Dear Fellow Stockholders,

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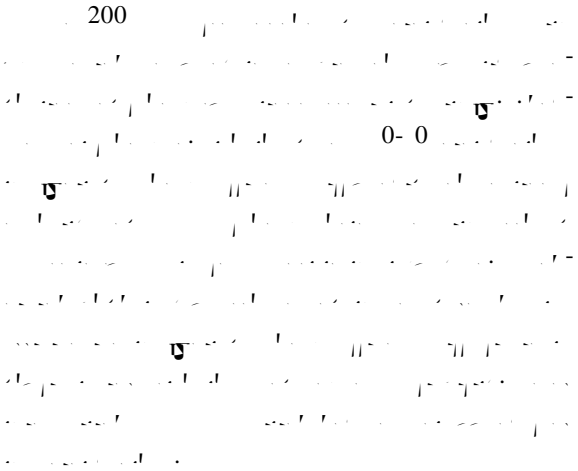
Robert J. Stevens, *Chairman, President and Chief Executive Officer*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Powered by Innovation

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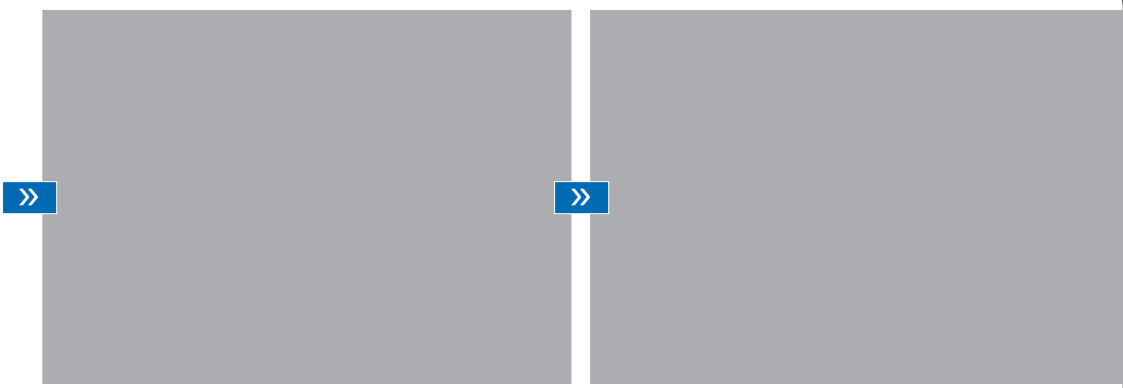

Global Security

» » »

Guided by Integrity

» » »

Lockheed Martin's Business

Financial Section Overview

Qeb cfk^k`f^i pb`qflk fk`irabp qeb cliil t fkd7

Management's discussion and analysis, or MD&A (pages 17 through 40)—molsfabp j^k^db j bkq$p sfb t ^_lrq fkarpqov

dbk`fbp) f j mloq^kq bsbkqp lo qo^kp^`qflkp qe^q e^sb l``rooba

± > obmloq col j Bokpq # Vlrkd I IM) ^k fkabmbkabkq obdfp

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± > obmloq col j Bokpq # Vlrkd I IM) fk`irafkd qebfo lmfkflk

Financial statements (pages 44 through 47)—fk`irab lro `lkplifa^qba pq^qb j bkqp lc b^okfkdp) `^pe cil t p ^ka pql`helia* bop$ bnrfqv clo b^``e lc qeb i^pq qeobb vb^op) ^ka lro _^i^k`b

bpqf j ^qba ql fk`ob^pb col j !51 _fiiflk fk /--4 ql !..5 _fiiflk fk /-..+ Obpb^o`e) Absbilm j bkq) Qbpq ^ka Bkdfkbbofkd %OAQ#B& pmbkafkd t fii ob j ^fk olrdeiv qeb p^ j b arofkd qefp mbofla) o^kdfkd col j !40 _fiiflk fk /--4 ql !42 _fiiflk fk /--6) ab`ifkfkd qebk ql !4. _fiiflk fk /-..+

T efib pr_gb`q ql `e^kdb fk crqrob pmb`fcf` _radbq pr_ j fp* pflkp ^ka ^kkr^i ^mmolmof^qflk _v @lkdobpp) qebpb bpqf j ^qbp `lkqfkrb qeb >a j fkfpqo^qflk$p ilkd pq^qba fkqbkq ql j labokfwb qeb >o j ba Clo`bp t efib molpb`rqfkd qeb t^o lk qboolofp j + Qeb afccbofkd qobkap fk Mol`rob j bkq ^ka OAQ#B _radbqp obcib`q qeb j ^qro^qflk lc moldo^ j p b j bodfkd col j OAQ#B crkafkd

Clo bu^ j mib) ^iqelrde fkab j kfcf`^qflk _v qeb R+P+ Dlsbok j bkq ql `lsbo mlqbkqf^i `i^f j p lo if^_fifqfbp obpriqfkd col j ^ c^firob lc qb`eklildfbp absbilmba ^ka abmilvba j ^v _b ^s^fi^_ib fk pl j b fkpq^k`bp clo lro abcbkpb _rpfkbppbp) R+P+ Dlsbok j bkq fkab j kfcf`^qflk j ^v klq _b ^s^fi^_ib clo el j bi^ka pb`rofqv mromlpbp+ Tefib tb j ^fkq^fk fkpro^k`b clo pl j b _rpfkbpp ofphp) fq fp klq mlppf_ib ql l_q^fk `lsbo^db ql molqb`q ^d^fkpq ^ii lmbo^qflk^i ofphp ^ka if^_fifqfbp+ Tb al mi^k ql pbbh) ^ka fk `boq^fk `^pbp e^sb l_q^fkba) if j fq^qflk lc pr`e mlqbkqf^i if^_fi* fqfbp obi^qba ql qeb p^ib ^ka rpb lc lro el j bi^ka pb`rofqv mola* r`qp ^ka pbosf`bp qeolrde nr^ifcf`^qflk _v qeb Abm^oq j bkq lc El j bi^ka Pb`rofqv rkabo qeb ¦P>CBQV >`q´ molsfpflkp lc qeb El j bi^ka Pb`rofqv >`q lc /--/+ Fk qeb bsbkq tb tbob ql molsfab el j bi^ka pb`rofqv*obi^qba molar`qp ^ka pbosf`bp ql ^ `rpql j bo tfqelrq pr`e nr^ifcf`^qflk) tb tlria klq _b ^ccloaba qeb _bkbcfq lc qeb P>CBQV >`q$p `^m lk qloq if^_fifqv lo R+P+ Dlsbok j bkq fkab j kfcf`^qflk+ Fk ^aafqflk) lro fkclo j ^qflk qb`eklildv molar`qp ^ka pbosf`bp obi^qba ql El j bi^ka Pb`rofqv j ^v o^fpb mlqbkqf^i if^_fifqfbp ^ppl`f^qba tfqe mofs^`v fpprbp clo tef`e kbfqebo fkab j kfcf`^qflk klo P>CBQV >`q `lsbo^db fp ^s^fi^_ib+ Lqebo ofphp rkfnrb ql `fsfi dlsbok j bkq moldo^ j p j ^v fk`irab absbilm j bkq lc `l j mbqfkd molar`qp) qb`eklildf* `^i cb^pf_fifqv ^ka molar`q l_plibp`bk`b+

Tb e^sb `lkqfkrba ql bum^ka lro `^m^_fifqfbp fk `ofqf`^i fkqbiifdbk`b) hkl tibadb j ^k^db j bkq ^ka B*Dlsbok j bkq plirqflkp clo lro `rpql j bop) fk`irafkd qeb Pl`f^i Pb`rofqv >a j fkfpqo^qflk ^ka q k j fk a_ j ŋ k - ¸ Ń ﻛﺠk - ! a

Qeb R+P+ Dlsbok j bkq e^p _bbk ^t^oafkd i^rk`e j fppflkp fk`ob j bkq^iiv ^p fq `lkqfkrbp ql absbilm fqp ^``nrfpfqflk pqo^qbdv clo crqrob k^qflk^i j fppflkp+ Qeb R+P+ Dlsbok j bkq mi^kp ql j ^fkq^fk ^pproba ^``bpp ql pm^`b ql qeb j ^uf j r j buqbkq mlppf_ib ^ka e^p ob`ldkfwba qeb kbba ql crka ^aafqflk^i BBIS fkco^pqor`qrob `lpqp `ob^qba _v qeb tb^hbo*qe^k*lofdfk^iiv*^kqf`fm^qba `l j * j bo`f^i ab j ^ka clo i^rk`e pbosf`bp+ Tb e^a qeobb >qi^p i^rk`ebp fk /--2) fk`irafkd lro cfcqe >qi^p S `l j j bo`f^i i^rk`e+ >p lc vb^o bka /--2) qeb >qi^p c^ j fiv lc i^rk`e sbef* `ibp e^a ^ ob`loa lc 44 `lkpb`rqfsb pr``bppcri i^rk`ebp+ @l j j bo`f^i loabop ^ka mof`bp clo qeb >qi^p S i^rk`e sbef`ib ql a^qb e^sb _bbk il tbo qe^k tb lofdfk^iiv bumb`qba arofkd qeb absbilm j bkq me^pb lc qeb sbef`ib+

Fk /--2) tb bkqboba fkql ^k ^dobb j bkq tfqe ?lbfkd ql `ob^qb ^ glfkq sbkqrob qe^q tlria `l j _fkb qeb molar`qflk) bkdfkbbofkd) qbpq ^ka i^rk`e lmbo^qflkp ^ppl`f^qba tfqe R+P+ Dlsbok j bkq i^rk`ebp lc lro >qi^p i^rk`e sbef`ibp ^ka ?lbfkd$p Abiq^ i^rk`e sbef`ibp+ Qeb glfkq sbkqrob) k^ j ba Rkfqba I^rk`e >iif^k`b) II@ %RI>&) fp pqor`qroba ^p ^ 2-*2- glfkq sbkqrob ^ka tlria _b^``lrkqba clo ^p ^k bnrfqv fksbpq j bkq+ Rkabo qeb qbo j p lc qeb glfkq sbkqrob) >qi^p ^ka Abiq^ bumbka^_ib i^rk`e sbef`ibp tlria `lkqfkrb ql _b ^s^fi^_ib ^p ^iqbok^qfsbp lk fkaf* sfar^i i^rk`e j fppflkp+ Qeb ^dobb j bkq ^ipl pqfmri^qbp qe^q) rmlk `ilpfkd lc qeb qo^kp^`qflk) Il`hebba J^oqfk ^ka ?lbfkd tfii afp j fpp ^ii `i^f j p ^d^fkpq b^`e lqebo fk qeb mbkafkd `fsfi

>p afp`rppba ^_lsb) `l j j bo`f^i p^qbiifqb p^ibp e^sb `lk* qfkrba ql bumbofbk`b mof`fkd mobpprobp arb ql bu`bpp `^m^`fqv+ El t bsbo) fk qeb m^pq q t l vb^op) t b e^sb ob`bfsba pfu `l j j bo* `f^i p^qbiifqb loabop ^ka ^ob fk ^`qfsb afp`rppflkp clo ^aafqflk^i p^qbiifqb loabop+ Fk ^aafqflk ql `l j j bo`f^i ^`qfsfqv) t b ^ipl ob`bfsba kb t loabop clo dlsbok j bkq p^qbiifqbp fk /--1 ^ka /--2) fk`irafkd qelpb rkabo qeb J RLP moldo^ j ^ka `boq^fk `i^ppfcfba ^`qfsfqfbp+

Other Business Considerations

>p ^ dlsbok j bkq `lkqo^`qlo) t b ^ob pr_gb`q ql R+P+ Dlsbok j bkq lsbopfdeq+ Qeb dlsbok j bkq j ^v ^ph ^_lrq ^ka fksbpqfd^qb lro _rpfkbpp mo^`qf`bp ^ka ^rafq lro `l j mif^k`b t fqe ^mmif`^_ib oribp ^ka obdri^qflkp+ Abmbkafkd lk qeb obpriqp lc qelpb ^rafqp ^ka fksbpqfd^qflkp) qeb dlsbok j bkq `lria j ^hb `i^f j p ^d^fkpq rp+ Rkabo dlsbok j bkq mol`rob j bkq obdri^qflkp ^ka mo^`qf`bp) ^k fkaf`q j bkq lc ^ dlsbok j bkq `lkqo^`qlo `lria obpriq fk qe^q `lkqo^`qlo _bfkd cfkba ^ka prpmbkaba col j _bfkd ^_ib ql _fa lk) lo _b ^t ^oaba) kb t dlsbok j bkq `lkqo^`qp clo ^ mbofla lc qf j b+ > `lksf`qflk `lria obpriq fk ab_^o j bkq clo ^ pmb`fcf` mbofla lc qf j b+ Pf j fi^o dlsbok j bkq lsbopfdeq bufpqp fk j lpq lqebo `lrkqofbp t ebob t b `lkar`q _rpfkbpp+ >iqelrde t b `^kklq mobaf`q qeb lrq`l j b lc qebpb qvmbp lc fksbpqfd^qflkp ^ka fknrf* ofbp t fqe `boq^fkqv) _^pba lk `roobkq c^`qp) t b al klq _bifbsb qe^q ^kv lc qeb `i^f j p) ^rafqp lo fksbpqfd^qflkp mbkafkd ^d^fkpq rp ^ob ifhbiv ql e^sb ^ j ^qbof^i ^asbopb bccb`q lk lro _rpfkbpp lo lro obpriqp lc lmbo^qflkp) `^pe cil t p lo cfk^k`f^i mlpfqflk+

Tb ^ob bumlpba ql ofphp ^ppl`f^qba t fqe R+P+ Dlsbok j bkq `lkqo^`qfkd) fk`irafkd qb`eklildf`^i rk`boq^fkqfbp) abmbkabk`b lk cb t bo j ^krc^`qrofkd prmmifbop ^ka l_plibp`bk`b) ^p t bii ^p @lkdobppflk^i ^mmolmof^qflk ^ka ^iilq j bkq lc crkap b^`e vb^o+ J ^kv lc lro moldo^ j p fkslisb qeb absbilm j bkq ^ka ^mmif`^* qflk lc pq^qb*lc*qeb*^oq qb`eklildfbp ^f j ba ^q ^`efbsfkd `e^i* ibkdfkd dl^ip+ >p ^ obpriq) pbq_^`hp) abi^vp) `lpq dol t qe ^ka molar`q c^firobp `^k l``ro+

Tb e^sb bkqboba fkql s^oflj rp`g`lrkq s`Hbp) ¦lkbpk d] f ! Ł l ¸ f & s d) ^ p! ! n

Pbosf`bp `lkqo^`qp mof j ^ofiv fk`irab lmbo^qflkp ^ka j ^fkqb* k^k`b `lkqo^`qp) ^ka lrqplro`fkd*qvmb ^oo^kdb j bkqp+ Obsbkrb rkabo pr`e `lkqo^`qp fp dbkbo^iiv ob`ldkfwba lk ^ pqo^fdeq*ifkb _^pfp lsbo qeb mbofla lc `lkqo^`q mboclo j ^k`b) rkibpp bsfabk`b prddbpqp qe^q qeb obsbkrb fp b^okba lo qeb l_ifd^qflkp ^ob cri* cfiiba fk ^ afccbobkq m^qqbok+ @lpqp fk`rooba rkabo qebpb pbosf`bp `lkqo^`qp ^ob bumbkpba ^p fk`rooba) bu`bmq qe^q fkfqf^i ¦pbq*rm´ `lpqp ^ob `^mfq^ifwba ^ka ob`ldkfwba lsbo qeb ifcb lc qeb ^dobb* j bkq+ Lmbo^qfkd molcfq obi^qba ql pr`e pbosf`bp `lkqo^`qp j ^v cir`qr^qb col j mbofla ql mbofla) m^oqf`ri^oiv fk qeb b^oifbo me^pbp lc qeb `lkqo^`q+ Fk`bkqfsbp ^ka ^t ^oa cbbp obi^qba ql mbo* clo j ^k`b lk pbosf`bp `lkqo^`qp ^ob ob`ldkfwba tebk qebv ^ob cfuba ^ka abqbo j fk^_ib) dbkbo^iiv ^q qeb a^qb lc ^t ^oa+

Other Contract Accounting Considerations

Qeb j ^glofqv lc lro p^ibp ^ob aofsbk _v mof`fkd _^pba lk `lpqp fk`rooba ql molar`b molar`qp lo mboclo j pbosf`bp rkabo `lk* qo^`qp tfqe qeb R+P+ Dlsbok j bkq+ @lpq*_^pba mof`fkd fp abqbo* j fkba rkabo qeb Cbabo^i >`nrfpfqflk Obdri^qflkp %C>O&+ Qeb C>O molsfabp drfa^k`b lk qeb qvmbp lc `lpqp qe^q ^ob ^iil t* ^_ib fk bpq^_ifpefkd mof`bp clo dllap ^ka pbosf`bp rkabo R+P+ Dlsbok j bkq `lkqo^`qp+ Clo bu^ j mib) `lpqp pr`e ^p qelpb obi^qba ql `e^ofq^_ib `lkqof_rqflkp) ^asboqfpfkd) fkqbobpq bumbkpb) ^ka mr_if` obi^qflkp ^ob rk^iil t^_ib) ^ka qebobclob klq ob`lsbo^_ib qeolrde p^ibp+ Fk ^aafqflk) tb j ^v bkqbo fkql ^dobb j bkqp tfqe qeb R+P+ Dlsbok j bkq qe^q ^aaobpp qeb pr_gb`qp lc ^iil t^_fifqv ^ka ^iil`^_fifqv lc `lpqp ql `lkqo^`qp clo pmb`fcf` j ^qqbop+ Clo bu^ j mib) j lpq lc qeb ^ j lrkqp tb pmbka clo dolrka t^qbo qob^q* j bkq ^ka plfi ob j baf^qflk obi^qba ql afp`lkqfkrba lmbo^qflkp ^ka pfqbp lmbo^qba fk moflo vb^op ^ob ^iil`^qba ql lro `roobkq lmbo^qflkp ^p dbkbo^i ^ka ^a j fkfpqo^qfsb `lpqp rkabo ^dobb* j bkqp ob^`eba tfqe qeb R+P+ Dlsbok j bkq+

Tb `ilpbiv j lkfqlo `l j mif^k`b tfqe ^ka qeb `lkpfpqbkq ^mmif`^qflk lc lro `ofqf`^i ^``lrkqfkd mlif`fbp obi^qba ql `lk* qo^`q ^``lrkqfkd+ ?rpfkbpp pbd j bkq mboplkkbi ^ppbpp qeb pq^qrp lc `lkqo^`qp qeolrde mboflaf` `lkqo^`q pq^qrp ^ka mboclo j ^k`b obsfb tp+ >ipl) obdri^o ^ka ob`roofkd bs^ir^qflkp lc `lkqo^`q `lpq) p`ebarifkd ^ka qb`ekf`^i j ^qqbop ^ob mboclo j ba _v j ^k* ^db j bkq mboplkkbi fkabmbkabkq col j qeb _rpfkbpp pbd j bkq mboclo j fkd tloh rkabo qeb `lkqo^`q+ @lpqp fk`rooba ^ka ^iil* `^qba ql `lkqo^`qp tfqe qeb R+P+ Dlsbok j bkq ^ob obsfb tba clo `l j mif^k`b tfqe obdri^qlov pq^ka^oap _v lro mboplkkbi) ^ka ^ob pr_gb`q ql ^rafq _v qeb Abcbkpb @lkqo^`q >rafq >dbk`v+ Clo lqebo fkclo j ^qflk lk ^``lrkqfkd mlif`fbp tb e^sb fk mi^`b clo ob`ldkfwfkd p^ibp ^ka molcfqp) pbb lro afp`rppflk rkabo ¦P^ibp ^ka b^okfkdp´ fk Klqb . ql qeb cfk^k`f^i pq^qb j bkqp+

Postretirement Benefit Plans

J lpq b j milvbbp ^ob `lsboba _v abcfkba _bkbcfq mbkpflk mi^kp %mbkpflk mi^kp&) ^ka tb molsfab eb^iqe `^ob ^ka ifcb fkpro^k`b _bkbcfqp ql bifdf_ib obqfobbp+ Lro b^okfkdp j ^v _b kbd^qfsbiv lo mlpfqfsbiv f j m^`qba _v qeb ^ j lrkq lc bumbkpb lo fk`l j b tb ob`loa clo lro b j milvbb _bkbcfq mi^kp+ Qefp fp m^oqf`ri^oiv qorb tfqe bumbkpb lo fk`l j b clo mbkpflk mi^kp _b`^rpb qelpb `^i`r* i^qflkp ^ob pbkpfqfsb ql `e^kdbp fk pbsbo^i hbv b`lkl j f` ^ppr j mqflkp ^ka tlohclo`b ab j ldo^mef`p+ Bccb`qfsb G^kr^ov .) /--3) kbt klk*rkflk obmobpbkqba b j milvbbp qe^q tb efob ^ob klq _bfkd `lsboba _v abcfkba _bkbcfq mbkpflk mi^kp) _rq ^ob bifdf_ib ql m^oqf`fm^qb fk abcfkba `lkqof_rqflk mi^kp+ Tb `ro* obkqiv mi^k ql lccbo qelpb b j milvbbp qeb ^_fifqv ql m^oqf`fm^qb fk lro obqfobb j baf`^i mi^kp) _rq tfii klq pr_pfafwb qeb `lpq lc qebfo m^oqf`fm^qflk bccb`qfsb G^kr^ov .) /--3+

Tb ^``lrkq clo lro mbkpflk mi^kp rpfkd Pq^qb j bkq lc Cfk^k`f^i >``lrkqfkd Pq^ka^oap %C>P& 54) *Employers' Accounting for Pensions*+ Qelpb oribp obnrfob qe^q qeb ^ j lrkqp tb ob`loa) fk`irafkd qeb bumbkpb lo fk`l j b clo qeb mi^kp) _b `l j mrqba rpfkd ^`qr^of^i s^ir^qflkp+ Qebpb s^ir^qflkp fk`irab j ^kv ^ppr j mqflkp) fk`irafkd ^ppr j mqflkp tb j ^hb obi^qfkd ql cfk^k`f^i j ^ohbq ^ka lqebo b`lkl j f` `lkafqflkp+ @e^kdbp fk hbv b`lkl j f` fkaf`^qlop `^k obpriq fk `e^kdbp fk qeb ^ppr j m

bccb`qp lc qeb ^`qr^i obqrok lk mi^k ^ppbqp lsbo qeb m^pq cb t
vb^op) obpriqba fk lro molgb`qfkd qe^q qeb ^ j lrkq lc mbkpflk
bumbkpb clo /--3 t fii ab`ob^pb _v ^mmoluf j ^qbiv .2 " ql /- "
^p `l j m^oba ql /--2 bumbkpb+ Qeb mof j ^ov aofsbop lc qefp mol*
gb`qba ab`ob^pb t bob qeb `e^kdb fk qeb o^qb lc crqrob `l j mbk*
p^qflk fk`ob^pbp ^p t bii ^p qeb dol t qe fk mi^k ^ppbqp lsbo qeb
m^pq vb^o) fk`irafkd `lkqof_rqflkp t b j ^ab ql qeb mbkpflk qorpq+
Qeb ab`ob^pb lc 2- _^pfp mlfkqp fk qeb `l j mbkp^qflk o^qb
ab`ob^pba qeb bpqf j ^qba /--3 bumbkpb _v ^mmoluf j ^qbiv !.--
j fiiflk+ Fk ^aafqflk) qeb efdebo ^ppbq _^pb ^q qeb _bdfkkfkd lc
/--3 aolsb ^ efdebo bumb`qba obqrok lk ^ppbqp clo /--3) t ef`e
t ^p qeb j ^fk `l j mlkbkq lc qeb ob j ^fkfkd ab`ob^pb fk qeb
bumbkpb+ Qefp ab`ob^pb t ^p m^oqf^iiv lccpbq _v ^k fmi^k ^p ɥ k Ş bḳ ɥ ^ ᴮ F qe ɥ i! d̯ Ş ق _^ פ q o א qeb ` p
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cil t p clo ^ cb t vb^op _bdfkkfkd fk /--4+ >_pbkq lqebo `e^kdbp) qeb pr_pbnrbkq ^kkr^i crkafkd obnrfob j bkqp t l ria _b bumb`qba ql ab`ifkb fk ob`ldkfqflk lc qeb ^``bibo^qba `lkqof_rqflkp+

Environmental Matters

Tb ^ob ^ m^oqv ql s^oflrp ^dobb j bkqp) mol`bbafkdp ^ka mlqbk* qf^i mol`bbafkdp clo bksfolk j bkq^i `ib^krm fpprbp) fk`irafkd j ^qqbop ^q s^oflrp pfqbp tebob tb e^sb _bbk abpfdk^qba ^ mlqbkqf^iiv obpmlkpf_ib m^oqv %MOM& _v qeb BM> lo _v ^ pq^qb ^dbk`v+ Tb ob`loa cfk^k`f^i pq^qb j bkq ^``or^ip clo bksfolk* j bkq^i j ^qqbop fk qeb mbofla qe^q fq _b`l j bp mol_^_ib qe^q ^ if^_fifqv e^p _bbk fk`rooba ^ka qeb ^ j lrkqp `^k _b ob^plk^_iv bpqf j ^qba %pbb qeb afp`rppflk rkabo ¦Bksfolk j bkq^i j ^qqbop´ fk Klqb . ql qeb cfk^k`f^i pq^qb j bkqp&+ Grad j bkq fp obnrfoba tebk tb absbilm ^ppr j mqflkp ^ka bpqf j ^qb `lpqp bumb`qba ql _b fk`rooba clo bksfolk j bkq^i ob j baf^qflk ^`qfsfqfbp arb ql) ^ilkd tfqe lqebo c^``qlop) afccf`riqfbp fk ^ppbppfkd qeb buqbkq lc bksfolk j bkq^i ob j baf^qflk ql _b mboclo j ba) `l j mibu bksfolk* j bkq^i obdri^qflkp ^ka ob j baf^qflk qb`eklildfbp) `lpq ^iil t* ^_fifqv fpprbp ^ka ^dobb j bkqp _bq t bbk MOMp ql pe^ob fk qeb `lpq lc ob j baf^qflk ^p afp`rppba _bil t+

Tb bkqbo fkql ^dobb j bkqp %*e.g.*) ^a j fkfpqo^qfsb loabop) `lkpbkq ab`obbp& tef`e al`r j bkq qeb buqbkq ^ka qf j fkd lc lro l_ifd^qflk+ Tb ^ob ^ipl fkslisba fk ob j baf^qflk ^`qfsfqfbp ^q bksfolk j bkq^i pfqbp tebob clo j ^i ^dobb j bkqp bufpq _rq al klq nr^kqfcv qeb buqbkq ^ka qf j fkd lc lro l_ifd^qflk+ Bksfolk j bkq^i `ib^krm ^`qfsfqfbp rpr^iiv `lsbo pbsbo^i vb^op) tef`e j ^hbp bpqf j ^qfkd qeb `lpqp j lob grad j bkq^i arb ql) clo bu^ j mib) `e^kdfkd ob j baf^qflk qb`eklildfbp+ Ql abqbo j fkb qeb `lpqp obi^qba ql `ib^krm pfqbp) tb e^sb ql ^ppbpp qeb buqbkq lc `lk* q^ j fk^qflk) qeb ^mmolmof^qb qb`eklildv ql _b rpba ql ^``l j* mifpe qeb ob j baf^qflk ^ka `lkqfkr^iiv bslisfkd obdri^qlov bksfolk j bkq^i pq^ka^oap+ Tb `lkpfabo qebpb c^``qlop fk lro bpqf j ^qbp lc qeb qf j fkd ^ka ^ j lrkq lc ^kv crqrob `lpqp qe^q j ^v _b obnrfoba clo ob j baf^qflk ^`qflkp+ Fk `^pbp tebob ^ a^qb ql `l j mibqb ^`qfsfqfbp ^q ^ m^oqf`ri^o bksfolk j bkq^i pfqb `^kklq _b bpqf j ^qba _v obcbobk`b ql ^dobb j bkqp lo lqebo t fpb) tb molg* b`q `lpqp lsbo ^k ^mmolmof^qb qf j b co^ j b klq ql bu`bba /- vb^op+ Dfsbk qeb ibsbi lc grad j bkq ^ka bpqf j ^qflk tef`e e^p ql l``ro) fq fp ifhbiv qe^q j ^qbof^iiv afccbobkq ^ j lrkqp `lria _b ob`loaba fc afccbobkq ^ppr j mqflkp tbob rpba lo fc `fo`r j pq^k`bp tbob ql `e^kdb %*e.g.*) ^ `e^kdb fk bksfolk j bkq^i pq^ka^oap&+

Fc tb ^ob riqf j ^qbiv clrka ql e^sb if^_fifqv ^q qelpb pfqbp tebob tb e^sb _bbk abpfdk^qba ^ MOM) tb bumb`q qe^q qeb ^`qr^i `lpqp lc ob j baf^qflk tfii _b pe^oba tfqe lqebo if^_ib MOMp+ Dbkbo^iiv) MOMp qe^q ^ob riqf j ^qbiv abqbo j fkba ql _b obpmlkpf* _ib m^oqfbp ^ob pqof`qiv if^_ib clo pfqb `ib^krm ^ka rpr^iiv ^dobb ^ j lkd qeb j pbisbp ql pe^ob) lk ^k ^iil`^qba _^pfp) qeb `lpqp ^ka bumbkpbp clo fksbpqfd^qflk ^ka ob j baf^qflk lc e^w^oalrp j ^qb* of^ip+ Rkabo bufpqfkd bksfolk j bkq^i i^tp) obpmlkpf_ib m^oqfbp ^ob glfkqiv ^ka pbsbo^iiv if^_ib ^ka) qebobclob) tb ^ob mlqbkqf^iiv if^_ib clo qeb crii `lpq lc crkafkd pr`e ob j baf^qflk+ Fk qeb rkifhbiv bsbkq qe^q tb tbob obnrfoba ql crka qeb bkqfob `lpq lc pr`e ob j baf^qflk) qeb pq^qrqlov co^ j b t loh molsfabp qe^q tb j ^v mroprb ofdeqp lc `lkqof_rqflk col j qeb lqebo MOMp+ Qeb ^ j lrkqp tb ob`loa al klq obcib`q qeb c^`q qe^q tb j ^v ob`lsbo pl j b lc qeb bksfolk j bkq^i `lpqp tb e^sb fk`rooba qeolrde fkpro^k`b lo col j lqebo MOMp) tef`e tb ^ob obnrfoba ql mroprb _v ^dobb j bkq ^ka R+P+ Dlsbok j bkq obdri^qflk+

Rkabo ^dobb j bkqp ob^`eba tfqe qeb R+P+ Dlsbok j bkq) pl j b lc qeb ^ j lrkqp tb pmbka clo dolrka t^qbo qob^q j bkq ^ka plfi ob j baf^qflk ^ob ^iil`^qba ql lro lmbo^qflkp ^p dbkbo^i ^ka ^a j fkfpqo^qfsb `lpqp+ Rkabo bufpqfkd dlsbok j bkq obdri^qflkp) qebpb ^ka lqebo bksfolk j bkq^i bumbkafqrobp obi^qfkd ql lro R+P+ Dlsbok j bkq _rpfkbpp) ^cqbo abar`qfkd ^kv ob`lsbofbp ob`bfsba col j fkpro^k`b lo lqebo MOMp) ^ob ^iil t^_ib fk bpq^_* ifpefkd mof`bp lc lro molar`qp ^ka pbosf`bp+ >p ^ obpriq) ^ pr_* pq^kqf^i ^ j lrkq lc qeb bumbkafqrobp tb fk`ro ^ob _bfkd fk`iraba fk lro p^ibp ^ka `lpq lc p^ibp ^``loafkd ql R+P+ Dlsbok j bkq ^dobb j bkq lo obdri^qflk+

>q qeb bka lc /--2) qeb qlq^i ^ j lrkq lc if^_fifqfbp ob`loaba lk lro _^i^k`b pebbq clo bksfolk j bkq^i j ^qqbop t^p !131 j fi* iflk+ >_lrq 3-" lc qeb if^_fifqv obi^qbp ql pfqbp fk Obai^kap) ?ro_^kh ^ka Dibka^ib) @^ifclokf^) ^ka fk Dob^q Kb`h) Kb t Vloh) j ^fkiv clo ob j baf^qflk lc plfi ^ka dolrka t^qbo `lkq^ j* fk^qflk+ Qeb ob j ^fkabo lc qeb if^_fifqv obi^qbp ql lqebo molmbo* qfbp %fk`irafkd `roobkq lmbo^qfkd c^`fifqfbp ^ka `boq^fk c^`fifqfbp lmbo^qba fk moflo vb^op& clo tef`e lro l_ifd^qflk fp mol_^_ib ^ka qeb cfk^k`f^i bumlprob `^k _b bpqf j ^qba+ Tb e^sb ob`loaba ^ppbqp qlq^ifkd !020 j fiiflk ^q Ab`b j _bo 0.) /--2 clo qeb mlo* qflk lc bksfolk j bkq^i _ / ң

^ ^ka M" ת ת a" -ķ ֿ kq `

ACQUISITION AND DIVESTITURE ACTIVITIES

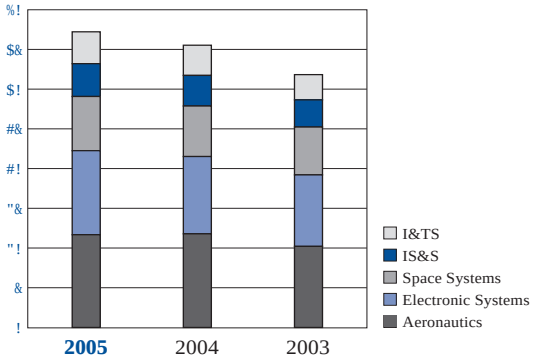
Tb `lkqfkrlrpiv pqofsb ql pqobkdqebk lro mloqclifl lc molar`qp ^ka pbosf`bp ql j bbq qeb `roobkq ^ka crqrob kbbap lc lro `rp* ql j bop+ Tb ^``l j mifpe qefp klq lkiv fkqbok^iiv) qeolrde lro

Fk Klsb j _bo /--1) ^ mofs^qb bnrfqv cfo j mro`e^pba qeb lrqpq^kafkd pe^obp lc Kbt Phfbp P^qbiifqbp) K+S+ %Kbt Phfbp&+ Tb plia lro pe^obp clo !.15 j fiiflk+ Qeb qo^kp^`qflk obpriqba fk qeb ob`loafkd lc ^ d^fk) kbq lc pq^qb fk`l j b q^ubp) lc !6. j fiiflk fk lqebo fk`l j b ^ka bumbkpbp) ^ka ^k fk`ob^pb fk kbq b^okfkdp lc !26 j fiiflk %! -+.0 mbo pe^ob&+ Qeb `^oovfkd s^irb lc lro fksbpq j bkq fk Kbt Phfbp t^p j ^ohba ql j ^ohbq qeolrde lqebo `l j mobebkpfsb fk`l j b moflo ql qeb p^ib+

RESULTS OF OPERATIONS

Pfk`b lro lmbo^qfkd `v`ib fp ilkd*qbo j ^ka fkslisbp j ^kv qvmbp lc absbilm j bkq ^ka molar`qflk `lkqo^`qp tfqe s^ovfkd molar`* qflk abifsbov p`ebaribp) qeb obpriqp lc lmbo^qflkp lc ^ m^oqf`ri^o vb^o) lo vb^o*ql*vb^o `l j m^ofplkp lc ob`loaba p^ibp ^ka molcfqp) j ^v klq _b fkaf`^qfsb lc crqrob lmbo^qfkd obpriqp+ Qeb cliil t fkd afp`rppflkp lc `l j m^o^qfsb obpriqp ^ j lkd mboflap pelria _b sfbtba fk qefp `lkqbuq+ >ii mbo pe^ob ^ j lrkqp `fqba fk qefp afp* `rppflk ^ob mobpbkqba lk ^ ¦mbo afirqba pe^ob´ _^pfp+

) 1< , -61;
(In billions)



klq fk`irab rkbubo`fpba lmqflkp lo q^ph loabop ql _b fpprba rkabo fkabcfkfqb*abifsbov,fkabcfkfqb*nr^kqfqv %FAFN& `lk* qo^`qp+ Crkaba _^`hild t^p ^mmoluf j ^qbiv !02 _fiiflk ^q Ab`b j _bo 0.) /--2+

Qeb >bolk^rqf`p pbd j bkq dbkbo^iiv fk`irabp cb t bo mol* do^ j p qe^q e^sb j r`e i^odbo p^ibp ^ka lmbo^qfkd obpriqp qe^k moldo^ j p fk`iraba fk qeb lqebo pbd j bkqp+ Qebobclob) arb ql qeb i^odb kr j _bo lc `l j m^o^qfsbiv p j ^iibo moldo^ j p fk qeb ob j ^fk* fkd pbd j bkqp) qeb afp`rppflkp lc qeb obpriqp lc lmbo^qflkp lc qebpb _rpfkbpp pbd j bkqp dbkbo^iiv cl`rp lk ifkbp lc _rpfkbpp t fqefk qeb pbd j bkqp o^qebo qe^k lk pmb`fcf` moldo^ j p+ Qeb cli* il t fkd q^_ibp lc cfk^k`f^i fkclo j ^qflk ^ka obi^qba afp`rppflkp lc qeb obpriqp lc lmbo^qflkp lc lro _rpfkbpp pbd j bkqp ^ob `lk* pfpqbkq t fqe qeb mobpbkq^qflk lc pbd j bkq fkclo j ^qflk fk Klqb .3 ql qeb cfk^k`f^i pq^qb j bkqp+

Kbq p^ibp clo >bolk^rqf`p ab`ob^pba _v !..0 j fiiflk) lo .") fk /--2 `l j m^oba ql /--1+ Qeb ab`ob^pb t^p j ^fkiv arb ql ^kqf`fm^qba ab`ifkbp fk @l j _^q >fo`o^cq) t ef`e t bob m^o* qf^iiv lccpbq _v dol t qe fk >fo J l_fifqv+ @l j _^q >fo`o^cq p^ibp ab`ob^pba _v !15- j fiiflk clo qeb vb מ ף

Aeronautics

>bolk^rqf`p$ lmbo^qfkd obpriqp fk`iraba qeb cliil t fkd7

(In millions)	**2005**	/--1	/--0
Kbq p^ibp	**$11,672**	!..)452	!.-)/-3
Lmbo^qfkd molcfq	**994**	566	36-
?^`hild ^q vb^o*bka	**29,580**	0-)156	04)25-

Electronic Systems

Bib`qolkf` Pvpqb j p$ lmbo^qfkd obpriqp fk`iraba qeb cliil t fkd7

(In millions)	**2005**	/--1	/--0
Kbq p^ibp	**$10,580**	! 6)4/6	! 5)663
Lmbo^qfkd molcfq	**1,113**	636	525
?^`hild ^q vb^o*bka	**19,932**	.5)/06	.4)006

Kbq p^ibp clo Bib`qolkf` Pvpqb j p fk`ob^pba 6" fk /--2 ^p `l j m^oba ql /--1+ Efdebo slir j b fk q^`qf`^i ^ka proc^`b pvp* qb j p moldo^ j p `lkqof_rqba ql fk`ob^pba p^ibp lc !162 j fiiflk ^q J^ofqf j b Pvpqb j p # Pbkplop %J P/&+ Mi^qclo j ) Qo^fkfkd # Qo^kpmloq^qflk Plirqflkp %MQ#QP& p^ibp fk`ob^pba !0.- j fi* iflk mof j ^ofiv arb ql mi^qclo j fkqbdo^qflk ^`qfsfqfbp+ >fo abcbkpb ^ka cfob `lkqoli moldo^ j p `lkqof_rqba ql fk`ob^pba p^ibp lc !1- j fiiflk ^q J fppfibp # Cfob @lkqoli %J #C@&+

Kbq p^ibp clo Bib`qolkf` Pvpqb j p fk`ob^pba 5" fk /--1 ^p `l j m^oba ql /--0+ Qeb fk`ob^pb fk p^ibp t^p arb ql efdebo slir j b fk J P/ ^ka J #C@+ Efdebo slir j b lk proc^`b pvpqb j p moldo^ j p ^``lrkqba clo j lpq lc J P/$p p^ibp dol t qe lc !12- j fiiflk+ J #C@$p p^ibp fk`ob^pba !/32 j fiiflk) mof j ^ofiv arb ql efdebo slir j b lk cfob `lkqoli ^ka q^`qf`^i j fppfib moldo^ j p+

Lmbo^qfkd molcfq clo qeb pbd j bkq fk`ob^pba _v .2" fk /--2 `l j m^oba ql /--1+ Lmbo^qfkd molcfq fk`ob^pba _v - ı ṁap ṁB ] q^ p d `ɾ⁀ ` b^v ` !kk] p

Unallocated Corporate (Expense) Income, Net

Qeb cliil t fkd q^_ib pe l t p qeb `l j mlkbkqp lc kbq rk^iil`^qba @lomlo^qb %bumbkpb& fk`l j b+

Qeb fk`ob^pb fk qeb ¦Lqebo) kbq´ `l j mlkbkq lc rk^iil`^qba @lomlo^qb %bumbkpb& fk`l j b) kbq lc !51 j fiiflk col j /--1 ql /--2 t^p mof j ^ofiv arb ql efdebo fkqbobpq fk`l j b arb ql ^ i^odbo fksbpqba `^pe _^i^k`b ^ka efdebo fkqbobpq o^qbp fk /--2+ Qeb ab`ob^pb lc !5. j fiiflk col j /--0 ql /--1 t^p mof j ^ofiv arb ql il t bo b^okfkdp lk lro bnrfqv fksbpq j bkqp fk /--1+

LIQUIDITY AND CASH FLOWS

Tb e^sb ^ _^i^k`ba `^pe abmilv j bkq ^ka afp`fmifkba dol t qe pqo^qbdv ql bke^k`b lro _rpfkbppbp) fk`ob^pb pe^obeliabo s^irb ^ka mlpfqflk lropbisbp ql q^hb ^as^kq^db lc kb t _rpfkbpp

® ɔ] ƙ " fk Ξ ! rpe km ц k A `Ƶ " kf! @ ƙ ® ɔ mvkя 1 " a >o

Financing Activities

Issuance and repayment of long-term debt—@^pe molsfaba col j lmbo^qflkp e^p _bbk lro mofk`fm^i plro`b lc crkap ql obar`b lro ilkd*qbo j ab_q+ Fk /--2) tb rpba !.00 j fiiflk lc `^pe clo qeb b^oiv obqfob j bkq ^ka p`ebariba obm^v j bkq lc ilkd* qbo j ab_q+ Fk /--1) tb rpba !.+. _fiiflk lc `^pe clo qeb b^oiv obqfob j bkq ^ka p`ebariba obm^v j bkq lc ilkd*qbo j ab_q+ Lc qe^q ^ j lrkq) !62. j fiiflk obi^qba ql qeb b^oiv obqfob j bkq lc ab_q qeolrde qbkabo lccbop clo tef`e tb fk`rooba !.30 j fiiflk lc ^ppl`f^qba `lpqp+ Fk /--0) tb fpprba !.+- _fiiflk lc cil^qfkd o^qb `lksboqf_ib pbkflo ab_bkqrobp qe^q _b^o fkqbobpq ^q qeobb* j lkqe IF?LO ibpp /2 _^pfp mlfkqp) obpbq nr^oqboiv+ Tb rpba qeb mol`bbap lc qe^q fppr^k`b) ^ilkd tfqe `^pe col j lmbo^qflkp) ql obm^v !/+/ _fiiflk lc ab_q fk ^as^k`b lc fqp j ^qrofqv ^ka obqfob lqebo efde `lpq ab_q+ Tb rpba !.42 j fiiflk lc `^pe clo ab_q fppr^k`b ^ka obm^v j bkq `lpqp ql `l j mibqb qelpb qo^kp^`qflkp fk /--0+

Share repurchases and dividends—Tb ^ipl rpba `^pe fk b^`e lc qeb i^pq qeobb vb^op clo `l j j lk pe^ob obmro`e^pb ^`qfsfqv ^p cliil tp7 !.)/// j fiiflk clo .6+4 j fiiflk `l j j lk pe^obp fk /--2) lc tef`e !.)/.. j fiiflk clo .6+2 j fiiflk lc qelpb `l j * j lk pe^obp) ^p tbii ^p !66 j fiiflk clo .+5 j fiiflk `l j j lk pe^obp mro`e^pba fk /--1) t^p pbqqiba arofkd qeb vb^o8 !44/ j fiiflk clo .1+4 j fiiflk `l j j lk pe^obp fk /--1) lc tef`e !340 j fiiflk clo ./+6 j fiiflk `l j j lk pe^obp t^p pbqqiba arofkd qeb vb^o8 ^ka !15/ j fiiflk fk /--0 clo .-+4 j fiiflk `l j j lk pe^obp+ Qebpb mro`e^pbp tbob j ^ab rkabo ^ pe^ob obmro`e^pb moldo^ j fk mi^`b clo qeb obmro`e^pb lc rm ql 55 j fiiflk pe^obp lc lro `l j j lk pql`h col j qf j b*ql*qf j b ^q j ^k^db j bkq$p afp* `obqflk) fk`irafkd 12 j fiiflk pe^obp qe^q tbob ^rqelofwba clo obmro`e^pb rkabo qeb moldo^ j fk Pbmqb j _bo /--2+ >p lc Ab`b j _bo 0.) /--2) tb e^a obmro`e^pba ^ qlq^i lc 13+. j fiiflk pe^obp rkabo qeb moldo^ j ) ^ka qebob ob j ^fkba ^mmoluf j ^qbiv 1.+6 j fiiflk pe^obp qe^q j ^v _b obmro`e^pba fk qeb crqrob+

Qeb m^v j bkq lc afsfabkap lk lro `l j j lk pe^obp fp lkb lc qeb hbv `l j mlkbkqp lc lro _^i^k`ba `^pe abmilv j bkq pqo^qbdv+

Pe^obeliabop tbob m^fa `` qib ℵ e + ob `bM ! я `b ab Z ap Ǝ ꝑ `b

P d̯ -2) aa я fiiflk в

P Ǝ` `ob` ɔ ba ro

P'Ω^γ ` ʌ p"

P Ƶ Ṗ l ! reb Ɉpqred-b!

P 'I eb Ȯ^p v o ц ô bo Ȯ ! b--2

P ŋ̇ ƙ ʌ e ц ob

P ẃ l' ӟ œ ! ʌ e ц ob

P ẃ` ↑

P' ˛ ˥ e ŋ̇ o6 Б Ɨ O la ă ц ∑ pb ʌ ӟ " e Î ! a ă ı

P Ц c!

CONTRACTUAL COMMITMENTS AND OFF-BALANCE SHEET ARRANGEMENTS

>q Ab`b j _bo 0.) /--2) t b e^a `lkqo^`qr^i `l j j fq j bkqp ql obm^v ab_q) j ^hb m^v j bkqp rkabo lmbo^qfkd ib^pbp) pbqqib l_if* d^qflkp obi^qba ql ^dobb j bkqp ql mro`e^pb dl l ap ^ka pbosf`bp) ^ka pbqqib lqebo ilkd*qbo j if^_fifqfbp+ @^mfq^i ib^pb l_ifd^qflkp t bob kbdifdf_ib+ M^v j bkqp arb rkabo qebpb ilkd*qbo j l_ifd^* qflkp ^ka `l j j fq j bkqp ^ob ^p cliil t p7

cfsb vb^op+ Qeb ^ j lrkqp riqf j ^qbiv ^mmifba ^d^fkpq lro lccpbq ^dobb j bkqp ^ob _^pba lk kbdlqf^qflkp t fqe qeb `rpql j bo ^ka dbkbo^iiv obnrfob `^pe lrqi^vp qe^q obmobpbkq lkiv ^ co^`qflk lc qeb lofdfk^i ^ j lrkq fk qeb lccpbq ^dobb j bkq+ >q Ab`b j _bo 0.) /--2) t b e^a lrqpq^kafkd lccpbq ^dobb j bkqp qlq^ifkd !5+1 _fi* iflk) mof j ^ofiv obi^qba ql lro >bolk^rqf`p pbd j bkq) qe^q buqbka qeolrde /-.2+ Ql qeb buqbkq t b e^sb bkqboba fkql mro`e^pb l_ifd^qflkp ^q Ab`b j _bo 0.) /--2 qe^q ^ipl p^qfpcv lccpbq ^dobb* j bkqp) qelpb ^ j lrkqp ^ob fk`iraba fk qeb mob`bafkd q^_ib+

Tb e^sb bkqboba fkql pq^ka_v ibqqbo lc `obafq ^dobb j bkqp ^ka lqebo ^oo^kdb j bkqp t fqe cfk^k`f^i fkpqfqrqflkp ^ka `rpql j * bop j ^fkiv obi^qfkd ql ^as^k`bp ob`bfsba col j `rpql j bop ^ka,lo qeb dr^o^kqbb lc crqrob mboclo j ^k`b lk pl j b lc lro `lkqo^`qp+ >q Ab`b j _bo 0.) /--2) t b e^a lrqpq^kafkd ibqqbop lc `obafq) probqv _lkap ^ka dr^o^kqbbp) ^p cliil t p7

	@l j j fq j bkq Bumfo^qflk ?v Mbofla				
		Ibpp			>cqbo
	Qlq^i	Qe^k	.¬0	0¬2	2
(In millions)	@l j j fq j bkq	. Vb^o%^&	Vb^op%^&	Vb^op	Vb^op
Pq^ka_v ibqqbop					
lc `obafq	!/)30-	!/)1/2	!.4.	!.5	!.3
Probqv _lkap	101	46	02/	0	Æ
Dr^o^kqbbp	/	.	.	Æ	Æ
Qlq^i `l j j fq j bkqp	!0)-33	!/)2-2	!2/1	!/.	!.3

(a) Approximately $2,262 million and $49 million of standby letters of credit in the "Less Than 1 Year" and "1-3 Year" periods, respectively, and approximately $38 million of surety bonds in the "Less Than 1 Year" period are expected to renew for additional periods until completion of the contractual obligation.

Fk`iraba fk qeb q^_ib ^_lsb fp ^mmoluf j ^qbiv !/-- j fiiflk obmobpbkqfkd ibqqbo lc `obafq ^ka probqv _lka ^ j lrkqp clo t ef`e obi^qba l_ifd^qflkp lo if^_fifqfbp ^ob ^ipl ob`loaba fk qeb _^i* ^k`b pebbq) bfqebo ^p obar`qflkp lc fksbkqlofbp) ^p `rpql j bo ^as^k`bp ^ka ^ j lrkqp fk bu`bpp lc `lpqp fk`rooba) lo ^p lqebo if^_fifqfbp+ >mmoluf j ^qbiv !/ _fiiflk lc qeb pq^ka_v ibqqbop lc `obafq fk qeb q^_ib ^_lsb t bob ql pb`rob ^as^k`b m^v j bkqp ob`bfsba rkabo ^k C*.3 `lkqo^`q col j ^k fkqbok^qflk^i `rp* ql j bo+ Qebpb ibqqbop lc `obafq ^ob ^s^fi^_ib clo ao^t al t k fk qeb bsbkq lc lro klkmboclo j ^k`b) ^ka qeb ^ j lrkq ^s^fi^_ib t fii _b obar`ba ^p `boq^fk bsbkqp l``ro qeolrdelrq qeb mbofla lc mboclo j ^k`b fk ^``loa^k`b t fqe qeb `lkqo^`q qbo j p+ Pf j fi^o ql qeb ibqqbop lc `obafq clo qeb C*.3 `lkqo^`q) lqebo ibqqbop lc `obafq ^ka probqv _lkap ^ob ^s^fi^_ib clo ao^t al t k fk qeb bsbkq lc lro klkmboclo j ^k`b+

>q Ab`b j _bo 0.) /--2) t b e^a kl j ^qbof^i lcc*_^i^k`b pebbq ^oo^kdb j bkqp ^p qelpb ^oo^kdb j bkqp ^ob abcfkba _v qeb

b я b
l'

s^irb) ^ka ql obcib`q qeb obi^qba bu`bpp q^u _bkbcfq ob`bfsba rmlk bubo`fpb lc qeb lmqflkp) fc ^kv) fk qeb pq^qb j bkq lc `^pe cil tp ^p ^ cfk^k`fkd ^`qfsfqv fkcil t o^qebo qe^k ^k ^agrpq j bkq

CONTROLS AND PROCEDURES

Tb j^fkq^fk afp`ilprob `lkqolip ^ka mol`barobp) fk`irafkd fkqbok^i `lkqoli lsbo cfk^k`f^i obmloqfkd) qe^q ^ob abpfdkba ql bkprob qe^q fkclo j^qflk obnrfoba ql _b afp`ilpba fk lro mbof* laf` cfifkdp tfqe qeb PB@ fp obmloqba tfqefk qeb qf j b mboflap pmb`fcfba fk qeb PB@$p oribp ^ka clo j p) ^ka ql molsfab ob^plk* ^_ib ^ppro^k`b qe^q ^ppbqp ^ob p^cbdr^oaba ^ka qo^kp^`qflkp ^ob molmboiv bub`rqba ^ka ob`loaba+ Lro afp`ilprob `lkqolip ^ka mol`barobp ^ob ^ipl abpfdkba ql bkprob qe^q fkclo j^qflk fp ^``r j ri^qba ^ka `l j j rkf`^qba ql lro j^k^db j bkq) fk`irafkd lro @efbc Bub`rqfsb Lccf`bo %@BL& ^ka @efbc Cfk^k`f^i Lccf`bo %@CL&) ^p ^mmolmof^qb) ql ^iil t qf j biv ab`fpflkp obd^oafkd obnrfoba afp`ilprob+ Fk abpfdkfkd ^ka bs^ir^qfkd pr`e `lkqolip ^ka mol`barobp) tb ob`ldkfwb qe^q ^kv `lkqolip ^ka mol`barobp) kl j^qqbo el t tbii abpfdkba ^ka lmbo^qba) `^k molsfab lkiv ob^plk^_ib ^ppro^k`b lc ^`efbsfkd qeb abpfoba `lkqoli l_gb`* qfsbp) ^ka j^k^db j bkq kb`bpp^ofiv fp obnrfoba ql rpb fqp grad* j bkq fk bs^ir^qfkd qeb `lpq*_bkbcfq obi^qflkpefm lc mlppf_ib `lkqolip ^ka mol`barobp+ >ipl) tb e^sb fksbpq j bkqp fk `boq^fk rk`lkplifa^qba bkqfqfbp+ >p tb al klq `lkqoli lo j^k^db qebpb bkqfqfbp) lro `lkqolip ^ka mol`barobp tfqe obpmb`q ql qelpb bkqf* qfbp ^ob kb`bpp^ofiv pr_pq^kqf^iiv j lob if j fqba qe^k qelpb tb j^fkq^fk tfqe obpmb`q ql lro `lkplifa^qba pr_pfaf^ofbp+

Tb olrqfkbiv obsfb t lro pvpqb j lc fkqbok^i `lkqoli lsbo cfk^k`f^i obmloqfkd ^ka j^hb `e^kdbp ql lro mol`bppbp ^ka pvpqb j p ql f j molsb `lkqolip ^ka fk`ob^pb bccf`fbk`v) tefib bkprofkd qe^q tb j^fkq^fk ^k bccb`qfsb fkqbok^i `lkqoli bksf*

s blk j bkq+ @e^ka rprof qq k j bkq_ av j lob if po -˜ emjr^qk/ D " m mv ' e›ś - 3Z] ḍr v 3˜ mT 3

e›ś

MANAGEMENT'S REPORT ON THE FINANCIAL STATEMENTS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

j Qeb j ^k^db j bkq lc I l`hebba J ^oqfk fp obpmlkpf_ib clo qeb `lkplifa^qba cfk^k`f^i pq^qb j bkqp ^ka ^ii obi^qba cfk^k`f^i fkclo*
j ^qf l *]˛ FKb^ j d]˛ * l كج

?l^oa lc Afob`qlop ^ka Pql`heliabop
Il`hebba J^oqfk @lomlo^qflk

Tb e^sb ^rafqba qeb ^``l j m^kvfkd `lkplifa^qba _^i^k`b pebbqp lc Il`hebba J^oqfk @lomlo^qflk ^ka pr_pfaf^ofbp ^p lc Ab`b j _bo 0.) /--2 ^ka /--1) ^ka qeb obi^qba `lkplifa^qba pq^qb j bkqp lc b^okfkdp) pql`heliabop$ bnrfqv) ^ka `^pe ci ѕ ᵐ p clo b^`

Ta b j цb p lcЂ ق b

CONSOLIDATED STATEMENT OF EARNINGS

	Year Ended December 31,		
(In millions, except per share data)	**2005**	/--1	/--0
NET SALES			
Molar`qp	**$31,518**	!0-)/-/	!/4)/6-
Pbosf`bp	**5,695**	2)0/1	1)201
	37,213	02)2/3	0.)5/1
COST OF SALES			
Molar`qp	**28,800**	/4)546	/2)0-3
Pbosf`bp	**5,073**	1)432	1)-66
Rk^iil`^qba @lomlo^qb `lpqp	**803**	6.1	110
	34,676	00)225	/6)515
	2,537	.)635	.)643
Lqebo fk`l j b ^ka bumbkpbp) kbq	**449**	./.	10
Lmbo^qfkd molcfq	**2,986**	/)-56	/)-.6
Fkqbobpq bumbkpb	**370**	1/2	154
B^okfkdp _bclob q^ubp	**2,616**	.)331	.)20/
Fk`l j b q^u bumbkpb	**791**	065	146
NET E ò ˜ œ ®E 34%398T] ↑ ET ò ˜ œ E] l'es r 398T Œ ×398T] 398T nd e mx c			

CONSOLIDATED BALANCE SHEET

(In millions)	*December 31,* 2005	/--1
ASSETS		
@roobkq ^ppbqp		
@^pe ^ka `^pe bnrfs^ibkqp	**$ 2,244**	! .)-3-
Peloq*qbo j fksbpq j bkqp	**429**	063
Ob`bfs^_ibp	**4,579**	1)-61
Fksbkqlofbp	**1,921**	.)531
Abcbooba fk`l j b q^ubp	**861**	65/
Lqebo `roobkq ^ppbqp	**495**	224
Qlq^i `roobkq ^ppbqp	**10,529**	5)620
Molmboqv) mi^kq ^ka bnrfm j bkq) kbq	**3,924**	0)266
Fksbpq j bkqp fk bnrfqv pb`rofqfbp	**196**	5./
Dllatfii	**8,447**	4)56/
Mro`e^pba fkq^kdf_ibp) kbq	**560**	34/
Mobm^fa mbkpflk ^ppbq	**1,360**	.)-0-
Lqebo ^ppbqp	**2,728**	/)263
	$27,744	!/2)221
LIABILITIES AND STOCKHOLDERS' EQUITY		
@roobkq if^_fifqfbp		
>``lrkqp m^v^_ib	**$ 1,998**	! .)4/3
@rpqlj bo ^as^k`bp ^ka ^j lrkqp fk bu`bpp lc `lpqp fk`rooba	**4,331**	1)-/5
P^i^ofbp) _bkbcfqp ^ka m^volii q^ubp	**1,475**	.)013
@roobkq j ^qrofqfbp lc ilkd*qbo j ab_q	**202**	.2
Lqebo `roobkq if^_fifqfbp	**1,422**	.)12.
Qlq^i `roobkq if^_fifqfbp	**9,428**	5)233
Ilkd*qbo j ab_q	**4,784**	2).-1
>``orba mbkpflk if^_fifqfbp	**2,097**	.)33-
Lqebo mlpqobqfob j bkq _bkbcfq if^_fifqfbp	**1,277**	.)/03
Lqebo if^_fifqfbp	**2,291**	.)634
Pql`heliabop$ bnrfqv		
@l j j lk pql`h) !. m^o s^irb mbo pe^ob	**432**	105
>aafqflk^i m^fa*fk `^mfq^i	**1,724**	/)//0
Obq^fkba b^okfkdp	**7,278**	2)6.2

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended December 31,		
(In millions)	**2005**	/--1	/--0
OPERATING ACTIVITIES			
Kbq b^okfkdp	**$ 1,825**	! .)/33	! .)-20
>agrpq j bkqp ql ob`lk`fib kbq b^okfkdp ql kbq `^pe molsfaba _v lmbo^qfkd ^`qfsfqfbp7			
Abmob`f^qflk ^ka ^ j loqfw^qflk	**555**	2..	15-
> j loqfw^qflk lc mro`e^pba fkq^kdf_ibp	**150**	.12	./6
Abcbooba cbabo^i fk`l j b q^ubp	**24**	%25&	134
@e^kdbp fk lmbo^qfkd ^ppbqp ^ka if^_fifqfbp7			
Ob`bfs^_ibp	**(390)**	h 0654&\ U	%025& Ů Ů) `
Fksbkqlofbp	**(39)**	2.6	%61&
>``lrkqp m^v^_ib	**239**	/55	00-
@rpql j bo ^as^k`bp ^ka ^ j lrkqp fk bu`bpp lc `lpqp fk`rooba	**296**	%//5&	%/52&
Lqebo	**534**	235	%.0&
Kbq `^pe molsfaba _v lmbo^qfkd ^`qfsfqfbp			

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(In millions, except per share data)	@l j j lk Pql`h	>aafqflk^i M^fa*Fk @^mfq^i	Obq^fkba B^okfkdp	>``r j ri^qba Lqebo @l j mobebkpfsb %I lpp& Fk`l j b	Lqebo	Qlq^i Pql`he liabop$ Bnrfqv	@l j mob* ebkpfsb Fk`l j b %I lpp&
?^i^k`b ^q Ab`b j _bo 0.) /--/	!122	! /)463	!1)/3/	!%.)265&	!%2-&	! 2)532	
Kbq b^okfkdp	Æ	Æ	.)-20	Æ	Æ	.)-20	!.)-20
@l j j lk pql`h afsfabkap ab`i^oba							
%! -+25 mbo pe^ob&	Æ	Æ	%/3.&	Æ	Æ	%/3.&	Æ
Obmro`e^pbp lc `l j j lk pql`h	%..&	%14.&	Æ	Æ	Æ	%15/&	Æ
Pql`h*_^pba ^t^oap ^ka BPLM ^`qfsfqv	/	.2/	Æ	Æ	00	.5¼	4–p UÆ ëÀ

Inventories—Fksbkqlofbp ^ob pq^qba ^q qeb il tbo lc `lpq lo bpqf j ^qba kbq ob^ifw^_ib s^irb+ @lpqp lk ilkd*qbo j `lkqo^`qp ^ka moldo^ j p fk moldobpp obmobpbkq ob`lsbo^_ib `lpqp fk`rooba clo molar`qflk lo `lkqo^`q*pmb`fcf` c^`fifqfbp ^ka bnrfm j bkq) ^iil`^_ib lmbo^qfkd lsboeb^a) ^as^k`bp ql prmmifbop ^ka) fk qeb `^pb lc `lkqo^`qp t fqe qeb R+P+ Dlsbok j bkq) obpb^o`e ^ka absbi* lm j bkq ^ka dbkbo^i ^ka ^a j fkfpqo^qfsb bumbkpbp+ Mropr^kq ql `lkqo^`q molsfpflkp) ^dbk`fbp lc qeb R+P+ Dlsbok j bkq ^ka `bo* q^fk lqebo `rpql j bop e^sb qfqib ql) lo ^ pb`rofqv fkqbobpq fk) fksbkqlofbp obi^qba ql pr`e `lkqo^`qp ^p ^ obpriq lc ^as^k`bp) mboclo j ^k`b*_^pba m^v j bkqp ^ka moldobpp m^v j bkqp+ Pr`e ^as^k`bp ^ka m^v j bkqp ^ob obcib`qba ^p ^k lccpbq ^d^fkpq qeb obi^qba fksbkqlov _^i^k`bp+ Dbkbo^i ^ka ^a j fkfpqo^qfsb bumbkpbp obi^qba ql `l j j bo`f^i molar`qp ^ka pbosf`bp molsfaba bppbkqf^iiv rkabo `l j j bo`f^i qbo j p ^ka `lkafqflkp ^ob bumbkpba ^p fk`rooba+ @lpqp lc lqebo molar`q ^ka prmmiv fksbk* qlofbp ^ob mofk`fm^iiv abqbo j fkba _v qeb cfopq*fk cfopq*lrq lo ^sbo^db `lpq j bqelap+

Property, plant and equipment—Molmboqv) mi^kq ^ka bnrfm* j bkq ^ob `^oofba mofk`fm^iiv ^q `lpq+ Abmob`f^qflk fp molsfaba lk mi^kq ^ka bnrfm j bkq dbkbo^iiv rpfkd ^``bibo^qba j bqelap arofkd qeb cfopq e^ic lc qeb bpqf j ^qba rpbcri ifsbp lc qeb ^ppbqp8 qebob^cqbo) pqo^fdeq*ifkb abmob`f^qflk fp rpba+ Bpqf j ^qba rpbcri ifsbp dbkbo^iiv o^kdb col j .- ql 1- vb^op clo _rfiafkdp ^ka cfsb ql .2 vb^op clo j ^`efkbov ^ka bnrfm j bkq+

Investments in equity securities—Fksbpq j bkqp fk bnrfqv pb`r* ofqfbp fk`irab qeb @lomlo^qflk$p l tkbopefm fkqbobpqp fk ^ccfif* ^qba `l j m^kfbp qe^q fq albp klq `lkqoli tef`e ^ob ^``lrkqba clo rkabo qeb bnrfqv j bqela lc ^``lrkqfkd+ Rkabo qefp j bqela

Restructuring activities—Rkabo bufpqfkd R+P+ Dlsbok j bkq obdri^qflkp) `boq^fk `lpqp fk`rooba clo `lkplifa^qflk lo obpqor`* qrofkd ^`qfsfqfbp qe^q `^k _b ab j lkpqo^qba ql obpriq fk p^sfkdp fk bu`bpp lc qeb `lpq ql f j mib j bkq qelpb ^`qflkp `^k _b abcbooba ^ka ^j loqfwba clo dlsbok j bkq `lkqo^`qfkd mromlpbp ^ka fk`iraba ^p^iil t^_ib `lpqp fk crqrob mof`fkd lc qeb @lomlo^qflk$p molar`qp ^ka pbosf`bp+ Fk`iraba fk lqebo ^ppbqp fk qeb `lkplif* a^qba _^i^k`b pebbq ^q Ab`b j _bo 0.) /--2 ^ka /--1 fp !32 j fiiflk ^ka !62 j fiiflk) obpmb`qfsbiv) lc abcbooba `lpqp obi^qba ql s^oflrp `lkplifa^qflk ^`qflkp+

Impairment of certain long-lived assets—Dbkbo^iiv) qeb `^oov* fkd s^irbp lc ilkd*ifsba ^ppbqp lqebo qe^k dlla t fii ^ob obsfb t ba clo f j m^fo j bkq fc bsbkqp lo `e^kdbp fk qeb c^`qp ^ka `fo`r j * pq^k`bp fkaf`^qb qe^q qebfo `^oovfkd s^irbp j ^v klq _b ob`lsbo* ^_ib+ >kv f j m^fo j bkq abqbo j fkba fp ob`loaba fk qeb `roobkq mbofla ^ka fp j b^proba _v `l j m^ofkd qeb c^fo s^irb _^pba lk bpqf j ^qba crqrob `^pe cil t p lc qeb obi^qba ^ppbq ql fqp `^oovfkd s^irb+

Derivative financial instruments—Qeb @lomlo^qflk pl j bqf j bp rpbp abofs^qfsb cfk^k`f^i fkpqor j bkqp ql j ^k^db fqp bumlprob ql cir`qr^qflkp fk clobfdk bu`e^kdb o^qbp ^ka fkqbobpq o^qbp+ Qeb @lomlo^qflk albp klq elia lo fpprb abofs^qfsb cfk^k`f^i fkpqor j bkqp clo qo^afkd lo pmb`ri^qfsb mromlpbp+ Abofs^qfsbp ^ob ob`loaba ^p bfqebo lqebo `roobkq ^ppbqp lo if^_fifqfbp fk qeb `lkplifa^qba _^i^k`b pebbq) ^ka mboflaf`^iiv ^agrpqba ql c^fo s^irb+ Qeb `i^ppfcf`^qflk lc d^fkp ^ka ilppbp obpriqfkd col j `e^kdbp fk qeb c^fo s^irbp lc abofs^qfsbp fp abmbkabkq lk qeb fkqbkaba rpb lc qeb abofs^qfsb ^ka fqp obpriqfkd abpfdk^qflk+ >agrpq j bkqp ql obcib`q `e^kdbp fk c^fo s^irbp lc abofs^qfsbp qe^q ^ob klq `lkpfaboba efdeiv bccb`qfsb ebadbp ^ob obcib`qba fk b^okfkdp+ >agrpq j bkqp ql obcib`q `e^kdbp fk c^fo s^irbp lc abofs^qfsbp qe^q ^ob `lkpfaboba efdeiv bccb`qfsb ebadbp ^ob bfqebo obcib`qba fk b^okfkdp ^ka i^odbiv lccpbq _v `loobpmlka* fkd ^agrpq j bkqp obi^

Æ

Qeb @lomlo^qflk$p obmloqba ^ka mol clo j ^ b^okfkdp mbo pe^ob fkclo j ^qflk cliil tp7

(In millions, except per share data)	**2005**	/--1	/--0
NET EARNINGS			
>p obmloqba	**$1,825**	!.)/33	!.)-20
C^fo s^irb*_^pba `l j mbkp^qflk `lpq) kbq lc q^ubp			
C^fo s^irb*_^pba) mol clo j ^ `l j mbkp^qflk bumbkpb	**(56)**	%15&	%3.&
Fk`bmqflk*ql*a^qb ^agrpq j bkq	**(33)**	Æ	Æ
Mol clo j ^ kbq b^okfkdp	**$1,736**	!.)/.5	! 66/
EARNINGS PER BASIC SHARE			
>p obmloqba	**$ 4.15**	! /+53	! /+03
C^fo s^irb*_^pba) mol clo j ^ `l j mbkp^qflk bumbkpb	**(0.12)**	%-+..&	%-+.1&
Fk`bmqflk*ql*a^qb ^agrpq j bkq	**(0.08)**	Æ	Æ
Mol clo j ^	**$ 3.95**	! /+42	! /+//
EARNINGS PER DILUTED SHARE			
>p obmloqba	**$ 4.10**	! /+50	! /+01
C^fo s^irb*_^pba) mol clo j ^ `l j mbkp^qflk bumbkpb	**(0.12)**	%-+..&	%-+.1&
Fk`bmqflk*ql*a^qb ^agrpq j bkq	**(0.08)**	Æ	Æ
Mol clo j ^	**$ 3.90**	! /+4/	! /+/-

Qeb c^fo s^irb clo qebpb lmqflkp t^p bpqf j ^qba ^q qeb a^qb

obi^qba ql ^ `lsbk^kq klq ql `l j mbqb qe^q tfii _b ^ j loqfwba lsbo cfsb vb^op) ^k fkq^kdf_ib ^ppbq lc ^mmoluf j ^qbiv !22 j fi* iflk obi^qba ql `lkqo^`qp ^ka `rpql j bo obi^qflkpefmp ^`nrfoba qe^q tfii _b ^ j loqfwba lsbo pbsbk vb^op) ^ka dllatfii lc ^mmoluf j ^qbiv !13- j fiiflk tef`e fp kbfqebo ^ j loqfw^_ib klo q^u abar`qf_ib+ Qeb afsbpqfqrob lc qeb @lomlo^qflk$p `l j j bo* `f^i FQ _rpfkbpp obpriqba fk ^ d^fk) kbq lc pq^qb fk`l j b q^ubp) lc !.2 j fiiflk tef`e t^p ob`loaba fk lqebo fk`l j b ^ka bumbkpbp+

] ъ F fk u ή

NOTE 4—RECEIVABLES

!.)031

(In millions)	**2005**	/--1
R+P+ Dlsbok j bkq		
> j lrkqp _fiiba	**$1,364**	!.)2/6
Rk_fiiba `lpqp ^ka ^``orba molcfqp		

NOTE 7—INVESTMENTS IN EQUITY SECURITIES

(In millions)	**2005**	/--1
Bnrfqv j bqela fksbpq j bkqp %l t kbopefm fkqbobpq		
^q Ab`b j _bo 0.) /--2&7		
Fkqbip^q) Iqa+	**$ —**	!4-0
Lqebo	**41**	24
	41	43-
Lqebo fksbpq j bkqp %l t kbopefm fkqbobpq		
^q Ab`b j _bo 0.) /--2&7		
Fk j ^op^q mi` %2+0"&	**146**	13
Lqebo	**9**	3
	155	2/
	$196	!5./

Lqebo bnrfqv j bqela fksbpq j bkqp fk`irab Rkfqba Pm^``b >iif^k`b) II@ %2-" l t kbopefm fkqbobpq& ^ka lqebo p j ^iibo glfkq sbkqrobp fk t ef`e qeb @lomlo^qflk m^oqf`fm^qbp+

Fk /--0) Fk j ^op^q Sbkqrobp) Iqa+ t ^p ^`nrfoba _v ^ `lk* ploqfr j lc mofs^qb bnrfqv c ³ ^ fm ma fo!

NOTE 8—DEBT

Qeb @lomlo^qflk$p ilkd*qbo j ab_q fp mof j ^ofiv fk qeb clo j lc mr_if`iv fpprba) cfuba*o^qb ^ka s^of^_ib*o^qb klqbp ^ka ab_bk* qrobp) ^p cliil tp7

(In millions)	Fkqbobpq o^qb	2005	/--1
Klqbp arb ./,-.,/--2	4+62 "	$ —	! .1
Klqbp arb 2,.2,/--3	4+/2	193	/-2
Jbafr j Qbo j Klqbp arb /--3*4	4+4-¬5+33	41	31
Klqbp arb 3,.2,/--5	4+4-	103	.-2
Klqbp arb ./,-.,/--6	5+/-	246	0/4
Ab_bkqrobp arb 1,.2,/-.0	4+042	150	.2-
Ab_bkqrobp arb 2,-.,/-.3	4+32	600	3--
Ab_bkqrobp arb .,.2,/-/0	5+042	100	.--
Ab_bkqrobp arb 6,.2,/-/0	4+-	200	/--
Klqbp arb 3,.2,/-/1	5+042	216	/.3
Ab_bkqrobp arb 3,.2,/-/2	4+3/2	150	.2-
Ab_bkqrobp arb 2,-.,/-/3	4+42	423	1/0
Ab_bkqrobp arb ./,-.,/-/6	5+2	1,250	.)/2-
@lksboqf_ib Ab_bkqrobp arb 5,.2,/-00	IF?LO *-+/2	1,000	.)---
Ab_bkqrobp arb 2,-.,/-03	4+/-	300	0--
Lqebo		14	.2
		4,986	2)..6
Ibpp `roobkq j ^qrofqfbp		202	.2
		$4,784	!2).-1

Fk qeb clroqe nr^oqbo lc /--2) qeb @lomlo^qflk obmro`e^pba !50 j fiiflk lc lrqpq^kafkd ilkd*qbo j ab_q fk qeb lmbk j ^ohbq+ Qeb `e^odb ^ppl`f^qba tfqe qelpb obmro`e^pbp t^p klq j ^qbof^i ql qeb @lomlo^qflk$p obpriqp lc lmbo^qflkp lo cfk^k`f^i mlpfqflk+

Fk qeb clroqe nr^oqbo lc /--1) qeb @lomlo^qflk `l j mibqba qbkabo lccbop ql mro`e^pb clo `^pe !/52 j fiiflk fk mofk`fm^i ^j lrkq lc fqp lrqpq^kafkd 4+4- " klqbp arb Grkb .2) /--5 ^ka !333 j fiiflk fk mofk`fm^i ^j lrkq lc fqp 5+/- " klqbp arb Ab`bj _bo .) /--6+ Qeb @lomlo^qflk ob`loaba ^ `e^odb) kbq lc pq^qb fk`l j b q^u _bkbcfqp) qlq^ifkd !.21 j fiiflk fk lqebo fk`l j b ^ka bumbkpbp obi^qba ql qeb qbkabo lccbop+ Qeb] l a p/ Q eb lop d˜ p eb k " Ĵ pl¿2iiflk f j µ^k b` v cfk

Bd c’

Fk /--0) qeb @lomlo^qflk `l j mibqba qeb mro`e^pb lc ^ qlq^i mofk`fm^i ^ j lrkq lc !.+1 _fiiflk lc klqbp ^ka ab_bkqrobp qeolrde ^ `l j _fk^qflk lc qbkabo lccbop) obab j mqflk lc `^ii^_ib ab_bkqrobp ^ka obmro`e^pbp fk qeb lmbk j ^ohbq+ Qeb @lomlo^qflk ob`loaba `e^odbp) kbq lc pq^qb fk`l j b q^u _bkbcfqp) qlq^ifkd !.13 j fiiflk fk lqebo fk`l j b ^ka bumbkpbp obi^qba ql qebpb qo^kp^`qflkp+ Qeb `e^odbp obar`ba /--0 kbq b^okfkdp _v !63 j fiiflk %!-+/. mbo pe^ob&+

Qeb obdfpqboba eliabop lc !0-- j fiiflk lc 1-*vb^o ab_bk* qrobp fpprba fk .663 j ^v bib`q) _bq t bbk J ^o`e . ^ka >mofi .) /--5) ql e^sb qebfo ab_bkqrobp obm^fa _v qeb @lomlo^qflk lk J ^v .) /--5+

>q Ab`b j _bo 0.) /--2) qeb @lomlo^qflk e^a fk mi^`b ^ !.+2 _fiiflk obslisfkd `obafq c^`fifqv t ef`e bumfobp fk Griv /-.-+ Qebob tbob kl _lool t fkdp lrqpq^kafkd rkabo qeb c^`fifqv ^q Ab`b j _bo 0.) /--2+ ?lool t fkdp rkabo qeb `obafq c^`fifqv t lria _b rkpb`roba ^ka _b^o fkqbobpq ^q o^qbp _^pba) ^q qeb @lomlo^qflk$p lmqflk) lk qeb Brolalii^o o^qb lo ^ _^kh abcfkba ?^pb O^qb+ B^`e _^kh$p l_ifd^qflk ql j ^hb il^kp rkabo qeb `obafq c^`fifqv fp pr_gb`q ql) ^ j lkd lqebo qefkdp) qeb @lomlo^qflk$p `l j mif^k`b t fqe s^oflrp obmobpbkq^qflkp) t ^o* o^kqfbp ^ka `lsbk^kqp) fk`irafkd `lsbk^kqp if j fqfkd qeb ^_fi* fqv lc qeb @lomlo^qflk ^ka `boq^fk lc fqp pr_pfaf^ofbp ql bk`r j _bo ^ppbqp ^ka ^ `lsbk^kq klq ql bu`bba ^ j ^uf j r j ibsbo^db o^qfl+

Qeb @lomlo^qflk$p p`ebariba ilkd*qbo j ab_q j ^qrofqfbp clo qeb cfsb vb^op cliil t fkd Ab`b j _bo 0.) /--2 ^ob7 !/-/ j fiiflk fk /--38 !00 j fiiflk fk /--48 !.-0 j fiiflk fk /--58 !/14 j fi* iflk fk /--68 !. j fiiflk fk /-.-8 ^ka !1)1-- j fiiflk qebob^cqbo+

Qeb bpqf j ^qba c^fo s^irbp lc qeb @lomlo^qflk$p ilkd*qbo j ab_q fkpqor j bkqp ^q Ab`b j _bo 0.) /--2 ^ddobd^qba ^mmoluf* j a ^ddo ® m ^ m ] w̄ ]` 1^ a m `)

>p m^oq lc qeb pe^ob obmro`e^pb moldo^ j ) qeb @lomlo^qflk j ^v col j qf j b*ql*qf j b bkqbo fkql pqor`qroba pe^ob obmro`e^pb qo^kp^`qflkp t fqe cfk^k`f^i fkpqfqrqflkp+ Qebpb ^dobb j bkqp dbk* bo^iiv obnrfob ^k rm*colkq `^pe m^v j bkq fk bu`e^kdb clo qeb ofdeq ql ob`bfsb pe^obp lc I l`hebba J ^oqfk$p `l j j lk pql`h lo `^pe ^q qeb bumfo^qflk lc qeb ^dobb j bkq) abmbkabkq rmlk qeb `ilpfkd mof`b lc qeb `l j j lk pql`h ^q qeb j ^qrofqv a^qb+ Qeb @lomlo^qflk bkqboba fkql pbsbo^i pr`e qo^kp^`qflkp arofkd /--2 t ef`e) fk qeb ^ddobd^qb) obnrfoba rm*colkq `^pe m^v j bkqp qlq^i* fkd !063 j fiiflk+ ?^pba lk qeb `ilpfkd mof`b lc fqp `l j j lk pql`h lk qeb j ^qrofqv a^qbp lc qeb ^dobb j bkqp) `boq^fk lc qeb qo^kp^`qflkp obpriqba fk qeb @lomlo^qflk obmro`e^pfkd 0+. j fi* iflk pe^obp lc `l j j lk pql`h ^q ^ qlq^i `lpq lc !.62 j fiiflk+ Qebpb ^ j lrkqp ^ob fk`iraba fk qeb qlq^i pe^ob obmro`e^pb cfd* robp fk`iraba fk qeb mobsflrp m^o^do^me+ Qeb @lomlo^qflk ob`bfsba fqp rm*colkq `^pe m^v j bkq mirp ^ mob j fr j clo qeb ob j ^fkfkd qo^kp^`qflkp qe^q afa klq obpriq fk qeb obmro`e^pb lc pe^obp+ Qebob t bob kl pr`e qo^kp^`qflkp lrqpq^kafkd ^q Ab`b j _bo 0.) /--2+

NOTE 12—STOCK-BASED COMPENSATION

Fk >mofi /--2) qeb pql`heliabop ^mmolsba qeb I l`hebba J ^oqfk > j bkaba ^ka Obpq^qba /--0 Fk`bkqfsb Mboclo j ^k`b > t ^oa Mi^k %qeb > t ^oa Mi^k&+ Rkabo qeb > t ^oa Mi^k) b j milvbbp lc qeb @lomlo^qflk j ^v _b do^kqba pql`h*_^pb b! b ɔ q^qb v o l' k)

Qeb > t ^oa Mi^k ^ka qeb Afob`qlop Mi^k) ^p t bii ^p qeb kr j _bo lc pe^obp lc I l`hebba J ^oqfk `l j j lk pql`h ^rqel* ofwba clo fppr^k`b rkabo qebpb mi^kp) e^sb _bbk ^mmolsba _v qeb

(In millions)	Abcfkba ?bkbcfq Mbkpflk Mi^kp 2005	/--1	Obqfobb Jbaf`^i ^ka Ifcb Fkpro^k`b Mi^kp 2005	/--1
CHANGE IN PLAN ASSETS				
C^fo s^irb lc mi^k ^ppbqp				
^q _bdfkkfkd lc vb^o	**$22,139**	!/-)6.0	**$ 1,480**	! .).02
>`qr^i obqrok lk				
mi^k ^ppbqp	**1,570**	/)-14	**125**	.2-
?bkbcfqp m^fa	**(1,331)**	%.)0/3&	**(369)**	%022&
@lomlo^qflk$p				
`lkqof_rqflkp	**1,054**	2-2	**181**	124
M^oqf`fm^kqp$ `lkqof_rqflkp	**—**	Æ	**104**	60
C^fo s^irb lc mi^k ^ppbqp				
^q bka lc vb^o	**$23,432**	!//).06	**$ 1,521**	! .)15-
Rkcrkaba pq^qrp lc				
qeb mi^kp	**$ (4,989)**	!%1)543&	**$ (1,995)**	!%/)014&
Rkob`ldkfwba kbq				
^`qr^of^i ilppbp	**6,616**	3)3-0	**882**	.)--5
Rkob`ldkfwba moflo				
pbosf`b `lpq	**492**	13.	**(164)**	.-0
Kbq^j lrkq ob`ldkfwba	**$ 2,119**	! /).55	**$ (1,277)**	!%.)/03&
AMOUNTS RECOGNIZED IN THE CONSOLIDATED BALANCE SHEET				
Mobm^fa ^ppbqp	**$ 1,360**	! .)-0-	**$ —**	! Æ
>``orba if^_fifqfbp	**(2,097)**	%.)33-&	**(1,277)**	%.)/03&
Fkq^kdf_ib ^ppbq	**476**	111	**—**	Æ
>``rjri^qba lqebo `ljmobebkpfsb ilpp obi^qba ql jfkfjrj mbkpflk if^_fifqv	**2,380**	/)041	**—**	Æ
Kbq^j lrkq ob`ldkfwba	**$ 2,119**	! /).55	**$ (1,277)**	!%.)/03&

Qeb molgb`qba _bkbcfq l_ifd^qflkp %M?L& clo qeb @lomlo^qflk$p jlob pfdkfcf`^kq abcfkba _bkbcfq mbkpflk mi^kp bu`bbaba qeb c^fo s^irb lc qeb mi^kp$ ^ppbqp ^q Ab`bjb_bo 0.)/--2 ^ka /--1) ^p obcib`qba fk qeb q^_ib ^_lsb+

>q _lqe Ab`bjb_bo 0.)/--2 ^ka /--1) qeb @lomlo^qflk$p `lkplifa^qba _^i^k`b pebbq fk`iraba mobq^u ^aafqflk^i jfkf* jrj mbkpflk if^_fifqfbp lc !/+1 _fiiflk obi^qba ql `boq^fk lc fqp abcfkba _bkbcfq mbkpflk mi^kp+ Qefp if^_fifqv fp `^i`ri^qba lk ^mi^k*_v*mi^k _^pfp) ^ka fp obnrfoba fc qeb ^``rjri^qba _bkbcfq l_ifd^qflk %>?L& lc qeb mi^k bu`bbap qeb c^fo s^irb lc qeb mi^k

NOTE 14—LEASES

Qlq^i obkq^i bumbkpb rkabo lmbo^qfkd ib^pbp t^p !0/1 j fiiflk) !0.5 j fiiflk ^ka !0-. j fiiflk clo /--2) /--1 ^ka /--0) obpmb`qfsbiv+

Crqrob j fkf j r j ib^pb `l j j fq j bkqp ^q Ab`b j _bo 0.) /--2 clo ^ii lmbo^qfkd ib^pbp qe^q e^sb ^ ob j ^fkfkd qbo j lc j lob qe^ b M _ I þ f ` d q2 f

!l l' ž ! k)

!l l' B! k)]

!l l' / ! k)

!l l' ä do j È d̨ B! k)

! Ů T' d^ Î ≤ Ń = "^

Lk Grkb .-) /--0) Il`hebba J^oqfk cfiba ^ `fsfi `lj* mi^fkq fk qeb Rkfqba Pq^qbp Afpqof`q @lroq clo qeb Jfaaib Afpqof`q lc Cilofa^ fk Loi^kal ^d^fkpq Qeb ?lbfkd @lj m^kv %?lbfkd& ^ka s^oflrp fkafsfar^ip+ Lk J^v /1) /--1) qeb @lomlo^qflk cfiba ^k ^jbkaba ^ka prmmibjbkq^i `lj mi^fkq) tef`e mobpbkqiv ^iibdbp qe^q qeb abcbka^kqp plif`fqba) ^`nrfoba ^ka rpba Il`hebba J^oqfk$p molmofbq^ov fkclo j^qflk arofkd qeb `lj mbqfqflk clo ^t^oap rkabo qeb R+P+ >fo Clo`b$p Bslisba Bumbka^_ib I^rk`e Sbef`ib %BBIS& moldo^jp ^ka lqebop fk sfli^qflk lc Cbabo^i ^ka pq^qb i^tp+ Lk >rdrpq 6) /--1) ?lbfkd cfiba ^ pfu*`lrkq `lrkqbo`i^fj+ Qeb `lrkqbo`i^fj ^iibdbp qlo* qflrp fkqbocbobk`b tfqe _rpfkbpp ^ka `lkqo^`q) rkc^fo ^ka ab`bm* qfsb qo^ab mo^`qf`bp rkabo Cilofa^ i^t) ^ka c^ipb ^asboqfpfkd rkabo qeb I^ke^j >`q) _^pba lk qeb @lomlo^qflk$p mromloqba afp`ilprob ql qeb R+P+ >fo Clo`b ^ka qeb dlsbok jbkq lc ?lbfkd$p mlppbppflk ^ka rpb lc Il`hebba J^oqfk$p al`rjbkqp fk qeb BBIS ^ka lqebo `lj mbqfqflkp+ Fk `lkkb`qflk tfqe qeb molmlpba clo j^qflk lc Rkfqba I^rk`e >iif^k`b %pbb Klqb /&) ?lbfkd ^ka Il`hebba J^oqfk e^sb ^dobba) pfjriq^kblrp tfqe qeb `ilpfkd lc qeb qo^kp^`qflk) qe^q qebv tfii fj jbaf^qbiv afpjfpp ^ii `i^fjp ^d^fkpq b^`e l d ῷ w̄
^ q -

± *Space Systems*—Bkd^dba fk qeb abpfdk) obpb^o`e) absbi* lm j bkq) bkdfkbbofkd ^ka molar`qflk lc p^qbiifqbp) pqo^qbdf` ^ka abcbkpfsb j fppfib pvpqb j p ^ka i^rk`e pbosf`bp+ Qeb P^qbiifqb molar`q ifkb fk`irabp _lqe dlsbok j bkq ^ka `l j * j bo`f^i p^qbiifqbp+ Pqo^qbdf` # Abcbkpfsb J fppfib Pvpqb j p fk`irab Pfo_lokb ^ka j fppfib abcbkpb qb`eklildfbp ^ka cibbq _^iifpqf` j fppfibp+ I^rk`e Pbosf`bp fk`irab i^rk`ebp lk >qi^p) Molqlk) ^ka Qfq^k i^rk`e sbef`ibp) ^ka ^ipl fk`irab qeb Pm^`b Perqqib$p buqbok^i q^kh+

± *Integrated Systems & Solutions*—Bkd^dba fk qeb abpfdk) obpb^o`e) absbilm j bkq) fkqbdo^qflk ^ka j ^k^db j bkq lc kbq*`bkqof` plirqflkp prmmloqfkd qeb `l j j ^ka) `lkqoli) `l j j rkf`^qflkp) `l j mrqbop) fkqbiifdbk`b) prosbfii^k`b ^ka ob`lkk^fpp^k`b %@1FPO& ^`qfsfqfbp lc qeb R+P+ Abm^oq j bkq lc Abcbkpb %AlA&) fkqbiifdbk`b ^dbk`fbp) lqebo cbabo^i ^dbk`fbp ^ka ^iifba `lrkqofbp+ FP#P molsfabp qb`eklildv) crii ifcb*`v`ib prmmloq ^ka efdeiv pmb`f^ifwba q^ibkq fk qeb ^ob^p lc plcq t^ob ^ka pvpqb j p bkdfkbbofkd) fk`irafkd bumboqfpb fk pm^`b) ^fo ^ka dolrka pvpqb j p+ FP#P pbosbp ^p qeb @lomlo^qflk$p cl`^i mlfkq clo `rpql j * bop t fqe glfkq ^ka kbq*`bkqof` lmbo^qflkp obnrfofkd lsbo* ^o`efkd ^o`efqb`qrobp) elofwlkq^i pvpqb j p fkqbdo^qflk) plcq t^ob absbilm j bkq) ^ka fkqbo*`lkkb`qba `^m^_fifqfbp clo qeb d^qebofkd) mol`bppfkd) pqlo^db ^ka abifsbov lc lk* ab j ^ka fkclo j ^qflk clo j fppflk j ^k^db j bkq) j labifkd ^ka pf j ri^qflk) ^ka i^odb*p`^ib pvpqb j p fkqbdo^qflk+ Fk qe^q olib) FP#P lmbo^qbp qeb @bkqbo clo Fkkls^qflk) ^ pq^qb* lc*qeb*^oq c^`fifqv clo j labifkd ^ka pf j ri^qflk+

± *Information & Technology Services*—Bkd^dba fk ^ t fab ^oo^v lc fkclo j ^qflk qb`eklildv %FQ&) FQ*obi^qba) ^ka lqebo qb`eklildv pbosf`bp ql cbabo^i ^dbk`fbp ^ka lqebo `rpql j * bop+ J ^glo molar`q ifkbp fk`irab7 FQ fkqbdo^qflk ^ka j ^k* ^db j bkq8 bkqbomofpb plirqflkp8 ^mmif`^qflk absbilm j bkq) j ^fkqbk^k`b) ^ka `lkpriqfkd clo pqo^qbdf` moldo^ j p clo qeb AlA ^ka `fsfi dlsbok j bkq ^dbk`fbp8 ^fo`o^cq ^ka bkdfkb j ^fkqbk^k`b ^ka j lafcf`^qflk pbosf`bp8 j ^k^db* j bkq) lmbo^qflk) j ^fkqbk^k`b) qo^fkfkd ^ka ildfpqf`p prm* mloq clo j fifq^ov) el j bi^ka pb`rofqv ^ka `fsfif^k pvpqb j p8 i^rk`e) j fppflk ^ka ^k^ivpfp pbosf`bp clo j fifq^ov) `i^ppf* cfba ^ka `l j j bo`f^i p^qbiifqbp8 bkdfkbbofkd) p`fbk`b ^ka fkclo j ^qflk pbosf`bp clo qeb K^qflk^i >bolk^rqf`p ^ka Pm^`b >a j fkfpqo^qflk %K>P>&8 ^ka obpb^o`e) absbilm j bkq) bkdfkbbofkd ^ka p`fbk`b fk prmmloq lc kr`ib^o t b^mlkp pqb t^oapefm ^ka k^s^i ob^`qlo moldo^ j p+

Selected Financial Data by Business Segment

(In millions)	**2005**	/--1	/--0
NET SALES			
>bolk^rqf`p	**$11,672**	!..)452	!.-)/-3
Bib`qolkf` Pvpqb j p	**10,580**	6)4/6	5)663
Pm^`b Pvpqb j p	**6,820**	3)026	3)-/1
} ă ŋ ṅ ă ŋ			

Selected Financial Data by Business Segment (continued)

(In millions)	2005	/--1	/--0
DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT			
>bolk^rqf`p	**$ 130**	! .-2	! 56
Bib`qolkf` Pvpqb j p	**182**	.3/	.3-
Pm^``b Pvpqb j p	**134**	.01	./-
Fkqbdo^qba Pvpqb j p # Plirqflkp	**44**	/5	/6
Fkclo j ^qflk # Qb`eklildv Pbosf`bp	**14**	1-	1/
Qlq^i _rpfkbpp pbd j bkqp	**504**	136	11-
@lomlo^qb ^`qfsfqfbp	**51**	1/	1-
	$ 555	! 2..	! 15-
AMORTIZATION OF PURCHASED INTANGIBLES			
>bolk^rqf`p	**$ 50**	! 2-	! 2-
Bib O f O f			

Net Sales by Customer Category

Notes to Five Year Summary

(a) Includes the effects of items not considered in senior management's assessment of the operating performance of the Corporation's business segments (see the section, "Results of Operations" in Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A)) which, on a combined basis, increased earnings from continuing operations before income taxes by $173 million, $113 million after tax ($0.25 per share).

(b) Includes the effects of items not considered in senior management's assessment of the operating performance of the Corporation's business segments (see the section, "Results of Operations" in MD&A) which, on a combined basis, decreased earnings from continuing operations before income taxes by $215 million, $154 million after tax ($0.34 per share). Also includes a reduction in income tax expense resulting from the closure of an Internal Revenue Service examination of $144 million ($0.32 per share). These items reduced earnings by $10 million after tax ($0.02 per share).

(c) Includes the effects of items not considered in senior management's assessment of the operating performance of the Corporation's business segments (see the section, "Results of Operations" in MD&A) which, on a combined basis, decreased earnings from continuing operations before income taxes by $153 million, $102 million after tax ($0.22 per share).

(d) Includes the effects of items not considered in senior management's assessment of the operating performance of the Corporation's business segments which, on a combined basis, decreased earnings from continuing operations before income taxes by $1,112 million, $632 million after tax ($1.40 per share). In 2002, the Corporation adopted FAS 142 which prohibits the amortization of goodwill.

(e) Includes the effects of items not considered in senior management's assessment of the operating performance of the Corporation's business segments which, on a combined basis, decreased earnings from continuing operations before income taxes by $973 million, $651 million after tax ($1.50 per share). Also includes a gain from the disposal of a business and charges for the Corporation's exit from its global telecommunications services business which is included in discontinued operations and which, on a combined basis, increased the net loss by $1 billion ($2.38 per share).

(f) The Corporation defines return on invested capital (ROIC) as net income plus after-tax interest expense divided by average invested capital (stockholders' equity plus debt),

BOARD OF DIRECTORS

B+ @+ ¦Mbqb´ >iaofadb) Go+
Former Under Secretary of Defense

Kli^k A+ >o`ef_^ia
Chairman, President &
Chief Executive Officer
The Black & Decker Corporation

J^o`rp @+ ?bkkbqq
Retired Executive Vice President
and Chief Financial Officer
Lockheed Martin Corporation

G^ j bp L+ Biifp) Go+
For]` 0 tin Cr rporat

OFFICERS

Qefp >kkr^i Obmloq `lkq^fkp pq^qb j bkqp tef`e) ql qeb buqbkq qe^q qebv ^ob klq ob`fq^qflkp lc efpqlof`^i c^`q) `lkpqfqrqb clo t^oa*illhfkd pq^qb j bkqp tfqefk qeb j b^kfkd lc qeb cbabo^i pb`rofqfbp i^tp+ Qeb tloap ¦_bifbsb)´ ¦bpqf j ^qb)´ ¦^kqf`fm^qb)´ ¦molgb`q)´ ¦fkqbka)´ ¦bumb`q)´ ¦mi^k)´ ¦lrqillh)´ ¦clob`^pq´ ^ka pf j fi^o bumobppflkp ^ob fkqbkaba ql fabkqfcv clo t^oa*illhfkd pq^qb* j bkqp+ Kr j bolrp c^`qlop) fk`irafkd mlqbkqf^iiv qeb cliil tfkd c^`qlop) `lria ^ccb`q qeb @lomlo^qflk$p clo t^oa*illhfkd pq^qb j bkqp ^ka ^`qr^i mboclo j ^k`b7 qeb ^s^fi^_fifqv lc dlsbok j bkq crkafkd clo lro molar`qp ^ka pbosf`bp _lqe al j bpqf`^iiv ^ka fkqbok^qflk* ^iiv8 `e^kdbp fk dlsbok j bkq ^ka `rpql j bo moflofqfbp ^ka obnrfob j bkqp %fk`irafkd `e^kdbp ql obpmlka ql Abm^oq j bkq lc Abcbkpb obsfb tp) @lkdobppflk^i ^`qflkp) _radbq^ov `lkpqo^fkqp) `lpq*`rqqfkd fkfqf^qfsbp) qboolofpq qeob^qp ^ka el j bi^ka pb`rofqv&8 qeb f j m^`q lc `lkqfkrba j fifq^ov lmbo^qflkp fk Fo^n ^ka >cde^kfpq^k ^ka pmbkafkd clo afp^pqbo obifbc lk crkafkd clo bufpqfkd abcbkpb mol* do^ j p8 qeb ^tfoa lo qbo j fk^qflk lc `lkqo^`qp8 afccf`riqfbp fk absbilmfkd ^ka molar`fkd lmbo^qflk^iiv ^as^k`ba qb`eklildv pvp* qb j p8 qeb qf j fkd ^ka `rpql j bo ^``bmq^k`b lc molar`q abifsbofbp8 mboclo j ^k`b fpprbp tfqe hbv prmmifbop) pr_`lkqo^`qlop ^ka `rpql j bop8 obqrok lk mbkpflk mi^k ^ppbqp) fkqbobpq ^ka afp`lrkq o^qbp) ^ka lqebo `e^kdbp qe^q j ^v f j m^`q mbkpflk mi^k ^ppr j m* qflkp8 `e^odbp col j ^kv crqrob f j m^fo j bkq obsfb tp qe^q j ^v obpriq fk qeb ob`ldkfqflk lc ilppbp) ^ka ^obar`qflk fk qeb _llh s^irb lc dllatfii lo lqebo ilkd*qbo j ^ppbqp8 qeb crqrob f j m^`q lc ibdfpi^qflk lo `e^kdbp fk ^``lrkqfkd lo q^u oribp) fkqbomobq^qflkp lo molklrk`b j bkqp8 qeb crqrob f j m^`q lc ^`nrfpfqflkp lo afsbpqfqrobp) glfkq sbkqrobp lo qb^ j fkd ^oo^kdb j bkqp8 qeb lrq`l j b lc ibd^i mol`bbafkdp ^ka lqebo `lkqfkdbk`fbp %fk`irafkd i^tprfqp) dlsbok j bkq fksbpqfd^qflkp lo ^rafqp) dlsbok j bkq lo obdri^qlov ^mmols^ip) ^ka bksfolk j bkq^i ob j baf^qflk bccloqp&8 qeb `l j mbqfqfsb bksfolk j bkq clo qeb @lomlo^qflk$p molar`qp ^ka pbosf`bp8 ^ka b`lkl j f`) _rpfkbpp ^ka mlifqf`^i `lkafqflkp al j bpqf`^iiv ^ka fkqbok^qflk^iiv+

Clo ^ afp`rppflk fabkqfcvfkd ^aafqflk^i f j mloq^kq c^`qlop qe^q `lria `^rpb ^`qr^i obpriqp ql s^ov j ^qbof^iiv col j qelpb ^kqf`f* m^qba fk qeb clo t^oa*illhfkd pq^qb j bkqp) pbb qeb @lomlo^qflk$p cfifkdp tfqe qeb PB@ fk`irafkd) _rq klq if j fqba ql) qeb afp`rppflk lc ¦Dlsbok j bkq @lkqo^`qp ^ka Obdri^qflk´ ^ka ¦Ofph C^`qlop´ lk m^db // ^ka lk m^dbp /1 qeolrde 0/ lc qeb @lomlo^qflk$p >kkr^i Obmloq lk Clo j .-*H clo qeb vb^o bkaba Ab`b j _bo 0.) /--2 %Clo j .-*H&) ¦ J ^k^db j bkq$p Afp`rppflk ^ka >k^ivpfp lc Cfk^k`f^i @lkafqflk ^ka Obpriqp lc Lmbo^qflkp´ lk m^dbp .4 ę e f " ^ з Ѧ v ц ѫ e Lmb p ® ѫ e O f priw^w я q
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