

**LEXMARK INTERNATIONAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS**  
(In Millions, Except Per Share Amounts)  
(Unaudited)

	<b>Three Months Ended March 31</b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>
Revenue	\$1,107.9	\$1,050.1
Cost of revenue	<u>751.7</u>	<u>740.5</u>
Gross profit	<u>356.2</u>	<u>309.6</u>
Research and development	62.1	61.2
Selling, general and administrative	<u>165.5</u>	<u>143.8</u>
Operating expense	<u>227.6</u>	<u>205.0</u>
Operating income	128.6	104.6
Interest expense	0.7	3.1
Other	<u>-</u>	<u>4.2</u>
Earnings before income taxes	127.9	97.3
Provision for income taxes	<u>33.3</u>	<u>25.8</u>
Net earnings	<u>\$ 94.6</u>	<u>\$ 71.5</u>
Net earnings per share:		
Basic	<u>\$ 0.74</u>	<u>\$ 0.55</u>
Diluted	<u>\$ 0.73</u>	<u>\$ 0.53</u>
Shares used in per share calculation:		
Basic	<u>127.1</u>	<u>130.6</u>
Diluted	<u>130.2</u>	<u>134.0</u>

**LEXMARK INTERNATIONAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED CONDENSED STATEMENTS OF FINANCIAL POSITION**  
(In Millions)  
(Unaudited)

	<u>March 31</u> <u>2003</u>	<u>December 31</u> <u>2002</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 722.2	\$ 497.7
Trade receivables, net	548.0	600.3
Inventories	369.3	410.3
Prepaid expenses and other current assets	<u>239.8</u>	<u>290.5</u>
Total current assets	1,879.3	1,798.8
Property, plant and equipment, net	724.4	747.6
Other assets	<u>257.1</u>	<u>261.7</u>
Total assets	<u>\$ 2,860.8</u>	<u>\$ 2,808.1</u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 2.0	\$ 12.3
Accounts payable	388.7	378.5
Accrued liabilities	<u>642.4</u>	<u>708.2</u>
Total current liabilities	1,033.1	1,099.0
Long-term debt	149.2	149.2
Other liabilities	<u>480.1</u>	<u>478.3</u>
Total liabilities	<u>1,662.4</u>	<u>1,726.5</u>
Stockholders' equity:		
Preferred stock	-	-
Common stock and capital in excess of par	886.2	865.1
Retained earnings	1,750.4	1,655.8
Treasury stock	(1,209.4)	(1,209.6)
Accumulated other comprehensive loss	<u>(228.8)</u>	<u>(229.7)</u>
Total stockholders' equity	<u>1,198.4</u>	<u>1,081.6</u>
Total liabilities and stockholders' equity	<u>\$ 2,860.8</u>	<u>\$ 2,808.1</u>