3 million in fiscal 2001, 2000 and 1999 in connection with the acquisition and installation of an enterprise management system,which is being depreciated over 10 years.

INTANGIBLE ASSETS-- Intangibles, consisting primarily of costs in excess of net assets of acquired businesses, are amortized using the straight-line method over the periods of expected benefit. At present, these periods range from five to 35 years. The Company assesses the

recoverability of the costs in excess of net assets of acquired businesses by reviewing for impairment losses when- ever events or changes in circumstances indicate the carrying amount may not be recovered through future net undiscounted cash flows generated by the assets.

FOREIGN CURRENCY TRANSLATION-- The financial statements of the Company's subsidiaries outside the United States, except for those subsidiaries located in highly inflationary economies, are generally measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet dates. Income and expense items are translated at average monthly rates of exchange. The

resulting translation adjustments are included in accumulated other comprehensive income (loss), a separate component of shareholders' equity. Generally, gains and losses from foreign currency transactions, including forward contracts, of these subsidiaries and the United States parent are included in net income. Premiums and discounts on forward contracts are amortized over the lives of the contracts. Gains and losses from foreign currency transactions which hedge a net investment in a foreign subsidiary and from intercompany foreign currency transactions of a long-term investment nature are included in accumulated other comprehensive income (loss). For subsidiaries operating in highly inflationary economies, gains and losses from foreign currency transactions and translation adjustmentsare included in net income.

COMPREHENSIVE INCOME-- Accumulated other comprehensive loss at October 28, 2001consisted of foreign currency translation adjustments of $13,686,000 and a minimum pension liability adjustment of $4,672,000. Accumulated other comprehensive loss at October 29, 2000 consisted entirely of foreign currency translation adjustments.

PRESENTATION-- Certain 2000 and 1999 amounts have been reclassified to conform with the 2001 presentation.

NOTE 2 -- ACCOUNTING CHANGES

In June 2001, the FASB issued Statements of Financial Accounting Standards No. 141, "Business Combinations," and No. 142, "Goodwill and Other Intangible Assets," effective for fiscal years beginning after December 15, 2001. No. 141 requires that all business combinations be accounted for by the purchase method. No. 142 provides that goodwill assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests. Other intangible assets will continue to be amortized over their useful lives. The Company will adopt these statements in fiscal 2002. The effect of not amortizing goodwill is expected to result in an increase to net income in fiscal 2002 of approximately $11 million, or $0.34 per share. During fiscal 2002, the Company will perform the required impairment tests of goodwill and has not yet determined what the effect of these tests will be on the earnings and financial position of the Company.

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations." No. 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When a liability is initially recorded, the entity capitalizes a cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The Company is required to adopt FAS 143 in fiscal 2003 and has not yet determined the impact of adoption on its consolidated financial position or results of operations.

In October 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." No. 144, which supersedes No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," provides a single accounting model for long-lived assets to be disposed of. Although retaining many of the fundamental recognition and measurement provisions of No. 121, this Statement significantly changes the criteria that would have to be met to classify an asset as held-for-sale. This distinction is important because assets held-for-sale are stated at the lower of their fair values or carrying amounts, and depreciation is no longer recognized. The Company is required to adopt No. 144 in fiscal 2003 and has not yet determined the impact of adoption on its consolidated financial position or results of operations.

In 2001, the Company adopted Securities and Exchange Commission Staff Accounting Bulletin (SAB) No. 101, "Revenue Recognition in Financial Statements," which summarizes the staff's views regarding the application of generally accepted accounting principles to selected revenue recognition issues. This Bulletin did not have a material effect on the financial statements of the Company.

In 2001, the Company adopted Financial Accounting Standards Board Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities" (No. 138), which amended Statement No. 133, "Accounting and Reporting Standards for Derivative Instruments and Hedging Activities" (No. 133). No. 133 requires an entity to measure all derivatives at fair value and to recognize them on the balance sheet as an asset or liability, depending on the entity's rights or obligations under the applicable derivative contract. This Statement did not have a material effect on the financial statements of the Company.

NOTE 3-- RETIREMENT, PENSION AND OTHER POSTRETIREMENT PLANS

RETIREMENT PLANS-- The parent company and certain subsidiaries have funded contributory retirement plans covering certain employees. The Company's contributions are primarily determined by the terms of the plans subject to the limitation that they shall not exceed the amounts deductible for income tax purposes. The Company also sponsors unfunded contributory supplemental retirement plans for certain employees. Generally, benefits under these plans vest gradually over a period of approximately five years from date of employment, and are based on the employee's contribution. The expense applicable to retirement plans for 2001, 2000 and 1999 was approximately $4,254,000, $3,326,000 and $3,913,000, respectively.

PENSION AND OTHER POSTRETIREMENT PLANS-- The Company has various pension plans which cover substantially all employees. Pension plan benefits are generally based on years of employment and, for salaried employees, the level of compensation. The Company contributes actuarially determined amounts to domestic plans to provide sufficient assets to meet future benefit payment requirements. The Company also sponsors an unfunded supplemental pension plan for certain employees. The Company's international subsidiaries fund their pension plans according to local requirements.

The Company also has an unfunded postretirement benefit plan covering most of its domestic employees. The plan provides medical and life insurance benefits. The plan is contributory, with retiree contributions adjusted annually, and contains other cost-sharing features such as deductibles and coinsurance.

A reconciliation of the benefit obligations, plan assets, accrued benefit cost and the amount recognized in financial statements for these plans is as follows:

	PENSION BENEFITS		OTHER POSTRETIREMENT BENEFITS	
	2001	2000	2001	2000
	(In thousands)			
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 99,972	$ 104,460	$ 16,208	$ 13,306
Service cost	3,369	3,604	743	643
Interest cost	7,120	6,688	1,339	1,110
Foreign currency exchange rate change	(226)	(1,883)	--	--
Actuarial loss (gain)	6,282	(6,856)	3,897	2,130
Curtailment	(401)	--	(1,104)	(348)
Benefits paid from plan assets	(4,436)	(6,041)	(1,071)	(633)
Benefit obligation at end of year	$ 111,680	$ 99,972	$ 20,012	$ 16,208
Change in plan assets:				
Beginning fair value of plan assets	$ 77,046	$ 74,604	$ --	$ --
Actual return on plan assets	(10,080)	4,267	--	--
Company contributions	10,038	5,233	1,071	633
Foreign currency exchange rate change	(33)	(1,017)	--	--
Benefits paid from plan assets	(4,436)	(6,041)	(1,071)	(633)
Ending fair value of plan assets	$ 72,535	$ 77,046	$ --	$ --
Reconciliation of accrued cost:				
Funded status of the plan	$ (39,145)	$ (22,926)	$ (20,012)	$ (16,208)
Unrecognized actuarial loss (gain)	16,730	(8,022)	4,138	1,446
Unamortized prior service cost	2,126	3,015	--	--
Unrecognized net transition obligation	860	1,301	--	--
Accrued benefit cost	$ (19,429)	$ (26,632)	$ (15,874)	$ (14,762)
Reconciliation of amount recognized in financial statements:				
Prepaid benefit cost	$ --	$ 1,334	$ --	$ --
Accrued benefit liability	(29,113)	(28,223)	(15,874)	(14,762)
Intangible asset	2,000	257	--	--
Accumulated other comprehensive income	7,684	--	--	--
Total amount recognized in financial statements	$ (19,429)	$ (26,632)	$ (15,874)	$ (14,762)

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $104,170,000, $93,565,000 and $66,761,000, respectively as of October 28, 2001, and $88,398,000, $76,264,000 and $64,924,000 as of October 29, 2000.

Net pension and other postretirement benefit costs include the following components:

	PENSION BENEFITS			OTHER POSTRETIREMENT BENEFITS		
	2001	2000	1999	2001	2000	1999
	(In thousands)					
Service cost	$ 3,369	$ 3,604	$ 3,733	$ 743	$ 643	$ 620
Interest cost	7,120	6,688	6,482	1,339	1,110	923
Expected return on plan assets	(7,509)	(6,585)	(6,100)	--	--	--
Amortization and deferrals	548	650	397	101	--	--
Curtailment	318	--	--	--	(348)	--
Termination benefit cost	--	--	825	--	--	--
Total benefit cost	$ 3,846	$ 4,357	$ 5,337	$ 2,183	$ 1,405	$ 1,543

For pensions, the actuarial value of projected benefit obligations at the end of 2001 and 2000 was determined using a weighted-average discount rate of 6.9 and 7.1 percent, respectively, and a rate of increase in future compensation levels of 5.2 and 3.9 percent, respectively. Plan assets consist primarily of stocks and bonds. The expected long-term rate of return on plan assets was 9.5 percent for 2001, 2000 and 1999.

For other postretirement benefits, the discount rate used in determining the accumulated postretirement benefit obligation at the end of 2001 and 2000 was 7.25 percent and 7.5 percent, respectively. The annual rate of increase in the per capita cost of covered benefits (the health care cost trend rate) was assumed to be 7.5 percent in 2002, decreasing gradually to 5.0 percent in 2007.

The health care cost trend rate assumption has a significant effect on the amounts reported. For example, a one percentage point change in the assumed health care cost trend rate would have the following effects:

	1% POINT INCREASE	1% POINT DECREASE
Effect on total service and interest cost components in 2001	$ 423,000	$ (330,000)
Effect on postretirement obligation as of October 28, 2001	$3,415,000	$(2,723,000)

NOTE 4 -- INCOME TAXES

Income tax expense includes the following:

	2001	2000	1999
	(In thousands)		
Current:			
U.S. federal	$ (1,161)	$ 16,163	$ 8,351
State and local	821	1,261	860
Foreign	12,038	13,086	14,265
Total current	11,698	30,510	23,476
Deferred:			
U.S. federal	1,864	(2,429)	405
State and local	468	(137)	207
Foreign	(924)	832	(156)
Total deferred	1,408	(1,734)	456
	$ 13,106	$ 28,776	$ 23,932

The reconciliation of the United States statutory federal income tax rate to the worldwide consolidated effective tax rate follows:

	2001	2000	1999
Statutory federal income tax rate	35.00%	35.00%	35.00%
Foreign Sales Corporation exemption	--	(3.68)	(3.72)
Foreign tax rate variances, net of foreign tax credits	(7.38)	1.40	3.01
State and local taxes, net of federal income tax benefit	3.37	.83	1.32
Amounts related to prior years	.25	.42	(2.17)
Other - net	3.51	.53	.06
Effective tax rate	34.75%	34.50%	33.50%

Earnings before income taxes of international operations were $25,699,000, $32,580,000 and $30,466,000 in 2001, 2000 and 1999, respectively. Deferred income taxes are not provided on undistributed earnings of international subsidiaries which are intended to be permanently invested in those operations. These undistributed earnings aggregated approximately $51,426,000 and $51,567,000 at October 28, 2001 and October 29, 2000, respectively. Should these earnings be distributed, applicable foreign tax credits would substantially offset U.S. taxes due upon the distribution. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2001	2000
	(In thousands)	
Deferred tax assets:		
Sales to international subsidiaries and related consolidation adjustments	$12,941	$14,657
Employee benefits	19,909	17,582
Other accruals not currently deductible for taxes	14,315	9,104
Inventory adjustments	3,600	2,412
Translation of foreign currency accounts	2,910	3,244
Other - net	342	729
Total deferred tax assets	54,017	47,728
Deferred tax liabilities:		
Depreciation	11,296	6,035
Other - net	1,431	1,267
Total deferred tax liabilities	12,727	7,302
Net deferred tax assets	$41,290	$40,426

NOTE 5 -- INCENTIVE COMPENSATION PLAN

The Company has an incentive cash compensation plan for executive officers. Participants in the plan and payments under the plan are approved by a committee appointed by the Board of Directors. Members of the committee are directors and are not active officers of the Company. Amounts paid under the plan are based on a percentage of the base salary of each participant. Compensation expense attributable to the plan was $242,000 in 2001, $1,870,000 in 2000, and $2,018,000 in 1999.

NOTE 6 -- DETAILS OF BALANCE SHEET

	2001	2000
	(In thousands)	
Receivables:		
Accounts	$ 156,562	$ 175,400
Notes	7,242	15,308
Other	8,036	3,488
	171,840	194,196
Allowance for doubtful accounts	(4,018)	(2,825)
	$ 167,822	$ 191,371
Inventories:		
Finished goods	$ 56,106	$ 38,732
Work-in-process	15,517	30,433
Raw materials and finished parts	67,563	65,757
	$ 139,186	$ 134,922
Property, plant and equipment:		
Land	$ 3,662	$ 3,102
Land improvements	2,793	2,774
Buildings	76,200	64,853
Machinery and equipment	156,815	142,278
Enterprise management system	26,300	25,718
Construction-in-progress	13,937	12,377
Leased property under capitalized leases	13,135	12,167
	292,842	263,269
Accumulated depreciation and amortization	(159,510)	(136,359)
	$ 133,332	$ 126,910
Intangible assets:		
Costs in excess of net assets of acquired businesses	$ 389,894	$ 126,186
Other	8,079	5,379
	397,973	131,565
Accumulated amortization	(54,867)	(37,802)
	$ 343,106	$ 93,763
Accrued liabilities:		
Salaries and other compensation	$ 22,896	$ 29,392
Pension and retirement	2,856	3,464
Taxes other than income taxes	4,787	5,316
Other	40,865	27,133
	$ 71,404	$ 65,305

NOTE 7 -- LEASES

The Company has lease commitments expiring at various dates, principally for manufacturing, warehouse and office space, automobiles and office equipment. Many leases contain renewal options and some contain purchase options.

The Company has an operating lease for office and manufacturing space owned by a partnership in which the Company is a partner. The lease ends in 2010 and contains a renewal option and an annual option to purchase the property at fair market value. Future annual minimum lease payments range from $777,000 to $1,009,000 and approximate market rates.

Rent expense for all operating leases was approximately $10,697,000 in 2001, $10,776,000 in 2000, and $9,603,000 in 1999.

Assets held under capitalized leases and included in property, plant and equipment are as follows:

	2001	2000
	(In thousands)	
Transportation equipment	$ 12,755	$ 11,862
Other	380	305
Total capitalized leases	13,135	12,167
Accumulated amortization	(6,010)	(5,561)
Net capitalized leases	$ 7,125	$ 6,606

At October 28, 2001, future minimum lease payments under non- cancelable capitalized and operating leases are as follows:

	CAPITALIZED LEASES	OPERATING LEASES
	(In thousands)	
Fiscal year ending:		
2002	$ 4,438	$ 8,915
2003	2,941	6,993
2004	1,448	5,650
2005	260	4,788
2006	16	4,102
Later years	--	10,915
Total minimum lease payments	9,103	$ 41,363
Less amount representing executory costs	1,020	
Net minimum lease payments	8,083	
Less amount representing interest	958	
Present value of net minimum lease payments	7,125	
Less current portion	3,430	
Long-term obligations at October 28, 2001	$ 3,695	

NOTE 8 -- NOTES PAYABLE

Bank lines of credit and notes payable are summarized as follows:

	2001	2000
	(In thousands)	
Available bank lines of credit:		
Domestic banks	$360,130	$445,218
Foreign banks	72,427	83,019
Total	$432,557	$528,237
Notes payable:		
Domestic bank debt	$162,000	$ 62,469
Foreign bank debt	32,834	29,056
Other	130	172
Total	$194,964	$ 91,697
Weighted-average interest rate on notes payable	3.8%	4.6%
Unused bank lines of credit	$237,593	$436,712

Included in the domestic available amount above is a $350,000,000 revolving credit agreement with a group of banks. This facility consists of two parts: a $100 million, 364-day facility that can be extended for one year and a $250 million, five-year facility. Payment of commitment fees is required. Other lines of credit obtained by the Company can generally be withdrawn at the option of the banks and do not require material compensating balances or commitment fees. Other notes payable include promissory notes issued in connection with a business acquisition and an equipment purchase.

NOTE 9 -- LONG-TERM DEBT

The long-term debt of the Company is as follows:

	2001	2000
	(In thousands)	
Senior note, due 2007	$ 50,000	$ 50,000
Senior notes, due 2006-2011	100,000	--
Five-year term loan	40,000	--
Industrial revenue bonds-- Gwinnett County, Georgia	4,800	5,400
Industrial revenue bonds-- City of Westlake, Ohio	850	1,700
Acquisition financing notes	5,130	2,780
Leasehold improvements financing note	1,878	1,848
	202,658	61,728
Less current maturities	14,580	4,230
Total	$188,078	$ 57,498

SENIOR NOTE, DUE 2007-- This note is payable in one installment and bears interest at a fixed rate of 6.78 percent.

SENIOR NOTES, DUE 2006-2011-- These notes with a group of insurance companies have a weighted-average, fixed-interest rate of 7.02 percent and an original weighted-average life of 6.5 years.

FIVE-YEAR TERM NOTES -- These notes are payable in five annual installments of $8,000,000 from 2002 extending through 2006 with interest payable quarterly. The interest rate was 8.02 percent at October 28, 2001.

INDUSTRIAL REVENUE BONDS -- GWINNETT COUNTY, GEORGIA-- These bonds were issued in connection with the acquisition and renovation of the Norcross Manufacturing Facility in Gwinnett County, Georgia. These bonds are due in annual installments of $600,000 through 2009, with interest payable quarterly. The tax-free interest rate varies weekly and was 2.2 percent at October 28, 2001. The bonds are secured by a $5,036,000 standby letter of credit.

INDUSTRIAL REVENUE BONDS -- CITY OF WESTLAKE, OHIO-- These bonds were issued in connection with the construction of the Company's world headquarters in Westlake, Ohio. The bonds are due in annual installments of $850,000 extending through 2002 with interest payable quarterly. The tax-free interest rate varies weekly and was 2.25 percent at October 28, 2001. The bonds are secured by a $886,000 standby letter of credit.

ACQUISITION FINANCING NOTES-- These unsecured notes were issued in connection with recent business acquisitions and mature in 2002. Interest is payable at variable rates with a weighted-average rate of 2.98 percent at October 28, 2001.

LEASEHOLD IMPROVEMENTS FINANCING NOTE-- This note partially funded the leasehold improvements for a new sales and demonstration facility in Japan. The principal balance is Japanese (Y)200 million and is payable in one installment in 2006. Interest, payable at a fixed rate of 3.10 percent, was converted to a variable rate through an interest rate swap. The variable rate is reset semi-annually, and at October 28, 2001 the Company's effective borrowing rate was negative .29 percent.

ANNUAL MATURITIES-- The annual maturities of long-term debt for the five years subsequent to October 28, 2001 are as follows: $14,580,000 in 2002; $8,600,000 in 2003; $8,600,000 in 2004; $12,890,000 in 2005; and $54,768,000 in 2006.

GUARANTEES-- No guarantees were issued at October 28, 2001. Subsequent to year-end, the Company issued $4,318,000 of guarantees to support the term-borrowing facilities of an unconsolidated affiliate. At October 29, 2000, the Company had issued $3,520,000 of similar guarantees.

NOTE 10 -- FINANCIAL INSTRUMENTS

The Company enters into foreign currency forward contracts, which are derivative financial instruments, to reduce the risk of foreign currency exposures resulting from the collection of intercompany receivables, payables and loans denominated in foreign currencies. The maturities of these contracts are usually less than 90 days. Forward contracts are marked to market each accounting period, and the resulting gains or losses are included in other income (expense) on the Consolidated Statement of Income. Gains of $146,000, $248,000 and $562,000 were recognized from changes in the fair value of these contracts for the years ended October 28, 2001, October 29, 2000 and October 31, 1999, respectively.

At October 28, 2001 the Company had outstanding forward exchange contracts that mature at various dates through December 2001. The following table summarizes, by currency, the Company's forward exchange contacts at October 28, 2001 and October 29, 2000:

	SELL		BUY	
	NOTIONAL AMOUNTS	FAIR MARKET VALUE	NOTIONAL AMOUNTS	FAIR MARKET VALUE
	(In thousands)			
October 28, 2001 contract amounts:				
Euro	$ 9,302	$ 9,339	$14,620	$14,726
British pound	14,603	14,723	4,549	4,572
Japanese yen	7,733	8,372	10,199	10,639
Others	1,495	1,491	8,534	8,428
Total	$33,133	$33,925	$37,902	$38,365

	SELL		BUY	
	NOTIONAL AMOUNTS	FAIR MARKET VALUE	NOTIONAL AMOUNTS	FAIR MARKET VALUE
	(In thousands)			
October 29, 2000 contract amounts:				
Euro	$15,386	$15,271	$ 2,577	$ 2,540
British pound	8,340	8,636	558	574
Japanese yen	9,729	9,380	467	462
Others	6,917	6,899	7,196	7,146
Total	$40,372	$40,186	$10,798	$10,722

The Company also uses foreign denominated fixed-rate debt and intercompany foreign currency transactions of a long-term investment nature to protect the value of its investment in its wholly owned subsidiaries. For hedges of the net investment in foreign operations, realized and unrealized gains and losses are shown in the cumulative translation adjustment account included in total comprehensive income. For the years ended October 28, 2001 and October 29, 2000, net gains of $1,914,000 and $6,322,000, respectively, were included in the cumulative translation adjustment account related to foreign denominated fixed-rate debt designated as a hedge of net investment in foreign operations.

The Company has an interest-rate swap that it has designated as a fair-value hedge. This derivative qualified for the short-cut method. The swap is recorded with a fair market value of $204,000 in other assets in the Consolidated Balance Sheet.

The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. The Company uses major banks throughout the world for cash deposits, forward exchange contracts and interest rate swaps. The Company's customers represent a wide variety of industries and geographic regions. As of October 28, 2001, there were no significant concentrations of credit risk. The Company does not use financial instruments for trading or speculative purposes.

The carrying amounts and fair values of the Company's financial instruments, other than receivables and accounts payable, are as follows:

2001	CARRYING AMOUNT	FAIR VALUE
	(In thousands)	
Cash and cash equivalents	$ 7,881	$ 7,881
Marketable securities	62	62
Notes payable	(194,964)	(194,964)
Long-term debt	(202,658)	(211,144)
Forward exchange contracts	254	278

2000	CARRYING AMOUNT	FAIR VALUE

	(In thousands)	
Cash and cash equivalents	$ 785	$ 785
Marketable securities	30	30
Notes payable	(91,697)	(91,697)
Long-term debt	(61,728)	(58,936)
Forward exchange contracts	108	210
Interest rate swaps	--	448

The following methods and assumptions were used by the Company in estimating the fair value of financial instruments:

- Cash, cash equivalents and notes payable are valued at their carrying amounts due to the relatively short period to maturity of the instruments.

- Marketable securities are valued at quoted market prices.

- Long-term debt is valued by discounting future cash flows at currently available rates for borrowing arrangements with similar terms and conditions.

- The fair value of forward exchange contracts is estimated using quoted exchange rates of comparable contracts.

- The fair value of interest rate swaps is estimated using valuation techniques based on discounted future cash flows.

NOTE 11 -- CAPITAL SHARES

PREFERRED-- The Company has authorized 10,000,000 Series A convertible preferred shares without par value. No preferred shares were outstanding in 2001, 2000, or1999.

COMMON-- On August 1, 2000, the Board of Directors declared a 2-for-1 stock split on the Company's common stock, paid in the form of a 100 percentstock dividend on September 12, 2000, for all shares outstanding on August 25, 2000. Accordingly, all per-share amounts, common stock and common stock equivalents outstanding used in the calculation of per-share amounts and stock option information have been adjusted retroactively to reflect the stock split.

The Company has 80,000,000 authorized common shares without par value. In March 1992, the shareholders adopted an amendment to the Company's articles of incorporation which, when filed with the State of Ohio, would increase the number of authorized common shares to 160,000,000. During 2001 and 2000, there were 49,011,000 common shares issued. At October 28, 2001 and October 29, 2000, the number of outstanding common shares, net of treasury shares, was 33,138,000 and 32,449,000, respectively. Treasury shares are reissued using the first-in, first-out method.

NOTE 12 -- COMPANY STOCK PLANS

LONG-TERM PERFORMANCE PLAN-- The Company's long-term performance plan, adopted in 1993, provides for the granting of stock options, stock appreciation rights, restricted stock, stock purchase rights, stock equivalent units, cash awards, and other stock or performance-based incentives. The number of common shares available for grant of awards is 3.0 percent of the number of common shares outstanding as of the first day of each fiscal year, plus up to an additional 0.5 percent, consisting of shares available, but not granted, in prior years. At the beginning of fiscal 2002, there were 1,160,000 shares available for grant in 2002.

STOCK OPTIONS-- The Company may grant non-qualified or incentive stock options to employees and directors of the Company. Generally, the options may be exercised beginning one year from the date of grant at a rate not exceeding 25 percent per year, and the options expire 10 years from the date of grant. Vesting accelerates upon the occurrence of events which involve or may result in a change of control of the Company.

The Company uses the intrinsic value method to account for employee stock options. No compensation expense has been recognized because the exercise price of the Company's stock options equals the market price of the underlying common shares on the date of grant. Tax benefits arising from the exercise of non-qualified stock options are recognized when realized and credited to capital in excess of stated value.

Summarized transactions are as follows:

	NUMBER OF OPTIONS	WEIGHTED-AVERAGE EXERCISE PRICE PER SHARE
Outstanding at November 1, 1998	4,916,442	$25.38
Granted	928,880	$22.63
Exercised	(236,682)	$16.41
Forfeited	(125,726)	$27.82
Outstanding at October 31, 1999	5,482,914	$25.25
Granted	904,256	$22.33
Exercised	(346,336)	$16.35
Forfeited	(332,498)	$26.14
Outstanding at October 29, 2000	5,708,336	$25.27
Granted	836,300	$28.51
Exercised	(338,493)	$22.84

Forfeited	(208,151)	$26.40
Outstanding at October 28, 2001	5,997,992	$25.82
Exercisable at October 28, 2001	3,854,220	$26.16

Summarized information on currently outstanding options follows:

RANGE OF EXERCISE PRICE

	$20 - $25	$26 - $30	$31 - $35
Number outstanding	2,687,232	3,210,259	100,501
Weighted-average remaining contractual life, in years	7.7	5.1	5.2
Weighted-average exercise price	$22.99	$28.00	$31.88
Number exercisable	1,476,350	2,327,646	50,224
Weighted-average exercise price	$23.27	$27.87	$31.88

Pro forma information regarding net income and earnings per share has been determined as if the Company had accounted for employee stock options granted since 1996 under the fair value method. Under this method, the estimated fair value of the options is amortized to expense over the options' vesting period. The fair value for these options was estimated at the date of grant using a Black-Scholes option-pricing model.

Pro forma and weighted-average assumption information follows:

	2001	2000	1999
	(In thousands except for per-share amounts)		
Net income:			
As reported	$24,610	$54,632	$47,506
Pro forma	$21,200	$50,876	$43,572
Diluted earnings per share:			
As reported	$.74	$1.67	$1.42
Pro forma	$.64	$1.58	$1.31
Weighted-average fair value of options granted during the year	$8.43	$7.20	$7.60
Risk-free interest rate	3.91-4.57%	5.57-5.94%	5.91-6.17%
Expected life of option, in years	7	7	7
Expected dividend yield	1.62%	1.50%	1.35%
Expected volatility	.25	.24	.23

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

STOCK APPRECIATION RIGHTS-- The Company may grant stock appreciation rights to employees. A stock appreciation right provides for a payment equal to the excess of the fair market value of a common share when the right is exercised, over its value when the right was granted. There were no stock appreciation rights outstanding during 2001, 2000, and 1999.

Limited stock appreciation rights that become exercisable upon the occurrence of events which involve or may result in a change of control of the Company have been granted with respect to 5,998,000 shares.

RESTRICTED STOCK-- The Company may grant restricted stock to employees. These shares may not be disposed of for a designated period of time defined at the date of grant and are to be returned to the Company if the recipient's employment terminates during the restriction period. As shares are issued, deferred stock-based compensation equivalent to the market value on the date of grant is charged to shareholders' equity and subsequently amortized over the restriction period. Tax benefits arising from the lapse of restrictions on the stock are recognized when realized and credited to capital in excess of stated value. In 2001, there were 11,850 restricted shares granted at a weighted average fair value of $27.60 per share (26,812 and $22.19 in 2000 and 11,888 and $25.58 in 1999). Net amortization was $316,000 in 2001 ($354,000 in 2000 and $225,000 in 1999).

EMPLOYEE STOCK PURCHASE RIGHTS-- The Company may grant stock purchase rights to employees. These rights permit eligible employees to purchase a limited number of common shares at a discount from fair market value. No stock purchase rights were outstanding during 2001, 2000, and 1999.

EMPLOYEE STOCK OWNERSHIP PLAN-- The Company sponsored an Employee Stock Ownership Plan (ESOP) covering all domestic employees. Company contributions were discretionary and funded annually by a combination of cash and shares of the Company's common stock. Allocations to the participants' accounts were made on December 31 on the basis of their compensation for the year. Each participant vested in his account at a rate of 20 percent per year from date of employment. Distribution of a participant's account occurs at retirement, death, or termination of employment.

The ESOP was merged into the Company's domestic retirement plan in fiscal year 2000. ESOP compensation expense was $167,000 in the first two months of 2000, and $1,325,000 in 1999. Contributions to the plan were $1,167,000,and $1,063,000 in 2000, and 1999, respectively. The number of allocated ESOP shares outstanding was 868,000 at October 29, 2000.

SHAREHOLDER RIGHTS PLAN-- In August 1988, the Board of Directors declared a dividend of one common share purchase right for each common share outstanding on September 9, 1988. Rights are also distributed with common shares issued by the Company after that date. The rights may only be exercised if a party acquires 15 percent or more of the Company's common shares. The exercise price of each right is $87.50 per share. The rights trade with the shares until the rights become exercisable, unless the Board of Directors sets an earlier date for the distribution of separate right certificates.

If a party acquires at least 15 percent of the Company's common shares (a "flip-in" event), each right then becomes the right to purchase two common shares of the Company for $.50 per share.

The rights may be redeemed by the Company at a price of $.005 per right at any time prior to a "flip-in" event, or expiration of the rights on October 31, 2007.

SHARES RESERVED FOR FUTURE ISSUANCE-- At October 28, 2001, there were 84,700,000 shares reserved for future issuance through the exercise of outstanding options or rights, including 78,558,000 shares under the shareholder rights plan.

NOTE 13 -- SEVERANCE AND RESTRUCTURING COSTS

Total 2001 severance and restructuring costs were $14.0 million ($9.2 million on an after-tax basis, or $.28 per share). Of this amount, $13.3 million related to workforce reduction actions including reductions of approximately 400 people initiated in 2001. This amount was recorded below selling and administrative expenses in the Consolidated Statement of Income. The remaining amount of $.7 million related to inventory write-offs associated with the combination of certain businesses was included in cost of sales. Of the total amount, $7.6 million is unpaid at October 28, 2001.

During 2000, Nordson recognized non-recurring pre-tax charges of $9.0 million ($5.9 million on an after-tax basis or $.18 per share). Of this amount, $7.5 million was paid in 2000, and the remainder was paid in 2001. The charges consist of severance payments and were recorded below selling and administrative expenses in the Consolidated Statement of Income.

During the fourth quarter of 1999, Nordson recognized non-recurring pre-tax charges of $3.0 million ($2.0 million on an after-tax basis or $.06 per share). The charges consist of severance payments and supplemental pension obligations and were recorded below selling and administrative expenses in the Consolidated Statement of Income.

NOTE 14 -- ACQUISITIONS

Business acquisitions have been accounted for as purchases, with the acquired assets and liabilities recorded at their estimated fair value at the dates of acquisition. The cost in excess of the net assets of the business acquired is included in intangible assets.

On October 30, 2000, the Company completed the acquisition of EFD, Inc., a privately held East Providence, Rhode Island-based manufacturer of precision, low-pressure, industrial dispensing valves and components. The majority of the purchase was financed with short-term credit facilities. Internally generated cash flow of the Company and EFD, Inc. will be used to pay down this debt. The acquisition was accounted for using the purchase method of accounting. EFD, Inc. is now a wholly owned subsidiary of the Company.

The following unaudited pro forma data summarize the results of operations of the Company and EFD, Inc. as if the acquisition had occurred at the beginning of fiscal 2000 and 1999.

	2000	1999
	(In thousands except for per-share information)	
Results of operations:		
Net sales	$801,892	$754,646
Net income	$54,056	$44,757
Basic earnings per share	$1.67	$1.35
Diluted earnings per share	$1.65	$1.34

In January 1999 and March 1999, the Company acquired manufacturers of systems that use gas plasma technology. In July 1999, the Company acquired a manufacturer of cold adhesive application equipment and verification systems, and in September 1999, a manufacturer of ultraviolet curing lamps. Assuming the acquisitions had taken place at the beginning of 1999, pro forma results for 1999 would not be materially different.

The cost of acquisitions amounted to $281,183,000 in 2001 and $29,213,000 in 1999. Operating results of these acquisitions are included in the Consolidated Statement of Income from the respective dates of acquisition.

NOTE 15-- SUPPLEMENTAL INFORMATION FOR THE STATEMENT OF CASH FLOWS

	2001	2000	1999
	(In thousands)		
Cash operating activities:			
Interest paid	$ 26,282	$ 12,010	$ 9,417
Income taxes paid	11,373	27,764	28,501
Noncash investing and financing activities:			
Capitalized lease obligations incurred	$ 4,954	$ 4,179	$ 5,757
Capitalized lease obligations terminated	654	954	1,102
Shares acquired and issued through exercise			

of stock options	4,086	1,660	2,098
Noncash assets and liabilities of businesses acquired:			
Working capital	$ 11,285	$ --	$ 4,901
Property, plant and equipment	6,378	--	1,032
Intangibles and other	262,688	--	21,279
Long-term debt and other liabilities	--	--	(588)
	$280,351	$ --	$ 26,624

NOTE 16-- OPERATING SEGMENTS AND GEOGRAPHIC AREA DATA

The Company conducts business across three primary businesses: adhesive dispensing and nonwoven fiber, coating and finishing, and advanced technology. The composition of segments and measure of segment profitability is consistent with that used by the Company's management. The primary measurement focus is operating profit, which equals sales less operating costs and expenses. Operating profit excludes interest income (expense), investment income (net) and other income (expense). Items below the operating income line in the Consolidated Statement of Income are not presented by segment, since they are excluded from the measure of segment profitability reviewed by the Company's chief operating decision maker. The accounting policies of the segments are generally the same as those described in Note 1, Significant Accounting Policies.

End markets for Nordson products include food and beverage, metal furniture, appliances, electronic components, disposable nonwovens products and automotive components. Nordson sells its products primarily through a direct, geographically dispersed sales force.

No single customer accounted for more than 5.0 percent of the Company's sales in 2001, 2000, or 1999.

The following table presents information about Nordson's reportable segments:

	ADHESIVE DISPENSING AND NONWOVEN FIBER	COATING AND FINISHING	ADVANCED TECHNOLOGY	CORPORATE	TOTAL
			(In thousands)		
YEAR ENDED OCTOBER 28, 2001					
Net external sales	$ 430,614	$ 130,911	$ 169,891	$ --	$ 731,416
Depreciation	10,725	3,507	4,336	6,341	24,909
Operating profit	85,139	4,008	31,417	(61,027)(a)	59,537
Identifiable assets(c)	240,409	77,087	82,009	468,903 (b)	868,408
Expenditures for long-lived assets(d)	14,106	2,427	3,199	3,415	23,147
YEAR ENDED OCTOBER 29, 2000					
Net external sales	$ 463,552	$ 145,943	$ 131,073	$ --	$ 740,568
Depreciation	11,562	4,687	3,596	4,431	24,276
Operating profit	114,075	9,479	20,789	(52,891)(a)	91,452
Identifiable assets(c)	257,671	86,033	68,396	230,931 (b)	643,031
Expenditures for long-lived assets(d)	7,320	2,347	3,109	10,869	23,645
YEAR ENDED OCTOBER 31, 1999					
Net external sales	$ 443,799	$ 152,866	$ 103,800	$ --	$ 700,465
Depreciation	12,542	4,452	3,256	2,007	22,257
Operating profit	95,378	5,580	9,601	(33,574)(a)	76,985
Identifiable assets(c)	250,206	84,491	57,670	230,663 (b)	623,030
Expenditures for long-lived assets(d)	10,045	3,390	4,165	28,044	45,644

(a) Includes $3.0 million of severance payments and supplemental pension obligations in 1999, $9.0 million of severance costs in 2000 and $14.0 million of severance and other restructuring charges in 2001. These charges were not allocated to reportable segments for management reporting purposes.

(b) Corporate assets are principally cash and cash equivalents, domestic deferred income taxes, investments, capital leases, headquarter facilities, the major portion of the Company's domestic enterprise management system and intangible assets.

(c) Includes notes and accounts receivable net of customer advance payments and allowance for doubtful accounts, inventories net of reserves and property, plant and equipment net of accumulated depreciation.

(d) Long-lived assets consist of property, plant and equipment and capital lease assets.

The Company has significant sales and long-lived assets in the following geographic areas:

	2001	2000	1999
	(In thousands)		
Net external sales			
North America(a)	$357,461	$351,098	$328,573
Europe	220,122	231,712	243,463
Japan	74,979	79,443	68,579
Pacific South	78,854	78,315	59,850
Total net external sales	$731,416	$740,568	$700,465
Long-lived assets			
North America(b)	$112,947	$108,311	$106,054
Europe	12,787	10,241	13,281
Japan	4,636	5,392	5,771
Pacific South	2,962	2,966	3,533
Total long-lived assets	$133,332	$126,910	$128,639

(a) Net external sales in the United States for 2001, 2000 and 1999 were $339.5 million, $330.2 million, and $307.7 million, respectively.
(b) Long-lived assets in the United States for 2001, 2000 and 1999 were $112.7 million, $108.2 million, and $105.9 million, respectively.

A reconciliation of total segment operating income to total consolidated income before income taxes is as follows:

	2001	2000	1999
	(In thousands)		
Total profit for reportable segments	$ 59,537	$ 91,452	$ 76,985
Interest expense	(29,489)	(11,665)	(10,244)
Interest and investment income	1,414	984	1,601
Other-net	6,254	2,637	3,096
Consolidated income before income taxes	$ 37,716	$ 83,408	$ 71,438

A reconciliation of total assets for reportable segments to total consolidated assets is as follows:

	2001	2000	1999
	(In thousands)		
Total assets for reportable segments	$ 868,408	$ 643,031	$ 623,030
Plus: customer advance payments	12,992	9,961	4,752
Eliminations	(18,947)	(42,952)	(35,992)
Total consolidated assets	$ 862,453	$ 610,040	$ 591,790

NOTE 17-- QUARTERLY FINANCIAL DATA (UNAUDITED)

QUARTER	FIRST	SECOND	THIRD	FOURTH
	(In thousands except for per-share amounts)			
2001:				
Sales	$ 175,333	$ 192,825	$ 175,333	$ 187,925
Cost of sales	77,313	85,706	83,661	90,449
Net income	7,526	9,007	5,627	2,450
Earnings per share:				
Basic	$ .23	$ .28	$ .17	$ .07
Diluted	.23	.27	.17	.07
Diluted before severance and restructuring costs	.23	.30	.19	.31
2000:				
Sales	$ 152,888	$ 186,647	$ 184,104	$ 216,929

Cost of sales	66,721	84,653	82,299	98,924
Net income	4,768	12,897	14,967	22,000
Earnings per share:				
Basic	$ .15	$ .40	$ .47	$ .68
Diluted	.15	.40	.46	.67
Diluted before severance and restructuring costs	.20	.48	.48	.69

Domestic operations report results using four 13-week quarters. International subsidiaries report results using calendar quarters. The sum of the per-share amounts for the four quarters of 2001 and 2000 do not equal the annual per-share amounts as a result of the timing of treasury stock purchases and the effect of stock options granted by the Company.

During 2001, the Company recognized severance and restructuring pre-tax charges of $.1 million in the first quarter ($.1 million after-tax), $1.3 million in the second-quarter ($.9 million after-tax), $.8 million in the third-quarter ($.5 million after-tax) and $11.8 million in the fourth-quarter ($7.7 million after-tax).

During 2000, the Company recognized severance and restructuring pre-tax charges of $2.8 million in the first-quarter ($1.9 million after- tax), $3.9 million in the second-quarter ($2.6 million after-tax), $1.0 million in the third quarter ($.6 million after-tax) and $1.2 million in the fourth quarter ($.8 million after-tax).

Exhibit 13-g

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of Nordson Corporation

We have audited the accompanying consolidated balance sheet of Nordson Corporation as of October 28, 2001 and October 29, 2000, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended October 28, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nordson Corporation at October 28, 2001 and October 29, 2000, and the consolidated results of its operations and its cash flows for each of the three years in the period ended October 28, 2001 in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Cleveland, Ohio
December 5, 2001

NORDSON CORPORATION

Exhibit 13-h

ELEVEN-YEAR SUMMARY

(In thousands except for per-share amounts)	2001	2000	1999
OPERATING DATA (a)			
Sales	$731,416	740,568	700,465
Cost of sales	$337,129(j)	332,597	318,230
% of sales	46	45	45
Selling and administrative expenses	$321,395	307,559	302,250
% of sales	44	42	43
Operating profit	$59,537(j)	91,452(e)	76,985(e)
% of sales	8	12	11
Income before cumulative effect of accounting changes and non-recurring charges	$33,774(j)	60,501(e)	49,501(e)
% of sales	5	8	7
Net income	$24,610	54,632	47,506
% of sales	3	7	7
FINANCIAL DATA (a)			
Working capital	$6,524	116,230	89,376
Net property, plant and equipment and other non-current assets	$500,276	240,802	250,474
Total invested capital	$506,800	357,032	339,850
Total assets	$862,453	610,040	591,790
Long-term obligations	$243,074	109,809	118,452
Shareholders' equity	$263,726	247,223	221,398
Return on average invested capital-- % (b)	10	20	16
Return on average shareholders' equity-- % (c)	13	27	23
PER-SHARE DATA (a) (f)			
Basic earnings per share:			
Income before cumulative effect of accounting changes and non-recurring charges	$1.03	1.86(e)	1.50(e)
Net income	$.75	1.68	1.44
Diluted earnings per share:			
Income before cumulative effect of accounting changes and non-recurring charges	$1.02	1.85(e)	1.48(e)
Net income	$.74	1.67	1.42
Cash earnings per share (i)	$1.23	1.84	1.60
Dividends per common share	$.56	.52	.48
Book value per common share	$7.96	7.62	6.76
Average common shares	32,727	32,455	33,048
Average common shares and common share equivalents	33,050	32,767	33,484

ELEVEN-YEAR SUMMARY

(In thousands except for per-share amounts)	1998(g)	1997	1996	1995
OPERATING DATA (a)				
Sales	660,900	636,710	609,444	581,444
Cost of sales	303,671(d)	276,425	255,095	245,587
% of sales	46	43	42	42
Selling and administrative expenses	286,120	286,226	270,088	251,913
% of sales	43	45	44	43
Operating profit	45,071(d)	74,059	84,261	83,944
% of sales	7	12	14	14
Income before cumulative effect of accounting changes and non-recurring charges	47,440(d)	49,967	53,071	52,676
% of sales	7	8	9	9
Net income	20,825	49,967	53,071	52,676
% of sales	3	8	9	9
FINANCIAL DATA (a)				
Working capital	121,394	139,152	110,486	130,562
Net property, plant and equipment and other non-current assets	210,468	184,181	192,791	148,769
Total invested capital	331,862	323,333	303,277	279,331

Total assets	538,944	502,996	510,493	434,710
Long-term obligations	117,087	102,788	57,980	48,001
Shareholders' equity	214,775	220,545	245,297	231,330
Return on average invested capital-- % (b)	16	18	20	21
Return on average shareholders' equity-- % (c)	22	22	23	24
PER-SHARE DATA (a) (f)				
Basic earnings per share:				
Income before cumulative effect of accounting changes and non-recurring charges	1.43(d)	1.45	1.49	1.45
Net income	.63	1.45	1.49	1.45
Diluted earnings per share:				
Income before cumulative effect of accounting changes and non-recurring charges	1.42(d)	1.42	1.46	1.42
Net income	.62	1.42	1.46	1.42
Cash earnings per share (i)	.76	1.54	1.55	1.49
Dividends per common share	.44	.40	.36	.32
Book value per common share	6.42	6.55	6.95	6.42
Average common shares	33,084	34,552	35,738	36,438
Average common shares and common share equivalents	33,322	35,106	36,408	37,154

ELEVEN-YEAR SUMMARY

(In thousands except for per-share amounts)	1994	1993(h)	1992	1991
OPERATING DATA (a)				
Sales	506,692	461,557	425,618	387,962
Cost of sales	212,866	191,575	168,437	158,885
% of sales	42	42	40	41
Selling and administrative expenses	219,422	202,608	189,887	170,814
% of sales	43	44	45	44
Operating profit	74,404	67,374	67,294	58,263
% of sales	15	15	16	15
Income before cumulative effect of accounting changes and non-recurring charges	46,654	40,775	39,537	33,787
% of sales	9	9	9	9
Net income	46,654	35,991	39,537	33,787
% of sales	9	8	9	9
FINANCIAL DATA (a)				
Working capital	126,996	125,391	105,138	87,004
Net property, plant and equipment and other non-current assets	130,637	116,298	114,461	103,015
Total invested capital	257,633	241,689	219,599	190,019
Total assets	380,944	357,970	346,297	296,930
Long-term obligations	45,209	45,284	41,879	37,305
Shareholders' equity	212,424	196,405	177,720	152,714
Return on average invested capital-- % (b)	20	19	20	21
Return on average shareholders' equity-- % (c)	24	23	24	25
PER-SHARE DATA (a) (f)				
Basic earnings per share:				
Income before cumulative effect of accounting changes and non-recurring charges	1.25	1.09	1.05	.90
Net income	1.25	.96	1.05	.90
Diluted earnings per share:				
Income before cumulative effect of accounting changes and non-recurring charges	1.22	1.06	1.02	.88
Net income	1.22	.94	1.02	.88
Cash earnings per share (i)	1.28	1.00	1.06	.93
Dividends per common share	.28	.24	.22	.20
Book value per common share	5.77	5.24	4.74	4.07
Average common shares	37,246	37,502	37,656	37,460
Average common shares and common share equivalents	38,134	38,368	38,942	38,186

(a) See accompanying Notes to Consolidated Financial Statements.

(b) Income before cumulative effect of accounting changes and non-recurring charges plus interest on long-term obligations net of income taxes, as a percentage of total assets less current liabilities.

(c) Income before cumulative effect of accounting changes and non-recurring charges, as a percentage of shareholders' equity.

(d) Cost of sales includes non-recurring charges related to inventory valuations of $6.9 million. Operating profit also includes non-recurring charges recorded below selling and administrative expenses and consists of $14.3 million for the portion of the purchase price paid for JM Laboratories, Inc. attributable to in-process research and development; $9.8 million for an early retirement program, involuntary severances and fixed-asset write-downs; and $2.0 million for costs associated with the consolidation of European operations.

(e) 2000 operating profit includes a non-recurring charge of $9.0 million which consists of severance payments. 1999 operating profit includes a non-recurring charge of $3.0 million which consists of severance payments and supplemental pension obligations.

(f) Amounts adjusted for 2-for-1 stock split effective September 12, 2000.

(g) In 1998, the Company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share." Prior years have been restated.

(h) In 1993, the Company adopted Statements of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions"; No. 109, "Accounting for Income Taxes"; and No. 112, "Employers' Accounting for Postemployment Benefits." Prior years have not been restated.

(i) Diluted cash earnings per share consists of net earnings adjusted for goodwill amortization related to business acquisitions.

(j) 2001 includes a non-recurring charge of $14.0 million which consists of severance and other charges of $13.3 million and inventory write-offs of $.7 million which is included in cost of sales.

Exhibit 13-i

NORDSON CORPORATION

SHAREHOLDER INFORMATION

DIVIDEND INFORMATION AND PRICE RANGE PER COMMON SHARES

Following is a summary of dividends paid per common share, the range of market prices, and average price-earnings ratios with respect to common shares, during each quarter of 2001 and 2000. The price-earnings ratios reflect average market prices relative to trailing four-quarter earnings before severance and restructuring costs.

FISCAL QUARTERS	DIVIDEND PAID	COMMON STOCK PRICE HIGH	COMMON STOCK PRICE LOW	PRICE-EARNINGS RATIO
2001:				
First	$.14	$31.81	$24.25	14.9
Second	.14	32.25	22.00	15.9
Third	.14	29.00	24.06	18.8
Fourth	.14	28.77	20.67	24.2
2000:				
First	$.13	$26.00	$20.63	15.9
Second	.13	23.88	18.07	13.4
Third	.13	29.94	20.13	15.3
Fourth	.13	32.99	23.00	15.1

MARKET MAKERS AND RESEARCH FIRMS

The following firms make a market (M) in Nordson Corporation stock and/or provide research data (R) on Nordson Corporation:

Robert W. Baird & Co. Inc. (M) (R)
Credit Suisse First Boston Corp. (M) (R) Herzog, Heine, Geduld, Inc. (M)
Jefferies & Co. Inc. (M)
Knight Securities L.P. (M)
McDonald Investments, Inc. (M) (R)
Merrill Lynch Global Securities (M) (R) Schwab Capital Markets L.P. (M)
Sherwood Securities Corp. (M)
Spear, Leeds & Kellogg (M)
Sun Trust Capital Markets, Inc. (M)
Value Line, Inc. (R)

STOCK LISTING INFORMATION

Nordson stock is traded on The Nasdaq Stock Market's National Market under the symbol NDSN.

TRANSFER AGENT AND REGISTRAR

National City Bank
Corporate Trust Operations
P.O. Box 92301
Cleveland, Ohio 44193-0900
(800)622-6757

ANNUAL SHAREHOLDERS' MEETING

Date: March 7, 2002
Time: 1:30 p.m.
Place: Alpharetta Marriott
5750 Windward Parkway
Alpharetta, Georgia

DIVIDEND REINVESTMENT PROGRAM

Nordson offers a Dividend Reinvestment Program that gives shareholders the opportunity to automatically reinvest dividends in the company's common stock. The program also allows cash contributions in increments of $10 up to $4,000 per quarter to purchase additional Nordson common shares. For details about this program, please contact National City Bank at the location listed above.

DIRECT DEPOSIT OF DIVIDENDS

Nordson also offers shareholders the option of electronically depositing quarterly dividends into a checking or savings account free of charge. For information about this service, please contact National City Bank.

NORDSON ON THE INTERNET

The Nordson Web site - www.nordson.com - offers up-to-date information about the company, including news, quarterly and annual financial results, stock quotes, and in-depth information on the company's products and systems. Each quarter, Nordson also broadcasts its traditional telephone conference calls via the Internet. In addition, visitors to the site can register to receive push e-mail alerts for online notification of the latest financial information.

ADDITIONAL INFORMATION

Copies of Nordson Corporation's Annual Report to the Securities and Exchange Commission (Form 10-K), quarterly reports and proxy statement are available without charge to shareholders. Send written requests to Barbara Price, Manager, Shareholder Relations, Nordson Corporation, 28601 Clemens Road, Westlake, Ohio 44145. Telephone: (440)414-5344; facsimile: (440)892-9507.

Exhibit 21

NORDSON CORPORATION
SUBSIDIARIES OF THE REGISTRANT

The following table sets forth the subsidiaries of the Registrant (each of which is included in the Registrant's consolidated financial statements), and the jurisdiction under the laws of which each subsidiary was organized.

Jurisdiction of Incorporation	Name
INTERNATIONAL:	
Australia	Nordson Australia Pty. Limited
Austria	Nordson GmbH
Belgium	Nordson Benelux S.A./N.V.
Brazil	Nordson do Brasil Industria E.Comercio Ltda.
Canada	Nordson Canada Limited
China	Nordson (China) Co. Ltd.
Colombia	Nordson Andina Limitada
Czech Republic	Nordson CS, spol.s.r.o.
Finland	Nordson Finland Oy
France	Nordson France S.A.
Germany	Nordson Deutschland GmbH (1)
Germany	Nordson Engineering GmbH
Hong Kong	Nordson Application Equipment, Inc.
India	Nordson India Private Limited
Italy	Nordson Italia SpA
Japan	Nordson K.K.
Japan	Nordson Asymtek K.K. (2)
Malaysia	Nordson (Malaysia) Sdn. Bhd.
Mexico	Nordson de Mexico, S.A. de C.V.
The Netherlands	Nordson Benelux B.V.
The Netherlands	Nordson European Distribution B.V.
The Netherlands	Nordson B.V.
Norway	Nordson Norge A/S
Poland	Nordson Polska Sp.z.o.o.
Portugal	Nordson Portugal Equipamento Industrial, Lda.
Russia	Nordson Deutschland GmbH - Representative Office
Singapore	Nordson S.E. Asia (Pte.) Ltd.
South Korea	Nordson Sang San Ltd.
Spain	Nordson Iberica, S.A.
Sweden	Nordson AB
Sweden	Nordson Finishing AB (3)
Switzerland	Nordson (Schweiz) A.G. (4)
Taiwan	Nordson Pacific, Inc. - Representative Office

INTERNATIONAL LOCATIONS (cont.)

Jurisdiction of Incorporation	Name
Thailand	Nordson (Thailand) Limited
United Kingdom	Nordson (U.K.) Limited
United Kingdom	Spectral Technology Group Limited
United Kingdom	Nordson U.V. Limited. (5)
US Virgin Islands	Nordson FSC, Inc.
Venezuela	Nordson International de Venezuela, C.A.

DOMESTIC

California	Asymptotic Technologies, Inc. (6)
California	Slautterback Corporation
California	March Plasma Systems, Inc.
Connecticut	Electrostatic Technology, Inc.
Florida	Advanced Plasma Systems, Inc.
Georgia	J and M Laboratories (8)
New Jersey	Horizon Lamps, Inc.
New Jersey	Veritec Technologies, Inc.
Ohio	Nordson Pacific, Inc.
Ohio	Nordson U.S. Trading Company
Ohio	Nordson U.V. Inc.
Rhode Island	EFD, Inc.

(1) Owned by Nordson Engineering GmbH and Nordson Corporation
(2) Formerly known as Nordson Advanced Systems K.K.
(3) Owned by Nordson AB
(4) Owned by Nordson Benelux S.A./N.V.
(5) Owned by Spectral Technology Group Limited.
(6) Doing business as Asymtek
(7) Formerly known as March Instruments, Inc.
(8) Now doing business as Nordson Dawsonville

Exhibit 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Nordson Corporation of our report dated December 5, 2001, included in the Annual Report to Shareholders of Nordson Corporation for the year ended October 28, 2001.

We also consent to the incorporation by reference in the Registration Statements (Forms S-8) listed below and the related prospectuses of Nordson Corporation of our report dated December 5, 2001, with respect to the consolidated financial statements of Nordson Corporation incorporated by reference in this Annual Report (Form 10-K) for the year ended October 28, 2001:

- Nordson Corporation 1982 Amended and Restated Stock Appreciation Rights Plan (now entitled 1988 Amended and Restated Stock Appreciation Rights Plan) (No. 2-66776)
- Nordson Employees' Savings Trust Plan (No. 33-18309)
- Nordson Corporation 1989 Stock Option Plan (No. 33-32201)
- Nordson Hourly-Rated Employees' Savings Trust Plan (No. 33-33481)
- Nordson Corporation 1993 Long-Term Performance Plan (No. 33-67780)
- Nordson Corporation - Slautterback Corporation 401(k) Profit Sharing Plan (No. 33-73522)

/s/ Ernst & Young LLP

Ernst & Young LLP

Cleveland, Ohio
January 24, 2002

Exhibit 99-a

For the purposes of complying with the amendments to the rules governing Form S-8 (effective July 13, 1990) under the Securities Act of 1933, the undersigned Registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into Registrant's Registration Statements on Form S-8 Nos. 33-32201 (1989 Stock Option Plan); 2-82915 and 33-18279 (1982 Incentive Stock Option Plan); 33-20452 (1988 Employees Stock Purchase Plan); 33-20451 (1988 International Employees Stock Purchase Plan); 33-18309 (Employees Savings Trust Plan); and 33-33481 (Hourly-Rated Employees Savings Trust Plan):

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the _Act_) may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Exhibit 99-b

For the purpose of complying with the amendments to the rules governing Form S-8 under the Securities Act of 1933, the undersigned Registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into Registrant's Registration Statement on Form S-8 No. 2-66776 (1979 Stock Option Plan and 1982 Amended and Restated Stock Appreciation Rights Plan (now entitled 1988 Amended and Restated Stock Appreciation Rights Plan)):

(a) That, for purposes of determining any liability under the Securities Act of 1933 (the _Act_), each post-effective amendment to this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and that the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) To remove from registration by means of a post-effective amendment of any of the securities being registered which remain unsold at the termination of the offering.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the _Act_) may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceedings) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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