

## Consolidated Statements of Shareholders' Equity

(Dollars in millions)	Additional Paid-In Capital	Treasury Stock	ShareValue Trust	Accumulated Other Comprehensive Income/(Loss)	Retained Earnings	Comprehensive Income/(Loss)
<b>Balance January 1, 2002</b>	\$1,975	\$(8,509)	\$(1,552)	\$ (485)	\$14,340	\$ 2,344
Share-based compensation	447					
Tax benefit related to share-based plans	8					
ShareValue Trust market value adjustment	(228)		228			
Treasury shares issued for share-based plans, net	(61)	112				
Net earnings					492	492
Cash dividends declared (\$0.68 per share)					(570)	
Minimum pension liability adjustment, net of tax of \$2,084				(3,663)		(3,663)
Reclassification adjustment for losses realized in net earnings, net of tax of \$(15)				25		25
Unrealized holding loss, net of tax of \$2				(3)		(3)
Gain on derivative instruments, net of tax of \$(37)				61		61
Currency translation adjustment				20		20
<b>Balance December 31, 2002</b>	\$2,141	\$(8,397)	\$(1,324)	\$(4,045)	\$14,262	\$(3,068)
Share-based compensation	456					
Tax benefit related to share-based plans	(79)					
ShareValue Trust market value adjustment	416		(416)			
Treasury shares issued for share-based plans, net	(54)	75				
Net earnings					718	718
Cash dividends declared (\$0.68 per share)					(573)	
Minimum pension liability adjustment, net of tax of \$132				(222)		(222)
Reclassification adjustment of losses realized in net earnings, net of tax of \$(11)				20		20
Unrealized holding gain, net of tax of \$(1)				3		3
Gain on derivative instruments, net of tax of \$(18)				32		32
Currency translation adjustment				67		67
<b>Balance December 31, 2003</b>	\$2,880	\$(8,322)	\$(1,740)	\$(4,145)	\$14,407	\$ 618
Share-based compensation	576					
Tax benefit related to share-based plans	13					
Shares paid out, net of fees			143			
ShareValue Trust market value adjustment	283		(426)			
Treasury shares issued for share-based plans, net	(332)	264				
Treasury shares repurchased		(752)				
Net earnings					1,872	1,872
Cash dividends declared (\$0.85 per share)					(714)	
Minimum pension liability adjustment, net of tax of \$(1,257)				2,188		2,188
Reclassification adjustment for losses realized in net earnings, net of taxes of \$(12)				21		21
Gain on derivative instruments, net of tax of \$(8)				14		14
Unrealized loss on certain investments, net of tax of \$18				(34)		(34)
Currency translation adjustment				31		31
<b>Balance December 31, 2004</b>	\$3,420	\$(8,810)	\$(2,023)	\$(1,925)	\$15,565	\$ 4,092

See notes to consolidated financial statements on pages 57–93.

The issued common shares were 1,011,870,159 as of December 31, 2004, 2003 and 2002. The par value of these shares was \$5,059 for the same periods. Treasury shares as of December 31, 2004, 2003 and 2002 were 179,686,231, 170,388,053 and 171,834,950. There were 14,708,856 treasury shares acquired for the year ended December 31, 2004 and no treasury shares acquired for the years ended December 31, 2003 and 2002. Treasury shares issued for share-based plans for the years ended December 31, 2004, 2003 and 2002, were 5,410,678, 1,451,897 and 2,454,770. ShareValue Trust shares as of December 31, 2004, 2003 and 2002, were 38,982,205, 41,203,694 and 40,373,809. ShareValue Trust shares acquired from dividend reinvestment were 645,866, 829,884 and 682,794 for the same periods. There was a ShareValue Trust payout of 2,867,355 shares (gross) during the year ended December 31, 2004 and no payout for the years ended December 31, 2003 and 2002. Unearned compensation was \$0 as of December 31, 2004, 2003 and 2002. The changes in unearned compensation for the same periods were \$0, \$0, and \$3, attributable to amortization and forfeitures.

No adjustments to accumulated other comprehensive income (loss) are included in reported net earnings (loss) except for the \$21, \$20, and \$25 reclassification adjustment, for losses realized in net earnings, net of tax, of which \$10, \$20, and \$0 relate to derivatives and \$11, \$0, and \$25 relate to investments, during the years ended December 31, 2004, 2003, and 2002.