

CONSOLIDATED STATEMENT OF SHAREHOLDERS' INTEREST AND COMPREHENSIVE INCOME

FOR THE THREE-YEAR PERIOD ENDED DECEMBER 30, 2007

(DOLLAR AMOUNTS IN MILLIONS)	2007	2006	2005
Common shares:			
Balance at beginning of year	\$ 295	\$ 304	\$ 300
Issued for exercise of stock options	7	5	4
Retraction of exchangeable shares	1	—	—
Shares tendered (Note 3)	(32)	—	—
Repurchase of common shares	(9)	(14)	—
Balance at end of year	\$ 262	\$ 295	\$ 304
Exchangeable shares:			
Balance at beginning of year	\$ 135	\$ 139	\$ 144
Retraction	(26)	(4)	(5)
Balance at end of year	\$ 109	\$ 135	\$ 139
Other capital – common and exchangeable:			
Balance at beginning of year	\$ 3,812	\$4,227	\$4,075
Issued for exercise of stock options	314	197	156
Issued in retraction of exchangeable shares	25	4	5
Shares tendered	(2,160)	—	—
Repurchase of common shares	(464)	(658)	(11)
Share-based compensation (Note 18)	37	21	—
Tax benefits on exercise of stock options (Note 18)	48	21	15
Other transactions, net	(3)	—	(13)
Balance at end of year	\$ 1,609	\$3,812	\$4,227
Retained earnings:			
Balance at beginning of year	\$ 4,755	\$4,840	\$4,573
Net earnings	790	453	733
Cash dividends on common shares	(531)	(538)	(466)
Balance at end of year	\$ 5,014	\$4,755	\$4,840
Cumulative other comprehensive income:			
Balance at beginning of year	\$ 88	\$ 290	\$ 163
Annual changes – net of tax:			
Foreign currency translation adjustments	214	(34)	109
Additional minimum pension liability adjustments	—	65	(18)
Adjustment to initially apply FASB Statement No. 158	—	(174)	—
Changes in unamortized net pension and other postretirement benefit gain	644	—	—
Changes in unamortized prior service credit	25	—	—
Cash flow hedge fair value adjustments	16	(60)	36
Unrealized gains on available-for-sale securities	—	1	—
Balance at end of year	\$ 987	\$ 88	\$ 290
Total shareholders' interest:			
Balance at end of year	\$ 7,981	\$9,085	\$9,800
Comprehensive income:			
Net earnings	\$ 790	\$ 453	\$ 733
Other comprehensive income:			
Foreign currency translation adjustments	214	(34)	109
Additional minimum pension liability adjustments, net of tax expense (benefit) of \$34 in 2006 and \$(9) in 2005	—	65	(18)
Changes in unamortized net pension and other postretirement benefit gain, net of tax expense of \$438 in 2007	644	—	—
Changes in unamortized prior service credit, net of tax expense of \$25 in 2007	25	—	—
Cash flow hedges:			
Net derivative gains (losses), net of tax expense (benefit) of \$26 in 2007, (\$37) in 2006, and \$34 in 2005	40	(57)	53
Reclassification of gains, net of tax expense of \$16 in 2007, \$2 in 2006, and \$10 in 2005	(24)	(3)	(17)
Unrealized gains on available-for-sale securities	—	1	—
Total comprehensive income	\$ 1,689	\$ 425	\$ 860

See accompanying *Notes to Consolidated Financial Statements*.