

## Consolidated Statement of Shareholders' Equity

(Dollars in millions)	Additional Paid-In Capital	Treasury Stock	ShareValue Trust	Accumulated Other Comprehensive Loss	Retained Earnings	Comprehensive Gain
<b>Balance January 1, 2004</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
Share-based compensation	720					
Tax benefit related to share-based plans	35					
Restricted stock compensation and reclassification of deferred compensation	3					
Changes in capital stock	23					
ShareValue Trust market value adjustment	773		(773)			
Excess tax pools	63					
Treasury shares issued for share-based plans, net	(666)	612				
Treasury shares repurchased		(2,877)				
Net earnings					2,572	2,572
Cash dividends declared (\$1.05 per share)					(861)	
Minimum pension liability adjustment, net of tax of \$(45)				167		167
Reclassification adjustment for losses realized in net earnings, net of taxes of \$(15)				21		21
Unrealized loss of certain investments, net of tax of \$8				(12)		(12)
Currency translation adjustment				(29)		(29)
<b>Balance December 31, 2005</b>	\$4,371	\$(11,075)	\$(2,796)	\$(1,778)	\$17,276	\$2,719
Share-based compensation	487					
ShareValue Trust withholding tax	(265)					
ShareValue Trust distribution	(471)		457			
Tax benefit related to share-based plans	36					
ShareValue Trust market value adjustment	716		(716)			
Excess tax pools	325					
Treasury shares issued for share-based plans, net	(544)*	615				
Treasury shares repurchased		(1,698)				
Treasury shares transfer		(301)	301			
Net earnings					2,215	2,215
Cash dividends declared (\$1.25 per share)					(991)	
Dividends related to Performance Share payout					(47)	
Reclassification adjustment for gains realized in net earnings, net of tax of \$23				(39)		(39)
Unrealized gain on derivative instruments, net of tax of \$(16)				23		23
Unrealized gain on certain investments, net of tax of \$(7)				13		13
Minimum pension liability adjustment, net of tax of \$(1,116)				1,733		1,733
SFAS 158 transition amount, net of tax of \$5,195				(8,242)		
Currency translation adjustment				73		73
<b>Balance December 31, 2006</b>	\$4,655	\$(12,459)	\$(2,754)	\$(8,217)	\$18,453	\$4,018

\* Includes transfers of Shareholders' equity of \$224, primarily to other liabilities for employee withholding taxes.

See notes to consolidated financial statements on pages 45–79.