

Consolidated Statements of Financial Position

(Dollars in millions except per share data)

December 31,	2005	2004
Assets		
Cash and cash equivalents	\$ 5,412	\$ 3,204
Short-term investments	554	319
Accounts receivable, net	5,246	4,653
Current portion of customer financing, net	367	616
Deferred income taxes	2,449	1,991
Inventories, net of advances and progress billings	7,940	6,508
Assets of discontinued operations		70
Total current assets	21,968	17,361
Customer financing, net	9,639	10,385
Property, plant and equipment, net	8,420	8,443
Goodwill	1,924	1,948
Other acquired intangibles, net	875	955
Prepaid pension expense	13,251	12,588
Deferred income taxes	140	154
Investments	2,852	3,050
Other assets, net of accumulated amortization of \$204 and \$142	989	1,340
	\$60,058	\$56,224
Liabilities and Shareholders' Equity		
Accounts payable and other liabilities	\$16,513	\$14,869
Advances and billings in excess of related costs	9,930	6,384
Income taxes payable	556	522
Short-term debt and current portion of long-term debt	1,189	1,321
Total current liabilities	28,188	23,096
Deferred income taxes	2,067	1,090
Accrued retiree health care	5,989	5,959
Accrued pension plan liability	2,948	3,169
Deferred lease income	269	745
Long-term debt	9,538	10,879
Shareholders' equity:		
Common shares, par value \$5.00 – 1,200,000,000 shares authorized;		
Shares issued – 1,012,261,159 and 1,011,870,159	5,061	5,059
Additional paid-in capital	4,371	3,420
Treasury stock, at cost – 212,090,978 and 179,686,231	(11,075)	(8,810)
Retained earnings	17,276	15,565
Accumulated other comprehensive loss	(1,778)	(1,925)
ShareValue Trust – 39,593,463 and 38,982,205	(2,796)	(2,023)
Total shareholders' equity	11,059	11,286
	\$60,058	\$56,224

See notes to consolidated financial statements on pages 50–84.