

FINANCIAL HIGHLIGHTS

Years ended December 31,	2003	2004	2005
Dollars in millions, except per share amounts			
Backlog	\$ 27,542	\$ 32,543	\$ 34,419
Net Sales	18,109	20,245	21,894
Operating Income	1,316	1,388	1,687
Net Income	365	417	871
Diluted EPS from Continuing Operations	1.29	0.99	2.08
Dividends Declared per Share	0.80	0.80	0.88
Net Debt ¹	6,730	4,597	3,254
Net Debt to Net Capital ²	42.3%	30.3%	23.3%
Return on Invested Capital ³	5.0%	5.6%	6.8%
Employees	77,700	79,400	79,900

BACKLOG

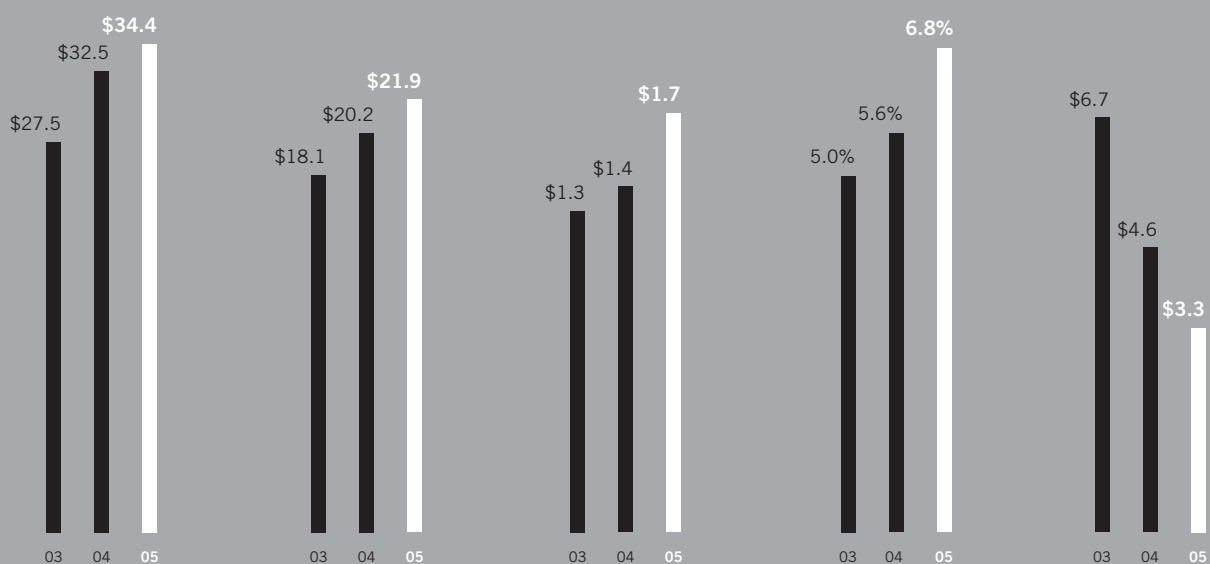
NET SALES

OPERATING INCOME

ROIC³

NET DEBT¹

Dollars in billions



¹ Net debt is defined as total debt less cash and cash equivalents.

² Net capital is defined as net debt plus equity.

³ ROIC is not a measure of financial performance under GAAP. For details about the company's calculation of ROIC, see page 100 of this report.