

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,	2008	2007 ¹	2006 ²	2005 ³	2004 ^{3,4}
(In millions except per share data)					
SUMMARY OF OPERATIONS					
Net operating revenues	\$ 31,944	\$ 28,857	\$ 24,088	\$ 23,104	\$ 21,742
Cost of goods sold	11,374	10,406	8,164	8,195	7,674
Gross profit	20,570	18,451	15,924	14,909	14,068
Selling, general and administrative expenses	11,774	10,945	9,431	8,739	7,890
Other operating charges	350	254	185	85	480
Operating income	8,446	7,252	6,308	6,085	5,698
Interest income	333	236	193	235	157
Interest expense	438	456	220	240	196
Equity income (loss) — net	(874)	668	102	680	621
Other income (loss) — net	(28)	173	195	(93)	(82)
Gains on issuances of stock by equity investees	—	—	—	23	24
Income before income taxes	7,439	7,873	6,578	6,690	6,222
Income taxes	1,632	1,892	1,498	1,818	1,375
Net income	\$ 5,807	\$ 5,981	\$ 5,080	\$ 4,872	\$ 4,847
Average shares outstanding	2,315	2,313	2,348	2,392	2,426
Average shares outstanding assuming dilution	2,336	2,331	2,350	2,393	2,429
PER SHARE DATA					
Basic net income	\$ 2.51	\$ 2.59	\$ 2.16	\$ 2.04	\$ 2.00
Diluted net income	2.49	2.57	2.16	2.04	2.00
Cash dividends	1.52	1.36	1.24	1.12	1.00
Closing market price on December 31	45.27	61.37	48.25	40.31	41.64
TOTAL MARKET VALUE OF COMMON STOCK	\$ 104,683	\$ 142,289	\$ 111,857	\$ 95,504	\$ 100,325
BALANCE SHEET DATA					
Cash, cash equivalents and current marketable securities	\$ 4,979	\$ 4,308	\$ 2,590	\$ 4,767	\$ 6,768
Property, plant and equipment — net	8,326	8,493	6,903	5,831	6,091
Depreciation	993	958	763	752	715
Capital expenditures	1,968	1,648	1,407	899	755
Total assets	40,519	43,269	29,963	29,427	31,441
Long-term debt	2,781	3,277	1,314	1,154	1,157
Shareowners’ equity	20,472	21,744	16,920	16,355	15,935
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 7,571	\$ 7,150	\$ 5,957	\$ 6,423	\$ 5,968

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

¹ In 2007, we adopted FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” and recorded an approximate \$65 million increase in accrued income taxes in our consolidated balance sheet for unrecognized tax benefits, which was accounted for as a cumulative effect adjustment to the January 1, 2007 balance of reinvested earnings.

² In 2006, we adopted Statement of Financial Accounting Standards (“SFAS”) No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R).”

³ We adopted FASB Staff Position (“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.

⁴ We adopted Interpretation No. 46(R), “Consolidation of Variable Interest Entities,” effective April 2, 2004.