

## Consolidated Statements of Financial Position

(Dollars in millions except per share data)		December 31,	2002	2001
<b>Assets</b>				
Cash and cash equivalents			<b>\$ 2,333</b>	\$ 633
Accounts receivable			<b>5,007</b>	5,156
Current portion of customer and commercial financing			<b>1,289</b>	1,053
Deferred income taxes			<b>2,042</b>	2,444
Inventories, net of advances, progress billings and reserves			<b>6,184</b>	7,559
Total current assets			<b>16,855</b>	16,845
Customer and commercial financing, net			<b>10,922</b>	9,345
Property, plant and equipment, net			<b>8,765</b>	8,459
Goodwill			<b>2,760</b>	5,127
Other acquired intangibles, net			<b>1,128</b>	1,320
Prepaid pension expense			<b>6,671</b>	5,838
Deferred income taxes			<b>2,272</b>	
Other assets			<b>2,969</b>	2,044
			<b>\$52,342</b>	\$48,978
<b>Liabilities and Shareholders' Equity</b>				
Accounts payable and other liabilities			<b>\$13,739</b>	\$14,237
Advances in excess of related costs			<b>3,123</b>	4,021
Income taxes payable			<b>1,134</b>	909
Short-term debt and current portion of long-term debt			<b>1,814</b>	1,399
Total current liabilities			<b>19,810</b>	20,566
Deferred income taxes				177
Accrued retiree health care			<b>5,434</b>	5,367
Accrued pension plan liability			<b>6,271</b>	555
Deferred lease income			<b>542</b>	622
Long-term debt			<b>12,589</b>	10,866
Shareholders' equity:				
Common shares, par value \$5.00 – 1,200,000,000 shares authorized;				
Shares issued – 1,011,870,159 and 1,011,870,159			<b>5,059</b>	5,059
Additional paid-in capital			<b>2,141</b>	1,975
Treasury shares, at cost – 171,834,950 and 174,289,720			<b>(8,397)</b>	(8,509)
Retained earnings			<b>14,262</b>	14,340
Accumulated other comprehensive income			<b>(4,045)</b>	(485)
Unearned compensation				(3)
ShareValue Trust shares – 40,373,809 and 39,691,015			<b>(1,324)</b>	(1,552)
Total shareholders' equity			<b>7,696</b>	10,825
			<b>\$52,342</b>	\$48,978

See notes to consolidated financial statements on pages 59–83.