

TEN-YEAR REVIEW

(dollars in millions, except per share amounts)

SUMMARY OF OPERATIONS	2008	2007	2006
Net sales	\$6,718.2	\$6,000.5	\$5,147.2
Cost of sales:			
Before inventory step-up	2,131.4	1,865.2	1,616.6
Inventory step-up	—	—	—
Total cost of sales	2,131.4	1,865.2	1,616.6
Gross profit	4,586.8	4,135.3	3,530.6
Research, development and engineering expenses	367.8	375.3	324.6
Selling, general and administrative expenses	2,625.1	2,391.5	2,047.0
Intangibles amortization	40.0	41.4	42.7
Other ^(a)	34.9	19.8	52.7
	3,067.8	2,828.0	2,467.0
Operating income	1,519.0	1,307.3	1,063.6
Other income (expense)	61.2	62.8	30.2
Earnings from continuing operations before income taxes	1,580.2	1,370.1	1,093.8
Income taxes	432.4	383.4	322.4
Net earnings from continuing operations before extraordinary item	1,147.8	986.7	771.4
Net earnings and gain on sale of discontinued operations	—	30.7	6.3
Extraordinary loss, net of income taxes	—	—	—
Net earnings	\$1,147.8	\$1,017.4	\$ 777.7
Net earnings from continuing operations per share of common stock ^(b) :			
Basic	\$ 2.81	\$ 2.41	\$ 1.90
Diluted	\$ 2.78	\$ 2.37	\$ 1.87
Net earnings per share of common stock ^(b) :			
Basic	\$ 2.81	\$ 2.48	\$ 1.91
Diluted	\$ 2.78	\$ 2.44	\$ 1.89
Dividend per share of common stock ^(b)	\$ 0.40	\$ 0.33	\$ 0.22
Average number of shares outstanding – in millions ^(b) :			
Basic	408.1	409.7	406.5
Diluted	413.6	417.2	411.8

(a) Includes restructuring, intangible asset impairment, purchased in-process research and development, acquisition-related and special charges (credits).

(b) Adjusted for the two-for-one stock splits effective May 12, 2000 and May 14, 2004.

(c) Excludes net extraordinary loss per share of \$0.01 basic and \$0.01 diluted.

FINANCIAL AND STATISTICAL DATA	2008	2007	2006
Cash and marketable securities	2,195.6	2,410.8	1,414.8
Working capital	3,517.2	3,571.9	2,182.8
Current ratio	3.4	3.7	2.6
Property, plant and equipment – net	963.8	991.6	914.9
Capital expenditures	155.2	187.7	209.4
Depreciation and amortization	387.6	366.6	324.1
Total assets	7,603.3	7,354.0	5,873.8
Long-term debt, including current maturities	20.5	16.8	14.8
Shareholders' equity	5,406.7	5,378.5	4,191.0
Return on average equity	21.3%	21.3%	20.8%
Net cash provided by operating activities	1,175.9	1,028.3	867.3
Number of shareholders of record	4,500	4,373	4,091
Number of employees	17,594	16,026	18,806

2005	2004	2003	2002	2001	2000	1999
\$4,608.9	\$4,017.4	\$3,402.3	\$2,810.1	\$2,421.4	\$2,142.1	\$1,981.7
1,489.2	1,303.8	1,131.9	946.1	819.0	697.8	683.6
—	—	—	—	—	—	198.2
1,489.2	1,303.8	1,131.9	946.1	819.0	697.8	881.8
3,119.7	2,713.6	2,270.4	1,864.0	1,602.4	1,444.3	1,099.9
284.7	214.9	183.0	143.9	143.8	123.7	105.6
1,839.4	1,655.4	1,426.1	1,178.2	992.0	890.1	809.0
47.6	44.6	45.0	28.5	36.3	33.1	32.5
15.9	120.8	—	17.2	0.6	(1.0)	18.9
2,187.6	2,035.7	1,654.1	1,367.8	1,172.7	1,045.9	966.0
932.1	677.9	616.3	496.2	429.7	398.4	133.9
4.9	(2.9)	(18.4)	(40.0)	(65.5)	(97.0)	(117.5)
937.0	675.0	597.9	456.2	364.2	301.4	16.4
304.5	237.0	179.3	142.9	118.8	101.7	5.5
632.5	438.0	418.6	313.3	245.4	199.7	10.9
11.1	2.0	15.8	15.2	14.6	11.4	2.8
—	—	—	—	(4.8)	—	—
\$ 643.6	\$ 440.0	\$ 434.4	\$ 328.5	\$ 255.2	\$ 211.1	\$ 13.7

\$ 1.57	\$ 1.09	\$ 1.05	\$ 0.79	\$ 0.63 ^(c)	\$ 0.51	\$ 0.03
\$ 1.54	\$ 1.07	\$ 1.03	\$ 0.77	\$ 0.60 ^(c)	\$ 0.50	\$ 0.03
\$ 1.59	\$ 1.10	\$ 1.09	\$ 0.83	\$ 0.66 ^(c)	\$ 0.54	\$ 0.04
\$ 1.57	\$ 1.08	\$ 1.07	\$ 0.81	\$ 0.64 ^(c)	\$ 0.52	\$ 0.03
\$ 0.11	\$ 0.09	\$ 0.07	\$ 0.06	\$ 0.05	\$ 0.04	\$ 0.033

403.7	401.2	397.8	395.1	392.5	390.3	387.6
410.8	409.3	406.2	407.7	406.1	402.3	397.2

2005	2004	2003	2002	2001	2000	1999
1,056.5	349.4	65.9	37.8	50.1	54.0	83.5
1,621.3	1,029.1	563.2	443.8	459.7	379.6	440.8
2.3	1.9	1.7	1.6	1.9	1.6	1.7
796.3	670.2	577.4	492.9	420.7	356.7	371.0
261.8	180.5	139.5	131.0	157.8	78.2	73.3
282.7	242.8	224.8	181.4	165.8	163.6	158.3
4,992.5	4,120.0	3,188.1	2,838.0	2,439.4	2,441.4	2,586.3
231.6	10.0	26.1	501.7	722.6	1,012.5	1,287.4
3,300.2	2,788.2	2,183.9	1,520.7	1,072.0	865.5	677.3
21.1%	17.7%	23.5%	25.3%	26.3%	27.4%	2.0%
833.4	559.5	616.7	496.2	464.1	318.7	280.4
3,979	3,784	3,084	2,983	2,886	2,904	2,929
17,265	15,891	14,762	14,045	12,839	12,084	10,925