

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and consolidated financial statements and notes thereto contained in “Item 8. Financial Statements and Supplementary Data” of this report.

Year Ended December 31,	2005 ^{1,2}	2004 ^{1,2}	2003	2002 ^{3,4}	2001 ⁵
(In millions except per share data)					
SUMMARY OF OPERATIONS					
Net operating revenues	\$ 23,104	\$ 21,742	\$ 20,857	\$ 19,394	\$ 17,374
Cost of goods sold	8,195	7,674	7,776	7,118	6,054
Gross profit	14,909	14,068	13,081	12,276	11,320
Selling, general and administrative expenses	8,739	7,890	7,287	6,818	5,968
Other operating charges	85	480	573	—	—
Operating income	6,085	5,698	5,221	5,458	5,352
Interest income	235	157	176	209	325
Interest expense	240	196	178	199	289
Equity income — net	680	621	406	384	152
Other (loss) income — net	(93)	(82)	(138)	(353)	39
Gains on issuances of stock by equity investees	23	24	8	—	91
Income before income taxes and changes in accounting principles	6,690	6,222	5,495	5,499	5,670
Income taxes	1,818	1,375	1,148	1,523	1,691
Net income before changes in accounting principles	\$ 4,872	\$ 4,847	\$ 4,347	\$ 3,976	\$ 3,979
Net income	\$ 4,872	\$ 4,847	\$ 4,347	\$ 3,050	\$ 3,969
Average shares outstanding	2,392	2,426	2,459	2,478	2,487
Average shares outstanding assuming dilution	2,393	2,429	2,462	2,483	2,487
PER SHARE DATA					
Net income before changes in accounting principles — basic	\$ 2.04	\$ 2.00	\$ 1.77	\$ 1.60	\$ 1.60
Net income before changes in accounting principles — diluted	2.04	2.00	1.77	1.60	1.60
Basic net income	2.04	2.00	1.77	1.23	1.60
Diluted net income	2.04	2.00	1.77	1.23	1.60
Cash dividends	1.12	1.00	0.88	0.80	0.72
Market price on December 31,	\$ 40.31	\$ 41.64	\$ 50.75	\$ 43.84	\$ 47.15
TOTAL MARKET VALUE OF COMMON STOCK	\$ 95,504	\$ 100,325	\$ 123,908	\$ 108,328	\$ 117,226
BALANCE SHEET DATA					
Cash, cash equivalents and current marketable securities	\$ 4,767	\$ 6,768	\$ 3,482	\$ 2,345	\$ 1,934
Property, plant and equipment — net	5,786	6,091	6,097	5,911	4,453
Depreciation	752	715	667	614	502
Capital expenditures	899	755	812	851	769
Total assets	29,427	31,441	27,410	24,470	22,550
Long-term debt	1,154	1,157	2,517	2,701	1,219
Shareowners’ equity	16,355	15,935	14,090	11,800	11,366
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 6,423	\$ 5,968	\$ 5,456	\$ 4,742	\$ 4,110

Certain prior year amounts have been reclassified to conform to the current year presentation.

¹ We adopted FSP No. 109-2, “Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004” in 2004. FSP No. 109-2 allowed the Company to record the tax expense associated with the repatriation of foreign earnings in 2005 when the previously unremitted foreign earnings were actually repatriated.

² We adopted FASB Interpretation No. 46 (revised December 2003), “Consolidation of Variable Interest Entities,” effective April 2, 2004.

³ In 2002, we adopted SFAS No. 142, “Goodwill and Other Intangible Assets.”

⁴ In 2002, we adopted the fair value method provisions of SFAS No. 123, “Accounting for Stock-Based Compensation,” and we adopted SFAS No. 148, “Accounting for Stock-Based Compensation—Transition and Disclosure.”

⁵ In 2001, we adopted SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities.”