



# INCOME STATEMENT

## Aerospace Manufacturing Industry<sup>1</sup>

Series 8

	1Q08	2Q08	3Q08	4Q08	2008
	<b>(millions of dollars)</b>				
Net sales, receipts, and operating revenues .....	58,111	64,423	60,762	58,360	241,656
Depreciation, depletion, and amortization of property, plant, and equipment .....	1,171	1,143	1,169	1,270	4,753
All other operating costs and expenses .....	50,809	56,521	53,730	52,417	213,477
<b>Income (loss) from operations .....</b>	<b>6,132</b>	<b>6,759</b>	<b>5,863</b>	<b>4,673</b>	<b>23,427</b>
Interest expense .....	783	780	958	778	3,299
All other nonoperating income (expense) .....	1,236	1,443	1,696	(2,658)	1,717
<b>Income (loss) before income taxes .....</b>	<b>6,586</b>	<b>7,422</b>	<b>6,600</b>	<b>1,237</b>	<b>21,845</b>
Provision for current and deferred domestic income taxes .....	1,708	1,814	1,924	821	6,267
<b>Income (loss) after income taxes .....</b>	<b>4,878</b>	<b>5,608</b>	<b>4,676</b>	<b>416</b>	<b>15,578</b>
Cash dividends charged to retained earnings this quarter .....	987	1,849	1,121	1,986	5,943
<b>Net income retained in business .....</b>	<b>3,891</b>	<b>3,759</b>	<b>3,555</b>	<b>(1,570)</b>	<b>9,635</b>
Retained earnings at beginning of quarter .....	85,038	88,742	91,205	93,846	85,038
Other direct credits (charges) to retained earnings (net), including stock and other non-cash dividends, etc. ....	(187)	(1,296)	(914)	(286)	(2,683)
<b>Retained earnings at end of quarter .....</b>	<b>88,742</b>	<b>91,205</b>	<b>93,846</b>	<b>91,990</b>	<b>91,990</b>
	<b>(percent of net sales)</b>				
<b>INCOME STATEMENT IN RATIO FORMAT</b>					
Net sales, receipts, and operating revenues .....	100.00	100.00	100.00	100.00	100.00
Depreciation, depletion, and amortization of property, plant, and equipment .....	2.01	1.77	1.92	2.18	1.97
All other operating costs and expenses .....	87.43	87.73	88.43	89.82	88.35
<b>Income (or loss) from operations .....</b>	<b>10.55</b>	<b>10.49</b>	<b>9.65</b>	<b>8.01</b>	<b>9.68</b>
Interest expense .....	1.35	1.21	1.58	1.33	1.37
All other nonoperating income (expense) .....	2.13	2.24	2.79	(4.55)	0.65
<b>Income (or loss) before income taxes .....</b>	<b>11.33</b>	<b>11.52</b>	<b>10.86</b>	<b>2.12</b>	<b>8.96</b>
Provision for current and deferred domestic income taxes .....	2.94	2.82	3.17	1.41	2.59
<b>Income (or loss) after income taxes .....</b>	<b>8.39</b>	<b>8.70</b>	<b>7.70</b>	<b>0.71</b>	<b>6.38</b>
	<b>(percent)</b>				
<b>OPERATING RATIOS</b>					
Annual rate of profit on stockholders' equity at end of period:					
Before income taxes .....	29.59	32.32	30.19	8.51	37.56
After income taxes .....	21.92	24.42	21.39	2.86	26.78
Annual rate of profit on total assets:					
Before income taxes .....	8.34	9.22	8.14	1.57	6.95
After income taxes .....	6.18	6.97	5.77	0.53	4.96
	<b>BALANCE SHEET RATIOS</b>				
<i>(based on succeeding table)</i>					
Total current assets to total current liabilities .....	1.15	1.16	1.12	1.13	1.13
Total cash, U.S. government and other securities to total current liabilities .....	0.11	0.10	0.08	0.08	0.08
Total stockholders' equity to total debt .....	1.85	1.89	1.80	1.22	1.22

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# BALANCE SHEET

## Aerospace Manufacturing Industry<sup>1</sup>

	1Q08	2Q09	3Q08	4Q08/Annual
<b>ASSETS</b>				
(millions of dollars)				
Cash and demand deposits in the U.S. ....	13,109	11,767	9,858	8,953
Time deposits in the U.S., including negotiable certificates of deposit .....	1,597	1,423	444	444
<b>Total cash on hand and in U.S. banks</b> .....	<b>14,705</b>	<b>13,190</b>	<b>10,301</b>	<b>9,396</b>
Other short-term financial investments, including marketable and government securities, commercial paper, etc. ....	1,673	1,982	2,276	2,230
<b>Total cash, U.S. Government and other securities</b> .....	<b>16,378</b>	<b>15,171</b>	<b>12,578</b>	<b>11,627</b>
Trade accounts and trade notes receivable (less allowance for doubtful accounts) ...	70,974	73,185	74,368	68,310
Inventories .....	58,005	59,048	64,071	67,269
All other current assets .....	22,895	24,368	22,762	21,077
<b>Total current assets</b> .....	<b>168,253</b>	<b>171,772</b>	<b>173,778</b>	<b>168,282</b>
Property, plant, and equipment .....	68,450	71,030	72,007	72,487
Land and mineral rights .....	1,973	1,995	2,018	2,035
Less: Accumulated depreciation, depletion, and amortization .....	40,138	41,747	42,069	42,310
<b>Net property, plant, and equipment</b> .....	<b>30,285</b>	<b>31,278</b>	<b>31,956</b>	<b>32,213</b>
All other noncurrent assets, including investment in nonconsolidated entities, long-term investments, intangibles, etc. ....	117,237	118,875	118,542	113,715
<b>Total Assets</b> .....	<b>315,775</b>	<b>321,925</b>	<b>324,276</b>	<b>314,209</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Short-term debt, original maturity of 1 year or less:				
a. Loans from banks .....	1,613	1,406	1,696	1,148
b. Other short-term loans, including commercial paper .....	1,347	1,945	2,571	1,668
Trade accounts and trade notes payable .....	19,915	19,709	19,853	19,033
Income taxes accrued, prior and current years, net of payments .....	2,363	1,222	1,743	611
Current portion of long-term debt, due in 1 year or less:				
a. Loans from banks .....	441	189	192	660
b. Other long-term loans .....	2,272	3,132	3,049	3,809
All other current liabilities, including excise and sales taxes, and accrued expenses .....	117,851	120,780	125,785	121,587
<b>Total current liabilities</b> .....	<b>145,802</b>	<b>148,384</b>	<b>154,888</b>	<b>148,516</b>
Long-term debt, due in more than 1 year:				
a. Loans from banks .....	4,514	4,614	5,630	4,680
b. Other long-term loans .....	38,064	37,192	35,498	35,875
All other noncurrent liabilities, including deferred income taxes, capitalized leases, and minority stockholders' interest in consolidated domestic corporations .....	38,368	39,874	40,828	66,977
<b>Total liabilities</b> .....	<b>226,748</b>	<b>230,064</b>	<b>236,844</b>	<b>256,048</b>
Capital stock and other capital (less treasury stock) .....	1,394	835	(553)	(34,711)
Retained earnings .....	87,633	91,026	87,985	92,873
<b>Stockholders' equity</b> .....	<b>89,027</b>	<b>91,861</b>	<b>87,432</b>	<b>58,161</b>
<b>Total Liabilities and Stockholders' Equity</b> .....	<b>315,775</b>	<b>321,925</b>	<b>324,276</b>	<b>314,209</b>
<b>NET WORKING CAPITAL</b>				
Excess of total current assets over total current liabilities .....	21,431	22,451	23,388	18,891
<b>SELECTED BALANCE SHEET RATIOS</b>				
(percent of total assets)				
Total cash, U.S. Government and other securities .....	5.19	4.71	3.88	3.70
Trade accounts and trade notes receivable .....	22.48	22.73	22.93	21.74
Inventories .....	18.37	18.34	19.76	21.41
Total current assets .....	53.28	53.36	53.59	53.56
Net property, plant, and equipment .....	9.59	9.72	9.85	10.25
Short-term debt, including current portion of long-term debt .....	1.80	2.07	2.32	2.32
Total current liabilities .....	46.17	46.09	47.76	47.27
Long-term debt .....	13.48	12.99	12.68	12.91
Total liabilities .....	71.81	71.47	73.04	81.49
Stockholders' equity .....	28.19	28.53	26.96	18.51

Source: U.S. Census Bureau, Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations.

1. Includes NAICS manufacturing industry group 3364: Aerospace Products and Parts. This industry is comprised of establishments primarily engaged in one or more of the following: (1) manufacturing complete aircraft, missiles, or space vehicles; and (2) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts.

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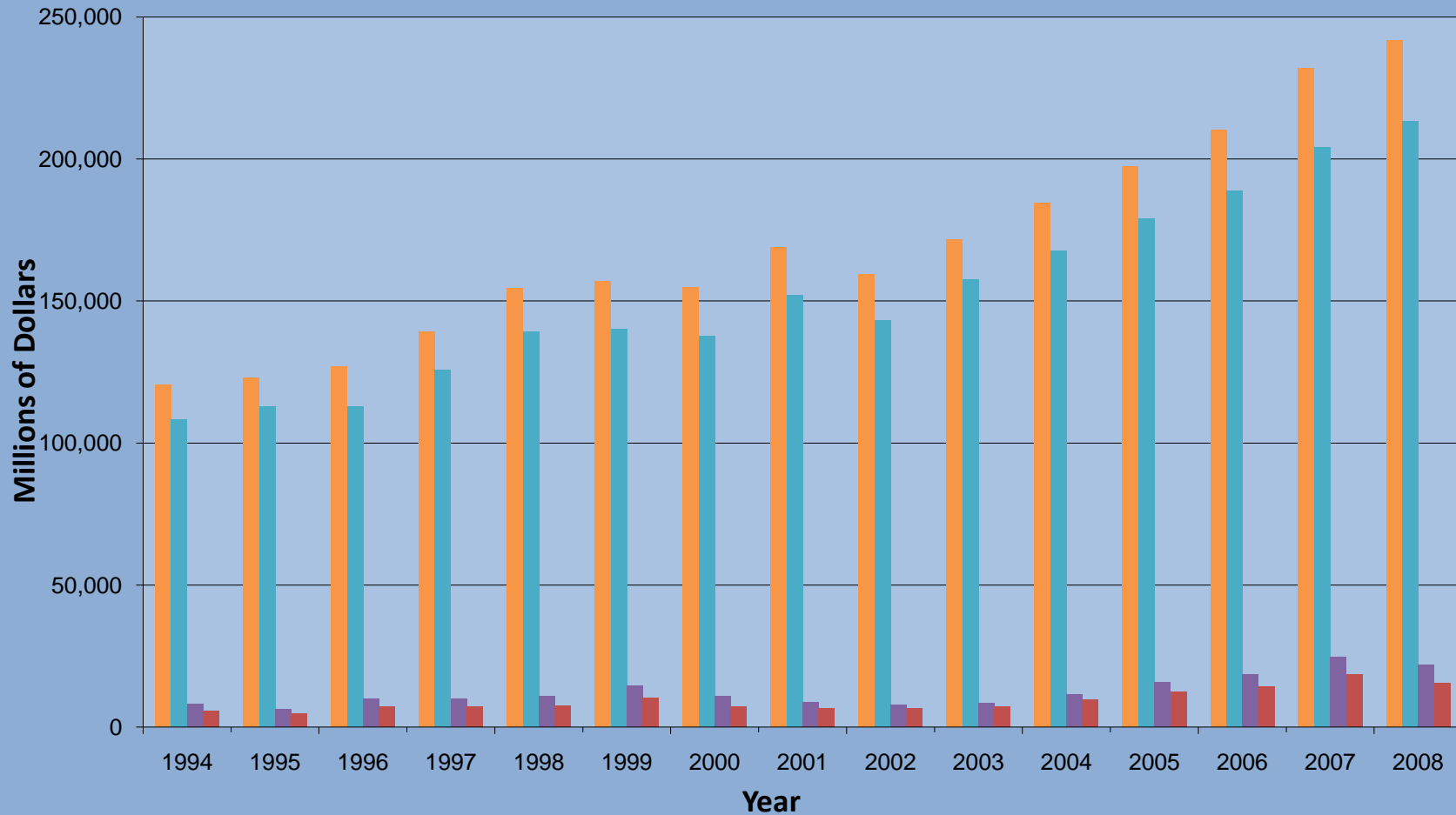


# ANNUAL FINANCIAL REPORT

## Aerospace Manufacturing Industry

1994-2008

Net Sales Operating Expenses Income Before Taxes Income After Taxes



Source: U.S. Census Bureau, *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations*.