

Appendix 13.1

Summary Corporate Income Statement

Operating revenues

- Cost of goods sold
- Selling, general & administrative expenses
- Depreciation expense

= Earnings before interest and taxes (EBIT)

- Net Interest expense
- Amortization expense
- Dividend income
- + Royalty income
- + Net pension gains (costs)

= Income before taxes

- Taxes

= Reported net Income

- Discontinued operations
- Cumulative effect of accounting changes
- Extraordinary losses (gains)

= Net operating income

- ÷ Number of shares outstanding

= Operating earnings per share

Source: "Measures of Corporate Earnings," Standard & Poor's, May 14, 2002.
