



INCOME STATEMENT

Aerospace Manufacturing Industry¹

Series 8

	3Q07	4Q07	1Q08	2Q08	3Q08
	(million dollars)				
Net sales, receipts, and operating revenues	59,270	62,390	58,121	64,433	60,744
Depreciation, depletion, and amortization of property, plant, and equipment	1,093	1,186	1,171	1,143	1,171
All other operating costs and expenses, including cost of goods sold, selling, general, and administrative expenses	52,022	55,129	50,818	56,532	53,720
Income (or loss) from operations	6,156	6,076	6,132	6,758	5,852
Interest expense	773	805	783	781	970
All other nonoperating income (expense)	1,006	1,257	1,201	1,404	1,622
Income (or loss) before income taxes	6,389	6,527	6,550	7,381	6,505
Provision for current and deferred domestic income taxes	1,532	1,682	1,708	1,814	1,905
Income (or loss) after income taxes	4,857	4,845	4,842	5,567	4,600
Cash dividends charged to retained earnings in current quarter	1,137	1,407	987	1,849	1,079
Net income retained in business	3,720	3,438	3,855	3,718	3,521
Retained earnings at beginning of quarter	82,436	80,884	84,488	87,608	84,226
Other direct credits (charges) to retained earnings (net), including stock and other non-cash dividends, etc.	(4,412)	(185)	(1,293)	(911)	(589)
Retained earnings at end of quarter	81,743	84,137	87,050	90,414	87,159
	(percent of net sales)				
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	1.84	1.90	2.01	1.77	1.93
All other operating costs and expenses	87.77	88.36	87.44	87.74	88.44
Income (or loss) from operations	10.39	9.74	10.55	10.49	9.63
Interest expense	1.30	1.29	1.35	1.21	1.60
All other nonoperating income (expense)	1.70	2.01	2.07	2.18	2.67
Income (or loss) before income taxes	10.78	10.46	11.27	11.46	10.71
Provision for current and deferred domestic income taxes	2.58	2.70	2.94	2.82	3.14
Income (or loss) after income taxes	8.19	7.77	8.33	8.64	7.57
	(percent)				
OPERATING RATIOS					
Annual rate of profit on stockholders' equity at end of period:					
Before income taxes	32.96	30.08	29.74	32.48	30.07
After income taxes	25.05	22.33	21.98	24.50	21.27
Annual rate of profit on total assets:					
Before income taxes	8.73	8.59	8.32	9.20	8.04
After income taxes	6.63	6.38	6.15	6.94	5.68
	(based on succeeding table)				
BALANCE SHEET RATIOS					
Total current assets to total current liabilities	1.15	1.15	1.15	1.16	1.12
Total cash, U.S. government and other securities to total current liabilities	0.13	0.12	0.11	0.10	0.08
Total stockholders' equity to total debt	1.81	1.96	1.90	1.94	1.82

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BALANCE SHEET

Aerospace Manufacturing Industry¹

	3Q07	4Q07	1Q08	2Q08	3Q08
ASSETS					
	(million dollars)				
Cash and demand deposits in the United States	14,587	12,154	12,849	11,665	10,307
Time deposits in the U.S., including negotiable certificates of deposit	215	1,292	1,858	1,528	512
Total cash on hand and in U.S. banks	14,802	13,446	14,707	13,193	10,818
Other short-term financial investments, including marketable and government securities, commercial paper, etc.	2,410	3,210	1,673	1,982	2,276
Total cash, U.S. government and other securities	17,212	16,656	16,380	15,174	13,095
Trade accounts and trade notes receivable (less allowance for doubtful accounts)	65,502	67,376	70,979	73,189	74,306
Inventories	52,444	54,165	58,007	59,059	63,805
All other current assets	22,112	21,672	22,895	24,368	22,775
Total current assets	157,269	159,869	168,261	171,790	173,980
Plant and equipment	65,467	66,671	68,458	71,051	72,110
Land and mineral rights	1,987	2,012	1,973	1,980	2,020
Less: Accumulated depreciation, depletion, and amortization	38,791	38,881	40,143	41,751	42,134
Net property, plant, and equipment	28,663	29,802	30,288	31,280	31,996
All other noncurrent assets, including investment in nonconsolidated entities, long-term investments, intangibles, etc.	106,913	114,148	116,335	117,946	117,664
Total Assets	292,845	303,819	314,884	321,016	323,641
LIABILITIES AND STOCKHOLDERS' EQUITY					
Short-term debt, original maturity of 1 year or less:					
a. Loans from banks	1,899	1,313	1,613	1,406	1,673
b. Other short-term loans, including commercial paper	2,589	1,839	1,347	1,945	2,571
Trade accounts and trade notes payable	17,888	17,834	19,916	19,711	19,874
Income taxes accrued, prior and current years, net of payments	1,386	306	2,363	1,222	1,732
Installments, due in 1 year or less, on long-term debt:					
a. Loans from banks	292	546	441	189	193
b. Other long-term loans	1,930	1,978	2,272	3,132	3,075
All other current liabilities, including excise and sales taxes, and accrued expenses	110,917	114,621	117,852	120,782	125,710
Total current liabilities	136,901	138,437	145,804	148,388	154,829
Long-term debt, due in more than 1 year:					
a. Loans from banks	4,500	4,420	4,514	4,614	5,646
b. Other long-term loans	31,525	34,078	36,296	35,514	34,334
All other noncurrent liabilities, including deferred income taxes, capitalized leases, and minority stockholders' interest in consolidated domestic corporations	42,370	40,094	40,164	41,597	42,317
Total liabilities	215,295	217,029	226,779	230,111	237,126
Capital stock and other capital (less treasury stock)	(4,194)	2,654	1,055	491	(644)
Retained earnings	81,743	84,137	87,050	90,414	87,159
Stockholders' equity	77,550	86,791	88,105	90,905	86,515
Total Liabilities and Stockholders' Equity	292,845	303,819	314,884	321,016	323,641
NET WORKING CAPITAL					
Excess of total current assets over total current liabilities	20,368	21,431	22,457	23,402	19,152
SELECTED BALANCE SHEET RATIOS					
	(percent of total assets)				
Total cash, U.S. government and other securities	5.88	5.48	5.20	4.73	4.05
Trade accounts and trade notes receivable	22.37	22.18	22.54	22.80	22.96
Inventories	17.91	17.83	18.42	18.40	19.71
Total current assets	53.70	52.62	53.44	53.51	53.76
Net property, plant, and equipment	9.79	9.81	9.62	9.74	9.89
Short-term debt, including installments on long-term debt	2.29	1.87	1.80	2.08	2.32
Total current liabilities	46.75	45.57	46.30	46.22	47.84
Long-term debt	12.30	12.67	12.96	12.50	12.35
Total liabilities	73.52	71.43	72.02	71.68	73.27
Stockholders' equity	26.48	28.57	27.98	28.32	26.73

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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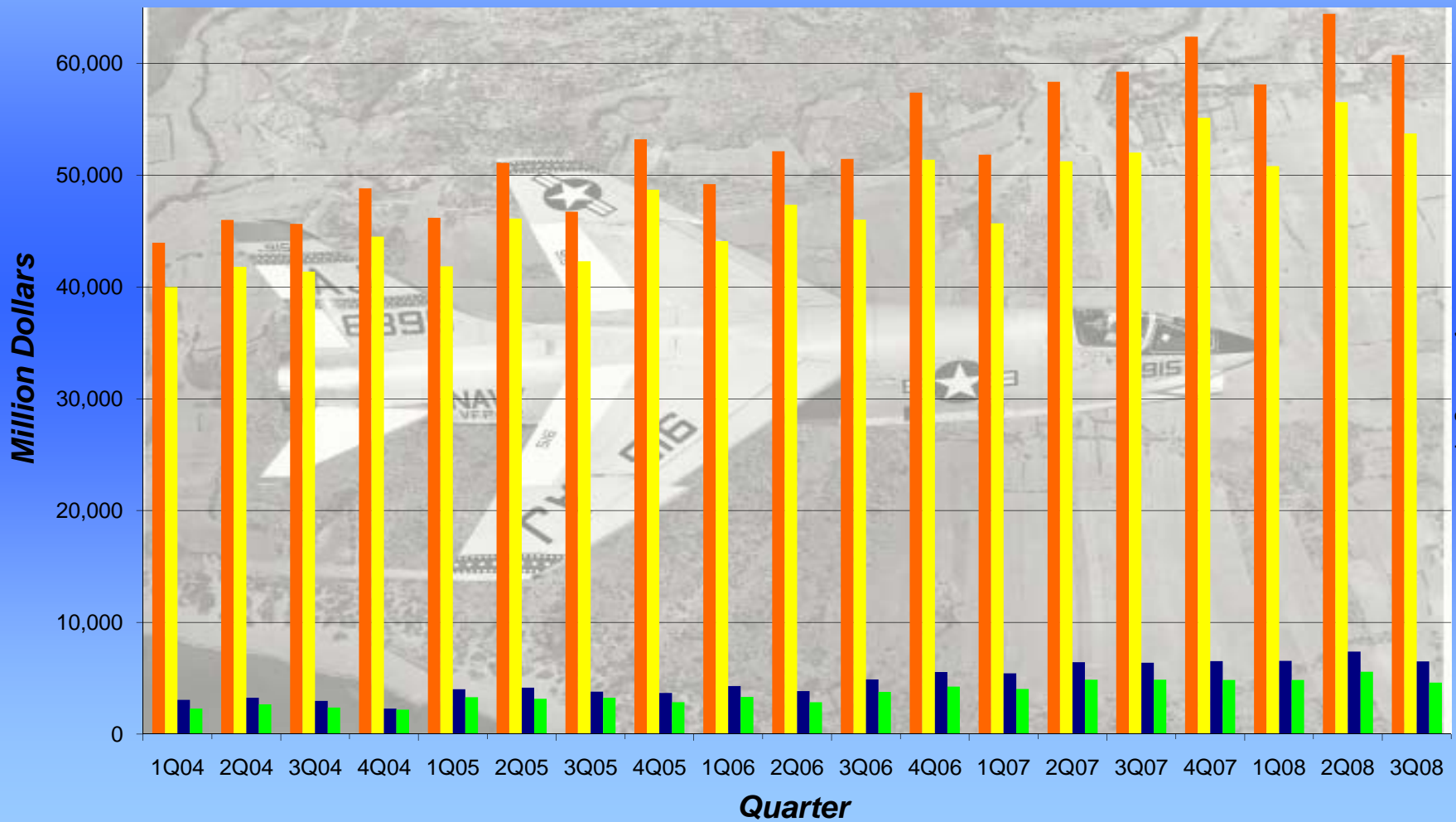


QUARTERLY FINANCIAL REPORT

Aerospace Manufacturing Industry

First Quarter 2004 - Second Quarter 2008

■ Sales
 ■ Operating Expenses
 ■ Income before Taxes
 ■ Income after Taxes



F-8 Crusader: Official U.S. Navy Photograph

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