



CONSOLIDATED STATEMENT OF INCOME

(\$ Thousands)

| | 2005 | | | | | 2006 | | |
|---|---------------|----------------|---------------|----------------|---------------|---------------|----------------|--------------|
| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total Year | First Quarter | Second Quarter | Six Months |
| Operating revenue | \$ 3,159,111 | \$ 3,428,632 | \$ 3,698,093 | \$ 4,023,346 | \$ 14,309,182 | \$ 4,239,017 | \$ 4,686,775 | \$ 8,925,792 |
| Interest & other income | 188,553 | 46,220 | 80,101 | 92,895 | 407,769 | 65,492 | 63,590 | 129,082 |
| Expenses: | | | | | | | | |
| Cost of goods sold & services | 2,405,132 | 2,549,054 | 2,757,310 | 2,911,600 | 10,623,096 | 2,994,794 | 3,255,264 | 6,250,058 |
| Research & engineering | 121,220 | 121,635 | 128,266 | 134,392 | 505,513 | 129,406 | 170,890 | 300,296 |
| Marketing | 10,062 | 12,196 | 11,828 | 12,938 | 47,024 | 13,166 | 14,274 | 27,440 |
| General & administrative | 85,422 | 90,895 | 89,850 | 106,331 | 372,498 | 97,224 | 107,376 | 204,600 |
| Interest | 46,562 | 50,437 | 50,637 | 49,454 | 197,090 | 47,844 | 61,421 | 109,265 |
| Income from Continuing Operations before taxes and minority interest | 679,266 | 650,635 | 740,303 | 901,526 | 2,971,730 | 1,022,075 | 1,141,140 | 2,163,215 |
| Taxes on income | 137,696 | 162,123 | 174,953 | 207,155 | 681,927 | 256,651 | 278,419 | 535,070 |
| Income from Continuing Operations before minority interest | 541,570 | 488,512 | 565,350 | 694,371 | 2,289,803 | 765,424 | 862,721 | 1,628,145 |
| Minority interest | (17,133) | (15,311) | (24,547) | (33,817) | (90,808) | (42,913) | (5,821) | (48,734) |
| Income from Continuing Operations | 524,437 | 473,201 | 540,803 | 660,554 | 2,198,995 | 722,511 | 856,900 | 1,579,411 |
| Income (Loss) from Discontinued Operations | (1,028) | 9,000 | - | - | 7,972 | - | - | - |
| Net income | \$ 523,409 | \$ 482,201 | \$ 540,803 | \$ 660,554 | \$ 2,206,967 | \$ 722,511 | \$ 856,900 | \$ 1,579,411 |

Average Shares Outstanding ('000) ⁽¹⁾

| | | | | | | | | |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Basic | 1,178,666 | 1,177,482 | 1,179,640 | 1,178,516 | 1,178,576 | 1,180,344 | 1,184,357 | 1,182,351 |
| Assuming dilution | 1,227,530 | 1,225,964 | 1,231,846 | 1,233,520 | 1,229,715 | 1,240,694 | 1,246,077 | 1,243,386 |

Diluted Earnings per Share ⁽¹⁾

| | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Continuing Operations - before charges | \$ 0.32 | \$ 0.39 | \$ 0.43 | \$ 0.52 | \$ 1.67 | \$ 0.59 | \$ 0.73 | \$ 1.32 |
| Continuing Operations - charges | 0.11 | - | 0.01 | 0.02 | 0.14 | - | (0.03) | (0.03) |
| Continuing Operations | \$ 0.43 | \$ 0.39 | \$ 0.44 | \$ 0.54 | \$ 1.81 | \$ 0.59 | \$ 0.69 | \$ 1.28 |
| Discontinued Operations | - | 0.01 | - | - | 0.01 | - | - | - |
| Net Income ⁽²⁾ | \$ 0.43 | \$ 0.40 | \$ 0.44 | \$ 0.54 | \$ 1.82 | \$ 0.59 | \$ 0.69 | \$ 1.28 |

Depreciation & Amortization (incl. MCSD costs)

| | | | | | | | |
|------------|------------|------------|------------|--------------|------------|------------|------------|
| \$ 328,465 | \$ 326,516 | \$ 337,107 | \$ 358,881 | \$ 1,350,969 | \$ 354,603 | \$ 375,042 | \$ 729,645 |
|------------|------------|------------|------------|--------------|------------|------------|------------|

(1) 2005 amounts restated for the 2-for-1 stock split executed on April 7, 2006.

(2) Amounts may not add due to rounding.